



CEAT LIMITED
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@ www.ceat.com
CIN: L25100MH1958PLC011041

June 12, 2023

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, CL26

CP Listed ISIN: INE482A14BO4, INE482A14BP1

Sub: Notice of 64th Annual General Meeting, Integrated Annual Report for FY 2022-23 and the Business Responsibility and Sustainability Report

Dear Sirs / Madam,

We refer to our communication dated June 8, 2023, intimating details about the 64th Annual General Meeting ('AGM') of the Company to be held on Wednesday, July 5, 2023, at 3.00 p.m. (IST).

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 2022-23 including the Business Responsibility and Sustainability Report, together with the Notice of AGM, which is being sent through electronic mode to all the Members of the Company, whose e-mail addresses are registered with the Company / Depositories.

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' section on the Company's website at www.ceat.com.

We request you to kindly take the above on record.

Thanking you,

Yours faithfully,
For **CEAT Limited**

Vallari Gupte
Company Secretary & Compliance Officer

Encl: as above



Shaping Future Mobility,

Driving Sustainability

INTEGRATED
ANNUAL
REPORT
2023

 hello happiness

About RPG

RPG Group is a global diversified business group with operations in the areas of Tyres, Infrastructure, Information Technology, Pharmaceuticals, Energy and Plantations. Founded by the legendary industrialist Dr. R.P. Goenka, the Group's lineage dates to the early 19th century. Today, RPG has several companies in core sectors of the economy: CEAT, KEC International, Zensar Technologies, RPG Life Sciences, Harrisons Malayalam, Raychem RPG and Spencer International Hotels. One of India's most diversified conglomerates, the RPG name is synonymous with stability, sustained growth, high standards of corporate governance and a culture of respect for people and the environment.

hello happiness

"Hello Happiness" encompasses a mission we are extremely passionate about at RPG Group. It represents our vision and ethos and encapsulates the very essence of our identity - to unleash talent, touch lives, outperform and continuously create a future of happiness.

This engaging expression embodies RPG's unwavering commitment towards all our stakeholders. Our efforts are focused on making a positive impact towards society through our people, products, services, and initiatives; driving sustainable business growth for our customers and investors; and fostering a work environment that encourages growth, fulfilment, and well-being for our people.

"Hello Happiness" is our firm belief in the transformative effect of workplace happiness, which can enhance performance, creativity, collaboration, and resilience. It is a bold statement of confidence and purpose that opens up boundless opportunities and possibilities for the Group towards becoming a force for positive change in the world and creating a culture of happiness in everything we do.

Shaping Future Mobility, Driving Sustainability

CEAT's purpose of 'Making Mobility Safer & Smarter. Every Day.', defines the essence of its operations. This has resulted in the Company being a pioneer in shaping future mobility and driving sustainability. Being the 1st tyre Company globally, to be recognised as 'Lighthouse' driving the fourth Industrial Revolution, is a milestone achieved in this journey towards excellence and for value proposition to its stakeholders.

The Company endeavors to adopt initiatives that will create a positive impact on planet, people and economy thereby moving closer towards its target of reducing carbon footprint by 50% by 2030.

Envisaging the future of mobility, CEAT's strategy is focused on contributing to the EV segment as well as expanding its global footprint. As a testimony of its environmental initiatives, several of CEAT's Products have received

recognition from the Bureau of Energy Efficiency ('BEE') with BEE 5-star rating.

The dedication of the workforce, the strength of stakeholder partnerships and the resolve of customer loyalty together lay the foundation for CEAT to create value for its stakeholders. To achieve this, CEAT has put in place strong governance standards and measures for employee well-being, community care and environment stewardship.

With an aim to achieve responsible and sustainable growth through a robust ESG policy framework, CEAT's leadership has refocused its existing contours on research and development, automation, employee health and safety, diversity and resilient value chain.

Through its inclusive culture, CEAT endorses shared value creation that drives excellence, innovation and happiness towards shaping future mobility and driving sustainability.

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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 - Accelerating Ahead

CEAT Limited, a part of the RPG Group of companies founded in 1958, is the first tyre brand in the world to have been recognised as 'Lighthouse' by World Economic Forum. CEAT nailed this achievement for its Halol plant in Gujarat. CEAT is India's most trusted and respected tyre brand, which caters to domestic as well as international markets with export to 110+ countries worldwide.

For Fulfilling its purpose of 'Making Mobility Safer & Smarter. Every Day.', CEAT is in consistent efforts to satisfy end customer demands through manufacturing best-in-class, high-performance tyres for a wide range of vehicles, including 2/3 wheelers, passenger vehicles, utility vehicles, commercial vehicles, off-highway vehicles and Electrical Vehicles. CEAT continuously focuses on cutting-edge technology and digitisation, evidenced by the inauguration of its first fully automated warehouse at Chennai plant.

Headquartered in Mumbai, CEAT has six state-of-the-art and technologically advanced manufacturing plants and drives the ambition to contribute to the global agenda of sustainable development through R&D centers at Halol, Gujarat, and Frankfurt, Germany, which are the epitome of innovation and sustainable solutions.

CEAT's Values

Agility

Embracing change as an opportunity and not a threat

A

P

Play to win

Bring intensity and boldness in ideas and actions, to outperform and reshape competitive landscape

C

Customer Obsession

Existence only to wow customers and to touch lives

E

Empowerment

Unleash talent to bring their best game to drive collective success

😊

Caring

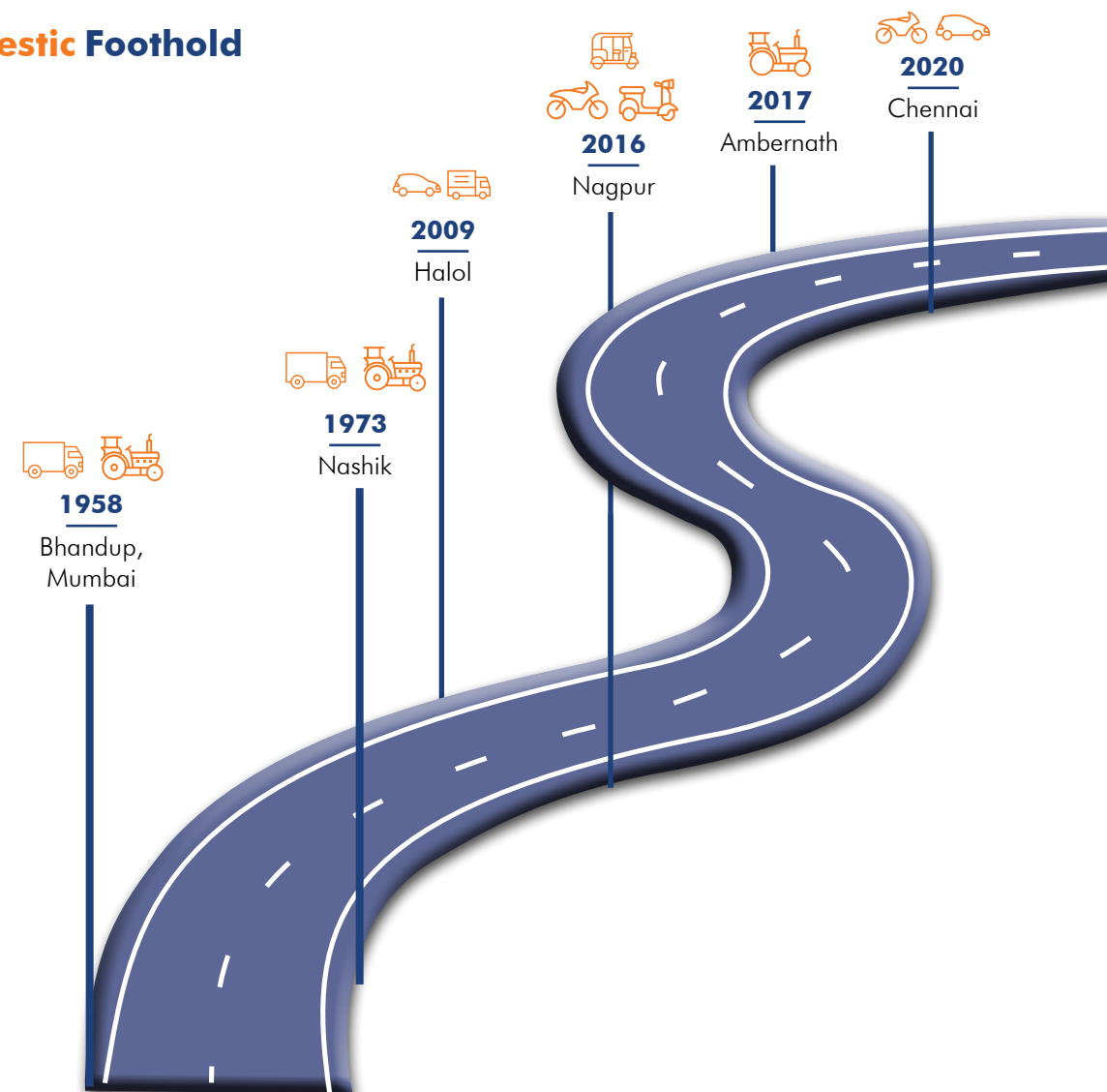
Build an ecosystem of trust and care for the people

MAKING MOBILITY SAFER & SMARTER. EVERY DAY.

Growing Globally



Domestic Foothold



Chairman's Message



CEAT has sharpened its focus on ESG practices, including a commitment to reduce carbon footprint by 50% by 2030.

Dear Shareholders,

In FY23, India continued its growth trajectory and emerged as the fifth-largest economy in the world. This is despite a global slowdown due to the cumulative effect of the conflict in Ukraine, supply chain disruptions and volatility in energy prices. Consumer prices eased towards the latter part of the year as supply chains began their return to normalcy after the pandemic. India has the momentum and is creating the physical and digital infrastructure to raise its share of global manufacturing and play a significantly larger role in global supply chains.

The tyre industry in India witnessed elevated levels of input costs in the first half of the year. Amidst the headwinds, CEAT stayed the course and demonstrated steady growth across all product segments and markets to end the year with a fair degree of recovery in terms of profitability. Besides a strong push in the domestic market in its key segments, the Company is creating a deeper footprint in US and Europe with a diverse product portfolio, especially in the Off-Highway business to help drive growth in the future.

CEAT has sharpened its focus on ESG practices, including a commitment to reduce carbon footprint by 50% by 2030. The Company continued to advance towards this goal with efficient water conservation, zero effluent discharge, increased consumption of renewable power and biofuel to power its manufacturing plants. During the year, the Company was successful in reducing 17% of its water consumption per MT of production and was able to

source 24% of its natural rubber via alternate transport, thus moving closer to its goals.

We continued our focus on cutting-edge innovation in products, processes and systems. CEAT is an industry leader in adoption of Fourth Industrial Revolution (4IR) technologies and I am very pleased to share that CEAT received recognition from the World Economic Forum at Davos with Global Lighthouse Designation for 4IR and digitalisation of operations on the shop floor. With this, CEAT has joined an elite list of 132 global Lighthouses, or frontrunners in advanced manufacturing.

Diversity, Equity and Inclusion (DEI) remains a cornerstone of our culture. In addition to diversity across gender, race and geography, we increased hiring of persons with disabilities and the transgender community. Further, to promote and recognize female talent, CEAT also partnered with the BCCI as the "strategic timeout" partners in the

inaugural Women's Premier League. We continue to engage with the larger communities by lending our whole-hearted support in education, community development, livelihood generation and heritage restoration.

Our strategic priorities have always been guided by our mission of 'Making Mobility Safer & Smarter. Every Day'. This remains vital and relevant, especially in today's fast-evolving markets. We are committed to place even higher emphasis on building environmental sustainability and digital innovation into the very core of our business. I thank you for your continued trust, confidence and support that has been an unwavering source of inspiration for CEAT.

H. V. Goenka
Chairman

Vice-Chairman's Message



Our purpose of 'Making Mobility Safer & Smarter. Every Day.' was more relevant than ever.

Dear Shareholders,

The first half of the last fiscal remained uncertain due to geo-political conflict, inflationary pressure in developed economies and currency devaluation in emerging geographies. Our purpose of 'Making Mobility Safer & Smarter. Every Day.' was more relevant than ever. CEAT positioned itself during these paradigm shifts with resilience to withstand uncertainties and adapted with agility to evolve as a stronger brand for our customers, industry stakeholders and employees.

on the influence of global markets...

While the IMF has revised the 2023 global GDP growth rate downward to reflect the slow economic recovery, India has emerged as a bright spot and is projected to grow the fastest assuming a leading role on the global stage.

I am pleased to share that CEAT has remained resilient to global headwinds. The company established its foothold in the European market capitalising on its distribution network and extended its footprint in the US market. Global headwinds impacted demand but the year ended with a recovery for value brands, thus giving some impetus to overall export volumes.

on CEAT's performance...

In FY 2022-23, volatility in commodity prices, particularly crude oil, affected margins significantly in H1. However, with stabilising commodity prices, CEAT was back to registering double-digit margins from Q3. The OEM segment grew exceptionally well with strong traction seen in both, Passenger and Commercial categories. On Replacement, we saw good growth in Passenger segment while 2W demand was impacted due to weak recovery in rural markets and high inflation.

CEAT foresees electric vehicles as one of the megatrends in the automotive industry over the next few years. We were one of the first tyre brands to roll out EV specific tyre range across all vehicle segments. We worked closely with leading OEMs especially with 2W OEMs to become market leaders in 2W EV space and become the first EV tyre to be approved by an OEM in Commercial EV space. We continued our range expansion in premium passenger space with the launch of SportDrive and CrossDrive AT which have received excellent feedback from customers.

As a result of strong traction for our OHT range, we have embarked on expanding Ambarnath capacity for Off Highway Tyres, which is a high margin business for us. The international market is important for CEAT, with OHT being the largest followed by passenger and Truck.

Europe and the US are the two major markets for PCR and TBR, respectively. We are developing a product range to cater to US markets and shall enter the US for passenger and Commercial segment in FY 24.

on R&D and Industry 4.0...

Organisations have invested several years towards adopting 'Industry 4.0' by leveraging industrial automation. Manufacturing and other industries have begun a new era of digitisation and advanced technological adoption such as robotic process automation.

With CEAT's expansion into the export market and OEMs, the company had to move towards greener raw materials and stringent in-process specifications, which impacted our productivity and scrap generation. Our green material usage increased from 28% to 57% in the last five years resulting in a 30% increase in cycle time. Conventional solutions were unable to improve productivity. Thus, we started the 4th Industrial Revolution (4IR) journey to focus on the areas of productivity, energy conservation and proactive quality.

CEAT deployed the 4IR use cases to optimise cycle times and digitise operator's touchpoints to incorporate greener materials and meet stringent in-process specifications. It is indeed a proud moment for CEAT to have been the first ever tyre manufacturing companies in the world to have received the Lighthouse designation by the World Economic Forum ('WEF') for its Halol facility. As a result of Lighthouse initiatives in Halol, the Company has reduced cycle times by 20%, processing scrap by 46%, and energy consumption by 15%, leading to a ~2.5x increase in export and OEM sales in the past two years.

on sustainability...

Sustainability is integrated in the way we do business at CEAT. CEAT has a long-term goal of reducing the carbon footprint by 50% by 2030, with the goal of minimising negative effects on the environment and communities and the company is in the process of monitoring and managing its value chain emissions.

We have identified the five focus areas for carbon emission reduction to achieve our Sustainability VISION – Raw material procurement, Manufacturing process, Outbound logistics, Product usage and End of life disposal of tyres.

on diversity, equity and inclusion...

Diversity & Inclusion in CEAT goes beyond gender diversity to include people with disabilities and those from different educational backgrounds. This belief has resulted in us employing over 50 people with disabilities at CEAT.

This belief in creating equal opportunities translates to the world of sports as well. CEAT has been active in promoting and supporting women's sports. We associated with the first edition of Women's IPL league as the Strategic Timeout Partner.

This has helped CEAT establish itself as an aspirational brand in the automobile industry and get recognized amongst the Top 25 best workplaces in Manufacturing by GPTW for 2022.

In Conclusion...

I am glad to share that the Company has been able to report a healthy financial performance despite challenges. I extend my gratitude to the value chain partners, customers and communities for their unwavering support and instilling confidence and trust.

The dedication of the workforce, the strength of stakeholder partnerships and the resolve of customer centricity together lay the bedrock on which CEAT thrives. As we move into the next decade of growth at the company, our dedicated focus on enhancing customer value, manufacturing excellence, driving digital solutions and sustainability will continue to propel us on the road to delivering happiness for the people and the planet.

Anant Goenka
(MD & CEO till March 31, 2023)

Visionary Leadership



Mr. H. V. Goenka
Chairman



Mr. Anant Goenka
Vice-Chairman



Mr. Atul C. Choksey
Independent Director



Mr. Haigreve Khaitan
Independent Director



Mr. Arnab Banerjee
Managing Director & Chief
Executive Officer



Mr. Mahesh S. Gupta
Independent Director



Ms. Priya Nair
Independent Director



Mr. Paras K. Chowdhary
Non-Independent Director



Mr. Pierre E. Cohade
Non-Independent Director



Mr. Ranjit V. Pandit
Independent Director



Mr. Vinay Bansal*
Independent Director

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

*Mr. Vinay Bansal has resigned from the position of Non-executive Independent Director w.e.f. closure of business hours of June 1, 2023.

Exemplary Achievements



'Advanced 4th Industrial Revolution (4IR) Lighthouse' recognition by the World Economic Forum



'The Leading CFO of the Year' Auto Category by CII at 2nd edition of CFO Excellence Award



'Master of Risk' under Auto Ancillary Sector-Large Capital Category by CNBC TV18



'Best Treasury Team' and 'Best Cash & Liquidity Management Initiative of the Year' in 7th Treasury Management India Summit & Awards 2023



'Certificate of Recognition' for 'Ensuring proper tax compliance' by Madhya Pradesh Government



Golden Peacock Awards 2023 for 'Innovative Product/ Service' by Institute of Directors



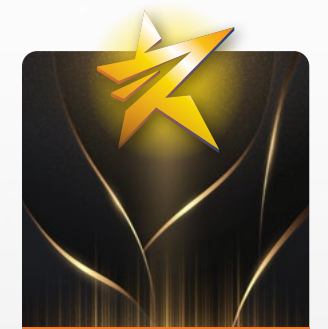
'Excellence in Procurement & Sourcing Manufacturing' awarded at 3rd Annual Warehouse and Logistics Excellence Awards 2022 by Quantic Business Media Private Limited in collaboration with SAP.



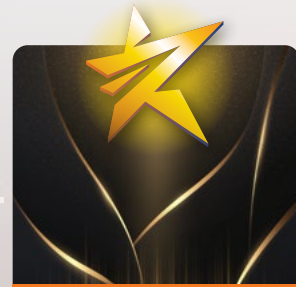
Won one of the best advertising campaign for 'Switch to Secura Drive' Campaign' by The India Chapter of International Advertising Association



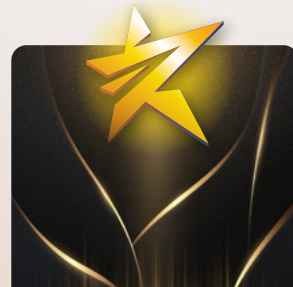
Awarded 2 Gold Sammys for 'Best use of Social Media' and 'Best use of Video Content' by Social Samosa



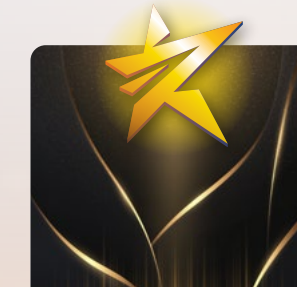
'Digital marketing excellence' under automobile sector by ET Brandequity under Silver Category



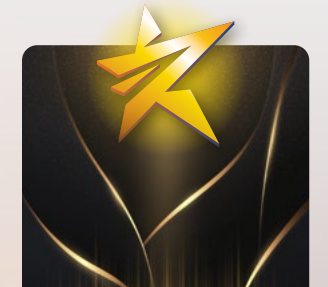
'Certificate of Recognition' awarded at the 7th CSR Excellence Awards by the Institute of Company Secretaries of India



One of the most 'Preferred Workplaces in 2022-23 (Manufacturing Category)' by Marksmen



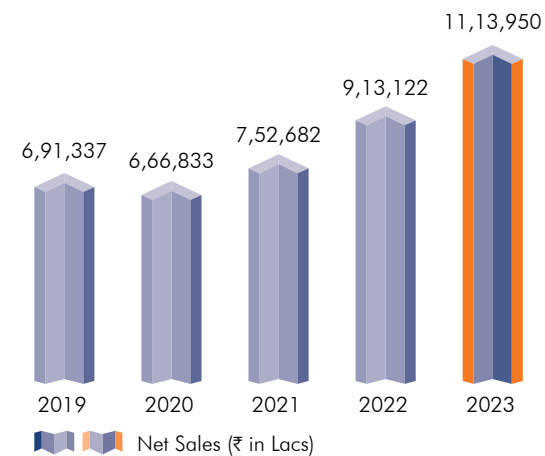
'Best Social Media Brand' under Automobile Category by Mad Over Marketing



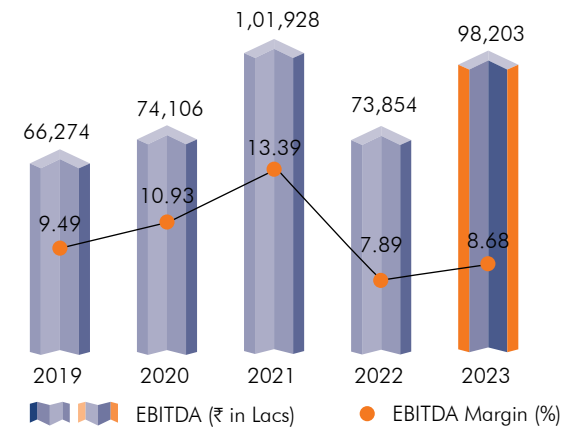
'Most Trusted Brand in the Tyres in Auto Ancillary category' for 4 years in a row by Trust Research Advisory

Splendid Momentum (Consolidated)

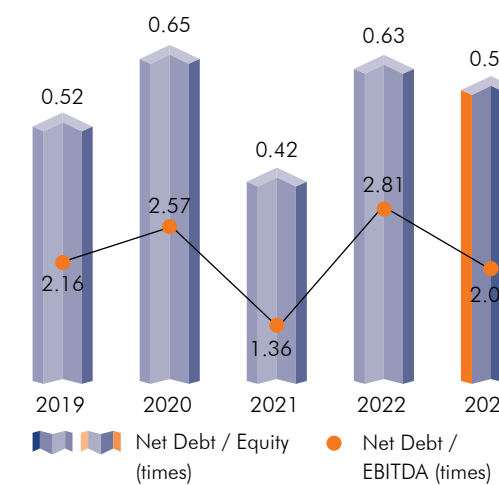
NET SALES



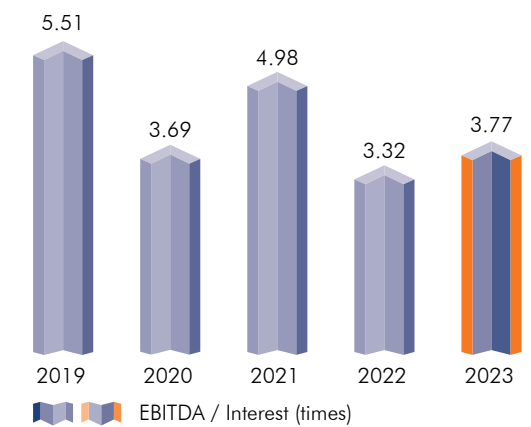
EBITDA¹ and EBITDA Margin



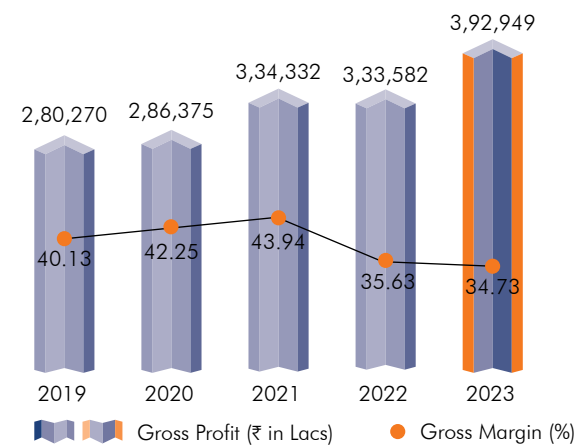
Net Debt / Equity And Net Debt / EBITDA



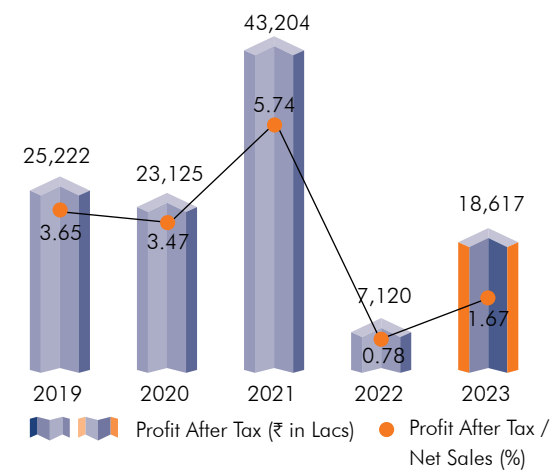
EBITDA / Interest³



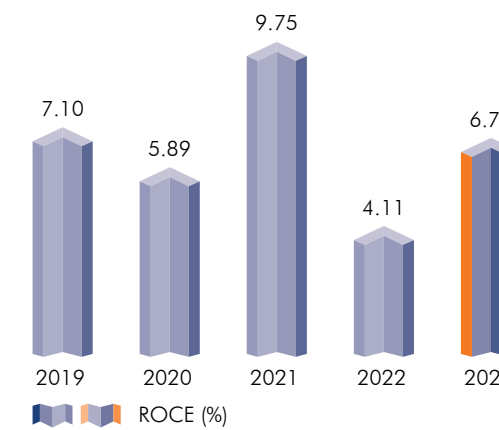
Gross Profit and Gross Margin



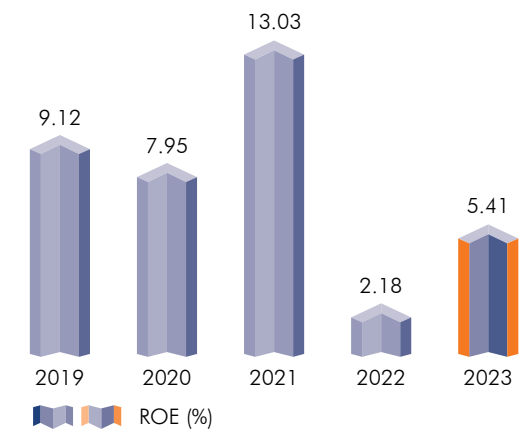
Profit After Tax² and Profit After Tax / Net Sales



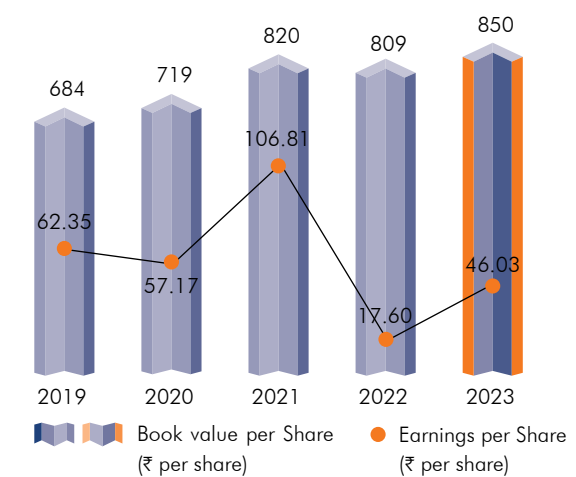
Return on Capital Employed (ROCE)



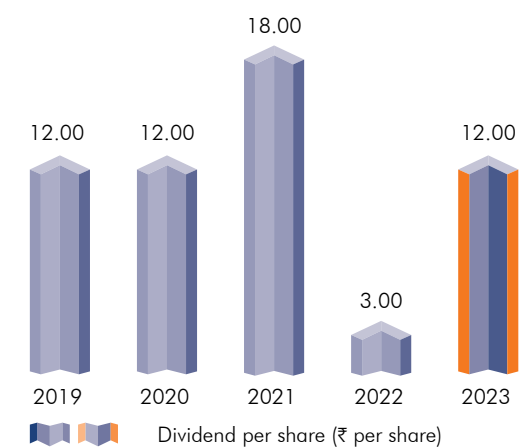
Return on Equity (ROE)



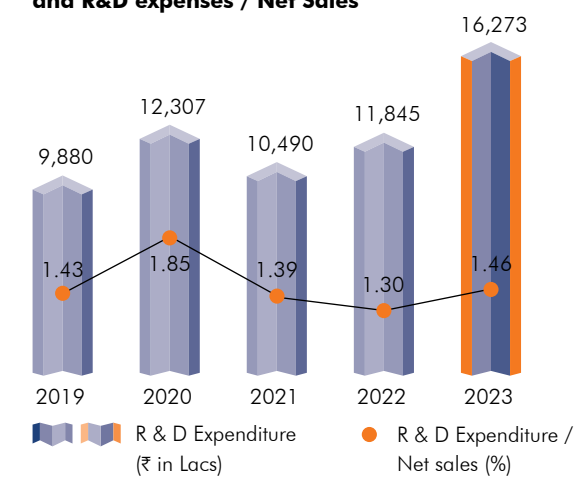
Book value per share and Earnings per share



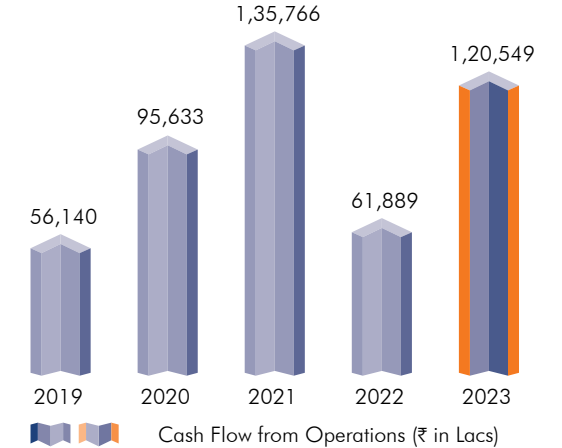
Dividend per share



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



Cash Flow from Operations



¹ Earnings before Interest, tax, depreciation and amortisation (EBITDA) excludes Non-Operating income.

² PAT is considered after minority interest

³ Interest amount includes interest capitalised during the year

Growth Trajectory

Financial Capital

₹11,263 Cr. ▲

Standalone Revenue

₹1,215 Cr. ▲

Cash Flows from Operations

8.7% ▲

EBITDA Margin

Intellectual Capital

150 ▲

Patents Filed (Cumulative)

184 ▼

New Products Developed

1.46% ▲

R&D expenditure
as % of sales

Natural Capital

1.75 Mn GJ ▲

Renewable Energy
Consumed

10,024 MT ▲

Reclaimed Rubber Used

6,717 tCO₂e ▲

Emissions Avoided
through Energy

Manufactured Capital

45.07+ Mn ▲

Tyres Produced

170 ▼

New Products Launched

1,900+ ▲

SKUs

Human Capital

8,207 ▲

Permanent Employees

84 ▲

Happiness Quotient

10,173 ▲

Health and Safety
Training Man-Days

Social and Relationship Capital

2.07+ Lacs ▲

Total Beneficiaries Impacted

99.6% ▲

Customer Queries Resolved

5,200+ ▲

Dealers

About the Report

CEAT, a leading tyre manufacturer with global presence, publishes yearly reports that detail both financial and non-financial performance. Through its reporting journey, CEAT is publishing its 64th report which is its fourth Integrated Annual Report ('Report') for the FY 2022-23 in accordance with the <IR> framework published by the International Financial Reporting Standards Foundation ('IFRS'). CEAT communicates its integrated thinking and diverse strategies for long-term value creation for its stakeholders through the six capitals – Financial, Manufactured, Intellectual, Human, Natural and Social and Relationship.

Approach to Reporting

This Integrated 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. The Report also showcases how the organisation efficiently manages its resource allocation across all six capitals, which has been captured in the business model. 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 Environmental, Social and Governance ('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 2022-23.

This Report has been prepared in accordance with the Global Reporting

Initiative ('GRI') Standards 2021. 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's India operations (Halol, Bhandup, Ambernath, Nashik, Nagpur and Chennai) for the period of April 1, 2022 to March 31, 2023.

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.

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 B S R & Co. LLP. The audit statement can be found in the sections Standalone Financial Statements with Auditor's Report and Consolidated Financial Statements with Auditor's Report of this Report.

Restatements of Information

As CEAT is evolving in its journey towards sustainability, it reviews and revisits its processes and KPIs periodically and may entail restating certain information published in the past. Restated information from the previous Integrated Report(s) has been denoted by (R[#]) in this Report.

Feedback

CEAT values feedback from its stakeholders and endeavours 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

Through innovative R&D, sustainability efforts, and valuing all stakeholders, CEAT aspires to develop and strengthen its value creation model. The Company is making a conscious effort to embed ESG into its core culture and to embrace all six capitals of business operations.

Multiple initiatives have been implemented throughout the year across all six capitals of the integrated report to ensure that inputs continue to produce positive outcomes through ethical and sustainable business strategies. CEAT is always engaging with its stakeholders such as customers, investors, employees, workers, value chain partners, communities for creating a shared value by considering the concerns and expectations of all stakeholders. Being a customer-centric company, CEAT is resilient and progressive organisation with the agile workforce.

CEAT's business strategy is designed by assessing the evolving customer expectations, economic challenges and opportunities and is aligned with Sustainability. The Company recognises the significant impact of its operations and procurement on the environment and local communities. To address this, CEAT has a target to reduce its carbon footprint by 50% by 2030. To embed sustainability into its strategy and operations, CEAT has established a roadmap with governance framework. The Company has a Sustainability and CSR committee (SCSR) of the Board which reviews the progress and provides guidance and direction from a global perspective. CEAT also has a cross functional ESG Council, led by the Head of Procurement, and which has representation from the key functional in charges such as EHS, Human Resource Chief Risk Officer and Company Secretary. The ESG Council plays a vital role in strategy formulation and project monitoring, focusing on green products, supply chain sustainability, resource and energy efficiency, emission reduction, water management, policy framing, diversity and circular economy. CEAT has set specific internal targets at the plant level, to reduce carbon emissions, fossil

free energy sources, resource efficiency which is supported by a roadmap. The Company prioritises water conservation, responsible end of life of the tyres, emission reduction and responsible sourcing as core sustainability actions. CEAT's alignment of its business strategy with the SDGs and the global economic paradigm showcases its unwavering commitment to sustainability, aiming to minimise environmental impact and make a positive impact on communities.

For the consecutive two years, CEAT has been invited to participate in the Corporate Sustainability Assessment by S&P Global. For FY 2021-22, CEAT scored 49 against 39 in the previous year and 21 for the year FY 2019-20, showing progress in arena of ESG.



An endeavor to digitisation and Industry 4.0 "Lighthouse Recognition" by the World Economic Forum

CEAT deployed Fourth Industrial Revolution use cases like Advanced Analytics to optimise cycle times and digitalisation of the operator's touchpoints. As a result, the Halol plant reduced cycle times by 20%, process scrap by 46% and energy consumption by 15%.

STRATEGY, RISKS AND OPPORTUNITIES

Strategy Overview

CEAT is guided and driven by purpose 'Making Mobility Safer & Smarter. Every Day' and with a culture focused on building stronger association, the Company has grown to become one of the leading tyre manufacturers in India. The Company has been providing world-class products across more than 110 countries globally with 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 intends to excel in the market with three major strengths: a strong brand, excellent product quality and network. The Company is expanding its global market footprint by investing in development of the market specific products, expanding its channel presence and building strong relationships with OEMs.

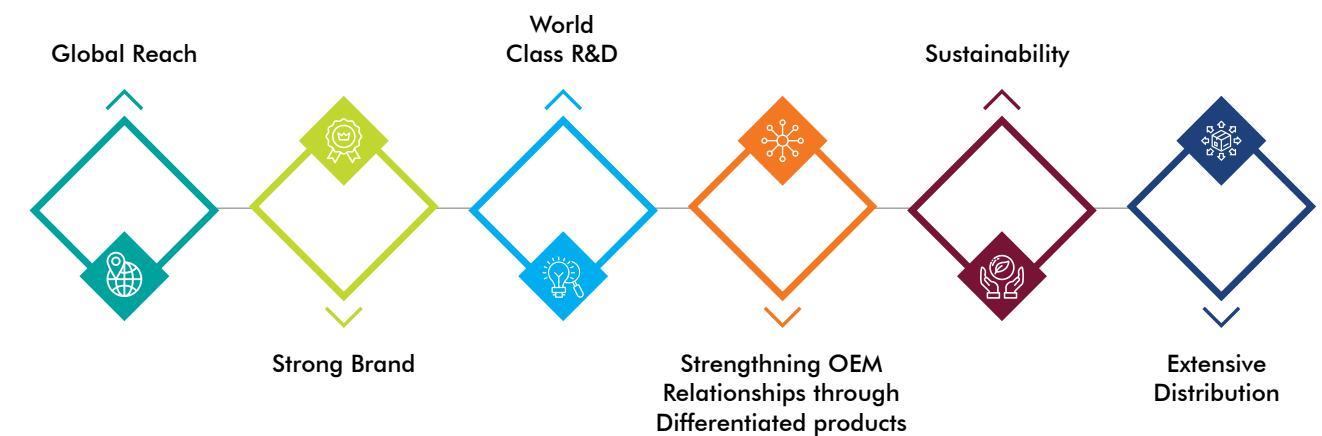
Business Opportunities

CEAT's business model is supported by six pillars through extensive distribution, global reach, world class R&D, strong brand, strengthening OEM relationships with differentiated products and sustainability.

India is fastest growing and preferred manufacturing destinations, there is a great opportunity of growth for the automobile and tyre industry. With strong relationship with value chain partners and wider distribution network, the Company is investing in the products to cater the needs of customers through

complete range of products across the globe. With positive outlook on Indian economy, CEAT is ready to cater the evolving customer demand. CEAT has captured more than 50% of market share in the EV models.

Key Strategic Pillars



Extensive Distribution

One of the key strategic pillars of CEAT is extensive distribution and large network of value chain partners. The Company with widespread presence of its channel partners extends to more than 5,200 dealers and over 58,000 sales touchpoints. With more than 800 outlets in the country, CEAT promises to provide an exclusive experience for customers and has also been a pioneer in the industry by offering doorstep delivery of tyres and a variety of models to accommodate best in class customer services. CEAT has maintained its active position by launching its new range of EnergyDrive tyres. The Company has launched India's first electric vehicles ('EV') range of tyres designed for two and four-wheelers.

CEAT has recently inaugurated state-of-the-art warehouse to increase and improve the quality of delivery and reduce the time of dispatch at its Chennai facility.

Strong Brand

With the purpose of 'Making Mobility Safer & Smarter. Every Day.', the Company demonstrates concerted efforts to leverage the unique strengths and capabilities to create value for its stakeholders.

CEAT is considered as strong brand with its commitment to quality and safety with focus on customer satisfaction. The Company is successful in creating its unique space through its marketing and advertising campaigns. Since the last three years, CEAT has marked a milestone of building strong relationship with Indian cricket as a strategic time-out partner for Indian Premier League ('IPL') and the Women's Premier League ('WPL'). CEAT has sustained association with Rohit Sharma, Shubhman Gill, Shreyas Iyer and Harmanpreet Kaur as the brand ambassadors for CEAT along with actor Karthik Sivakumar to leverage the value of its brand by entering new markets and maintaining its brand visibility in the global market. CEAT

launched a new platform for passenger utility vehicles in CrossDrive. In addition, the Company is creating a strong brand affinity for customers, with key achievements and accolades acquired during the year, like best firm for data scientists, **Lighthouse Recognition** by World Economic Forum, BEE 5-star ratings for a wide range of tyres. This includes a full range of tyres for Electric Vehicles including 2/3 wheelers, passenger cars and trucks. During the year, CEAT has built a customer connect through the campaigns such as **"Switch to Secura Drive" campaign, #shegoestheextramile, #karosafetysedosti** and **"Safety belt campaign."**

Global Reach

CEAT is one of the leading tyre manufacturers in India that has made significant strides in expanding its global reach over the years. With presence in more than 110 countries, CEAT has expanded its reach beyond India. The

Value Creation Model

Company has established a strong distribution network covering all the major geographies of Europe, USA, South America, South-East Asia and Africa. CEAT's products are known for its safety & performance. The Company is investing in Research and Development of high-quality products to meet the needs of its customers across the world. To cater the global market, the Company is offering multiple SKUs of Off-Highway tyres, speciality tyres.

World Class R&D

CEAT has a world-class Research and Development ('R&D') centers in Halol (India) and Frankfurt (Germany) for the product design, development and testing. Robust and continuous research and development plays a crucial role in shaping the Company's success. CEAT has implemented a five-year technology roadmap which drives strategic forecasting of the emerging technological changes within the mobility sector. The R&D center is equipped with a variety of advanced equipment including noise testing equipment, high-speed tyre testing machines, simulation software that tests the performance of tyres in a range of conditions. Every initiative at R&D is focused on improving the manufacturing process, meeting the customer requirements, process optimisation, resource efficiency, product stewardship and digitisation that are aligned with the Company's vision and strategy. For more details, please refer to the Intellectual Capital section of the report.

Strengthening OEM Relationships through Differentiated Products

Due to technology innovation, creative products and recent developments in the external environment brought in by the regulatory landscape, businesses are being disrupted at a significant rate. CEAT aims to maintain its agility while providing customised solutions to its customers by quickly modifying and promoting innovative products based on a deep understanding of the customers' demands. CEAT has strong focus on building relationships with

Original Equipment Manufacturers ('OEMs') and established partnerships with 50+ OEMs in India. CEAT have also received 39 new OEM approvals in FY 23. The Company has strategy of working closely with OEMs which has enabled customised tyre solutions to meet the specific needs of different vehicles. OEMs has witnessed the fastest growth on a year-on-year basis.

CEAT is a leading tyre Company which is catering the needs of EV ecosystem in India. With more than 50% market share in two-wheeler EV OEMs, CEAT has established itself as a strong brand in the EV segments.

Sustainability

CEAT has a strong focus on sustainability across all its operations. The Company believes that sustainability creates a long-term view of business operations and creates value for all its stakeholders. CEAT is focusing on reducing its energy efficiency and is committed to reduce 50% of its carbon emissions by 2030. The Company has implemented green technologies, invested in renewable energy sources such as solar power and has taken initiatives to conserve water and reduce waste. CEAT's employees are its greatest asset and places high emphasis on health, safety and well-being. The Company is promoting its diversity and inclusion activities by providing opportunities for women, people with disabilities and transgenders.

Risk Management

CEAT has a robust risk management system in place to identify and mitigate its risks w.r.t day-to-day operations and future plans. The Company manages its strategic risks which has an impact on the long-term goals and objectives. CEAT has Business Continuity plan ('BCP') which is comprehensive with respect to people, operations, business centric aspects such as changes in commodity prices, raw material price, cybersecurity concerns and supply chain disruptions. The Company regularly conducts scenario planning to identify the potential risks and monitors market

trends. In addition, the Company considers risks anticipated by global institutions and examines those risks in the context of the business and maintains a risk register with future mitigation plans. Risks during the reporting year are strategic risks, operational risks, supply chain disruption, cyber-security risks, compliance risks and many more.

The efficacy of ERM is demonstrated by the fact that no large risks have been overlooked in recent years.

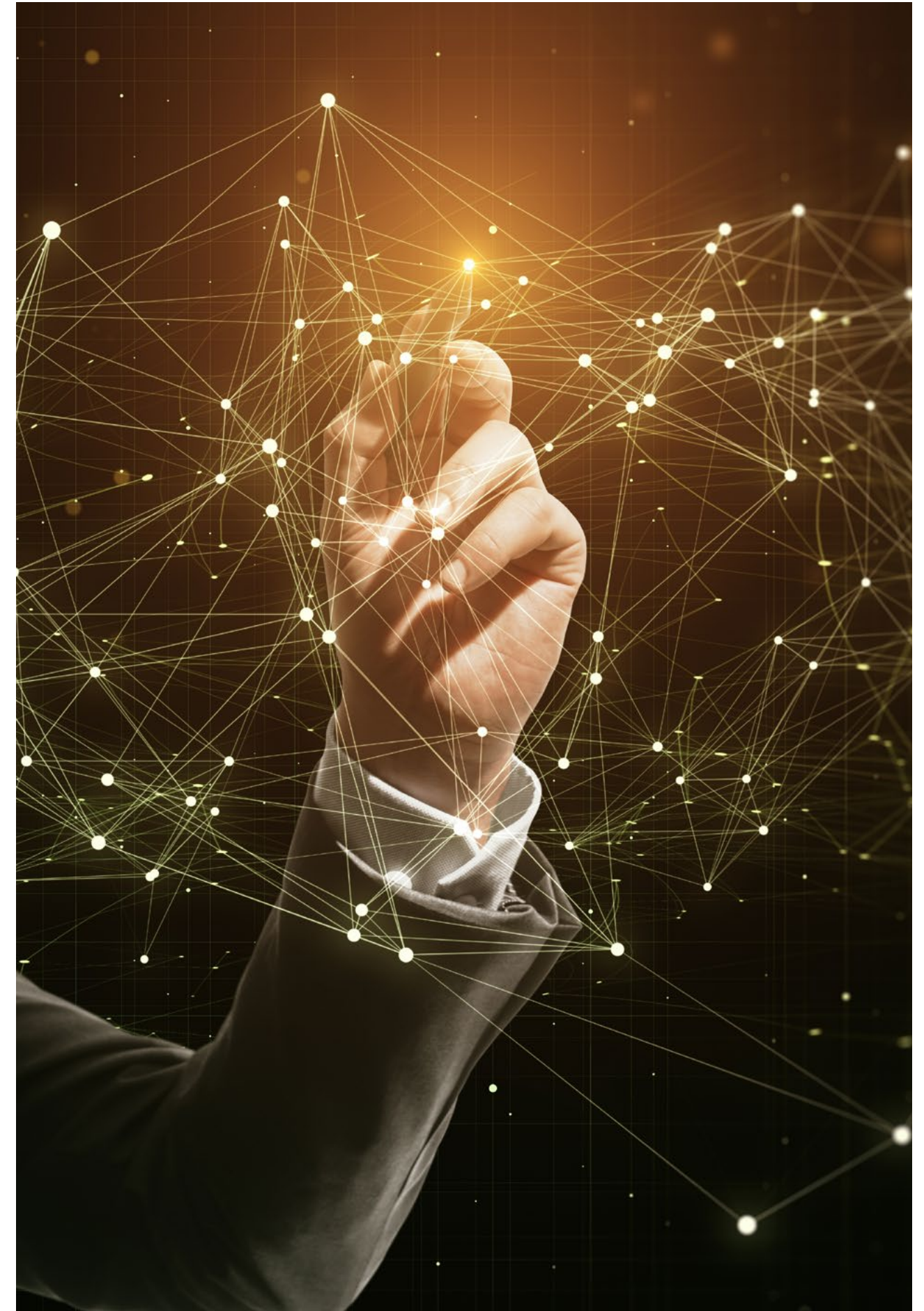
The Company is committed to ethical and responsible business practices and follows the applicable laws, regulations and global best practices. The Company's risk management strategy is proactive and systematic, focusing on all forms of risks and effectively managing them. The Company has adequate internal controls governed by the Risk Management Committee. The Committee regularly evaluates the risks identified by the business functions such as finances, operations, cyber security, strategy and compliance and subsequently accommodates effective strategies to mitigate the same.

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

External Environment

Over the years, industry is facing multiple challenges such as disruption in the supply chain and Geo-political conflicts, global economic uncertainties, changing regulatory landscape and evolving business paradigm.

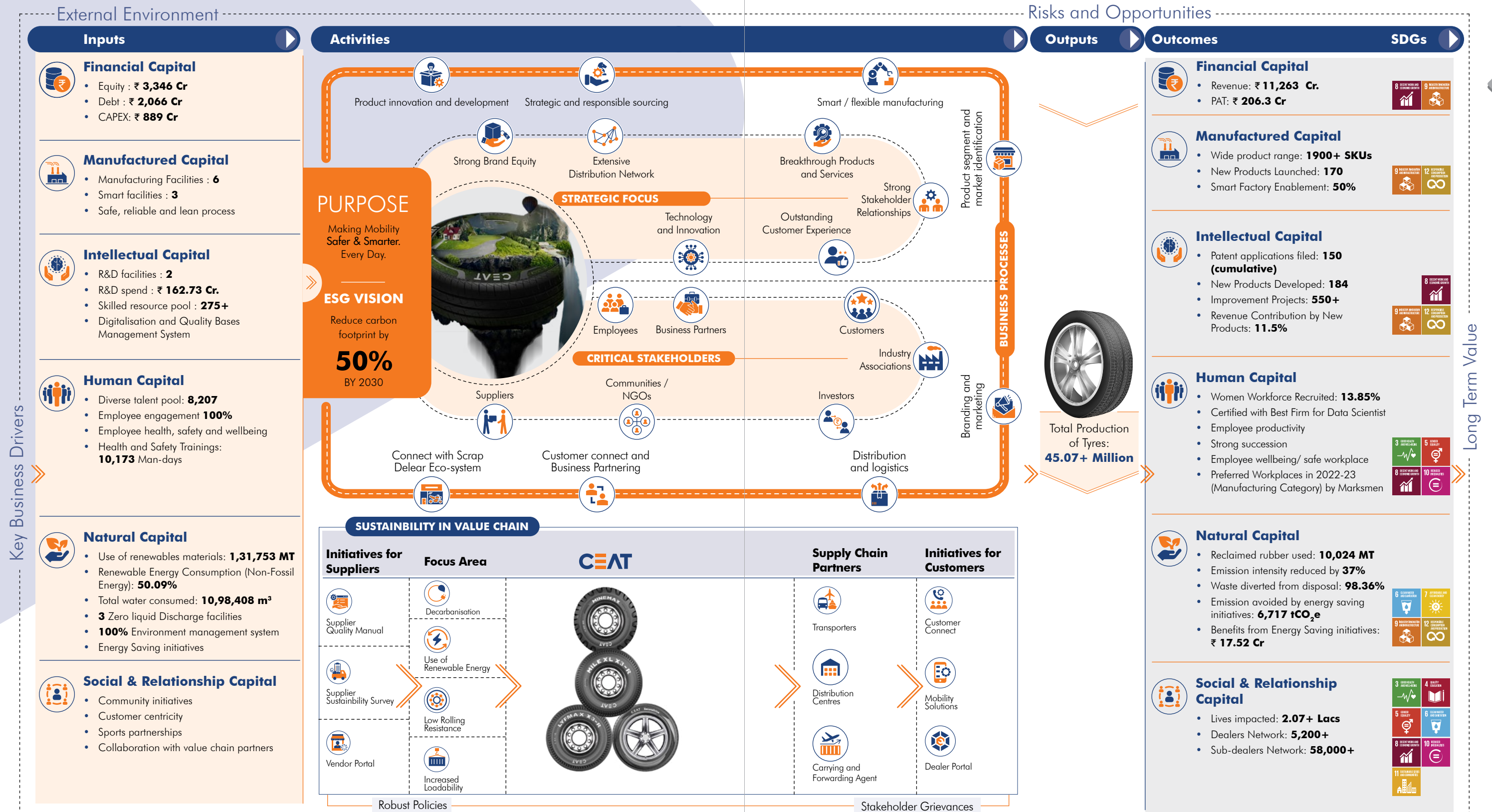
CEAT has responded positively to the external environment through its agile approach and robust practices, leading in better utilisation of resources resulting in improved efficiency and EBITDA margins. Being aware of the dynamic world around, CEAT continues to focus its strategy, efforts and drive for creating value for the stakeholders through its ESG embedded business practices.



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.



Stakeholder Engagement and Materiality Assessment

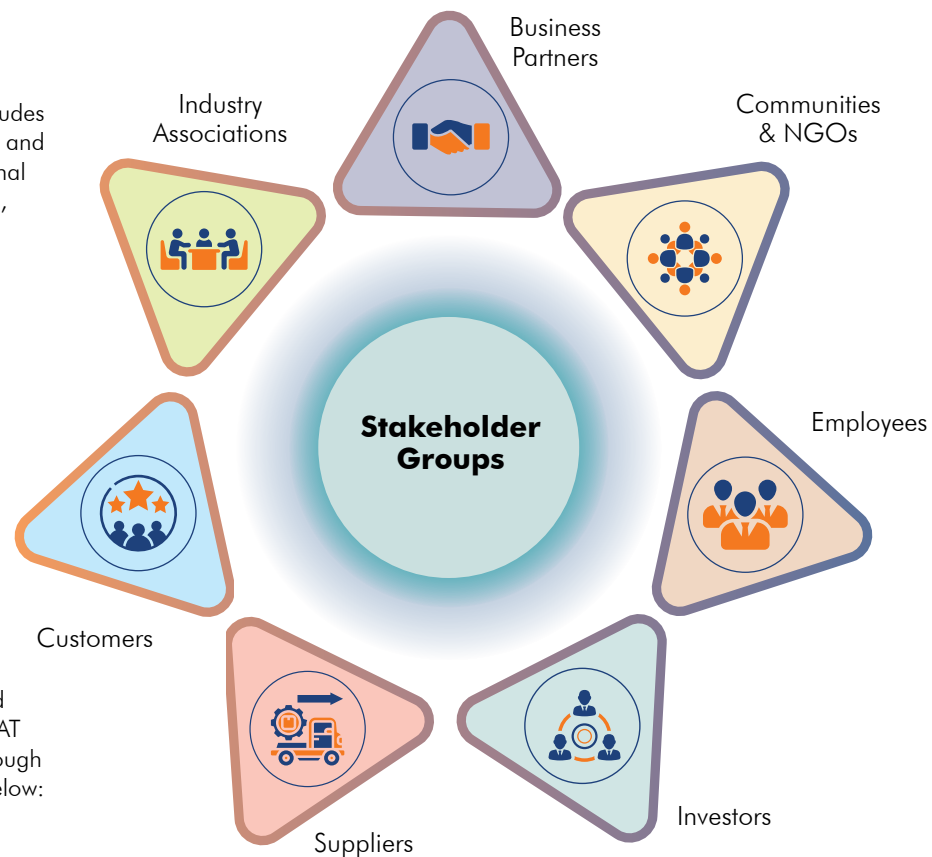
CEAT firmly believes in building strong relationships with its stakeholders and the Company considers it as an important aspect for long-term sustainability, growth and expansion. CEAT values creating a dynamic business environment by gaining confidence and cultivating

good relationships and by developing an inclusive system to communicate with all stakeholders at regular intervals. Identification, communication and prioritisation of material issues are the key components for stakeholder engagement. CEAT makes continuous efforts to

engage with both external and internal stakeholders to understand their views, opinions and expectations which has an influence on the business.

Below are the group of stakeholders important for CEAT.

CEAT's internal stakeholders includes Employees, Senior Management and Board of Directors, and external stakeholders includes suppliers, Community/NGO, Investors, Customers, Business partners and Industry Associations. CEAT has a robust mechanism in place to interact with stakeholders and address their concerns and issues. Engaging with them not only enables the Company to comprehend their opinions and issues, but also shed light on critical ESG elements for the efficient operations of CEAT. Being a purpose-driven organisation, CEAT prioritises each of its stakeholder as they add something special and innovative to the overall growth and development. In FY 2022-23, CEAT engaged with all stakeholders through various modes of engagement as below:



Relevance	Mode of Engagement	Frequency	Key Focus Areas
<div> Customers </div>			
<ul style="list-style-type: none"> Economic performance Brand Recognition Loyalty Best in class customer centricity 	<ul style="list-style-type: none"> Net Promoter Score ('NPS') survey Feedback and surveys Customer engagement activities 	Annually / Monthly / Quarterly / Ongoing basis	<ul style="list-style-type: none"> Product quality After sales service Competitive pricing Loyalty programmes Grievance Redressal Mechanism

<div> Employees </div>			
<ul style="list-style-type: none"> Employees have a significant impact on creating, developing and expanding the business. Employees are the key assets of the organisation. 	<ul style="list-style-type: none"> Employee engagement Survey Emails Newsletters Townhall 	Annually / Monthly / Quarterly / Ongoing basis	<ul style="list-style-type: none"> Happiness and motivation Employee Benefit Safe working environment
<div> Investors/ Shareholders </div>			
<ul style="list-style-type: none"> Investors are the key stakeholders having financial and business stake in the Company. 	<ul style="list-style-type: none"> Annual general meetings Quarterly briefings Earning calls 	Annually / Monthly / Quarterly / Ongoing basis	<ul style="list-style-type: none"> Return on capital employed Profit After Tax
<div> Suppliers </div>			
<ul style="list-style-type: none"> Supplier plays an important role in providing services and raw materials on time in order to enable CEAT to meet its commitments to customers. 	<ul style="list-style-type: none"> Supplier management portal Supplier audits 	Annually / Monthly / Quarterly / Ongoing basis	<ul style="list-style-type: none"> Reliable payment process Procurement of Material as per Quality Specification
<div> Collaborators and Business Partners </div>			
<ul style="list-style-type: none"> Investors are the key stakeholders having financial and business stake in the Company. 	<ul style="list-style-type: none"> In-person meetings Partnership portals 	Annually / Monthly / Quarterly / Ongoing basis	<ul style="list-style-type: none"> Long-term partnerships
<div> Industry Associations </div>			
<ul style="list-style-type: none"> Platform to establish communication channels between the industry and the government to discuss in-depth advisory on industry trends 	<ul style="list-style-type: none"> Industry conferences Media releases Membership in associations Regional industry events 	Annually / Monthly / Quarterly / Ongoing basis	<ul style="list-style-type: none"> Compliance with regulations
<div> Community/ NGOs </div>			
<ul style="list-style-type: none"> Community and NGOs supports in creating a shared value for business around the CEAT facilities. 	<ul style="list-style-type: none"> CSR initiatives Grievance mechanism public hearing 	Annually / Monthly / Quarterly / Ongoing basis	<ul style="list-style-type: none"> Contribution to society Community Engagement CSR initiatives

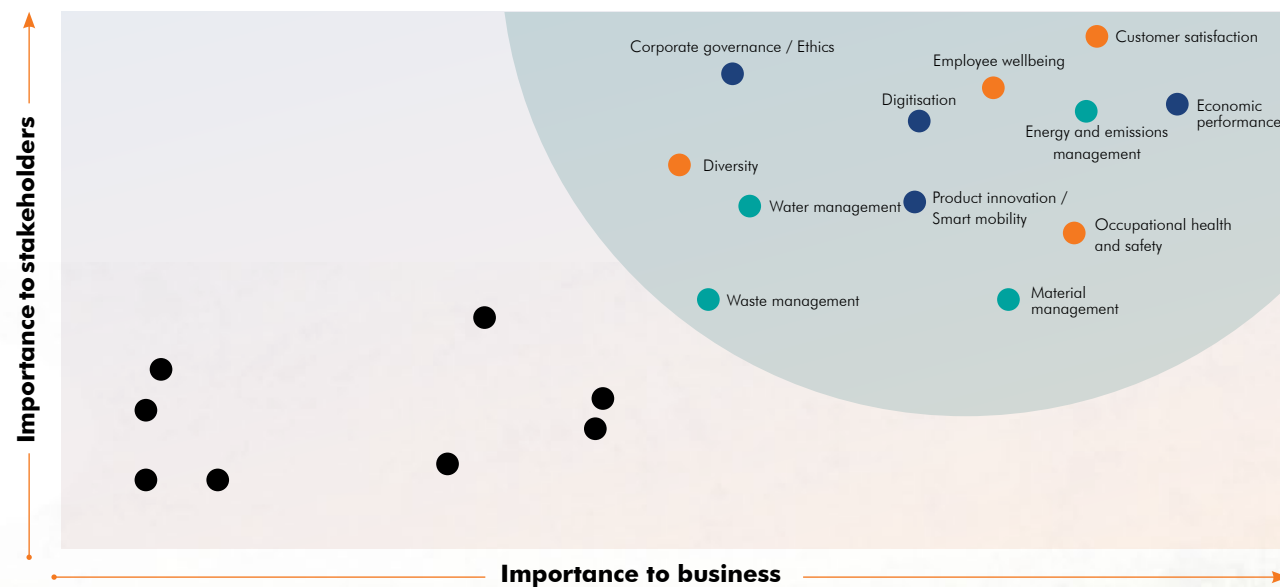
CEAT's Materiality Assessment

Understanding the stakeholder's viewpoint is the cornerstone of CEAT's foundation. This gives CEAT a better idea of how important and relevant are the Environmental, Social and Governance issues for the organisation and the industry. The materiality assessment aids CEAT in understanding the material concerns that are of primary importance to its business and as well as to its stakeholders. CEAT conducted its 1st comprehensive and thorough materiality assessment in FY 2019-20. Taking into consideration the changing needs and requirements of the industry and stakeholders, CEAT continuously analyses these material





issues to ensure they are consistent with the goals, frameworks, and standards. During FY 2020-21, CEAT added 4 new material topics to meet the changing demands and goals of the organisation. CEAT's materiality assessment is in line with the Global Reporting Initiatives ('GRI') and SEBI's National Guidelines on Responsible Business Conduct ('NGRBC'). The Company has identified the Risks and opportunities around the identified material topics and disclosed the mitigation measures around the identified risks in the Section A of Business Responsibility and Sustainability Report ('BRSR') of the Annual Report.

In the matrix provided, CEAT has mapped these material issues in the form of a material matrix to understand the weightage of each topic from different perspectives of key stakeholders. These material issues are broadly divided into Environment, Social, Governance respectively.





CEAT'S Materiality Matrix



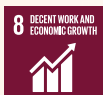


Environment

Material Topic	GRI Mapping*	Location	Alignment with UNSDGs
Energy and Emissions Management	GRI 302 and GRI 305	Natural Capital and BRSR Principle 6	   
Material Management	GRI 301		
Water Management	GRI 303		
Waste Management	GRI 306		

Social

Material Topic	GRI Mapping*	Location	Alignment with UNSDGs
Customer Satisfaction	GRI 416, GRI 417, GRI 418 and GRI 419	Social and Relationship Capital and Principle 9	 
Occupational Health and Safety	GRI 403		
Employee Wellbeing	GRI 401, GRI 402	Human Capital and BRSR Principle 3	 
Diversity	GRI 405, and GRI 406	Human Capital and BRSR Principle 3 and Principle 5	

Governance

Material Topic	GRI Mapping*	Location	Alignment with UNSDGs
Economic Performance	GRI 201 and GRI 203	Financial Capital	 
Corporate Governance / Ethics	GRI 205 and GRI 206	Corporate Governance Report, BRSR	
Product Innovation / Smart Mobility	**	Intellectual Capital and Manufactured Capital	
Digitisation	**	Intellectual Capital	

**Refer to GRI Content Index with respect to GRI indicators and mapping

Financial Capital

Contribution to SDGs



Focus Areas / Material Topics

- Improving Operating Efficiencies
- Stakeholder Value Creation
- Economic Performance

Interlinkages with other capitals



Intellectual



Manufactured



Natural



Human



Social and Relationship Capital

Mapping with NGRBC Principles

Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent, and accountable.

Principle 8: Businesses should promote inclusive growth and equitable development

Highlights for FY 23

₹ 11,263 Cr.

Standalone Revenue

₹ 1,215 Cr.

Cash Flow from Operations

₹ 997 Cr.

EBITDA

₹ 3,346 Cr.

Equity

₹ 2,066 Cr.

Debt

₹ 206.3 Cr.

PAT

8.7%

EBITDA Margin

₹ 889 Cr.

CAPEX

₹ 30 Cr.

Net Debt Reduction

Corporate Overview

Value Creation

Statutory Reports

Financial Statements

CEAT concentrates its efforts on creating an effective capital allocation strategy and upholding a capital structure that is optimal for the Company. In accordance with various stakeholder expectations which includes a optimal allocation of funds to other capitals to ensure effective and efficient use of both financial and non-financial resources, the Company continues to invest in businesses that produce healthy returns and builds long-term economic value.

Economic Value Creation (In ₹ Crores)

Particulars	FY 2022-23	FY 2021-22
Direct economic Value generated (a)	11,302	9,341
Revenues	11,263	9,313
Other Income	39	28
Economic Value distributed (b)	10,567	8,883
Operating costs	9,552	7,924
Employee benefits	757	691
Payment to providers of capital	251	277
Payment to government	0	(17)
Community Investments	6	8
Economic Value retained (a-b)*	735	458

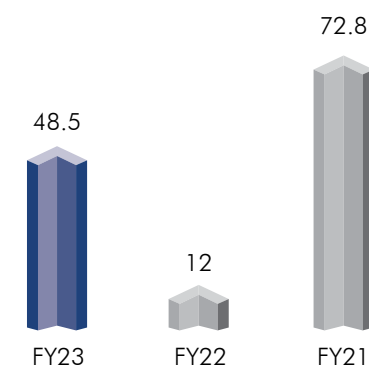
*Economic value retained = Direct economic value generated - Economic value distributed

CEAT reported a positive economic value for FY 2022-23. In comparison to the prior financial year, the Company's top line and bottom line improved during the year. The revenue of CEAT has seen an uptick as a result of periodic increase in sales price, increased tyre sales and drop in raw material prices in later part of FY23 leading to better margins for the Company.

Dividend Distribution:

CEAT's purpose is to create long-term value for all its stakeholders while also ensuring a significant return on investment for shareholders in the form of dividend payments. The Company has proposed dividend of ₹ 12 i.e. 120% per equity share on face value of ₹ 10 each fully paid up, for FY 2022-23.

Dividend (in ₹ Crores)



Revenues in FY 2022-23

CEAT achieved its highest ever revenue in FY 2022-23, largely driven by periodic price growth and volume growth. As a moment of pride, CEAT's revenues exceeded ₹ 10,000 Crores for the first time, rising to ₹ 11,263 Crores from ₹ 9,313 crores, a jump of 21% fueled by both volume and price growth.

Revenue by Market

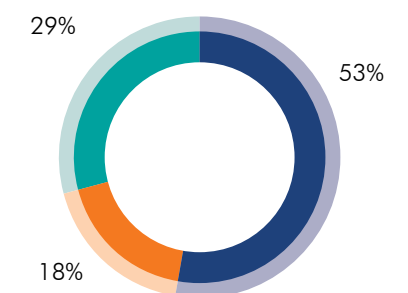
CEAT's revenues increased considerably during the year. CEAT's revenue share from OEMs increased to 29% from 24% in FY 2021-22 due to strong demand from OEMs. Revenue from exports decreased by 2%. The Company continued to generate a major chunk of revenue in the Replacement market.

Revenue by Product

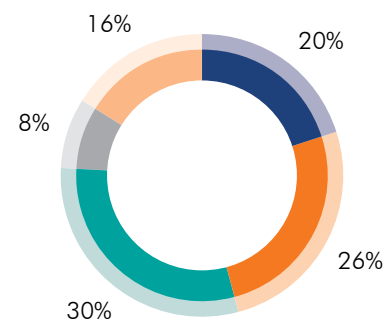
CEAT's revenue breakdown by product segments remained consistent to FY 2021-22. Revenues from 2/3 Wheeler

tyres reduced by 2%, however revenues from Passenger Cars increased by 2% on a Y-O-Y basis. The revenues from Truck and Bus remained highest at 30% of the overall revenue by product segment followed by the 2/3 Wheeler segment.

FY 23 Revenue breakup by Market



Replacement OEM Exports

FY 23 Revenue Breakup by Product

- Passenger Cars/UV
- 2/3 Wheelers
- Truck and Buses
- Light Commercial Vehicles (LCV)
- Off-Highway

Cost Optimisation and Profit Margins

CEAT's EBITDA increased by 39.4% on a Y-O-Y basis rising from ₹ 701 crores in FY 2021-22 to ₹ 977 crores in FY 2022-23. The EBITDA margin for FY 2022-23 rose to 8.7% from 7.5% in FY 2021-22. The PAT increased by 279.7% on a Y-O-Y basis up from ₹ 54.3 crores in FY 2021-22 to ₹ 206.3 crores in FY 2022-23. The increase in profits was primarily driven by volume and price growth throughout the reporting period as well as by the downward movement of raw material prices in the second half of the year. The raw material prices were on a rising trend in the first half of FY 2022-23, however it slowed down in Q3 and Q4 resulting in better margins for the Company. With cost optimisation strategies in place, the Company's costs remained within reasonable levels and were managed efficiently. Overall, good product mix, efficient management of costs and product pricing contributed to better margins and CEAT maintained its share of market in the financial year.

**Robotic Process Automation ('RPA') in CEAT****Supply Chain**

Similar to the previous financial year, CEAT implemented RPA in its supply chain with an emphasis on Demand Planning and Procurement Planning and Control ('PPC') Inventory Correction. There was a cumulative tangible impact observed with reduction of time being utilized cutting down from 180-190 hours monthly to 80-85 hours per month. Shorter lead time, increased productivity and accuracy amongst other functional advantages are realised by the Company w.r.t RPA in the supply chain.

Outsourcing

The outsourcing process involves allocation of demand quantity to vendors on the basis of inventory status. By implementing RPA in outsourcing function, 34 hours of manual time per week is reduced. The risk of inaccurate allocation of excess or shortage of quantity is eliminated with this process. This also helps in minimizing the total cost of manufacturing and delivery.

Carbon Footprint Reporting

The process involves calculating and summarizing the carbon footprint from the SKU's for emission monitoring. With this process, ~46 hours of manual time per month for PCR & TBR category is saved. The visibility of carbon footprint is enhanced with the help of a monthly creation of report/dashboard to assist with subsequent mitigation measures. This process will help in achieving the emission reduction targets.

Project Spring

The Project Spring at CEAT is designed to improve efficiencies in manufacturing such as utilities and scrap to de-bottleneck the processes. The Project Spring has helped in improving cost efficiencies at CEAT with the help of QBM approach, as it is efficient to deploy a Cross Function Team ('CFT') projects across the organisation. The project also resulted in optimising the network, redesign of the processes and improvement in capital productivity.

Debt Management

The debt-to-equity ratio for CEAT decreased from 0.66 in the previous fiscal year to 0.62 this year. CEAT's year-end gross debt of ₹ 2,066 Crores is marginally lower than the debt level of ₹ 2,071 Crores as at the end of previous year. This means that CEAT managed its capital expenditure of

about close to ₹ 900 Crores in the year only from internal accruals. CEAT's standalone debt-to-EBITDA stood at healthy 2.11 by the end of the year. The overall levels of debt remained within the internal threshold. For the reporting year, CEAT's credit rating was maintained at 'AA'. The Company also raised ₹ 150 Crores through a private placement of unsecured Non-Convertible Debenture ('NCDs') during the year to refinance the existing debt and reduce the cost of capital.

Capital Expenditure

CEAT incurred a total CAPEX of about close to ₹ 900 Crores in FY 2022-23, which was largely funded through internal accruals. Out of the total CAPEX approximately ₹ 750 Crores were spent on project CAPEX and the remaining ₹ 150-175 Crores were for maintenance CAPEX.

Tax Strategy

The Company recognises the importance of tax in society and national development and sees tax as an important part of its contribution to national resources. The Company feels that tax responsibility is crucial to long-term sustainability. The Company's tax approach has been conservative and cautious.

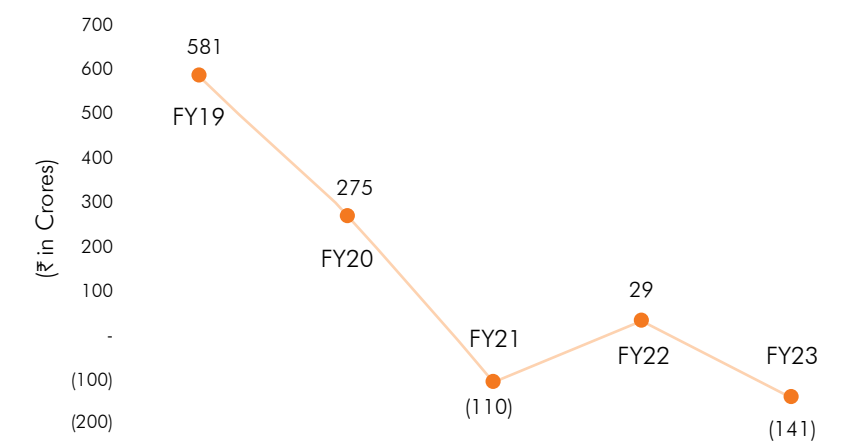
The Company has tax policy to ensure that it complies with all of the relevant tax laws and regulations applicable to its business. Compliance with all applicable tax regulations as well as internal policies, guidelines and governance procedures relating to taxation is the responsibility of Taxation and Finance Team. CEAT takes appropriate measures to

demonstrate that it has effective tax management processes and control. The Company aims to engage with tax authorities in a timely and constructive way to resolve tax disputes, if any. Applicable details on income tax, deferred tax, custom, excise tax, service tax, GST, etc. are provided in the Financial Statements and the notes thereon.

Working Capital Management

CEAT undertook various initiatives to bring efficiencies in all elements of its working capital management during the year. The Company improved its raw material inventory turnover ratio to 25 days and finished goods turnover ratio to 30 days in the current year as against 35 days and 37 days respectively in the previous year.

The trade receivables turnover ratio has also improved in the current year to 40 days vis-a-vis 42 days in the previous year. The trade payable position has also improved to 91 days as compared to 88 days in the previous year.

Operating Working Capital (₹ in Crores)**Government Grants**

The Company has recognised a government grant as income mainly on account of state incentives.

The Company did not make any political contributions during the year FY 2022-23.

(₹ in Crores)

FY 2022-23	FY 2021-22
104.40	166.32



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

With enormous focus on cashflows, we managed to end the year with marginally lower debt compared to previous year despite spending approx ₹ 900 crores of CAPEX. Focus on effective execution of various initiatives to bring cost efficiencies helped in delivering improvement in our operating margin to double digits towards the end of the year. With strong balance sheet, we have created enough head room to invest for the future!



Manufactured Capital



Contribution to SDGs



Focus Areas / Material Topics

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

Interlinkages with other capitals



Mapping with NGRBC Principles

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe

Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner.

Highlights for FY 23

45.07+ Mn

Tyres
Manufactured

1,900+

SKUs

170

New Products
Launched

50%

Smart Factory
Enablement

As an endeavour to Industry 4.0, CEAT has received project Lighthouse Recognition for its Halol facility and the Company will continue its efforts to minimise its impact on environment by adopting smart technologies, resource efficient processes. The Company adopts the best-in-class practices to meet customer demand for products and services.

CEAT's Manufacturing Facilities

CEAT has six state-of-the-art manufacturing facilities in India located in Chennai, Nashik, Nagpur, Halol, Ambarnath and Bhandup with Chennai, Halol and Nagpur plants being certified by the Indian Green Building Council ('IGBC'). Each plant is equipped with the capability to produce a distinguished set of tyres.

In FY 2022-23, CEAT produced 45.07+ Million tyres with average capacity utilisation across all plants in the reporting year being 80%. This year, CEAT released 184 New Product Developments ('NPD') and 170 new products were launched. This ensures that CEAT makes continuous improvements in its processes.

CEAT in the Industry 4.0

CEAT is implementing Industry 4.0 across its Halol, Nagpur, and Chennai facilities with the aim of enhancing productivity, ensure better quality assurance and traceability, higher equipment uptime, and efficiency improvement by eliminating the material variance. The journey has managed to touch End-to-End ('E2E') operator touchpoint and convert this in digital form to ensure real time monitoring for improved insights and decision.

Through the Industry 4.0 technologies the Company could record, bring real time visibility and connect large data sets across departments. This has helped challenge some of CEAT's

operating philosophies and industry practices to create breakthrough impact and evolved a new way of continuous improvement for the plant teams.

Capacity Expansion

At its greenfield factory in Chennai, CEAT continues to expand its capacity during FY 2022-23 in order to reach its installed capacity to eventually produce about 96 Lacs Passenger Car Radial tyres annually. The Company continued the construction of its new Truck Bus Radial tyre facility at Chennai. Once the brownfield project is completed, CEAT's Nagpur 2W facility can produce about 2.7 Crore tyres annually.



Lighthouse Recognition for Halol Plant

CEAT's Halol plant achieved a tremendous feat this year being awarded the Lighthouse designation from World Economic Forum ('WEF'). CEAT is now a part of the Global Lighthouse Network ('GLN') which comprises of 132 factories globally who have implemented Industry 4.0 use cases and have scaled them across its value chain.

CEAT deployed Fourth Industrial Revolution use cases like advanced analytics to optimize cycle times and digitalisation of operator's touchpoints. As a result, the site reduced cycle times by 20%, process scrap by 46%, and energy consumption by 15%.

This global award is a testimony to CEAT's preparedness to adopt industry-leading digital technologies in the workplace. As the first tyre company globally and the first auto ancillary company in India to receive this prestigious recognition, gives the Company immense pride in setting global benchmarks in a fast-evolving industry with aspiration to continue leveraging the 4IR capabilities and achieve more milestones, such as a further reduction in GHG emissions to 50% by 2030, among other key targets.

20%
Reduced cycle times by

15%
Reduced energy consumption by

46%
Reduced process scrap by

Manufacturing Milestones Digital Endeavour

CEAT has been focusing on continuous improvement and innovation across its plants using Digital and Industry 4.0 technological advancements to deliver cutting edge results across its value chain. Advance analytical solutions was designed to optimize cycle time by 20% ensuring better adoption of green material without losing productivity. Predictive analytical based air optimization solution ensured that the Company was able to cut the manual audits by more than 90% and saved power to the tune of 25%. At Halol the team challenged the conventional curing press warm-up process to design a Internet of Things ('IOT') enabled dynamic heating system with inbuilt

intelligence which helped CEAT to cut idling loss by more than 70% and cut steam consumption by more than 20%. At plant-level, scrap generation was one of the critical outcomes and with the digitally enabled scrap monitoring tool equipped with an inbuilt analyzer, the Company was able to reduce the overall scrap generation by more than 45% as mentioned in previous section.

Fully Automated Warehouse – CEAT Chennai

At the Chennai warehouse which has the capacity of 2 Lacs finished tyres, is a state of the art warehouse that has been constructed and integrated with automated tyre handling system with entire data integrated between the automated system using the Manufacturing Execution System ('MES'). CEAT ensures quality tyre dispatch to customer by using Machine Learning ('ML') powered visual analytical solution ensuring fool proof tyre palletisation system. Overarching purpose has been to increase and improve the quality of delivery and reducing the time of dispatch rather than reducing the manpower in the facility.

OEM Audits

CEAT values its association with Original Equipment Manufacturers ('OEMs') and OEM audits are one of the opportunities to engage with them. With a long-term business perspective, these audits give the Company the opportunity to adopt best-in-class practices to meet customer demand for products and services. By continually exceeding its OEM partners'

expectations, the Company has built long-lasting relationships with them and has advanced innovation and design thinking. CEAT is the first tyre company in India to get OEM approval for EV specific range of tyres for the commercial vehicles segment.

CEAT's Nagpur plant successfully completed 11 OEM audits and was awarded with the OEM approvals. The Company was also honoured with an Appreciation Letter for Good Quality parts by Suppliers for Exports from Honda. Its Halol plant successfully completed 22 OEM audits and was awarded with the 10 new approvals. CEAT's Halol plant was awarded for consistent high-quality performance from Maruti Suzuki, best performance in quality customer satisfaction from Renault Nissan, quality month celebration from TATA.

The Chennai plant successfully received approvals from 12 OEMs and was awarded with 14 new OEM approvals. CEAT's Chennai facility is the single source vendor for Peugeot Societe Anonyme ('PSA') and scored 93% for Process Control Plan Audit ('PCPA') in FY 2022-23 and 91% in FY 2021-22.

Technology Initiatives

CEAT has had various technology initiatives over the years. These initiatives are undertaken to ensure continuous quality and process improvements. The new technology initiatives have resulted in reducing the process scrap by 15% at all manufacturing units and the lead time by 11%.



Digital and Automation

Keeping pace with the evolving trends, CEAT has persistently made significant investments in analytics, thereby enabling real-time decision making based on data. Across various business functions, the Company has expanded its analytics footprint to ensure smarter real-time decisions. With substantial investments in both technology and human resources, encompassing data science, data engineering, data architecture, data visualisation, and cloud platform skills, CEAT aims to leverage the power

of digital technologies, particularly Artificial Intelligence ('AI') and Machine Learning ('ML'), to provide insights to assist in crucial business decisions.

Aligned with its sustainability initiatives, the Company has prioritized the development of energy-efficient and environmentally friendly Information Technology ('IT') infrastructure. Embracing the public cloud extensively, the Company has migrated over 60% of its data to this platform. Moreover, all employees of CEAT have been granted access to cloud-based

collaboration tools, facilitating seamless communication through messaging and storage platforms.

Furthermore, the Company has undertaken the modernisation of data centers in its factories, incorporating environmentally conscious designs that take into account factors such as temperature, humidity, air flow, power, and cooling data. Leveraging Hyper-Converged Infrastructure ('HCI'), CEAT has consolidated its application landscape, leading to efficient resource pooling and utilization, resulting in 40% reduction in power consumption.

The Company has made strides in developing a connected application ecosystem by integrating its enterprise systems with the Original Equipment Manufacturers ('OEMs'), vendors, and value chain partners. To expedite automation and agile implementation, the Company has embraced low-code and no-code platforms, successfully deploying applications for quality assurance and manufacturing functions. CEAT remains committed to its journey of automation, employing robotic process automation tools and other cutting-edge technologies to facilitate end-to-end processes. In an interconnected world, CEAT places great emphasis on cyber security and continues to invest in appropriate tools and technologies to safeguard its operations.



Smart Factory Enablement and Production Optimisation

CEAT's Chennai, Nagpur and Halol facilities are smart factory enabled. CEAT plans to make all its plants equipped with the technology in the near future. Smart factory enablement has helped the Company to pivot from traditional manufacturing processes into an intelligent, transparent, and scalable interconnected system. CEAT has upgraded its technology platform with holistic technology stack introducing Edge and Cloud architecture in its overall framework. The Company has created an eco-system of more than 10+ technologies on its platform to design, develop and deploy digital solutions. CEAT has created a Digital Analytics Centre of Excellence ('CoE') with more than 25 people to identify and resolve manufacturing issues through digital levers. The Company

has adopted an agile way of working as part of work culture with fail fast, learn fast approach.

Virtual reality based training stations have been introduced on shop floor

for tyre building machines to ensure faster and better training of operators. The module includes tutorial, practice and evaluation modes for better performance monitoring.



Intellectual Capital

Contribution to SDGs



Focus Areas / Material Topics

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

Research & Development Centre

Interlinkages with other capitals



Mapping with NGRBC Principles

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe
Principle 6: Businesses Should respect and make efforts to protect and restore the environment.

Highlights for FY 23

₹162.73 Cr.	275+
R&D Expenditure	R&D & Technology Team
184	52
New Products Developed	New Design Registration
170	11.5%
New Products Launched	Revenue Contribution by New Products
25	150
Patents Filed in FY23	Patents Filed (Cumulative)

₹18.34 Cr.
Total Savings through R&D initiatives

One of the greatest strengths of CEAT is the ability to innovate. At CEAT, innovation is highly valued, and discovery of novel technologies and solution is the way of life. Brand recognition and reputation are vital aspects for the Company's need to produce high-quality, durable, and safe tyres.

Research and Development

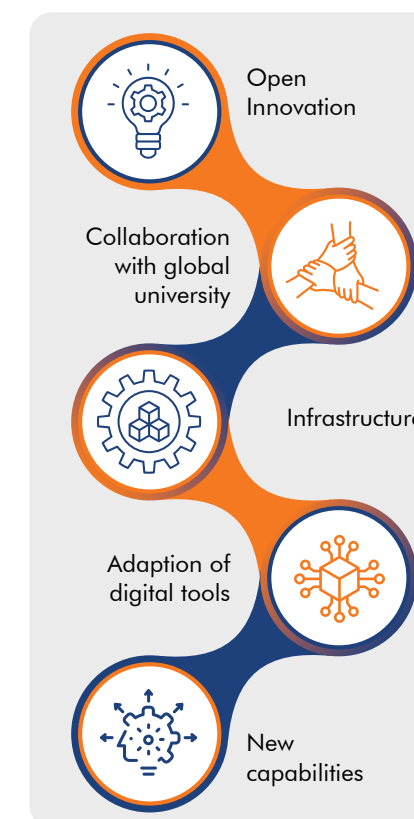
As a result of the Company's emphasis on Research and Development (R&D), CEAT's plans are highly focused on identifying new potential opportunities for growth aligning with the Company's vision. Through long-term planning, collaborations, development of competencies, and the use of digital technologies, the CEAT R&D team strives to create innovative and sustainable solutions with the needs of the consumer at the forefront. In FY 2022-23, the Company's R&D team received "Golden Peacock Award" in the Innovative Product/Service category for EnergyDrive EV tyre.



CEAT's Research and Development (R&D) plays an indispensable role in the overall growth and development of the business operations by improving the efficiency of the products and services. The R&D team has a specialized pool of domain experts with facilities located in Halol, India as well as at the CEAT European Technical Centre ('CETC') in Frankfurt, Germany. The Halol facility is approved

by The Department of Scientific and Industrial Research ('DSIR'). The material development and testing laboratories are accredited by NABL.

CEAT is focused in building a sustainable tomorrow through innovation, growth and safer mobility. Product development is started by R&D while considering the evolving market expectation and economic landscape. The Company's objective with R&D is to enhance environmental performance with focus on customer delight and safety.

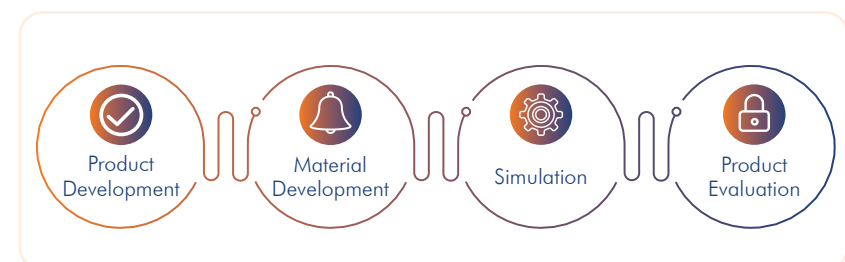
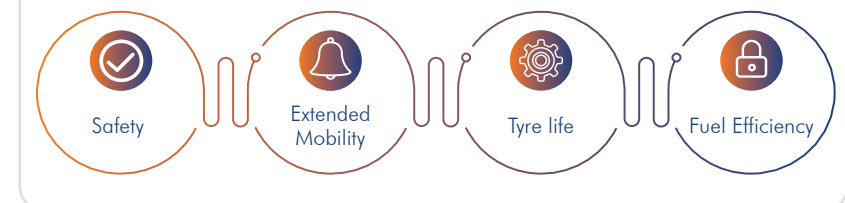


CEAT R & D facility Halol

CEAT's Research and Development facilities

CEAT European Technical Centre (CETC) Frankfurt, Germany

Core Technology Focus



CEAT has a five-year technological roadmap which is an integral part of the Company and focuses on the changing needs and requirements of the sector and the economy. Technology roadmap and manufacturing roadmap were integrated

into the New Product Development ('NPD') system to enhance it and both are assessed at the yearly planning meeting. To be ready for the future of product manufacturing, the manufacturing roadmap is also in line with the

technology roadmap. Subsequently, respective functional 5-year roadmaps like simulation roadmap, basic research roadmap, digitalisation roadmap, etc are prepared based on integrated roadmap.

CEAT's vision and goal is focused primarily towards fostering environmentally friendly products across the geographies and working for the customers delight and safety. CEAT's R&D team aims to achieve value enhancement by focusing on product development through virtual design simulation which has reduced the need to physical prototyping and testing. In addition, this has helped reduce the overall lead time in product testing. Reducing the number of prototypes has resulted in achieving resource efficiency.

CEAT continues its focus on designing and manufacturing tyres that enables mobility, environment friendly, high product life and cost efficiency. Such initiatives, technologies and innovations keep the workforce inspired to support the goals or vision of the Company.

Sustainability at CEAT

Sustainability is the primary focus area for CEAT. The Company has taken initiatives to enhance its sustainability approach globally and also within the organisation. CEAT is committed to the purpose 'Making Mobility Safer & Smarter. Every Day.'

► **Responsible sourcing and green raw materials** is the strategic focus of the Company. With focus on fossil free tyres and eco-friendly raw materials, CEAT has created an opportunity with its platform for small enterprises and start-ups. The Company is accommodating the capacity building around the green materials.

► Advancement of **Electrical Mobility** with emphasis on noise reduction, low rolling resistance, and long life for tyres, is a major criterion for continuous sustainability. CEAT is continuously working towards development of the tyres for Electrical Vehicles ('EV') segment and has successfully launched EnergyDrive for passenger car radial, EnergyRide for 2-wheelers, WinEnergy for electrical buses with the approval from all the OEMs. The adoption of electrical vehicles has gradually increased in the FY 2022-23 compared to previous year.

► Rolling resistance acts as an important factor as it directly affects the fuel efficiency and environmental impacts of vehicles. **Low rolling resistance and High life** ensures safety and longer life of tyres and contributes to the reduction of carbon emissions during the whole life cycle of the tyre. Major focus area in FY 2022-23 were reduction in rolling resistance, low weight products in commercial category and mileage improvement. CEAT makes significant R&D investments to lower the rolling resistance of the tyres. Projects were initiated in PCR, TBR & 2W segments for reducing the rolling resistance. During the year, CEAT achieved low rolling resistance for its projects, for example the TBR segment achieved the lowest rolling resistance 5.0 in block tyre and 4.55 in RIB tyre.

► CEAT has introduced **Low weight** tyres in the market to ensure consumer's needs, requirements and safety. Low weight tyres are designed to improve the fuel efficiency and for improving the handling and

braking. Lighter tyres require less energy to roll, which leads to lesser consumption of fuel. CEAT focuses on the development of fossil free tyres which are manufactured using sustainable and renewable materials and help in reducing GHG emissions and mitigate climate change. Currently 5-6 projects on fossil free tyres are being carried out in FY 2022-23. Low rolling resistance and low weight Win Super X3D tyres were successfully validated without compromising any other performance requirements. In addition, CEAT has set the target of 89-90% of production of fossil free tyres in for extensive evaluation.

CALM tyres:

In FY 2022-23, CEAT completed the development of Energy Drive tyres with CALM (CEAT Acoustic Lowering Material) technology, which is patented and launched in the market to boost CEAT's presence in the electrical vehicle tyre segment. CALM is the unique sound absorbing material which reduces noise by filtering and absorbing vibrations. A special grade felt material is used for developing CALM technology, which is fitted inside the tyre cavity and helps reduce in-cabin noise by 2.5 dBA and makes ride vibration-free. Also, to improve product aesthetics for global product development, a Design Studio has been established with in-house styling team and functional prototyping capability, e.g., Developed Global All Terrain Platform, EV platforms.

Focus on EV applications:

The core belief of sustainability is fulfilling the needs without compromising the ability of future generations. Hence, the importance of sustainability has increased across all the sectors of economy. This global push of sustainability has encouraged the electrification of automobiles which is also essential in India's goal of achieving target of Net Zero CO₂ emissions by 2070. In order to align with the Indian government's goal for a greener society, CEAT has also set a target to reduce carbon footprint by 50% by 2030.

Aligning with these goals and challenges, CEAT has launched a new category of EV products range EnergyDrive (Passenger car), EnergyRide (2 Wheeler) and WinEnergyX3R (Truck Radial) etc. EVs do not use fossil fuels for its operation and does not produce greenhouse emissions, hence, gives us cleaner streets making cities and towns a better place. The Company has partnered with major OEMs, which has resulted in achieving substantial share of business in 2W EV OEMs.

Passenger Car Tyres- 5 Star Rating

CEAT has received BEE 5-star rating for 25 SKUs which helps customer for making informed buying decisions. A higher star rating means a more efficient tyre with respect to fuel efficiency. Better fuel efficiency translates to lower CO₂ emissions so a higher rated tyre will also be more eco-friendly.



Mr. Renji Issac
Sr. Vice President - R&D and Technology

With innovation and digital as key tenets, the R&D team's efforts are aimed at catering to customer needs while making our products eco-friendly. BEE 5-star ratings for our passenger car tyres for fuel efficiency resulting to lower CO₂ emissions and the Golden Peacock award for Innovative Product category for EnergyDrive EV tyre reflect our positive move in this direction.

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

Building the culture of Quality Business Management, CEAT collaborates with its staff, management and other stakeholders to foster quality and innovation for products and processes across the Company. In 2008, CEAT decided to pursue Total Quality Management ('TQM') to raise and strengthen itself against the strong competition that India was experiencing, not only from Indian companies but also from international companies.

CEAT is the first tyre company outside Japan to win the Deming Prize, a prestigious international quality award given to organisations for their contributions to the field of TQM. This is

the source of pride and honour for CEAT's practices and emphasis on customer-centricity. QBM has been instrumental in strengthening the customer focus, long-term thinking, process orientation and people focus, providing breakthrough products and services to customers. It supports systematic operations to achieve business objectives effectively and efficiently. As a result, the Company has shortened the manufacturing lead times for PCR, TBR and 2W through the deployment of Single-Minute Exchange of Dies ('SMEDs'), modified scheduling algorithms and optimised in-process inventory control. The entire supply chain, from the entrance of raw materials through the shipping of tyres to the consumer, is likewise subject to lean management.

During the year, the Company has achieved 100% total employee involvement in improvements with 9,700 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 2022-23, 1,02,756 continuous improvement projects, i.e. Kaizens, have been implemented to address the safety, quality, delivery, cost and morale. This is the first year CEAT has crossed the milestone of 1 lakh improvements across the organisation. CEAT strengthened and expanded its Daily Work Management, leading to lower loss of time or material and higher productivity. As a part of Lean Management, Company has further leveraged the value stream mapping process and eliminated 1,500 Muda

Process Development

The Company aims to redefine the tyre manufacturing process to build sustainable and innovative processes and products by introducing cutting edge technologies.

Sustainable Mobility solutions

Establishing a Green approach in tyre manufacturing by exploring processes to achieve net zero emissions in the future.

Innovation

Inventing and integrating cutting edge processes into the production systems to enhance capabilities.

Versatile Process

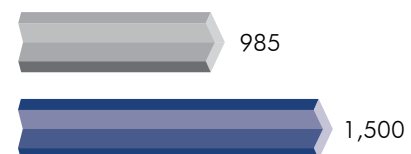
Modular Manufacturing processes which is flexible and build small batches with minimum environment impact.

(waste) and 11,910 Muri (overburden) from various processes. CEAT has completed 550+ Quality Improvement Projects ('QIPs'), highest till date to solve problems to achieve business objectives. CEAT aims to execute its strategies in a QBM manner in order to realise the Company's vision. After receiving the prestigious Deming Prize, QBM's mission to transform everyone at CEAT into a structured problem solver in order to increase customer

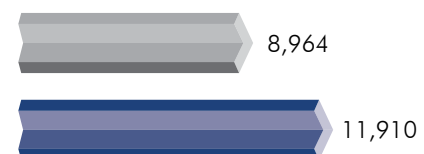
Man-days Training on QBM Methodology



MUDA (Waste) Eliminated from the process to achieve operational excellence



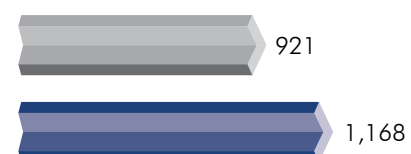
MURI Elimination was done to reduce stress from work



Workmen/associates involved in SPARSH Circle



Projects completed through SPARSH Circle



FY 22 FY 23

satisfaction, continues. Sixteen of the finest teams from across functions competed in the Company's most recent QIP Mahasangram, which included three tracks: "Customer Focus," "Operational Excellence," and "People Power." An expert judging group made up of business executives from various sectors assessed the event. To reduce manual errors, 444 (highest ever) Human error prevention projects were completed. **Sustainable, Productive, Accurate, Reliable, Safe and Healing** ('SPARSH') is a unique and innovative approach followed in CEAT for Quality Control Circle ('QCC'). In FY 2022-23, 4,946 workmen and associates participated across the manufacturing plants and the Company achieved the highest count of 1,168 projects. Forty teams of CEAT's workmen and associates participated in National Convention on Quality Concepts and won 22 'Par Excellence,' 17 'Excellence,' and 1 'Distinguish' award.

DIGITALISATION AT CEAT:

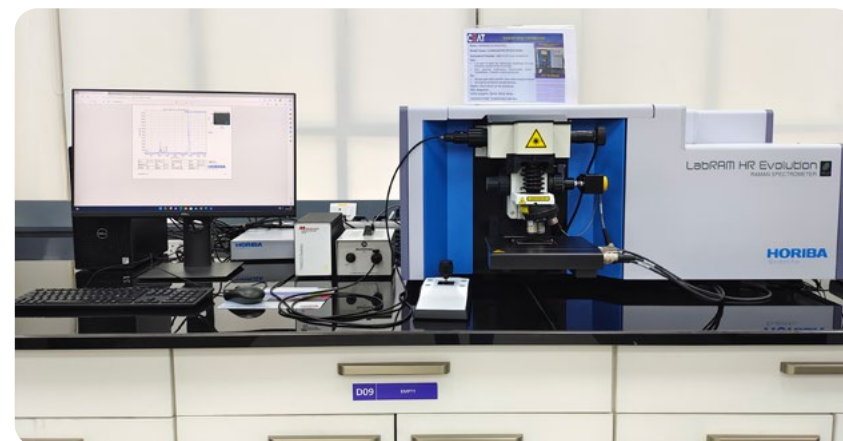
CEAT has always believed that digital technologies promote competitive differentiation that assists in creating new business models, helping companies maintain higher levels of agility, efficiency, quality and customer experience. Through the development of new capabilities in the fields of simulation, test laboratory data management and project management, CEAT's R&D team continues to place a strong emphasis on advancing digitalisation and data analytics.

CEAT has invested significantly to broaden its digital footprint on the customer side. Advanced digital tools are used for better visualisation and simultaneous design reviews with remote locations as well. Through digital channels such as e-commerce,

websites, chatbots and CRM systems, CEAT has made considerable investment around online customer acquisition and customer contact with improved user experience. CEAT has also invested in enhancing the ease of doing business with the channel partners through constant innovations by working with them jointly, evolving and maturing digital solutions that increase speed, transparency and efficiency of doing business. All of these efforts have resulted in boosting the Company's revenue and customer satisfaction. In line with the evolving trends, CEAT also invested in analytics like technology and people capability with data science, data engineering, data architecture, data visualisation and cloud platform skills to expand analytics footprint and to leverage the power of digital that aid crucial business decisions. The Company continues to focus on making IT infrastructure energy-efficient and environment friendly. More than 60% of the internal data has been shifted to cloud. The cloud-based collaboration software has been made available to every employee for their chat, video and storage needs.

To meet these initiatives, CEAT has modernised the data centres in factories with eco-friendly designs with controlled temperature, humidity, power and cooling data. By using Hyper-Converged Infrastructure ('HCI') and consolidation of the application landscape for resource pooling & efficient utilization which has resulted in reduction in power consumption.

CEAT deployed Fourth Industrial Revolution use cases like Advanced Analytics to optimise cycle times and digitalisation of the operator's touchpoints. As a result, the Halol plant reduced cycle times by 20%, process scrap by 46% and energy consumption by 15%.



CEAT

RPG



Human Capital



Contribution to SDGs



Focus Areas / Material Topics

Aspirational Employer Brand - Talent Retention

Diversity and Inclusion

Capability Building

Employee Wellbeing, Health and Safety

Employee Engagement

Interlinkages with other capitals



Financial



Manufactured



Natural



Intellectual

Mapping with NGRBC Principles

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Principle 5: Businesses should respect and promote human rights

Principle 8: Businesses should promote inclusive growth and equitable development

Highlights for FY 23

8,207

Permanent Employees

100%

Stay Interviews conducted for management employees

84

Happiness Quotient

Five Star Rating

in Occupational Health and Safety Audit

10,173

Health & Safety training man-days

13.85%

Women Workforce recruited

“CEAT takes conscious efforts to develop its human capital. The Company has always believed that its people are an important asset and that training and development is necessary for the betterment of its people and the business. CEAT has a growth-oriented culture with cross-functional agile teams. CEAT also has a happiness index to capture the happiness levels of the employees and to improve its business functions. With a strength of more than 6,000 employees and more than 1,800 workers, CEAT has established itself as an aspirational brand in the automobile industry.”



Mr. Somraj Roy
Chief Human Resources Officer

It has been a remarkable year for CEAT, as we have demonstrated a steadfast dedication not only to achieving our business objectives but also in making a positive impact on society and our people. We have placed capability development, living our values, inclusion, and inspiring leadership at the forefront of our priorities thereby fostering a culture that embraces care to enhance employee happiness. The diverse skills and experiences of our people have played a pivotal role in overcoming the obstacles we faced. CEAT's commitment remains unwavering in creating an equitable, and empowering workplace for all.

Aspirational Employer Brand:

CEAT embarked on its journey to be an aspirational employer brand and strives to ensure that employee journey is taken care of right from the onboarding stage to the exit of the individual. The Company is committed to the wellbeing of its people and supports the people at every stage of their career.

Most Preferred Workplace in Manufacturing:

CEAT was also awarded most preferred workplace in FY 2022-23 by Marksmen Daily for its progressive people practices and conducive work environment.

Best firm to work for Data Scientists:

Apart from being a great place to work, CEAT is also certified as the best firm to work for Data Scientists. This certification was provided by the Analytics India Magazine (AIM) through its workplace recognition programme.

Great Place to Work®

CEAT Limited is a Great Place to Work-Certified™ organisation. The Company has created a Great Place to Work for all its employees by excelling on the 5 dimensions of a High-Trust, High-Performance Culture™ – Credibility, Respect, Fairness, Pride, and Camaraderie. Every year, Great Place to Work® identifies India's 100 Best Companies to Work For (with employee strength more than 500) through an objective and rigorous workplace culture assessment process.

CEAT is certified 5 times in a row as India's Best Workplaces™ in Manufacturing 2023. This year, CEAT also won Best Workplaces in Building a Culture of Innovation by All – 2023.



Fitness and well-being:

Employee well-being is paramount to Company's commitment for sustainable operations and organisational effectiveness and various initiatives during the year were introduced with the aim of promoting Fitness and well-being of employee and their family. Once such initiative was celebration of the Health and Wellness Week with participation of over 1,000+ managers and associates. Personal Health Transformation program was expanded by Chief Fitness Officer (CFitO) covering 181 management employee, including 13 family members and 116 associates. Additionally on bi-monthly basis 'Health Hours' for management and Women on well-being sessions were conducted with participation of 297 employees in 4 sessions and 188 employees in 5 sessions, respectively.

CFitO, visits Chennai, Nagpur, Nashik plant of the Company on monthly basis to provide better accessibility and visibility of initiatives to employees.

To reduce stigma surrounding mental health and improve adoption of Employee Assistance Program, the Company offer its employees access to mental health resources such as counseling services and mental health workshops. 592 management and 250 associate sessions were held in FY 2022-23.

CEAT launched a Sales Assist Program wherein basis the insights from the stress assessment survey of 210 sales employees, proactive group and individual counselling were carried. The program covers issues which have high or medium impact on emotional wellbeing namely, coping with stress and anxiety, leading with vulnerability, fear of failure, lifestyle choices that impact physical and mental health and work life balance.



Life At CEAT

Parichay: On boarding program approximately 3 week-long, provide a holistic view of the Company's culture and processes. Through this program, the new joiners interact with the leaders of the Company and gets acquainted with various processes and expectations of the Company.

Digitalisation in Human Resource Management: CEAT's initiative to go digital and in turn save paper has ensured that the Company is 100% digital throughout its employee life cycle. CEAT's hiring, retention and exit processes are fully digitalised with the help of its passionate human resources leaders and internal collaboration of the teams.

Stay Interviews: Stay interviews are introduced to control attrition rate of employees by having a communication with them which helps the Company in understanding areas of concern and opportunities to retain the employee. These interviews are formulated with a strong people matrix for Operational Committee Members.

CEAT's Parental Leave Policy: As part of its efforts to encourage the women employees to stay associated with CEAT, the Company has extended the support and benefits beyond the regulatory guidelines on parental leave provisions. CEAT has offered the option of flexi-working for new mothers to accommodate the flexibility of half-

day working in the first year after the childbirth, in addition to 26 weeks of maternity leave. The Company also has extended its parental leave to both adoptive mothers and fathers.

In FY 2022-23, CEAT has received 152 Paternity, 17 Maternity and 0 Miscarriage Leave Applications. Total employees who availed parental leave were 169 and 169 returned to work. Furthermore, 100% were still employed after 12 months of their return to work.

Employee Contribution Scheme: CEAT goes out of its way to ensure that employees could avail the appropriate health care at the time of hospitalisation. The Company steps up to support the departed colleague's family with employees one day basic salary, voluntarily contribution. The organisation has benevolently committed a minimum amount of ₹ 15 Lacs i.e., ₹ 7.50 Lacs from employees matched by an equivalent ₹ 7.50 Lacs from the management for each such incident.

Policy for Female Field Saleswomen: CEAT has implemented a policy of no questions asked, two days of work from home in a month to support its frontline saleswomen personnel through any menstruation related issues. Personal care kits containing menstrual hygiene and safety products are also given to these employees. This policy helps the female employees be comfortable in their own spaces and take care of their health.

Benefits to Workmen

Health and Life Insurance

Health and Wellness 24*7 Hotline

CEAT has implemented the initiative of extending the benefits of healthcare insurance for workmen by introducing a new insurance policy "Term-life insurance".

Benefits to Employees and Workers

Benefits to Employees

Health and Life Insurance

Accident Insurance

Parental Leave

Health and Wellness 24*7 Hotline

Work from Anywhere/ Flexitime (Virtual workplace)

LGBTQ+ Partners Benefits Policy

Child Education Support

Relocation on Retirement

Diversity and Inclusion

CEAT people's policies contribute to the culture of inclusiveness and diversity, as well as a flexible work environment, resulting in low employee turnover. [Diversity is a strategic area in CEAT and it has focused on increasing women hiring and participation.

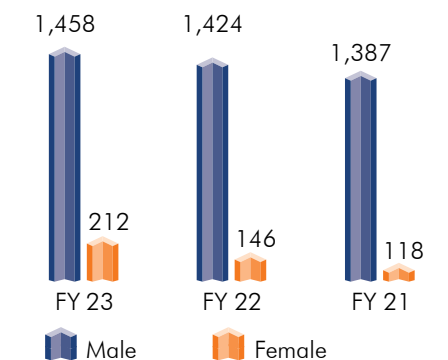
Apart from gender diversity, CEAT has also focused on educational and geographical diversity. With regards to educational diversity, CEAT is striving to challenge the old ways of hiring based on degrees and relevant educational backgrounds and aims to give more weightage to the skill set. Geographical diversity is also important from the point of view that people having limited opportunities get a chance to work with the organisation. Company. The Key Management Personnels ("KMPs") of the Company are hired from within the country.

CEAT has taken the initiative to hire and empower transgenders. One such empowered person, Devanshi Hareshbhai Bajaj is working with CEAT and below is her story:

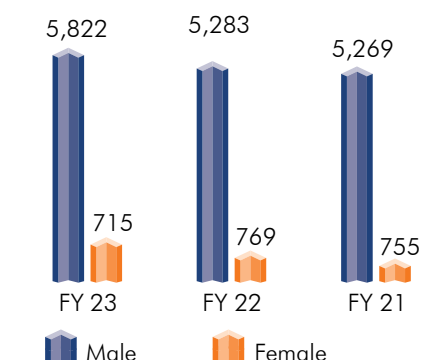


'When I joined, it was difficult for me as the post offered to me at that time, I did not have any experience of that processes but after that I discussed and my seniors helped me change my job profile as per my experience and expertise. My seniors are very helpful to get me settled down. If I talk about culture even on the shopfloor people are very friendly, supportive and helpful. This is my first job in corporate sector and it is a bumpy ride but there are lot of learnings. In the beginning I was fearful but day by day I overcame with that and improved a lot. It is a realisation that whatever you learn during your education but when you actually implement it is generally very different so I feel this experience will be helpful to make my future bright.'

Management



Non-Management



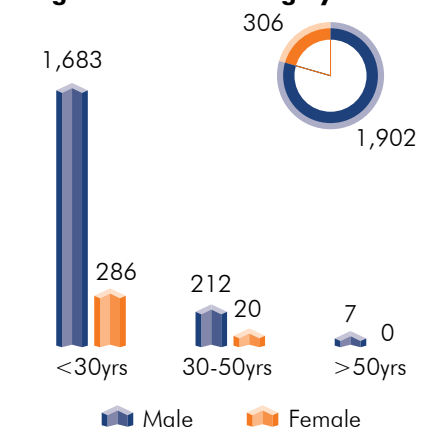
Employee Resource Group, EmpowHER:

CEAT launched EmpowHER, a women's support group to serves as a forum for discussion how CEAT can be a more welcoming workplace for women.

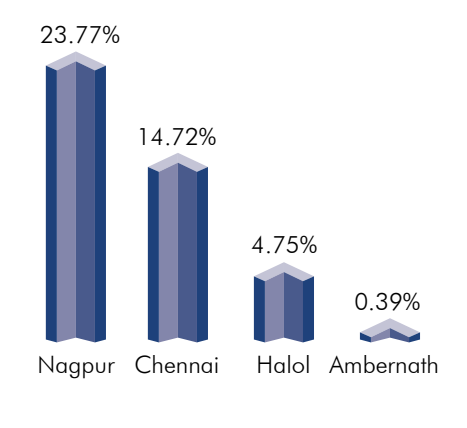


No. of New Hires in FY 2022-23

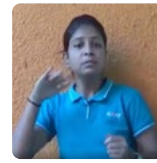
Age wise Hiring by Gender



Diversity hiring in FY 2022-23



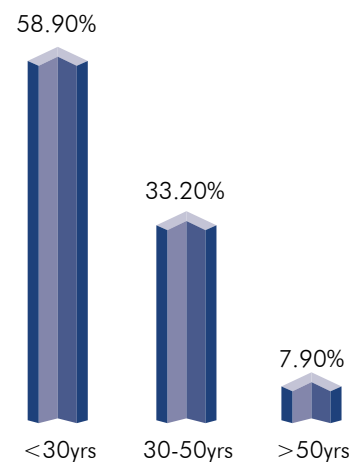
CEAT has taken a step forward in terms of inclusivity by focusing on recruiting differently abled employees. Sensitivity and sign language training for team members were conducted to establish an environment where people are geared to work with differently abled employees. As of March 31, 2023, CEAT employed 31 people in the differently abled category.



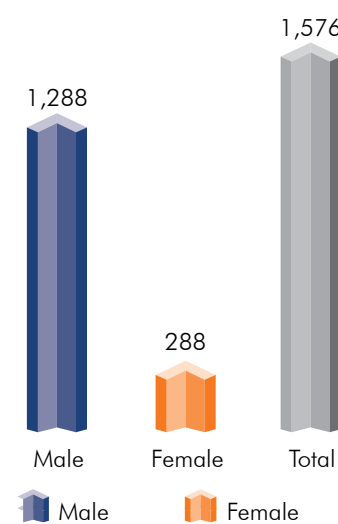
Sonam Pathade from the Nagpur Plant, who is hearing and speech impaired, shared the following through sign language:

"I joined CEAT Ltd. on 3rd December 2020. That time it was an emotional and proud moment for me, and I did not know how to tell my family that I am selected. I learnt new things like SOP of all documents, inspection and tyre defects knowledge. There is Self-Managed Teams culture due to which it feels good at the Shop floor. I am really proud and thanks to CEAT that they gave me the identity that I wanted. Thanks for accepting me and I am really proud to be a part of CEAT Organization."

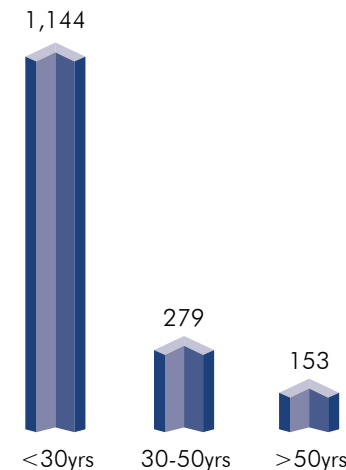
Age-Wise Breakdown of workforce in FY 2022-23 (in %)



Employee Turnover



Employee Turnover



Employee Engagement:

In the endeavor to make CEAT an aspirational employer brand, several levers were recognised like Learning and Development, Employee Wellbeing, Flexibility at Work and Relationship Building.



Chief Listening Officer

AI-powered Chief Listening Officer, serves as a liaison between employees and the Company, gathering real-time feedback on culture and work practices. The chief listening officer works to enhance the culture of transparency and openness in CEAT by setting up pathways to two-way open communication.



Champ

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



Chief Fitness Officer

To make CEAT a fitter, stronger and healthier organisation through focused interventions- personal health counselling, diet plans, structured health sessions were extended to employees through CFitO offerings.



Policy Simplification and Roadshow

To optimise employee experience by minimising complexities and empower CEATizens, several workplace policies were converted into guidelines and redundant policies have been removed. High impact people policies have been communicated across locations including Sales through dedicated policy roadshows.



Coaching

Coaching is hailed as powerful tool to not only develop talent but also for mutual sharing of experiences and opinions to create agreed-upon outcomes. Here coaches are considered equal partners and it enables two-way open communication as coaches do not provide ready solution.

Grievance Management:

Employees at CEAT have access to an effective grievance redressal system in a digital format "Bol Bindass", via which they can voice any workplace related problems. Employees can even file complaints through Red Book when they are offline. The Safety, Transportation and Canteen Committees meets monthly to review the grievances recorded in the

Red Book or Bol Bindass, followed by the closing procedure.

'Sherlock' a chatbot to address questions about business policies and employee issues is accessible through various modes. Employee can access to all the policies of the Company 24*7 to eliminate the dependency on HR to that extent. CEAT also introduced the Grievance Module in the said 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 2022-23, 1,191 tickets were raised of which 890 have been closed, showing credibility of the Company integrating AI solution in its various processes.

Learning and Development at CEAT

Functional Capacity building

CEAT focuses and ensures its activities for functional capacity building within its employees and extended communities. CEAT has a dedicated academy namely Finance, Sales, Digital, R&D and Technical, which facilitates activities in the form of trainings, workshops, programmes, special boot camps, and awareness sessions for overall employee skill enhancement. In addition to the above academies CEAT also has training program for its value chain partners.

Finance Academy



In addition to core domain topics, this year, the Company introduced a new module on value creation and strategy for senior finance professionals in an outbound setting.

Technical Academy



This year, CEAT offered 26 sessions on diverse topics using blended learning methodology, covering 768 plus cohorts from all manufacturing locations.

R&D Academy



This year, CEAT offered 16 specialised trainings on a variety of subjects facilitated by subject matter experts, and more than 270 cohorts from R&D and technology attended and upskilled.

Sales Academy



The focus of Sales Academy continued to be on building the capability of front-line sales employees through Distribution Excellence module. To further strengthen the leadership capabilities, people managers underwent INSPIRE workshop. Overall 39 sessions were conducted in Sales Academy across 9 different modules.

Digital Academy



CEAT deployed Fourth Industrial Revolution use cases like Advanced Analytics to optimise cycle times and digitalization of the operator's touchpoints.

Through Lighthouse project initiative, the Company covered 18 capability building workshops for Business Translators (80), Data Engineers (20), Data Scientists (5).

In addition to this CEAT is focusing on capacity building through leadership and behavioural, technical and functional training. Average Training hours per year per employee in FY 2022-23 is shown below.

16.1 Hours

Management

16.16 Hours

Non- Management

14.2 Hours

Permanent Female Employees

3.65 Hours

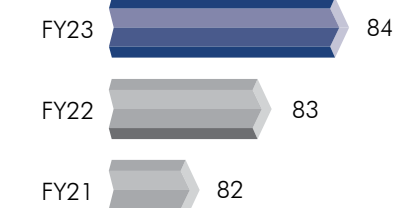
Temporary/ Contractual Employees

Other Key Initiatives:

As CEAT continues its journey on becoming Aspirational Employer, it embraces Happiness as a way of life at CEAT and as result of its efforts, CEAT's Happiness Quotient increased which depicted as:



Happiness Quotient:



Succession Management:

CEAT assesses employees with RPG Leadership Capability Framework. Career conversation with every employee on future direction is held with immediate supervisor post which development action plans are drawn. Over the years the process has matured. During the year, 90% GM and 50% VP and above positions were filled via internal succession pipeline.

As per 'RPG Talent First' policy which encourages movement of internal talent across RPG Group companies with the objective of providing cross company exposure for professional growth, Mr. Somraj Samin Roy – Chief Human Resource Officer was transferred from KEC International to CEAT Ltd w.e.f January 1, 2023.

Human rights and labour relations:

CEAT is committed to improve the quality of life of its people, value chain partners, communities where it operates based on the RPG code of conduct and CEAT's Human Rights Policy. CEAT is committed to respect, protect and uphold the Human Rights of all its stakeholders.

CEAT has a responsibility to respect human rights by playing an affirmative role in the communities in which CEAT operates and adhere to the National/International Policy Frameworks.

CEAT's Human Rights Policy is a comprehensive document that guides its people on Human Rights and United Nations Guiding Principles on Business and Human Rights and National Guidelines on Responsible Business Conduct ('NGRBC') and the Company conducts adequate awareness and training programs for its people (including security personnels) on the Company's policies.



Key attributes of CEAT's Human Rights Policy

- ▶ Maintaining a work environment that enables employees to work without fear of prejudice, gender bias and sexual harassment.
 - ▶ Respecting workers' right to freedom of association and collective bargaining
 - ▶ Respecting diversity by treating with dignity and without any discrimination based on gender, caste, class, religion, ethnic origin, sexual orientation, persons with disabilities, etc.
 - ▶ Strictly forbidding involvement of all forms of child labor, forced/trafficked labor.
 - ▶ Safe and healthy working environment
 - ▶ Equal Opportunities & Fair Pay
 - ▶ Effective grievance redressal mechanism.
- This policy can be viewed on Company's website.

CEAT's Human Rights Policy also protects employees' collective bargaining rights by recognising and supporting labour unions across the board.

The employees are represented by formal employee representative groups. Currently, there is one recognised employee association across the Company and 1,843 workmen are its members constituting 22.46% of the total permanent employees.

No complaints of child labour, involuntary labour or discriminatory

employment have been filed during the reporting period.

The Company has processes in place for adequate communication with the relevant stakeholders with respect to change in operations as per the regulatory guidelines. The Company has not observed or received any incidents of non-compliance with respect to Human Rights (including child labour, forced labour, etc.) in FY 2022-23. For more information, please refer Principle 5 of BRSR section in this report.

Identification and Assessment of Human Rights issues:

CEAT has identified the following Human Rights issues as priorities to be addressed across the value chain.

- | | | |
|--|---|--|
| ▶ Child labor, forced/trafficked labor | ▶ Adherence to Minimum wage guidelines. | ▶ Safe and healthy working environment |
| ▶ Freedom of association and collective bargaining | ▶ working hours, remuneration for employees and workers, overtime benefits and safe working conditions. | ▶ Training and awareness |
| ▶ Robust Grievance Redressal | ▶ Data Privacy | ▶ Equal Opportunity |
| | | ▶ Rights of People with Disability |

Occupational Health and safety:

CEAT is committed to ensure Health and safety of its people, visitors, value chain partners and has implemented the Environment, Health & Safety ('EHS') Management System. The Company complies with health and safety standards such as the ISO 31000,

ISO 45001:2018, The Company is committed to provide and maintain a safe and healthy work environment by establishing safe operating procedures and practices that protect employees from ill health and injury.

With purpose of 'Making Mobility Safer & Smarter. Every Day.', and to achieve the Company's vision, Corporate EHS has formulated EHS vision.

EHS vision

Incident free work environment	To pursue EHS excellence by creating Greener, Healthier & Safer Environment, where CEAT operates	Zero incident	Minimum negative impact on the planet and communities
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Key priority areas for enhancing EHS performance

People / Culture	Operational System	Management System
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Four verticals have been identified to implement the EHS

Manufacturing	Supply Chain	Sales and Offices	Outsourced Partners
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CEAT's Health and Safety Policy:
CEAT has developed its Health and Safety policy with endeavour to respect fundamental human health and safety.

- ▶ CEAT has central safety committees and department level committees in manufacturing plants with equal representation from employees and workers.

- ▶ The Company is committed to ensure effective Health and Safety Management System across all the locations including corporate office, plant locations and warehouses.

- ▶ The Company ensures regular Hazard Identification and Risk Assessment ('HIRA') with respect to the all-core activities of the plant. HIRA review carried out periodically.

- ▶ Post HIRA, risk mitigation plan is prepared and reviewed periodically.

- ▶ Manufacturing Plants have an Emergency Preparedness and Response Plan that is commensurate with the risks of the facility and that includes the following basic elements such as roles and responsibilities, communication system, Emergency response procedure, location of assembly points, safety training, checklist as a guiding instrument.

- ▶ Job-specific safety training imparted to the onsite associates and workers by the internal and external experts on the regular basis.

- ▶ The Company has adequate response infrastructure available for the emergency management such as Fire systems, Medical Services with list of contact details for all the internal and external stakeholders for the emergency response.

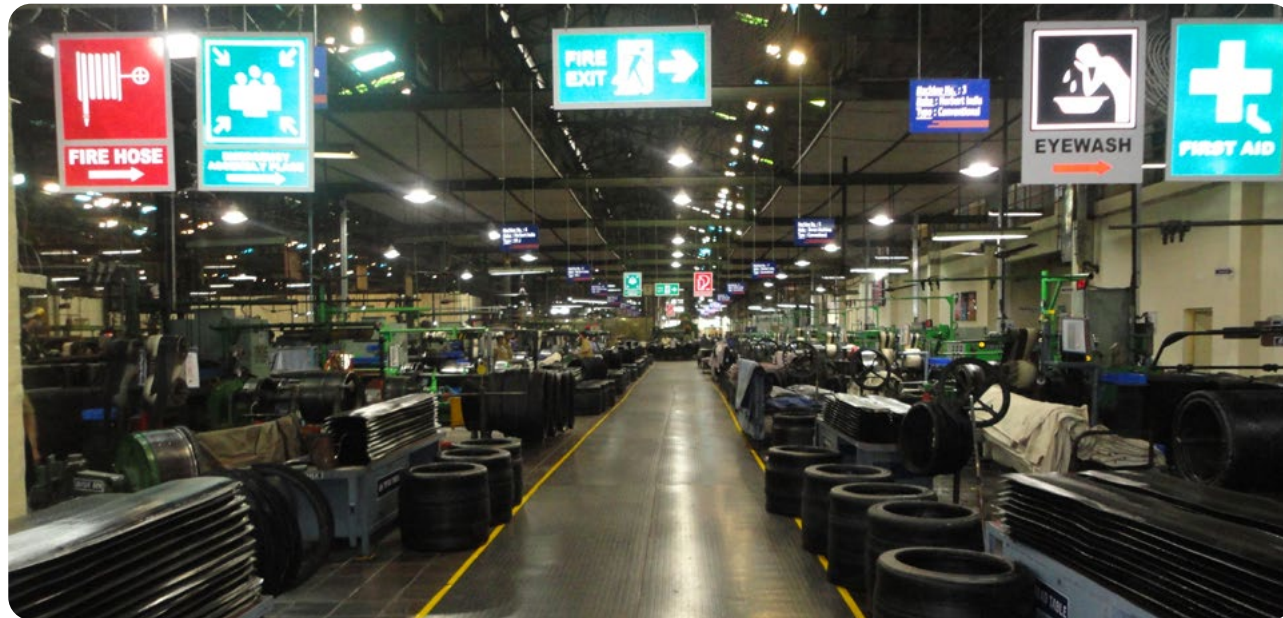
- ▶ The Company has robust communication and training on Occupation Health and Safety in the form of visitors induction video, displays and signages pertaining to safety.

- ▶ The Company conducts regular inspection and testing of all safety features and hazard control measures focusing on operations and personal protective equipment's, work procedures, places of work, installations, equipment and tools used.

- ▶ CEAT conduct's health assessments of workers as per the regulatory guidelines.

- ▶ CEAT has established procedure and mechanism to report and record the Health and safety incidents such as Occupational injuries, near misses, suspected cases of occupational disease and dangerous occurrences.





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. 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 Company, 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 days and are staffed with experts. CEAT also offers regular medical examinations, ambulances and first-aid facilities at all its factories for its employees including contract workers.

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 and 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 incidents'

CEAT has a policy of 'zero incidents'. CEAT has developed a mobile app that allows employees to report unsafe conditions, unsafe acts and near-misses. The Company has embraced the **British Safety Council's ('BSC') Five Star Occupational Health and Safety Management System**. All 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 2022-23 accounted for 2,77,16,990 person hours are as below:

Particulars	Total for FY 2022-23
Work-related injuries	42
Lost time injuries	4*
Rate of recordable work-related injuries	0.37*
Lost time Injury frequency Rate	0.14
Fatalities	0
Fatality Rate	0
Injury Rate	1.43
Severity Rate	8.86
Frequency severity Index	0.035

* 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, hazard identification, environmental and associated trainings, and so on during the reporting period. During FY 2022-23, total number of health and safety training man-days conducted are 10,173.



Natural Capital

Interlinkages with other capitals



Financial



Intellectual



Manufactured

Contribution to SDGs



Focus Areas / Material Topics

Energy and Emission Management

Material Management

Water Management

Waste Management

Mapping with NGRBC Principles

Principle 2: Business should provide goods and services in a manner that is sustainable and safe

Principle 6: Business should respect and make efforts to protect and restore the environment.

Highlights for FY 23

50,937 GJ

Energy Saving Achieved

100%

Plastics EPR Target Accomplished

98.36%

Waste Diverted from Disposal

37%

Reduction in Emission Intensity (Scope 1 and Scope 2)

17,53,830 GJ

Renewable Energy Consumption

3

Zero Liquid Discharge Facilities

10,024 MT

Reclaimed Rubber Used

CEAT's ESG and its Environment Stewardship

Environment Stewardship and Actions:

Better Fuel Efficiency

Low rolling resistance tyres are fuel economic and eco-friendly

Reusable Packaging

Using reusable packaging materials

Water Intensity Reduction

Projects to reduce water consumption across all the factories

Green Delivery

Changing last mile delivery vehicles from traditional fuels to CNG and EV

Zero Packaging Waste

Reuse and recycling of packaging materials

Green Lables

Biodegradable stickers and lables used on tyre

Green Material Technology

Developing fossile free materials and increasing use of recycled rubber

CEAT has been recognised for its Sustainability Performance in Rubber Industry by ESG Risk AI. This is the recognition of the Company's vision "Towards a safer smarter and sustainable future" and integrated business management.

CEAT has dedicated teams of volunteers known as "Green Stripes" in each manufacturing unit which act as a seeding ground for ideas to promote sustainability within the organisation. These teams play a crucial role in creating environmental awareness by organising various events with internal and external stakeholders. Every year a dedicated budget is allocated to the Green teams for execution of various environmental activities such as -

- ▶ Purpose and sustainability week
- ▶ Environment awareness programs and plantation drives
- ▶ Execution of sustainable projects for energy/water/paper conservation.
- ▶ Creation of bio-diversity within the plant premises.

CEAT has celebrated the world environment day with Seedball making activities

CEAT celebrated the World Environment Day 2022 with the "Seed Ball Making" activity to raise awareness about the importance of conserving nature. The seed ball-making activity was conducted across all CEAT facilities with active participation of over 1000 employees. Over 20,000 seed balls were dispersed in and around the plant locations to bring down carbon footprint and increase the green cover.



CEAT's ESG Roadmap and vision 2030

The Company has stepped up to contribute and has started taking steps towards emission management in accordance with the national commitment of net zero emissions by 2070. CEAT has a strong commitment to its carbon footprint reduction by 50% by 2030.

CEAT has taken multiple initiatives to drive its emission reduction plans such as embedding sustainable and smart practices in the manufacturing processes and throughout the lifecycle of the tyres. The Company has made investment on energy efficient technologies and processes with a focus on diversification of the energy sources by shifting from conventional sources to alternative and renewable sources of energy. In addition to this, digitisation and smart factory enablement with Industry 4.0 is creating a significant positive impact on resource and process efficiency.

Sustainability and CSR ('SCSR') Committee and ESG Council

CEAT has a robust sustainability framework to facilitate the incorporation of sustainability into the DNA of the organisation. The Company has Sustainability and CSR ("SCSR") Committee and ESG Council to steer the ESG objectives across the business functions and manufacturing facilities. The ESG Council plays a crucial role in formulating strategies, setting targets and monitoring existing projects with focus on green products, supply chain sustainability, resource efficiency, energy efficiency, emission reduction, water management and circular economy. The Company has strong commitments at plant level for reducing its carbon emission year on year and has a roadmap in place to achieve its vision. In FY 2022-23, CEAT has updated its policies in line with SEBI's National Guidelines on Responsible Business Conduct ('NGRBC').

Climate Risk Management

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. The Company has not formally assessed the financial implications of climate change related risks. CEAT ensures sustainable development throughout its value chain partners by screening its supplier on the environmental parameters. The Company is consciously stepping towards emission management. In FY 2022-23, CEAT has aligned its emission monitoring and management as per GHG protocol for Scope 1 and Scope 3 and Central Electricity Authority CEA data-based version 18 for Scope 2 emissions.

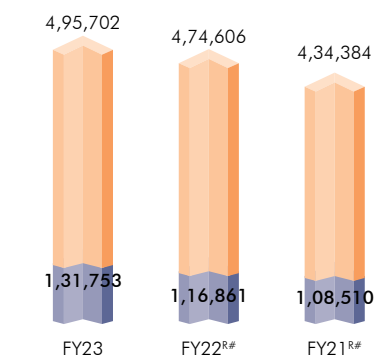
Material Management

CEAT's share of input renewable material in FY 2021-22 was 20% as compared to FY 2022-23 where it is 21%. The Company has continued to increase its renewable material consumption this year as well. CEAT encourages the use of renewable and recycled material consumption in manufacturing. 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 enhanced its procurement of reclaimed rubber to 10,024 MT. In the process of greening, it's manufacturing process, CEAT has taken a target to increase the quantity of green materials. The Company endeavors to achieve this target by increasing the percentage usage of sustainable materials like natural rubber, crum rubber, wood raisins, rayon, etc. With strong Research & Development credentials, the Company strives to adapt and mainstream innovation in product design and development to improve the environmental footprint of the product.

In FY 2022-23, the Total reclaimed rubber has been 10,024 MT is consumed which is 575 MT higher from FY 2021-22.

This year CEAT has revisited all the Raw materials for renewable and non-renewable categories and added new materials, the details for the comparative periods have been re-stated.

Material Consumption Index (in MT)



Renewable Raw Materials

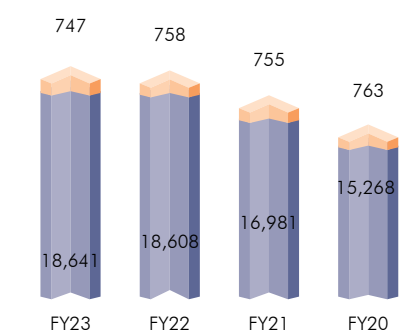
Non-Renewable Raw Materials

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 complaint 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.

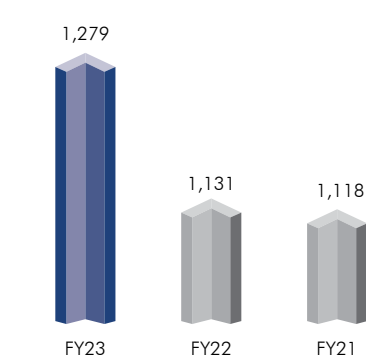
In line with the statutory norms, all business processes are evaluated for potential waste generation before the operation is commenced. Then to handle those waste, CEAT examines alternate resources, technologies and processes which will enable waste generation optimisation. During business operations, these processes are constantly examined,

Waste Generated (in MT)



Non-Hazardous Hazardous

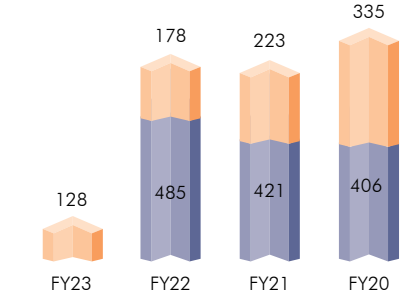
Recycled Input Material (in MT)



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.

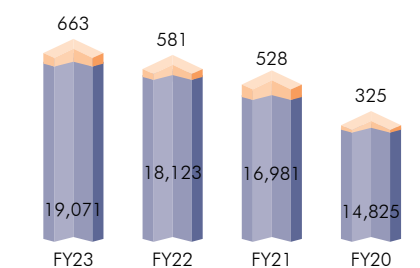
CEAT makes a conscious effort to manage the waste in an environment-friendly manner. CEAT follows the 4R approach (Reduce, Reuse, Recover and Recycle) to achieve the aim of becoming resource efficient company. At CEAT, the waste management target is to reduce the hazardous waste by 10% over previous year.

Waste Diverted to Disposal (in MT)



Non-Hazardous Hazardous

Waste Diverted away from Disposal (in MT)



Non-Hazardous Hazardous

Energy Management

Effective energy management is one of the focus for the Company's ESG roadmap. And to this objective the Company is proactively undertaking actions to move to cleaner and non-fossil-based energy sources. CEAT is working on energy efficient processes and product developments.

As a part of Industry 4.0 Halol plant work on predictive analytics to optimize air consumption and IoT enabled dynamic heating was introduced in curing press which helped the plant to reduce the energy consumption by 15%.

Energy Consumption:

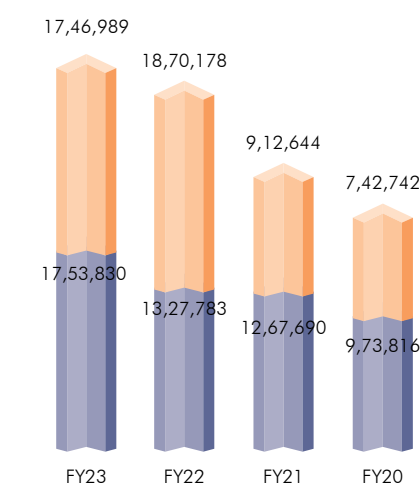
CEAT's major sources of non-renewable energy consumption are grid electricity and Diesel Generator ('DG') set. CEAT aims to continuously increase its share of renewable energy consumption to reduce greenhouse gas emissions.

Natural gas, coal, briquette (biomass), grid energy with solar, are the key sources of energy for the manufacturing operations. Natural gas is consumed in Halol and Bhandup plants. Coal is utilised in Chennai and Halol plants (at a minimised level), and Briquette is utilised in all the plants except Chennai. which is benefitting CEAT economically and environmentally.

CEAT has worked on converting factory building to rooftop solar with an investment of ₹ 40.4 crores, which included areas of plants and beyond plants.

Energy Consumed within organisation is 35,00,819 GJ in FY 2022-23. FY 2022-23 has witnessed positive trend in renewable energy consumption with higher utilisation of non-fossil fuel such as briquette and solar energy which accounts to 50.09% of the total energy consumption across six manufacturing facilities. The Company is not directly monitoring the energy consumption outside the organisation.

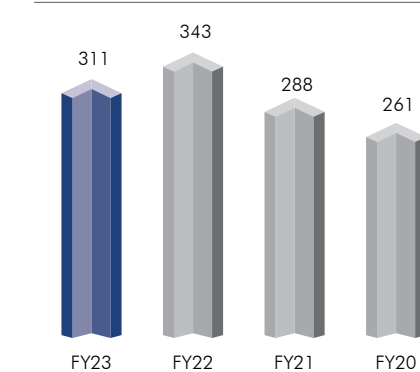
Energy Consumption in GJ



Renewable Energy

Non-Renewable Energy

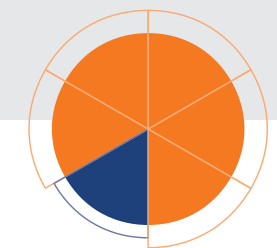
Energy Intensity (GJ) / Revenue (₹ in Crore)



CEAT has made significant enhancements to adopt bio-fuel capabilities in its boilers. Its 5 out of 6 plants have been converted to hybrid input model with coal and biofuel feeding system. The Company is addressing challenges such as availability of low moisture and low chlorine biomass in terms of achieving 100% biofuel-based boiler operations. Biomass procurements and its use has contributed to value creation for the small and local enterprises with overall impact on energy cost and related emissions reduction. In FY 2021-22, briquette accounted for 70% of the total non-fossil fuel sources and in FY 2022-23, it accounted for 86.48%.

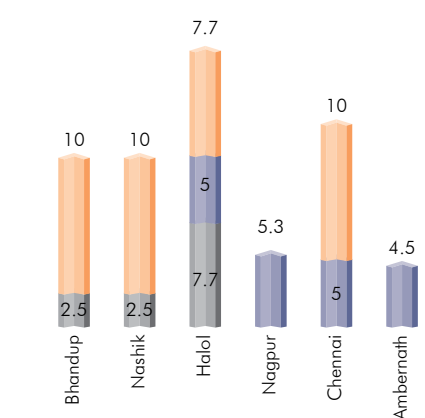
5 out of 6

plants have been converted to Hybrid input model with coal and biofuel feeding system.



Chennai Halol
Nashik
Bhandup
Nagpur
Ambernath

Renewable Energy Capacity in (MW)



Solar Energy through Power Purchase Agreement Installed
Solar Rooftop Installed

Wind and Energy through Power Purchase Agreement Installed

CEAT's overall solar and wind installed capacity 70.2 MW.

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 accounts to 86.48% of the total renewable energy consumed in CEAT. This transition has led to a decrease in 1,76,241 MT of Scope 1 CO₂ emissions from coal. A total of 15,10,639 GJ of briquettes is consumed in FY 2022-23, which is 25% more compared to the alternative fuel consumption from FY 2021-22.

Energy Saving Initiatives:

CEAT has steadily expanded its energy-saving initiatives over the years resulting in energy savings of 50,937 GJ, resulting in a reduction of 6,717 tCO₂ of emissions. The energy performance of all plants is measured through power, fuel and steam consumption and is monitored at a regular interval. The Company strives to be efficient in its operations mainly through retrofitting, process modification. All the energy saving initiatives are spearheaded by an Energy Board who functions on a multiyear roadmap to drive these initiatives.

Lighthouse recognition to CEAT's Halol facility is the reflection of the Company's energy saving and process optimisation drivers. More than 35 energy saving initiatives were undertaken during FY 2022-23 across all the manufacturing locations with respect to the retrofitting of the equipments, behavioural change for power conservation and process optimisation for steam conservation. In Nagpur, Air leakage identification device and Variable Frequency Drive ('VFD') for dust collector and cooling water pump were retrofitted which has resulted in saving 400 kWh/day and 280 kWh/day respectively. Chiller and pump automation controller, with VFD for exhaust blowers in curing were introduced in Chennai which has resulted in cumulative energy savings of 1,660 kWh/day. VFD and Energy efficient AC and pump with high speed blower were installed for the power conservation in Ambarnath and has resulted in power savings of 2400 kWh/day. At Bhandup, ordinary fans were converted to Brushless Direct Current Motor ('BLDC') fan has resulted

in energy savings of 323 kWh/day. By modifying the existing steam pipeline in Nashik has resulted in savings of 4 MT of steam per day. Several initiatives for steam optimisation were undertaken across all the facilities.

CEAT has achieved an annual power cost saving of ₹ 17.52 Crores.

40,44,163 kWh i.e.
14,558 GJ

energy saving through power conservation initiatives

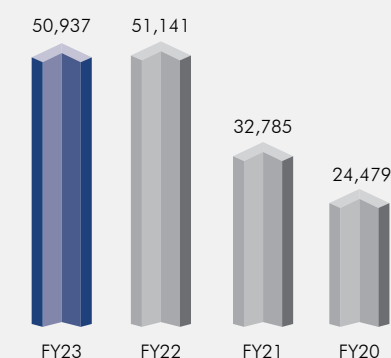
8,463 MT i.e.

of Steam saving through fuel conservation initiatives.

i.e. energy saving by reducing extra

1,410 MT of Coal by
36,378 GJ

Energy Savings in GJ



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

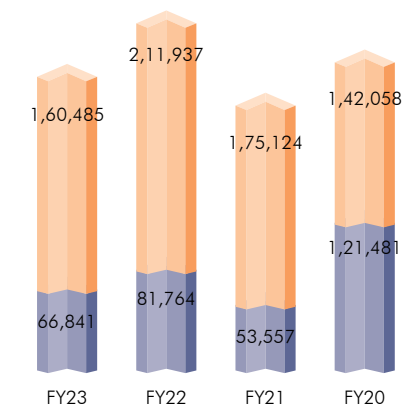
In this financial year, the total scope 1 emission of CEAT is '66840.41' tCO₂ and scope 2 emission is '1,60,484.55' tCO₂. With the increase in the consumption of renewable power energy and working constantly towards the implementation

of various energy-saving initiatives CEAT has reduced its emissions. With briquette as one of the major source of energy, the Company has successfully offsetted 1,76,241.24 tCO₂ emissions by coal as biogenic emission.

In FY 2022-23, The Company has estimated its Scope 3 emissions from raw material movement and distribution of finished goods with respect to the GHG protocol.

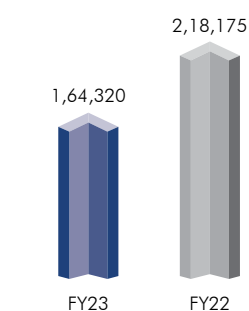
In the lifecycle of the product, major emission occurs in the use phase of the product. CEAT acknowledges its environmental responsibility and is continuously investing in new technologies to reduce its emissions. During the product design phase, the research and development team assesses the specific emissions by incorporating the viable and feasible measures such as low rolling resistance, product accommodating with EV models of some of its SKUs, CEAT is consistently working on network optimisation for the logistics of raw materials and finished goods.

Emission Index in tCO₂

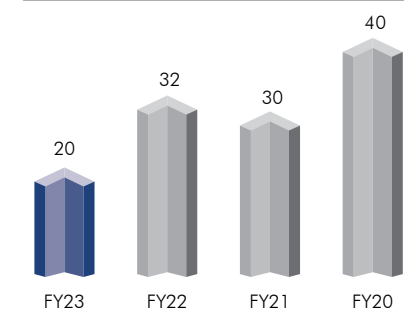


■ Emission Index in tCO₂ Scope 1
■ Emission Index in tCO₂ Scope 2

Scope 3 Emissions tCO₂ (Inbound and Outbound)



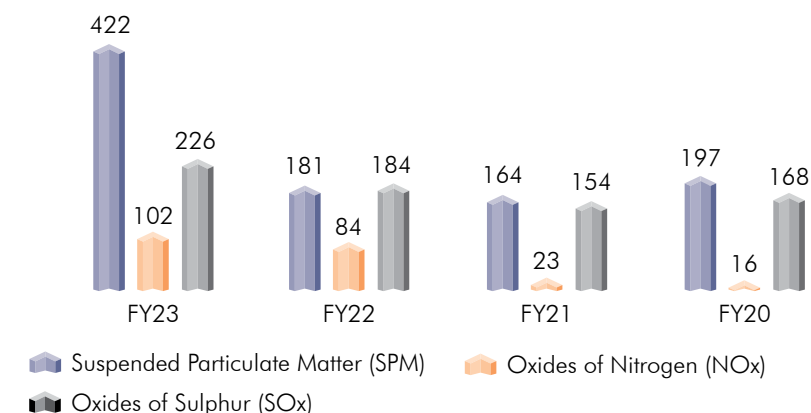
Emission Intensity (Scope 1 + Scope 2) (in tCO₂)/Revenue (in ₹ Crore)



Stack Emissions

The Company is also concerned about other air pollutants like SO_x, NO_x and Total Particulate Matter ('TPM') which is generated from the operations. In addition to complying with statutory norms which are verified by the 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. This is discernible from the internal target that is set by all the plants of CEAT. The target is to reduce stack emissions by 50 % beyond the limitations imposed by the 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.

Air Emissions (MT)



Water Stewardship



Water is one of the most precious natural resources on the planet. CEAT aims to make the operations water efficient through various infrastructural measures for storage, recycle, reuse of water for the benefit of the local community.

CEAT's major source of water is groundwater for Bhandup, and Chennai plants and the sourcing is within the limits set by the Central Ground Water Authority ('CGWA'). For rest of the plants water is sourced from the municipality.

Water recycling and Zero Liquid Discharge ('ZLD') (3 facilities): Wastewater is treated in effluent and sewage treatment plant and then recycled to maximum extent as per State Pollution Control Board ('SPCB') guidelines. CEAT's treated sewage is used for gardening purposes and in rest rooms.

CEAT's Bhandup Plant:

The Suspended Particulate Matter ('SPM') at Bhandup plants was very much below legal limit but numerous measures were taken to reduce it further. Earlier the plant was using Furnace Oil ('FO') as a fuel for the boilers but, since FO has higher emissions CEAT switched to Natural Gas. It helped CEAT in reducing its carbon footprint, but as Natural Gas also emits Sulphur Oxides ('SO_x'), to reduce the harmful emissions and to increase the Air Quality Index ('AQI'), CEAT introduced biomass as a clean fuel for the boiler in a combination of gas and biomass. Biomass emits Sulphur Oxides Suspended Particulate Matter and to solve this CEAT implemented various projects like strengthening of bag house, increasing the capacity of multi cyclone separator, installation of

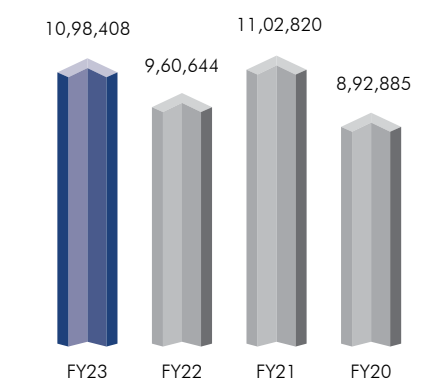
electrostatic precipitator & many more. This way the Company was able to reduce SO_x while maintaining SPM at a minimum level and also able to increase consumption of biomass fuel.



CEAT has robust community grievance redressal and it also addresses any inconvenience caused due to dust, noise and air emissions. The Company has installed ambient monitoring stations, to prevent particulate matter from harming the atmosphere, the plant has an automatic charging system in place.

CEAT is continuously engaged with community on its environment performance and air emissions are one of focus area which CEAT discuss with the community along with dust and noise emissions.

Water Consumption in (m₃)



Rain Water Harvesting ('RWH')

CEAT has implemented a number of water conservation initiatives throughout its manufacturing facilities, including rainwater harvesting projects. Main motive is to maximise the use of direct rainwater in utilities and processes, increasing water recovery efficiency and using RO plants to the greatest extent possible, optimising sanitation cycles, lowering cooling tower drift losses, and optimising boiler blowdown.

At CEAT, all facilities have a rain water harvesting system to recharge the groundwater during the monsoon season. Dedicated storage facility is maintained at Halol, Bhandup, Chennai and Nashik.

RWH Capacity

78.3 KL

Halol RWH

2.63 KL

Bhandup RWH

17.18 KL

Chennai RWH

6.32 KL

Nashik RWH



CEAT's Water Stewardship story, Chennai:

Being a responsible organisation, CEAT believes in the saying "No Water, No Life" and has implemented various projects to improve the overall water management by means of Reduce, Reuse, Recycle and Reserve water. The Company has able to reduce specific water consumption significantly.

In Chennai Plant, industry water was used in three areas

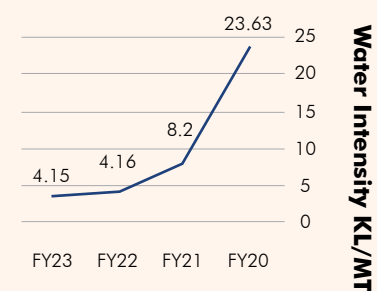
- 1) Domestic use (10%), in Canteen & Washroom
- 2) Industrial use (85%) in process
- 3) Gardening (5%).

In FY 2019-20, water consumption at Chennai was 23.63KL/MT. Water conservation was identified as one of the key areas to work. A detailed analysis was conducted for the water consumption and discharge. There are typically two sources of water i.e. Ground water (Bore well) and Tertiary Treated Reverse Osmosis ('TTRO') water from government. So, two projects identified:

1. Reduce overall specific water consumption.
2. Reduce fresh withdrawal of ground water.

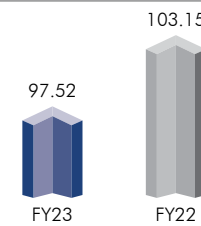
These projects are carried out by adoption of air-cooled chillers for HVAC, recycling of processed and domestic water, used of TTRO, 33% enhancement in rainwater harvesting capacity.

Water Intensity at Chennai



Water Intensity

Water Intensity (m₃/Revenue (in ₹ Crore)



To limit wastage of water, regular maintenance of valves and tapes is carried out and treated effluents are reused in cooling towers and boilers.

In all facilities treated effluents are used in cooling towers and 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 System. CEAT's Chennai plant has also undertaken projects such as 'Green Cover' and building an artificial lake.

This year, the total water consumption at CEAT is 10,98,408 m₃ and the total wastewater discharge is 3,70,543 m₃.

Fish Pond and treated water quality management for water reuse.

Water conservation through recycling and achieving Zero Liquid Discharge plant is one of the sustainability initiatives at CEAT's Nashik facility.

The Company has successfully explored the innovative way of ensuring treated water quality is suitable for industrial use by providing the Fish tank in treated water outlet. CEAT has ensured that the water quality is at the level in which aquatic species like fish could survive. The Company ensures that the treated water quality meets the regulatory guidance. However treated water quality is at most important to be reused in process without affecting the product quality as well machine condition.

Sustainable Products

CEAT received Bureau of Energy Efficiency ('BEE') 5-Star ratings.

CEAT Tyres has received a 5-star rating from the Bureau of Energy Efficiency ('BEE') for the passenger car tyres ('PCR').

Earlier CEAT received award by BEE for premium category tyres like Sport Drive SUV tyres, Secura Drive tyres for SUVs and premium sedans, and Cross Drive tyres.

This year CEAT launched several tyres with a focus on customer safety and environment stewardship. Additionally, CEAT has been successful at replacing 108 Carry and Forwarding Agents ('CFAs') conventional lightings with LED lightings. CEAT is also working on the initiative of reducing paper usage as a part of its sustainability initiative.

All plants at CEAT are also working towards building sustainable environment. Seed Ball activity was one of the great

initiative and success at all plants in CEAT. At CEAT's Nashik plant, unused land was refurbished into a 'Reflexology Path' for employees who wish to start walking the journey towards a healthy life, additionally, Butterfly Garden has also been a great initiate for air quality index assurance. CEAT's Chennai Plant has also been one of the creative minds. Tyre Garden have been developed from the scarp tyres at a local school in Chennai. Various competitions are been carried out at local schools in Chennai such as drawing completion on topic water conservation, sapling plantation, etc.

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 enabled the production of tyres with low rolling resistance and has achieved the same successfully. CEAT has also ensured that their customers are offered environment-friendly products by eliminating the sale of single used tyres.

Along with the above initiatives, CEAT has enhanced the resource efficiency by reducing the 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 is CEAT has launched Crossdrive AT, Energy Drive EV (TATA Nova, PSA eCCA4) apart from the products launched during the previous year with focus on customer safety and environment stewardship.

CEAT and Extended Producer Responsibility ('EPR')

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.

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.

CEAT is fully compliant with prescribed permissible limits as per the regulations for hazardous waste generation and management. Refer the waste management charts w.r.t waste generation and its management.

Hazardous Waste Management Rules

CEAT acknowledges its responsibility to ensure effective and environment friendly management of End-of-Life management of tyres.

CEAT is identifying authorized service providers to align its strategy for EPR.

- Resource efficiency
- Compliance
- Sustainability

End of Life Management for Tyres

CEAT is engaging with relevant stakeholders such as industry associations, producer responsibility organisations and recyclers to explore and manage sustainable end of life management of tyres.

Plastic Waste Management Act, 2016

CEAT has robust mechanism in place to ensure compliance with respect to PWMS by ensuring.

The Company has collaborated with the authorised service providers.

Painted by Artist Parag Sonarghare as part of heritage project at Worli Koliwada

Social and Relationship Capital

Contribution to SDGs



Focus Areas /Material Topics

Customer Centricity
Community Engagement
Engagement with Value Chain Partners

Interlinkages with other capitals



Financial



Human



Natural



Intellectual

Mapping with NGRBC Principles

Principle 2: Businesses should provide goods and service in a manner that is sustainable and safe

Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders

Principle 8: Businesses should promote inclusive growth and equitable development

Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner

Highlights for FY 23

1,707

Teachers trained under Pehlay Akshar Program

99.60%

Customer queries solved

2.07+ Lacs

Total beneficiaries impacted

75%

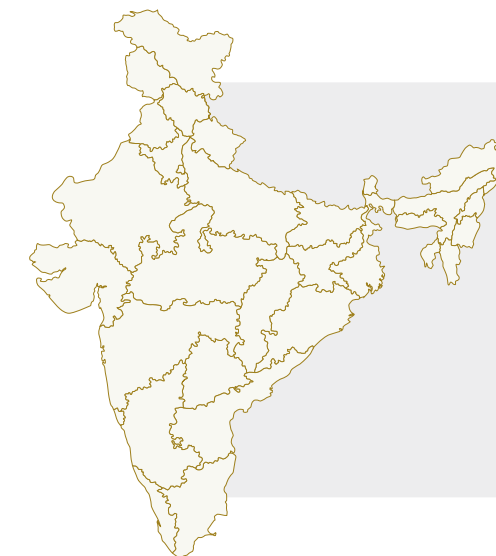
Procurement through local suppliers

5,200+

Dealers

CEAT emphasises on a three-pronged approach to create a positive impact towards extended stakeholders with respect to customer-centricity, community development and efficient management of value chain. The Company has created awareness programs for value chain partners, promoting their growth and development. CEAT strategically designs and monitors CSR activities to create tangible benefits with initiatives in education, employability, community development and heritage conservation contributing to inclusive development. Through deep customer relationships, an engaged workforce, and responsible corporate practices, CEAT continuously enhances brand value to deliver long-term value stakeholders.

Customer Centricity



5,200+

Dealers

615

Distributors

800+

Retail Format Stores

58,000+

Sub-dealers

620+

District Covered

Cultivating a Foundation of Trust with Customer Delight

With customer delight as a philosophy, CEAT is prioritizing changing customer needs for delivering superior products and services backed by premium after-sale service to ensure customer satisfaction. CEAT's customer-centricity is a culture that has evolved over time with the objective to understand their sentiments not just at the time of purchase but on a continuous basis.

conducts a mass awareness campaign twice in a month in transport nagar, mandis, unions, etc. The core objective is to drive meaningful engagement with customers and reinforce confidence to our channel partners as well. It helped connect around 10,000+ customers through this initiative and the journey continues.

Digital Footprint Association with E-Commerce

CEAT.com is also an e-commerce website where customers can opt for doorstep tyre delivery, fitment at home, or they can pick up from an authorized store (physically). Furthermore, the Company also has presence on online marketplaces like Amazon, Flipkart and TyresnMore.

Company's online platforms like CEAT.com, WhatsApp chatbot and Social Media channels provide a medium for customers to reach and interact.



Mr. Arnab Banerjee
Managing Director & CEO

At CEAT, our customer-centric approach permeates throughout the Company. All our efforts are to cater to our customers with diverse product portfolio and smart solutions. We acknowledge the role and contribution of each of the participant of the value chain and collaborate to achieve sustainable ecosystem. Enhancing our focus towards the EV segment, with 'customer first' philosophy we wish to leave wider mark on the global mobility landscape.

Initiatives for Consumer experience

Digital Initiatives to improve consumer experience

The website journey has been created to enhance customer experience at all touch points in their purchase and post purchase journey. They can discover the right tyre, nearest dealer, register for warranty and claims online. The online warranty registration and claims is powered by artificial intelligence using image analytics.

CEAT Fleet Solutions

Being one of the fastest growing business units within the Company, best in class solutions solution are provided to fleet clients.

Distribution 3.0

Using technology, CEAT has continued to increase its reach and guarantee service at the sub dealer level.

Digital Initiatives to improve engagement with channel

Updated version of customized User Interface Portal, Dealer's Portal 6.0 was introduced with new features like visibility of Tax Collected at Source (TCS) and new schemes enhancing the engagement channels.

Expansion of CEAT Shoppe in major geographies

To give consumers and channel partners an exceptional retail experience, the Company has implemented several measures, including faster tyre delivery, stronger branding, and better service at CEAT Shoppe and is continuing to expand it's horizon.

Customer Grievance Management

CEAT offers dedicated grievance redressal platform for customers. In fiscal year 2022-23, 99.6% of complaints received were resolved.

Digitalised Claim Resolution process

CEAT continuously revamps the claim resolution process, keeping in mind the convenience of customers. A solution was conceptualized to enable the dealers to manage the end-to-end claims settlement process from docketing to decision-making to replacing the tyres through a digital platform. In line with the digitization process, CEAT has focused on mitigating customer pain by eliminating the dependency on dealers and encouraging autonomy. This was achieved by developing an online claim settlement system that empowered customers to submit tyre claims on their own through multiple avenues and avail quick resolution.

Health and Safety and Product Specific Compliances

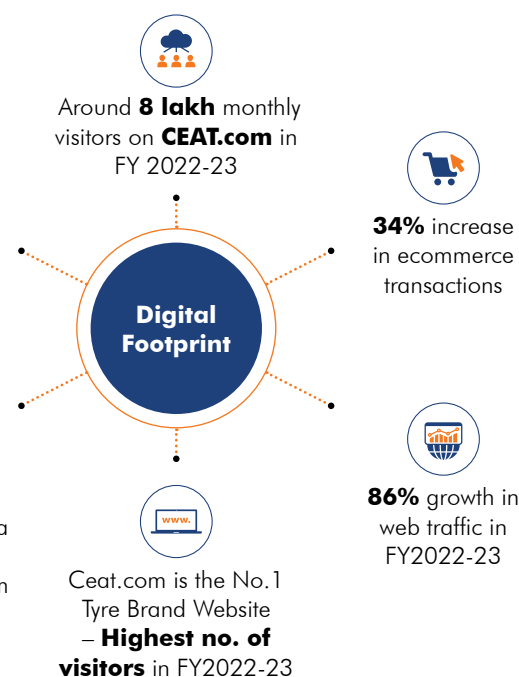
The Company ensures the all its products comply with the necessary regulatory criteria for its specific category / consumer / foreign market. During the year, CEAT had identified zero occurrences relating to the health and safety impact of its products or instances of product recalls.

To ensure that the raw materials received are free from any restricted material in accordance with the established regulation, an internal system to collect declarations from all its raw material suppliers is in place. All suppliers' statements of compliance with the Circular Economy ('CE'), the National Institute of Metrology Standardisation and Industrial Quality ('INMETRO'), and other regulations, as well as product-level testing, covered and evaluated 100% of the items. CEAT has not received any reports of non-compliance with regulatory or voluntary norms relating to product health and safety, labelling or marketing communication during the FY 2022-23.

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.

OEM Engagements

CEAT values its association with Original Equipment Manufacturers ('OEMs') and OEM audits are one of the opportunities to engage with them. These audits enable the Company to incorporate the best-in-class practices to cater to the product and service demand



Sports Collaboration

CEAT has a long association with cricket as the Strategic Timeout Partner for Indian Premier League and association with various cricketers. It has further cemented the relationship by partnering as the Strategic Timeout Partner for Women's Premier League. Along with men's cricket CEAT has had an association with Harmanpreet Kaur, captain of the Indian Women's Cricket Team for a while now. This year marks the first time full-fledged Women's Premier League, a clear indicator of the growing traction and affinity for women's cricket in India. Through this partnership CEAT aims to play a pivotal role in giving a fillip to the game.

There is a large viewership, for the game, today in India and this association provides CEAT an opportunity to talk about the performance of its products as there is a direct analogy with performance in sports.



Supply Chain Management

CEAT is motivated by its commitment to emission reduction and resource efficiency and promotes the ethical sourcing and development of sustainable products. CEAT makes sure that all of its value chain partners, including distributors and suppliers, are compliant with certain defined norms. It values long-term strategic partnerships for the sourcing of raw materials and effective distribution networking.

In order to take advantage of the considerable tyre demand in FY 2022-23, CEAT has used its highly integrated and optimised supply chain network of multiple manufacturing sites, numerous and widely distributed supply points, along with a culture of collaborative working with value chain partners.

1,200+

Suppliers

360+

Raw Material Suppliers

20

New Suppliers added

70+

Natural Rubber Suppliers

290+

Non Natural Rubber Suppliers

75%

Local Raw Material Suppliers

250+

QBM trainings imparted to Vendors

2nd Vendor Meet and Rewards and Recognitions

250+ Participants with 180+ global suppliers across all raw material categories joined CEAT Vendor meet in virtual mode. CEAT has shared its long-term vision, functional roadmap and recorded the expectations from value chain partners followed by Rewards and Recognition for exceptional contribution of Value Chain Partners.

Suppliers Sustainability Initiatives

Certain Suppliers of the Company were recognised for their sustainability initiatives.

Few of the packaging materials suppliers of the Company, have begun using biodegradable pouches, recycled High-density polyethylene ('HDPE') bags, and bamboo bead spacers in place of plastic bead spacers, while some have started supply of recyclable steel for steel cord.

Supplier Satisfaction Survey

CEAT's Vendor Satisfaction Survey revealed a happy supplier base of 99%, indicating a strong association across the supply chain partners.

CEAT has conducted Vendor Satisfaction Survey ('VSS') Index in which 99% vendors responded positively on seven key attributes of their business association with CEAT. Vendors were happy with the fairness and expressed strong desire for the business continuity.

Supplier Assessment

CEAT has conducted a supplier survey with detailed questionnaire on Environment, Social and Governance parameters and the relevant observations w.r.t any risks are highlighted to suppliers for necessary corrective action.

CEAT's suppliers are compliant with ISO 14001 standards. CEAT is regularly engaging with its value chain partners on communicating policies, quality parameters and related regulatory compliances.

CEAT works with suppliers to raise awareness about compliances by conducting routine supplier assessments 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 engages in the due diligence process to prevent and mitigate negative environmental consequences by value chain.

Promoting Localisation

In FY 2022-23, 75% raw material suppliers were local. As part of network optimisation initiatives, CEAT has identified possible logistic corridors to eliminate the emissions and long-haul risks with mapping of the local and nearby raw material suppliers.

Sustainability initiatives under Value Chain

- Transportation of Natural rubber through sea route resulted in reduction of 1,068 MT of CO₂ emissions
- Various internal processes for digital confirmation of credit and debit notes and balance confirmation at the replacement resulting in reduction of paper usage.
- Promoted energy efficient lightning options and 100% LED illumination by CFAs

Supply Chain Management and Digital Initiatives

1) Electronic Bill of Lading ('EBL') for Imports: The Company is leveraging blockchain technology for issuance of EBL which has reduced Cost of Poor Quality ('COPQ') and enabled a better supplier management system. This initiative is one of its kind in the tyre industry in India lead by CEAT.

2) Supplier Replenishment Module (SRM)

Several vendors have adopted Vendor Managed Inventory ('VMI') and consignment stock for optimising inventories at CEAT, which is first of its kind initiatives in the tyre industry in India. The Company has initiated In-bound Delivery ('IBD') by automating the process with strategic vendors, thereby reducing considerable amount of time for vendors.



3) Pando's Patented Algorithm

CEAT leveraging Pando's patented algorithm to eliminate paper-based Proof of Delivery ('POD') which create dispatch plans that are optimised for route, load and cost which dealers can easily track and trace the orders.



Hello I am Driver, and I use Pando app.

It is very easy to use for loading & unloading correctly.

Driver using Pando App



When I get an indent, I am immediately notified on email & SMS with exact details of the dispatch, thanks to Pando app.

There is no delay and I can quickly assign a truck & driver on Pando.

CFA using Pando App

Sustainable Development Goals

EDUCATION

Focus Area

- Ensure quality education, promote lifelong learning opportunities for all.
- Focus on functional literacy improvements.
- Provide an appropriately resourced learning unit that provides innovative tools and infrastructure.
- Build and upgrade education facilities that are child sensitive

Key Highlights

- Designed and installed 9 well-resourced Learning Rooms** in Pehlay Akshar schools.
- Pehlay Akshar** Mobile Application launched to assist teachers with lesson plans in teaching English.
- Repository of **2,000** digitized childrens' stories.
- 1,707** teachers and **2,170** students in FY 2022-23 reached through the Pehlay Akshar initiative.



COMMUNITY DEVELOPMENT

Focus Area

- Address critical needs of the community.
- Meet the infrastructural gap during the pandemic.

Key Highlights

- 150 fever clinics** set-up in Rural Maharashtra which served about **10 Lacs people**
- Donation of **materials and study aids** in schools in Ambernath
- Renovation of **Community Toilets** in Kannanthal
- Smart City Bus Stop** developed in Nagpur
- Donation of **28 pairs of Hearing Aides** to the PwD in Nashik
- Donation of Dry Ration Kits** to TB Patients under Govt of India National TB Elimination program in Bhandup



SDG Linkage

HERITAGE REVIVAL

Focus Area

- Revive rich heritage and culture to create awareness about its significance and increase focus on its preservation.
- Enhance the livelihood of the communities residing near the heritage sites.
- Strive to preserve natural ecosystems.

Key Highlights

- Revived **the Banganga precinct and Worli Koliwada** in Mumbai through art, publications, signage and heritage-themed civic amenities
- Operations of **8 Self Help Groups rejuvenated** involved in starting food enterprise
- 65 women trained** as General Duty Assistants
- Workers from 3 Anganwadis upskilled** on better child care practices



EMPLOYABILITY

Focus Area

- Provide short-term vocational skill training and employment.
- Ensure equal employment opportunities for the vulnerable population for them to become financially independent, self-reliant, and lead respectful lives.
- Include women and upgrading skills of women to ensure equal opportunity in the workforce.
- Impart education of our heritage handloom process for ensuring preservation of native craft.

Key Highlights

- Trained over **650 women** in the healthcare & Driving Forklift sector.
- Placed over **558 candidates** (women) with over 85% placement.
- Onboarded **500 farmers** to carry out organic farming on their land.
- 31 weavers trained** in Nagpur.



Community Engagement

CEAT's Corporate Social Responsibility ('CSR') strategy focuses on achieving measurable impact through its various programs. The Company aims to address critical concerns and concentrates on achieving impact in the targeted areas to make a difference by implementing effective CSR initiatives to deliver

effective outcomes at the grassroots level, aligned with the Sustainable Development Goals ('SDGs'). The initiatives foster innovative, creative and sustainable approaches to enhance the resulting positive societal impact at the community level.

CEAT's CSR team works closely with communities through partnerships with

individuals, institutions, NGOs and local government bodies to leverage their expertise and resources. This ensures Company's CSR initiatives are relevant, effective and aligned with the needs of the people. CSR activities are reported in accordance with Section 135 of the Companies Act and are conducted at all different plant locations.

The key areas of intervention, stated vision and purpose are:



Education

In CEAT's journey to support reformation of India's educational system, programs are run to create better learning environments at schools, which can offer finest quality of education and assist instructors in teaching more effectively.



Heritage Conservation

To make cultural heritage more engaging and accessible to people emphasis on restoring important cultural and historical sites are undertaken through a holistic approach that addresses the needs of the people, communities and spaces within the area.



Community Development

With the purpose of assisting communities in improving their quality of life, the Company's community development programmes concentrate on specified interventions creating a positive impact with the help of continuous engagements with the community.



Employability

The initiative in developing a gender inclusive society, where women have equal rights and opportunities to make positive contributions towards development for the nation. Skills are also imparted to young people so that they can find a meaningful job and a source of income.

Certificates

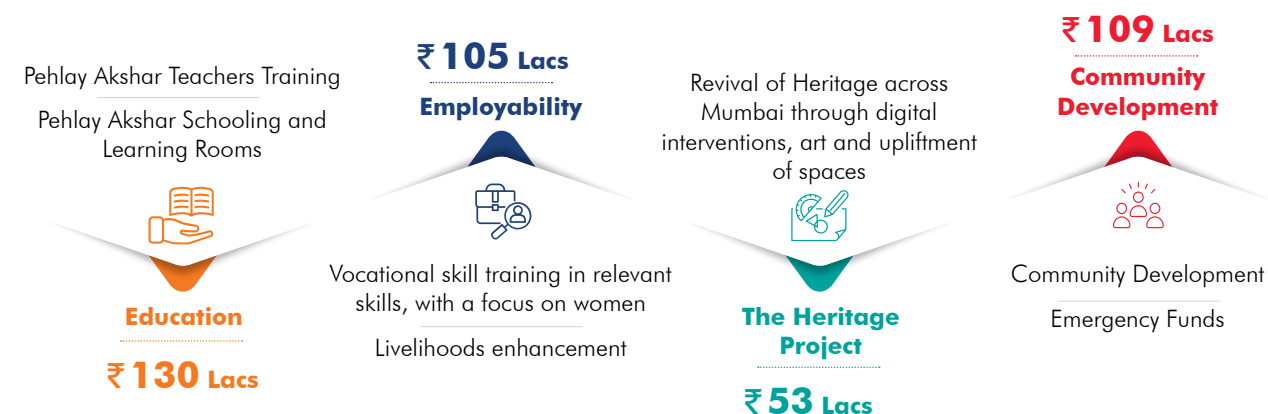


'Certificate of Recognition' under the 7th CSR Excellence Awards by the Institute of Company Secretaries of India was presented to the Company.

Structure of CSR Committee

For detailed structure of CSR Committee, Annexure to the Board's Report's on Annual Report on CSR Activities for FY 2022-23 can be referred.

CSR spend in FY 2022-23



Employee Volunteering (No. of employees)

Bhandup	Halol	Chennai	Ambernath	Nashik	Nagpur
978	109	630	281	324	263



Education

Pehlay Akshar Pehlay Akshar Schooling

The Pehlay Akshar Schooling program works with government school children since six years with a focus on imparting, language proficiency in both spoken and reading English. The program aims to enhance future employability of school children by upskilling the confidence and providing an opportunity to access a variety of career options.

Pehlay Akshar Teacher Training

Pehlay Akshar Teacher Training program aims to enhance the professional capacity of government school teachers in English language and classroom management, ultimately improving English learning outcomes in BMC schools. The program comprises of two phases and involves training Star teachers, conducting Saathi sessions and assessing teacher and student improvement. CEAT's CSR initiative focuses on 'Functional English' in BMC Schools, with Magic Classrooms now transitioning to Learning Rooms. This effort is part of a broader drive to transform teaching and learning strategies across India through well-researched programs and collaborations with state governments.

5 Lakh+

Students Reached

14,000+

Teachers Reached

4

States

Learning Rooms

By supporting construction of 2 Learning Rooms, the Company was able to create a sustainable and inclusive learning environment for children. The project focuses on key aspects such as creation of library management system providing capacity building sessions for teachers and seeks to create an infrastructure that provides a safe space for children to learn. Digital content is also being developed to make education more accessible. The project aims to engage children through activities such as career guidance, extracurricular activities, storytelling sessions etc.



Learning rooms constructed



Fariha Ansari - Student at Tulshetpada BMC School



"Pehlay Akshar Class is very special because I get to learn a lot of new things. Kusum Didi teaches us a lot of stories which are full of wonderful pictures and activities. We start the class with songs and poems in which we dance and do a lot of action which I enjoy a lot. We play lot of games, watch songs and poems on YouTube. We also sing and dance with our teachers. Recently, I also participated in the Annual Day. It was great about Incredible India!! I am getting a chance to learn a lot of new words in English. I want to learn how to talk fluently in English. Pehlay Akshar classes are helpful and thanks for this platform."



Ms. Zarina Parker - Teacher at Kasturba BMC School Urdu Medium

"As I'm from an Urdu-medium school, my English vocabulary was very limited. With Pehlay Akshar training and saathi sessions, my vocabulary has improved, and I'm able to frame better grammatical sentences. Now I can translate other languages into English. The hesitation has gone, and I feel good in front of the students. The pro-tips given by Pehlay Akshar have helped me in classroom management. As a science teacher, I use the buddy system with students to do science experiments. I use the lock and key method to encourage my students to speak English. The assessment rubrics shared during half-yearly training were in English and in an organized format, which we are using to assess our students."



Community Development

Fever Clinics

More than 150 Clinics over rural and urban Maharashtra have been developed through the Fever Clinics initiative to offer healthcare to the public in collaboration with the National Health Mission to build infrastructure for medical facilities.

Amidst the COVID-19 pandemic, these clinics rendered testing and medical attention to individuals exhibiting fever-like symptoms and with progressive decline of the pandemic, the clinics have adapted to administer alternative services of other healthcare provisions.

70,800

Total patients availing OPD services

1,98,108

Total patients visited

Arjun Pandurang - Patient's Testimonial



Arjun was financially overburdened by his frequent visits to a private hospital for keeping a check on his high blood pressure. His friend referred him to Fever Clinic where quality care is offered at subsidised rates. Since then, Arjun has been visiting fever clinic. He states, "Prioritising my health seemed like a luxury. However, visiting fever clinics has made me realise that quality healthcare can be accessible and affordable".

Chennai and Ambernath Plant

- Donation of school materials and equipment's in Chennai (42 beneficiaries) and Ambernath (1000 beneficiaries)
- Increase of water purification capacity in Kananthangal Village (700 people benefitted)
- Refurbishment of community toilets Kananthangal
- Installation of Portacabin (to be used as Police Station)

Plant level Community Initiatives

Nashik Plant

- Donation of 28 pairs of hearing aid

Bhandup Plant

- 6 months of ration given to TB patients

Nagpur Plant

- Installation of Smart City bus stop at Butibori Junction



Heritage Conservation

Heritage Revival with the Koliwada Community

The Company recognises Kolis as the first inhabitants of Mumbai and took up the project of revival of Koli Community in Worli. The project is about working through a 360-degree transformation model which includes four pillars, Art and Architecture, Community Development, Ecological Preservation and Experiences. A survey was conducted to identify the areas that need attention, based on which the Company collaborated with various partners to transform those areas.

401

Free eye check-ups conducted and 198 spectacles distributed

65

Women skilled

44

Anganwadi Workers Trained on Nutrition

With respect to Art and Architecture, the project includes civil works, landscaping, heritage works and installation of street lights, all of which are designed to enhance the physical environment and quality of life for residents. The Community Development pillar includes initiatives such as engaging with self-help groups for enterprise development and General Duty Assistant ('GDA') training, as well as conducting eye check-up camps. The Ecology pillar

Four pillars of worli koliwada Heritage project



focuses on preserving and protecting the natural environment, including measures such as Waste Management and conservation of natural resources. Finally, the Experiences pillar includes activities such as cultural programs and events that promote community engagement and enhance quality of life. Overall, the Worli Koliwada project seeks to create a sustainable and thriving community through a holistic approach that addresses the needs of the people, communities and spaces within the area.



Employability

SWAYAM (Focus on Women Empowerment for FY23)

CEAT has established an employability initiative called 'Swayam' to support women and youth in acquiring vocational skills and other abilities that lead to meaningful employment and livelihood opportunities. The program is aimed to create a gender-equal society where women have equal opportunities to engage and contribute towards the development.

Swayam Drive

Swayam Drive is an initiative to increase the representation of women in the transport sector. Where instructions and training in self-defence, driving, mechanical, spoken English and people skills for customer interactions is provided. Post completion of the training, candidates are able to find employment as delivery agents, taxi drivers and auto-rickshaw drivers. 10,100+ individuals have been trained under this program. In FY 2022-23, more than 40 women have been upskilled in forklift operations to generate an employment opportunity.

Swayam Farm and Swayam Weave

The 'Farm to Fabric' initiative aims to create a sustainable supply chain for the textile industry by bringing together traditional artisans and modern design techniques. The project works with artisans to design and create well-crafted products that cater to the needs of the market. One of the core objectives of the project is to provide an alternate source of income for weavers in Nagpur and Surendranagar, who have been affected by the decline in demand for handloom and to train women in weaving skills. Farm to Fabric project also focus on promoting organic cotton cultivation in Vidarbha by encouraging farmers to switch to organic farming practices, with an aim in reduction the use of harmful chemicals and to promote sustainable agriculture. The program would not only benefits the environment but also ensures a steady supply of high-quality cotton for the textile industry. Through its various initiatives, the Farm to Fabric project is creating a positive impact on the lives of artisans, weavers and farmers, while also promoting sustainable practices in the textile industry.

Swayam Health

A programme which aims at preparing women and young people for jobs in the medical field by imparting skill training pertaining to work duties such as General Duty Assistant, Home Health Aide, Geriatric CareAssistant, Pharmacy Assistants and other roles along with soft skill training for overall personality development. Opportunities to work at hospitals, home-based healthcare organisations and diagnostic centres are also provided. Till date 18,600+ persons across India have been trained.

At the Ambarnath facility, Swayam Health candidates presented their proposals as part of a health project exhibition programme for CEAT Limited personnel. The CEAT Safety team further had safety training for nurses in which they disseminated information on patient safety that is crucial for providing medical treatment. These initiatives aid in the educational component of CEAT's Swayam Health Program.

Testimonial of a beneficiary

Priti is 19 years old, staying in Hingana, Nagpur. Her father works in a small flour mill and earns ₹ 8,000/- p.m. Seeing her father's struggle to meet the family's necessities, she decided to discontinue her studies and joined work. Her friend, who had been part of Swayam Health Program motivated her to participate in the training program. Inspired by her friend, Priti sought admission for training to become GDA. After completing the training program, she was placed as a "Home Caregiver" with salary of ₹ 9,000/- pm. This training has not only given her a job but has also boosted her confidence. Now she wants to continue her studies, since she no longer depends on her father for her educational expenses. She is rather, helping her parents financially.



Key Highlights

18

villages mobilized

4

Master weavers onboarded

31

women undergoing Swayam Weave training

500

farmers onboarded

CEAT drives these programmes to give women access to skill development and job possibilities. These training programmes cover a variety of topics, such as financial literacy, entrepreneurship training and vocational training.

Management Discussion and Analysis

CEAT Limited, a leading player in the Indian tyre industry is the first tyre company globally to have been awarded with the 'Lighthouse' recognition for adoption of 'Industry 4.0' technologies at its Halol facility. CEAT introduced digitalisation methods throughout all of its factories to improve its operational efficiency. This was done by utilising cutting-edge technology including analytics, machine learning, virtual reality, and industrial IoT. Consequently, the Company's productivity, yield and energy efficiency has seen significant improvements. Going forward, the Company expects to have further Lighthouse recognitions across the facilities. Additionally, a new version 6.0 of the Dealer portal was introduced with multiple new features and new schemes enhancing the engagement channels.

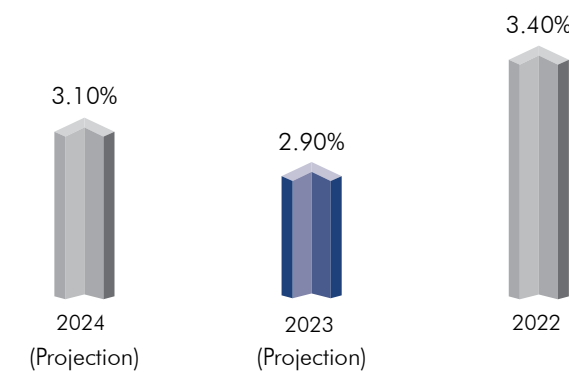
At RPG Group, commitment to innovation and customer satisfaction while striving for excellence in deliverance of services and products with integrity and pride is pivotal. The Company is committed to offering customers the highest quality products to meet their constantly evolving needs. With its wide product range, CEAT caters to diverse customer segments, including OEMs and replacement markets. Living its purpose and ethos, the Company has been committed to making mobility safer and smarter with its world-class products marking its presence over 110 countries worldwide. The Company manufactures high-performance tyres for a broad range of vehicles, including 2/3 wheelers, Passenger and Utility vehicles, Commercial vehicles, and Off-Highway Vehicles. The Company operates six manufacturing plants located in Nashik, Mumbai, Ambarnath, Nagpur (Maharashtra), Halol (Gujarat) and Chennai (Tamil Nadu). Additionally, the Company has state-of-the-art R&D centres in Halol, Gujarat and Frankfurt, Germany, dedicated to research and development of advanced tyre technologies.

Driven by its purpose and adoption of smart technologies to offer value proposition to its customers, CEAT is a well established brand in the tyre industry. The Company's extensive geographical presence, combined with its innovative products, has enabled it to maintain a strong competitive position in the market.

GLOBAL ECONOMY

The global GDP growth rate was 3.4% in CY 22. According to IMF predictions, global economy is expected to grow at 2.8% from CY 23 and 3.0% from CY 24. Across the globe, major central banks continued to raise interest rates to combat inflation. Russia-Ukraine conflict continues to affect economic activities at various levels globally. The global inflation is expected to fall from 8.7 percent in CY 22 to 7.0 percent in CY 23 and 4.3 percent in CY 24. Multiple geo-political issues with extreme weather conditions have disrupted the supply chains globally which contributed to food and energy crisis.

World GDP Growth Rate (Calendar Year)



Source: IMF, World Economic Outlook Update

United States

The Federal Reserve is focused on achieving price stability by raising interest rates to combat inflation. The Federal Open Market Committee ('FOMC') projects possibility of further interest rate hikes, hence, the federal funds rate would remain around 5-5.5% percent at the end of 2023. The US economy grew at 2.1% in CY 22 and is projected to slow down to 1.6% in CY 23 and to 1.1% in CY 24 as per the projections released by IMF. The increasing geo-political and geo-economic tensions between US and China may lead to potential disruptions in the manufacturing value chain. CEAT plans to enter the United States as a value player in PCR and TBR segments in CY 2024 and is building capabilities to cater to the market as the world looks for alternatives to China for sourcing tyres.

Europe

The European economy witnessed a rough patch in recent years; however, its growth outlook has improved recently due to lower energy prices, abating supply constraints and a strong labour market, by showing resilience in a challenging global context. According to IMF predictions, growth in Europe is predicted to reach 0.8% in CY 23 before rising to 1.4% from CY 24. European nations used to import more than half of their energy requirements from Russia but due to the Russia-Ukraine conflict, the energy sourced from Russia has come down to approximately 15% for petroleum liquids and natural gas, which doubled the energy cost in the region in CY 22.

Emerging Markets and Developing Economies

Inflation will play a significant role in determining the outlook for emerging markets in 2023. Geo-political conflicts and supply chain disruptions continue to pose a challenge. The emerging economies in Africa, America and Europe have observed higher inflationary pressures as compared to Middle East and Asian economies where Central Banks were able to keep interest rates relatively low. China's reopening and relaxation on its zero-

tolerance COVID-19 protocols could have implications for the global demand and commodity prices among other things. India will alone account for 15% of the global growth in 2023, continuing to be a "bright spot" in the global economy. India continues to do a great job of using the already-progressing digitalisation as a significant engine for mitigating the after-effects of the pandemic and generating opportunities for growth and employment.

Africa

Sub-Saharan Africa's growth in FY 24 is projected to decrease to 3.6 percent. While some nations, especially those with economies that are not resource-intensive, may see minor growth increases, the regional average will be hindered by weak performance in important economies like South Africa. Unusually high levels of public debt and inflation with double-digit inflation being a problem in half of the countries. Because of this, household buying power has decreased, which has a negative impact on disadvantaged people and intensifies societal tensions.

LATAM

The year 2023 will be difficult for the LATAM region, despite encouraging signs of inflation and development. Due to rising interest rates and falling commodity prices, the rate of economic expansion is predicted to slow to 2%. The growth of employment and consumer spending is decreasing, and consumer and corporate confidence is dwindling. A slowdown in the region's trading partners, notably the US and the euro area, would also impede its growth. Despite coping with shocks from Russia-Ukraine conflict and increases in global interest rates in CY 22, Latin America's economy has fared well, growing by 4%, with significant job recovery and a reviving service sector in the wake of the pandemic's impact.

Outlook

With continuous collaboration of key stakeholders to ease the economic challenges, global economy could expect recovery and uptick in the second half of the year. Major economies across the globe are setting new targets to reduce emissions and adopting strategies for supply chain resilience. This will pave the way to mitigate the challenges and risks caused due to climate change, such as shifting to alternative energy sources thus creating a positive shift in managing energy and food crisis.



Global GDP Growth

Particulars	Estimate	Projections	
	2022	2023	2024
World	3.4	2.8	3.0
Emerging Markets	4.0	3.9	4.2
Advanced Economies	2.6	1.8	2.2
Euro Area	3.5	0.8	1.4
US	2.1	1.6	1.1
Japan	1.1	1.3	1.0
UK	4.0	-0.3	1.0
China	3.0	5.2	4.5
India	6.8	5.9	6.3

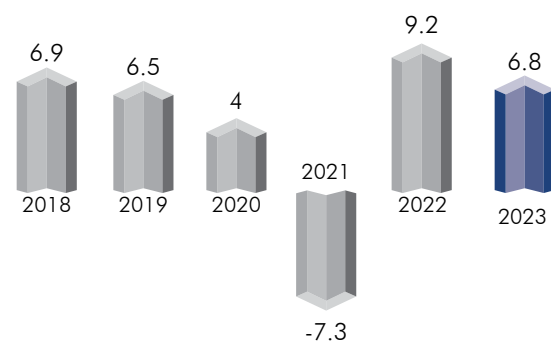
Source: IMF, World Economic Outlook (Updated April 2023)

INDIAN ECONOMY

India witnessed a 6.8% growth in FY 23 which is significantly above the global average growth rate. The projected growth rate is 6.1% which is healthy despite slowdown in world economy. India's strong growth is driven by factors such as digitisation, prudent fiscal policy, push for infrastructure development, stabilising commodity prices and resilient supply chain. In the Union Budget, the capital investments were raised steeply by 33% for the third consecutive year to ₹10 Lacs crore.

The Repo Rate has increased from 4.4% in May 2022 to 6.5% in April 2023 signalling the contractionary monetary policy stance to keep the inflation rate within the desired range. In the Monetary Policy Committee ('MPC') meeting held in April 2023, the RBI kept the Repo Rate unchanged at 6.5%. India's CPI and WPI inflation have eased out in towards the end of FY 23. The Index of Industrial Production ('IIP') for manufacturing for FY 23 saw a growth of 10.94% on a Y-o-Y basis.

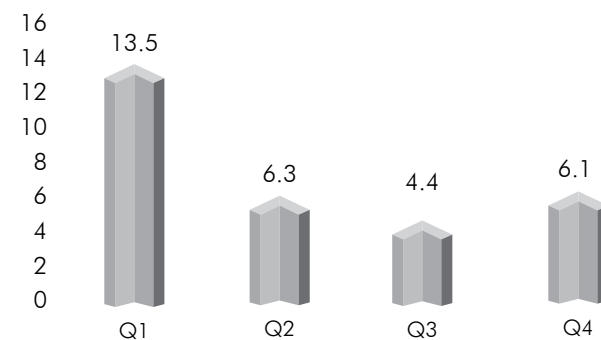
India GDP Growth Rate (%)



Source: World Bank, The Ministry of Statistics and Programme Implementation ('MOSPI')



Quarterly GDP Growth Rate during FY 23 (%)



GDP Growth Rate Y-O-Y change FY 22 to FY 23

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

Outlook

Amidst the accentuating headwinds globally in the second half of FY 23, resilience was observed in the Indian economic activities. Rural demand will provide the backbone for improving economic activity as the government focuses on infrastructure development, revival in corporate investments and moderating commodity prices. According to the IMF, the Indian economy will contribute 15% of the global growth CY 23. CEAT anticipates good growth in the Indian market and overseas in the near future as a result of stabilisation of commodity prices and improved supply chains leading to stronger margins.

GLOBAL AUTOMOBILE INDUSTRY

The automotive industry is likely to face global headwinds in CY 23, due to the ongoing energy crisis, slower global demand and continued supply-chain problems.

Despite these challenges, it is expected that global new-vehicle sales will remain relatively flat in CY 23. While new-car sales are expected to rise by 0.9%, new Commercial Vehicle ('CV') sales are projected to fall by 1.3%.

Electric Vehicle ('EV') space is expected to experience continuous growth as sales of EVs are projected to grow by 25% in CY 23, representing a bright spot in an otherwise challenging market. Consumer interest in EVs is rising, however, maintaining forward momentum for EVs will be different for different markets. The biggest obstacle to adoption globally continues to be cost, uncertainty over range and battery safety issues. Also, some governments are likely to restructure their incentive schemes for EVs, which may have an impact on demand for these vehicles.

Outlook

The automotive industry is undergoing a transformation to adapt to the emerging needs of the market, such as smart mobility and electric vehicles. This transformation involves unlocking more value from the core business and reinvesting additional cashflows into new business opportunities.

The role of cloud and data is crucial in this transformation. With large tech players entering the auto value chain, original equipment manufacturers ('OEMs') are pursuing multi-cloud strategies to create new digital services and accelerate speed to value. By leveraging cloud technology and data analytics, OEMs can develop new and innovative products and services that meet the evolving needs of customers.

In addition to developing new capabilities, manufacturers are investing in culture change. They are moving away from

a slow-moving, conservative automotive culture to an agile, innovative and risk-taking one. This culture change is essential to enable rapid innovation and adapt to the changing needs of the market.

INDIAN AUTOMOBILE INDUSTRY

The Indian automobile sector is a key driver of the manufacturing industry and a major source of employment. In December 2022, India became the third-largest automobile market in the world, surpassing Japan and Germany in terms of sales. India is one the largest manufacturer of 2/3 Wheeler vehicles in the world. It is also ranked as the fourth-largest manufacturer of Passenger Cars.

On a year-on-year basis, all segments, except for tractors, recorded positive growth in domestic sales. Moreover, supply constraints, which previously impeded production volumes in FY 22, began to ease, contributing to increased production numbers.

Passenger vehicle volumes are expected grow further during FY2023-24 on the back of a healthy order book and ramp-up in production. However, prices for passenger vehicles are set to increase as companies prepare to conform to stricter emission norms which kick in from April 2023. This may put some pressure on the consumers.

Demand for two-wheelers has been sluggish due to weakness in the rural segment. However, a gradual recovery is expected.

For Tractors, volumes are likely to be better on improving customer sentiments and finance availability. The volatile geo-political scenario has impacted export tractors in Q4; however, the domestic market is expected to grow, in line with growth in agricultural sector.



ELECTRIC VEHICLES

India has been making steady progress in the adoption of Electric Vehicles (EVs) as part of its efforts to reduce greenhouse gas emissions and air pollution. There have been multiple interventions across Central and State Governments in this regard. As an example Tamil Nadu has announced its EV Policy CY 23, which aims to electrify public and commercial transport and promote the formation of EV cities.

Furthermore, the Indian government aims to install a total of 46,397 public charging stations for EVs in nine major cities by 2030, representing a nine-fold jump from the current levels. This could provide a significant boost to the adoption of EVs, as range anxiety is one of the major concerns among potential buyers.

India has also set a roadmap to achieve 80% electrification of 2-wheelers by 2030, which could significantly reduce the country's dependence on fossil fuels. The ownership cost savings of electric 2-wheelers ranging from 20-70% over petrol 2-wheelers have piqued the interest of the average buyer, while B2B players, such as food aggregators and last-mile delivery services, have already jumped on the opportunity. The emphasis on upgrading the highway network, installing public charging stations and attracting investments in the EV ecosystem could pave the way for a cleaner, greener and more sustainable transportation system in India.

The Union Budget 2023 also has several provisions to promote Electric Vehicle ('EV') industry in the country. One of the most significant announcements in the budget is the reduction in customs duty on lithium batteries from 21% to 13%. This move could significantly reduce the cost of manufacturing EVs in India, as lithium-ion batteries account for a significant portion of the total cost of EV. The government has also reduced the Goods and Services Tax ('GST') on the sale of EVs from 12% to 5%, which is likely to make them more affordable for buyers. The reduction in customs duty could make it more feasible for manufacturers to produce EVs locally, which could also create more job opportunities in the sector.

PRODUCTION

Production (Nos.)

Sr. No.	Particulars	FY 23	FY 22
1	Passenger Vehicles	45,78,639	36,50,698
2	Commercial vehicles	10,35,626	8,05,527
3	3-Wheelers	8,55,696	7,58,669
4	2-Wheelers	1,94,59,009	1,78,21,111
5	Tractor	10,71,310	9,61,100

Source: SIAM, Tractor and Mechanization Association TMA

DOMESTIC SALES

Domestic Sales (Nos.)

Sr. No.	Particulars	FY 23	FY 22
1	Passenger Vehicles	38,90,114.00	30,69,523.00
2	Commercial vehicles	9,62,468.00	7,16,566.00
3	3-Wheelers	4,88,768.00	2,61,385.00
4	2-Wheelers	1,58,62,087.00	1,35,70,008.00
5	Tractor	945,311.00	8,42,226.00

Source: SIAM, Tractor and Mechanization Association TMA

GLOBAL TYRE INDUSTRY

- Overall:** China dominates the global tyre market, making up around 50% of the sector, followed by Europe, US, India and Japan. India's tyre business has showed strong resilience and is anticipated to develop at 7-9% from 2020 to 2024 and overtake US to become the third-largest market worldwide.



- EV and Sustainability:** In this financial year, the shift in the tyre industry towards electrification was driven by new regulations and buyer incentives. Globally, many countries, corporations and carmakers have pledged to phase out internal combustion engines, as early as 2035. Electric vehicles ('EVs') require tyres with advanced technological features to meet specific demands such as low rolling resistance for increased range, durability to bear heavy batteries and reduced rolling noise.
- Circularity:** Tyre companies have initiated adopting the Circular Economy approach, focusing on a sustainable life cycle for tyres through measures like recycling and proper end-of-life management. Manufacturers are emphasising on collecting waste tyres and converting them into secondary or alternative raw materials for other industrial applications.
- Industry 4.0:** The industry is also experiencing the effects of Industry 4.0, as digital transformation influences all aspects of corporate operations. Companies are adopting technologies like digital simulation, virtual reality, collaborative robotics, additive manufacturing, the Internet of Things ('IoT'), Artificial Intelligence ('AI'), data-driven management and data protection to enhance productivity, flexibility, responsiveness and personalised solutions. This transformation is reshaping traditional job roles, organisational structures and collaboration methods in the tyre industry.

INDIAN TYRE INDUSTRY

The tyre industry in India has the potential to become a global leader in Indian manufacturing, especially with the current search for alternatives to China due to geo-political tensions. The industry exemplifies the Make in India initiative, having achieved self-reliance and emerging as a major exporter of tyres to over 170 countries, including the US and Europe as evidenced by the rising demand for Indian-made tyres. India world-class radial tyre manufacturing facilities and any international vehicle manufacturers also started using India-made tyres for their high-end models. However, the industry needs greater support for raw material security, particularly for natural rubber, through reduced duties. With the right policies in place, the Tyre Industry can further enhance its exports and contribute significantly to India's economic growth.

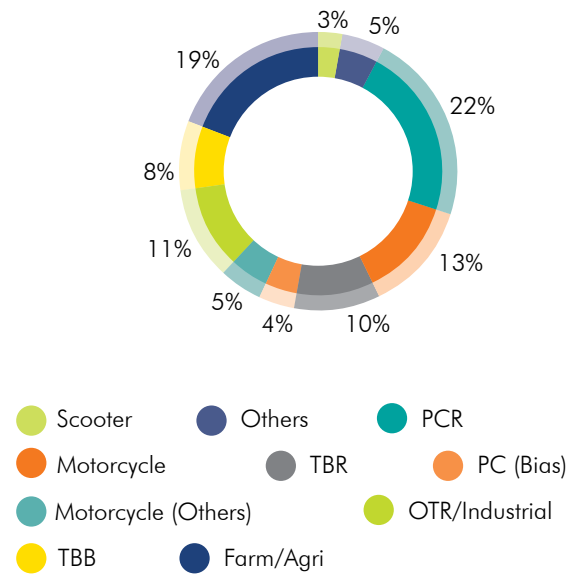


EXPORTS

Challenges to the global economy due to recessionary conditions, rising interest rates, political turmoil and slowing of external demand had its impact on the growth momentum of Indian tyre exports which witnessed a growth of 9% in FY 23. High base effect (50% growth in previous fiscal) also contributed to the muting of growth. In number terms, Passenger Car Radial (PCR) tyres accounted for the largest exported category from India followed by Farm/Agri tyres in FY 23.

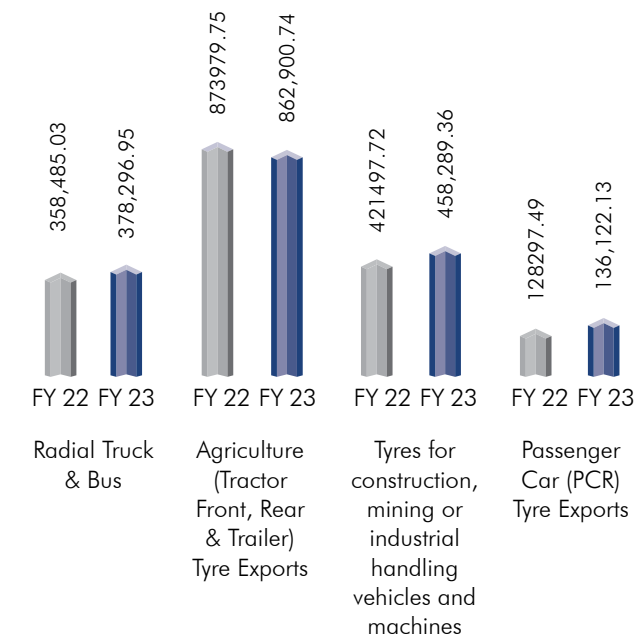
Tyre Exports

Category wise Tyre Exports and % share in quantity



Direct Source: ATMA reports (Tyre Exports)

Indian Tyre exports- (₹ in Lacs)



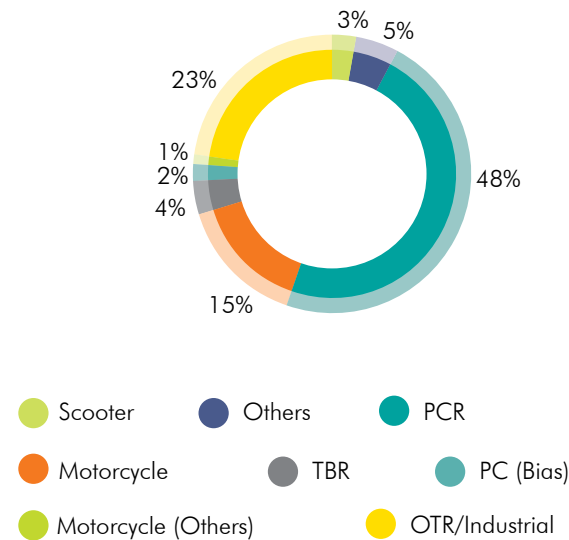
Source: <https://tradestat.commerce.gov.in/eidb/ecom.asp>

IMPORTS

Tyre Imports in India went up by 15% in value terms in FY 23. The surge in imports was boosted by increase in import of Motorcycle and Industrial/ OTR tyres during the period. Over ₹ 2100 crore worth of tyres were imported in the country during the period under review. With 47% share, Passenger Car Radials (PCR) accounted for the largest share in overall tyre import volumes in India. OTR/ Industrial tyres represented the second largest category in number terms.

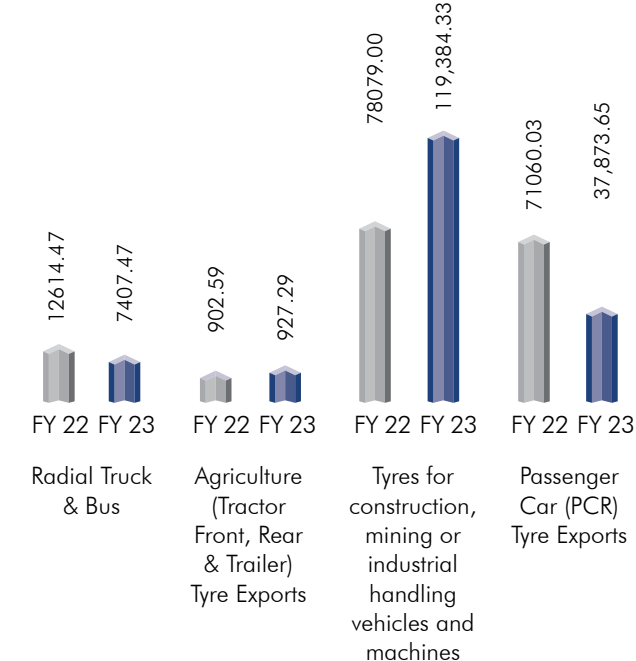
Tyre Imports

Category wise Tyre Imports and % share in quantity



Direct Source: ATMA reports (Tyre Exports)

Indian Tyre Imports (₹ in Lacs)



Source: <https://tradestat.commerce.gov.in/eidb/ecom.asp>

RAW MATERIAL TRENDS

Natural Rubber

The production of Natural Rubber in India has increased by 12.2% during the first three quarters of FY 23, compared to the same period in the previous year. Consumption of Natural Rubber has also increased by 9.5% during the same period in the previous year, with a 5% increase in the tyre sector and a 21.8% increase in the general rubber goods sector. The stock held with growers, traders, processors and consumers is estimated to be around 450,000 tons. On the other hand, Synthetic Rubber production has decreased by 5.8% for the first three quarters of FY 23 compared to the previous year.

Carbon Black

The prices of Carbon black price have started declining from Q3 FY 23 due to the decrease in crude oil prices, in addition to drop in premiums in the commodity market.

Outlook

The Tyre industry is expected to witness growth in sales in the FY 24, driven by increase in automobile sales, particularly Commercial Vehicles ('CVs') and Passenger Vehicles ('PVs').

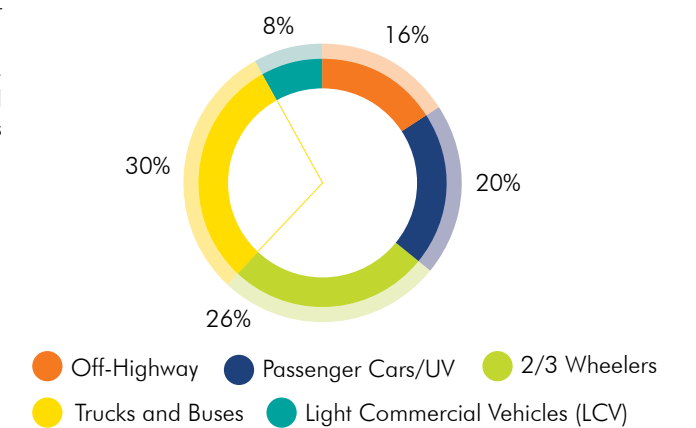
Positive rural sentiments, backed by the anticipation of regular monsoon, is expected to support two-wheeler sales as well. Tyre demand from the replacement market is expected to grow, owing to continued economic growth, improving industrial activity, steady agricultural output and the government's focus on infrastructure, mining and road construction.

BUSINESS REVIEW

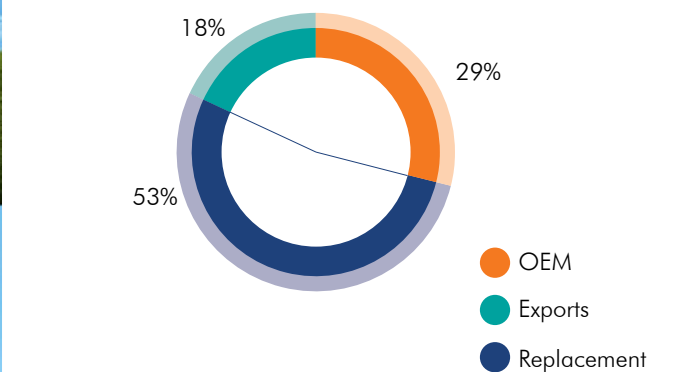
CEAT has established a strong brand presence both in the domestic and global market by converting every obstacle into an opportunity. The Company's consolidated revenue from operations has grown by 20.84% Y-O-Y to ₹11,314 Crores. Over the years, the revenue contribution from its 2-Wheeler and Passenger Vehicles tyre segments has risen from 38% in FY 16 to 46% in FY 23. CEAT is committed to innovation and uses cutting-edge digital technologies to provide its customers with high quality products and services. It has implemented a multi-channel approach, ensuring that its tyres are readily available on e-commerce platforms and its own website, with options for online and home delivery. Moreover, CEAT has strengthened its relationship with original equipment manufacturer ('OEM') customers. The Company is dedicated to conducting customer-focused research and development to deliver safer and smarter products.

Revenue Breakup by Product and Market in FY 23

By Product segment



By customer segment



Source: Q4 Presentation



CAPACITY EXPANSION

CEAT has undertaken several capacity expansion projects. The Company has increased the capacity of its plant in Chennai, to produce approximately 96 Lacs tyres per annum of Passenger Vehicle Radial Tyres when completed. The first phase in Nagpur has completed the first phase of expansion and is currently in phase two of expansion. Once fully completed, the 2-Wheeler Tyre capacity would be approximately 2.7 Crores tyres per annum. The Company has invested approximately ₹ 500 Crores in FY 23 in capacity expansion projects, in Nagpur, Chennai and Ambarnath. CEAT's investment in these expansion projects will enable the company to meet its growth requirements.



Strengths:

- Strong Brand Association with safety
- Adoption of QBM for business excellence
- Distribution network for passenger category
- Strong R&D team / Best in-class products



Weaknesses:

- Scale of operations v/s top players in India
- Low share in OEM in premium passenger vehicles segment



Opportunity:

- Domestic growth in rural and semi-urban markets
- Emerging digital business models
- Changing mobility landscape
- Global supply chain shift from China to India



Threats:

- Possibility of cheap imports from China and Thailand
- Commodity price inflation
- Demand disruption due to escalation of geopolitical crisis
- Currency fluctuations, non-tariff barriers impacting International Business.



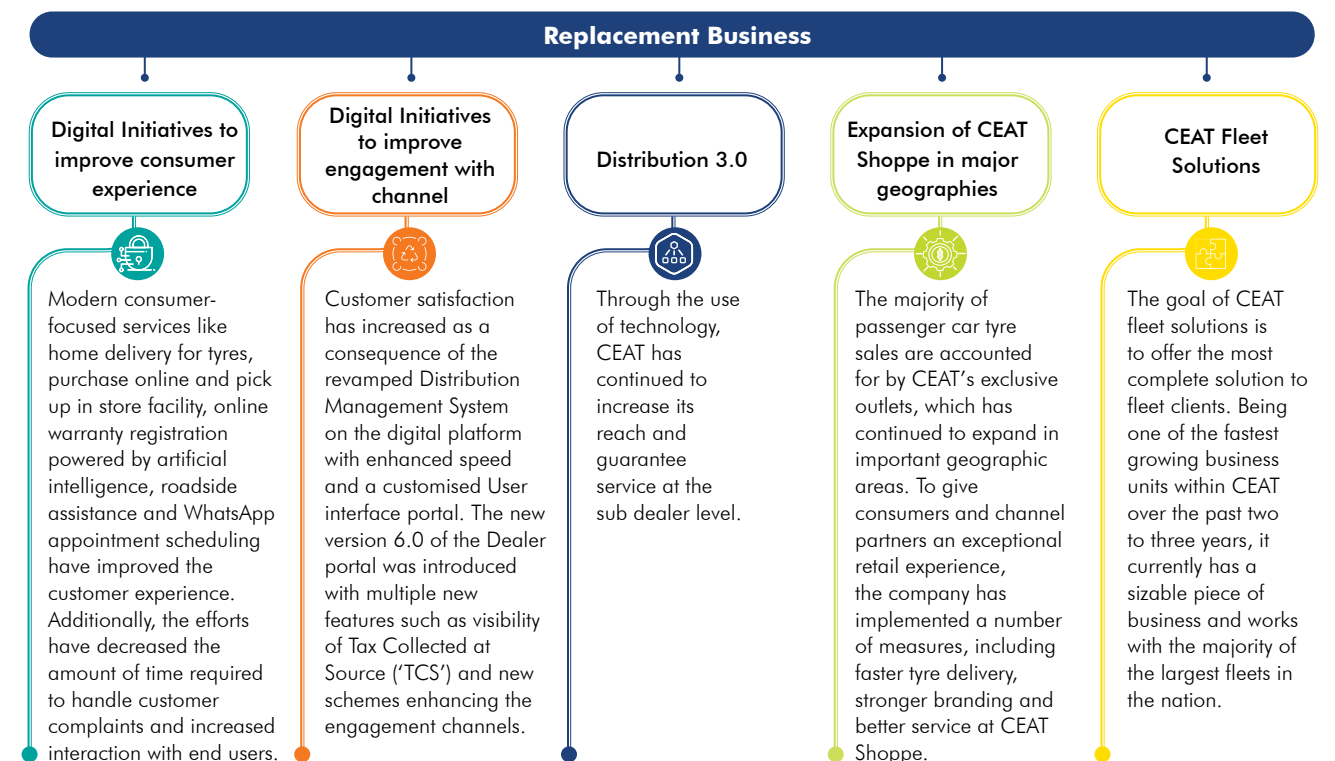
INTERNATIONAL BUSINESS

With a presence in more than 110 countries, CEAT continues to be a major tyre exporter. Although there have been numerous challenges this year, including currency depreciation in many countries across the world, a lack of availability of foreign currencies, rising interest rates and the recession in Europe and the US, has resulted in a general reduction in demand. The most impacted regions were Africa, Europe, Nepal, and Sri Lanka. However, the fourth quarter of the year could witness some demand revival. The PCR segment in Europe and the TBR segment in Brazil saw continued growth for the Company.

CEAT has expanded its global footprint by engaging distributors in South Africa, Japan, Vietnam, Sudan, Romania and Russia. As part of Phase-1 of the go to market plan, a new product line in TBR and Passenger Light Truck tyre ('PLT') is under development for the United States and by the end of Q2 of FY 23, TBR. By hiring individuals from Germany, the UK and Brazil, CEAT has bolstered its sales and service staff.

CEAT has introduced a first-of-its-kind digital platform that enables distributors to place orders online and be aware of the anticipated time of shipping of the containers. Customers can change the order amounts based on the minimum order quantity and load ability in real time.

REPLACEMENT BUSINESS


5200+

Dealers

600+

Distributor's servicing

800

Retail Format Stores

600+

Districts Covered

58,000+

Sales Touchpoint

FY 23
4,600+

Dealers

475+

Distributor's servicing

660

Special Channels

600+

Districts Covered

51,000+

Sales Touchpoint

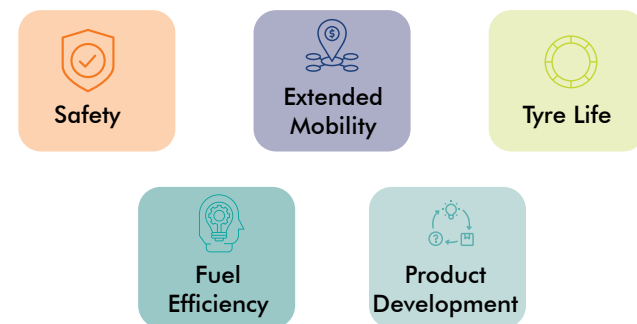
FY 22

TECHNOLOGY AND R&D

The Research and Development ('R&D') of CEAT plays an indispensable role in the overall growth and development for delivering best in class products. CEAT has two research and development facilities situated in Halol India and Frankfurt Germany. CEAT has localised testing grounds with respect to R&D to cater to the market needs of Europe. To meet the mobility requirements such as introduction of EV, automation and smart mobility along with changing customer demands in the future, the Company has further augmented its efforts towards innovation, digitalisation and sustainability. The R&D team has a specialised pool of experts working on radical concepts for innovation in the design and manufacturing of the tyres enabled with digital technology, extended mobility, fuel-efficient and environmentally friendly tyre.

CEAT has a five-year technological roadmap which focuses on the changing needs and requirements of the sector and the economy.

Core technology focus



For a detailed explanation of the R&D initiatives, please refer to the Intellectual Capital section.

Quality Assurance System

The whole value chain, from raw material suppliers through production, sales and customer satisfaction, is covered by CEAT's Quality Assurance ('QA') programme. The goal of the QA function is to set up a system and procedure to ensure that customers' requirements are satisfied, leading to improved customer service. Important quality indicators across business units and departments are communicated to management by the QA function. In order to boost system resilience, efficiency and effectiveness, decrease human error and make essential resources available for additional value-added operations across the chain, CEAT focuses on deploying digital systems employing AI and machine learning approaches.

CEAT ensures customer satisfaction through a cross-functional Quality Council that oversees various aspects of quality assurance. This includes gaining an understanding of the customer's stated and unstated needs to proactively develop products and services, reviewing systems and processes related to customer complaints to enable early detection and prevention of issues and ensuring functional alignment to achieve CEAT's quality objectives. The Council provides strategic direction and facilitates horizontal deployment to enhance the efficiency of quality assurance. Rolling Resistance, Noise and Wet Grip are crucial performance factors that determine customer experience, hence CEAT is concentrating on them to improve the customer experience. CEAT is also among the first tyre manufacturers in

India to comply with and receive Indian BEE Energy Star label ratings, which help consumers make educated decisions.

CEAT's Quality Assurance approach also aims to proactively ensure quality control through various systems such as zero-defect workstation, Statistical Process Control ('SPC') and Critical to-Quality ('CTQ') audit systems. The company's QA infrastructure prepares them for OEM audits and approvals, which strengthens their market position. For manufacturing quality, CEAT focuses on consistent processes and product quality to meet customers' needs. The company values customer feedback, which is incorporated into product and service enhancements. A unified 'voice-of-the-customer' system has been developed to track customer concerns and generate automatic reports. The QA system's effectiveness is measured through customer satisfaction surveys conducted by external agencies.

ENVIRONMENT, OCCUPATIONAL HEALTH AND SAFETY

CEAT is dedicated to establishing a secure working environment for its workforce. The Company is resolute in its efforts to mitigate work-related accidents and illnesses. In pursuit of this objective, CEAT employs a proactive and methodical approach to recognise potential occupational health and safety hazards and risks. Additionally, with regard to environmental concerns, CEAT adheres to the principle of "prevention rather than control" of pollution and ensures compliance with all relevant environmental regulations.

Safety

CEAT has a policy of zero accidents and to benchmark its own systems, the Company has adopted the Five Star Occupational Health and Safety Management System of the British Safety Council ('BSC'). The Company uses the latest safety measures to eliminate risks at its worksites and all its manufacturing plants are ISO 45001:2018 certified. Extensive safety training is provided to all employees, including contractual employees, to ensure compliance with safety measures.

By regularly offering EHS training, CEAT focuses on promoting a secure work environment. New recruits must attend mandatory training sessions in addition to the monthly sessions offered to permanent and contract employees. During the reporting



period, CEAT conducted work-related health and safety trainings on subjects such machine guarding, danger identification, environmental and related trainings. 10,173 man-days worth of health and safety trainings was conducted in total during FY 23.

Occupational Health

To achieve 'zero occupational illness cases', CEAT engages in cross-functional efforts to reduce occupational health hazards. Occupational Health Centres are operated by professionals round-the-clock and ambulances and first aid facilities are provided at all CEAT plants. CEAT ensures periodic medical check-ups for all its employees, including contract employees.

Employees may report harmful situations, unsafe behaviour and near-misses using the mobile app that CEAT developed. The Company uses the British Safety Council's ('BSC') Five Star Occupational Health and Safety Management System. The ISO 45001:2018 standard has been certified for all manufacturing facilities. Additionally, the Company makes the necessary preparations to guarantee that the safety protocols are followed by providing the employees extensive training. At the beginning of each shift, Shift Assembly Meetings ('SAM') are held to address and track health and safety concerns, such as harmful behaviours and situations.

Environment

CEAT is dedicated to creating value and promoting sustainable development. The Company has implemented processes that are designed to ensure this objective is fulfilled. The primary goal is to reduce carbon footprint by 50% by 2030. To achieve this target, CEAT has identified the following measures:

- 1. Use of green raw materials** - This strategy involves using materials that are environmentally friendly and have a low impact on the environment. By using green raw materials, CEAT hopes to reduce the amount of waste generated and the pollution created during the production process.
- 2. Use of briquettes as fuel** - Briquettes are compressed blocks of fuel that are made from waste materials such as sawdust, charcoal and paper. Using briquettes as fuel will help to reduce the amount of fossil fuels used in the production process and, as a result, reduce the carbon footprint of the company. In addition, the Company is using solar energy across its manufacturing facilities.
- 3. Network optimisation** - By optimising its network, CEAT hopes to reduce the amount of energy used in transportation and logistics. This strategy involves finding more efficient ways to transport products and reducing the distance travelled.
- 4. Development of light-weight tyres** - Light-weight tyres will reduce the amount of fuel needed to power vehicles and, as a result, reduce the carbon footprint of the company.
- 5. Promotion of high recycling and recovery rates** By promoting high recycling and recovery rates, CEAT hopes to reduce the amount of waste generated and promote the reuse of materials.
- 6. Solar / renewable power** - The Company is using solar power for all its manufacturing plants resulting in energy savings.



The Company is actively working to reduce the environmental impact of their operations while creating value for their stakeholders. For more information on CEAT's sustainability initiatives, please refer to the Natural Capital section of their Annual Report.

HUMAN ASSETS

CEAT is focused on continuous learning and development, employee engagement and well-being, which fosters a culture of openness and transparency.

CEAT's commitment to diversity and inclusion is demonstrated through its aspiration to create shared value with empowerment at its core. The Company has created an opportunity for transgender employees and people with disabilities which highlights the Company's dedication to diversity and inclusion.

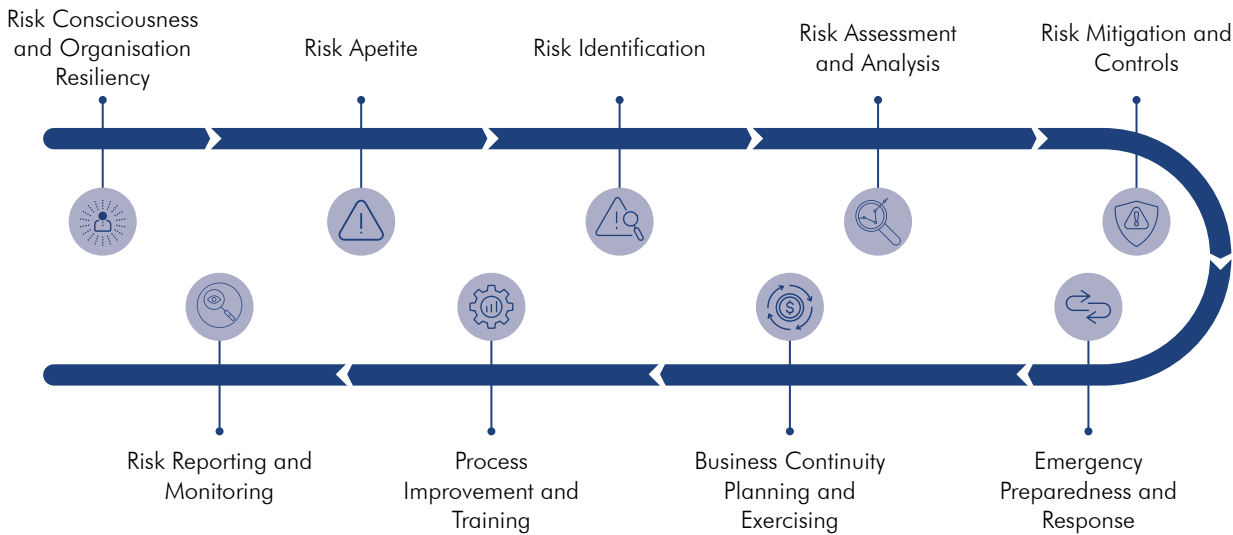
For a detailed explanation of the initiatives launched to improve human and workplace satisfaction, gender diversity, workforce learning and development, including up-skilling programs, please refer to the Human Capital section.

RISK MANAGEMENT

The risk management process implemented at CEAT entails an initial stage of risk identification, followed by a thorough assessment of their potential impact. The evaluation is carried out through an analysis of past trends and future projections, while also accounting for external perspectives to ensure comprehensive coverage of existing and emerging risks. Subsequently, appropriate measures are identified and implemented to mitigate these risks as required. The risks are regularly re-evaluated and monitored, with a focus on identifying and addressing emerging risks by including them in the risk management plan.

Risk management

The risk management process of CEAT comprises of several essential components that work together to ensure the Company is adequately prepared to manage the potential risks. These components include:



RISK AND THEIR MITIGATION - DETAIL RISK

Risks	Mitigation
1. Margin Impact due to raw materials Price Volatility and inability to increase the prices to off-set the RM price increase Profit margins can be impacted by the fluctuation of raw material prices, as well as the presence of low-cost domestic and international competitors who engage in aggressive pricing behaviour. Such factors may have an adverse effect on profitability.	CEAT is implementing various measures to foster long-term association with suppliers and improve its margin profile. It is exploring a wider supplier base and strengthening relationships with existing suppliers. It's longstanding relationships with OEMs and the quality of its products have contributed to brand recognition. To differentiate itself from competitors, CEAT is expanding its channels, enhancing after-sales service and providing superior quality products with associated warranties. It is also focused on growing high-margin profitable segments, implementing price increases, developing capacity for new products and establishing a premium segment in new markets. CEAT is leveraging its deep domain knowledge, technology prowess, brand recall and reach to challenge both domestic and foreign players.
2. Balance Sheet Ratios (unfavourable) impacting performance and Perception issues (Project Investments) An increase in planned capital expenditure and investments has the potential to affect profit margins	Investments are planned in a phased manner, taking into consideration market size and CEAT's share of business, while sensitivity analysis is conducted regularly. The Company also continuously focused on the efficiencies and working capital to reduce the capital required for the same.
3. Cyber Security Risk	CEAT regularly assesses the risks of cyber-attacks to its system and takes preventive and detective measures to mitigate them. External IT consultants are involved to provide inputs for securing systems against cyber-attacks. A Business Continuity Plan ('BCP') is developed and implemented for all IT platforms.
4. Single Source / Single Geography Suppliers	CEAT takes action to mitigate the risk of single source/single geography suppliers by developing alternatives. Additionally, the Company is working to develop alternate raw materials to mitigate this risk.
5. Geopolitical disruption The emergence of a big risk, due to factors such as a debt crisis, war, trust deficit in inter-state relations and uncertainty leads to supply disruptions and an overall increase in prices, including crude. This risk in negatively impacting GDP growth and inflation, which could lead to a drop in demand and an increase in overall cost.	To mitigate the risk, proactive measures are being taken in the following areas: <ol style="list-style-type: none">1. Ensuring supply chain agility2. Reviewing and taking action on balance sheet ratios3. Developing long-term supply and demand plans4. Expanding into new geographies and OEMs/sizes

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.
- ▶ Automated controls built in SAP to ensure prevention. GRC has been implemented across CEAT to ensure compliance of Authority matrix in key areas.

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.
4. Sustainability & CSR Committee: This committee looks into ESG related risks and directs on mitigations including climate actions.

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

DISCUSSION ON FINANCIAL PERFORMANCE AND KEY FINANCIAL RATIOS

In accordance with the Listing Regulations, this report presents the key ratios that have undergone significant changes, with a notable shift of 25% or more in comparison to the preceding fiscal year. The identified ratios are Net Profit Margin, Return on Net Worth, Price Earnings Ratio and Return on Capital Employed. A comprehensive analysis of these ratios, along with a detailed explanation of the alterations observed in the return on net worth when contrasted with the immediately prior financial year, is included in the appended section on the discussion of financial performance.

CAUTIONARY STATEMENTS

It is noted that in accordance with relevant securities laws and regulations, certain of the comments in the Management Discussion and Analysis section may be regarded to be "forward-looking statements" with respect to CEAT's objectives, plans, estimates and expectations. It is crucial to recognise that the actual results achieved may significantly deviate from the expressed or implied statements. CEAT's operations are subject to various influential factors, including economic developments within the country, industry-specific demand and supply conditions, fluctuations in input prices, modifications in government regulations and tax laws, as well as additional considerations such as litigation and industrial relations.



Discussion on Financial Performance

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 presents 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, 2023	As at March 31, 2022	Change	Change %
Property, plant and equipment	5,71,612	5,01,628	69,984	14%
Capital work-in-progress	50,931	76,159	(25,228)	(33%)
Intangible assets	8,780	8,809	(29)	(0%)
Intangible assets under development	2,748	4,661	(1,913)	(41%)
Right-of-use asset	29,203	22,457	6,746	30%
Total	6,63,274	6,13,714	49,560	8%

During the year, the Company has capitalised property, plant and equipment amounting to ₹ 1,05,815 Lacs mainly relating to capacity expansion at Chennai, Halol, Ambernath and Nagpur plants and took depreciation charge of ₹ 34,808 Lacs for the year and disposal of ₹ 1,023 Lacs.

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

Intangible under development mainly comprises software development, new product development and patents majorly at Halol, Ambernath and Nagpur plant.

Right-of-use assets represents lease component arising out of warehousing as well as outsourcing arrangements which consists of Land, Buildings, Plant & machinery used for warehousing, production of goods and generation of power under such arrangements.

Investments (Note 6)

(₹ in Lacs)				
Particulars	As at March 31, 2023	As at March 31, 2022	Change	Change %
Non-current investments				
Investments in subsidiaries and associates	11,360	11,299	61	1%
Other non-current investments	1,667	1,303	364	28%
Total	13,027	12,602	425	3%

The Company made an initial investment of ₹ 60 Lacs in Taabi Mobility Limited, a subsidiary formed to provide web-based analytics to help customers better manage their fleets and reduce their total cost of operations.

The Company also made an initial investment of ₹ 1 Lac in CEAT Auto Components Limited, a subsidiary formed 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.

The Company made an incremental investment in Greenzest Solar Private Limited (classified as other non-current investment) of ₹ 350 Lacs basis the contract arrangement for generation & consumption of solar power in manufacturing facilities.

Other financial assets (Note 7 and 13)

(₹ in Lacs)				
Particulars	As at March 31, 2023	As at March 31, 2022	Change	Change %
Other non-current financial assets	812	959	(147)	(15%)
Other current financial assets	4,287	6,381	(2,094)	(33%)
Total	5,099	7,340	(2,241)	(31%)

Other non-current financial assets have decreased due to release of security deposits & Margin money deposits amounting to ₹ 147 Lacs.

Decrease in other current financial assets is mainly due to realisation of pending fiscal incentives from Government of Maharashtra and Tamil Nadu amounting to ₹ 1,955 Lacs and reduction in receivables from related parties.

Other non-financial assets (Note 8 and 14)

(₹ in Lacs)				
Particulars	As at March 31, 2023	As at March 31, 2022	Change	Change %
Other non-current non-financial assets	4,719	5,588	(869)	(16%)
Other current non-financial assets	11,376	5,386	5,990	111%
Total	16,095	10,974	5,121	47%

Decrease in non-current non-financial asset is mainly due to reduction in capital advances amounting ₹ 1,013 Lacs and increase in security deposit with statutory authorities amounting to ₹ 144 Lacs.

Other current non-financial assets comprise advance to vendors, prepaid expenses and balances with government authorities. The major increase is mainly due to:

- Increase in prepaid expenses by ₹ 1,847 Lacs as compared to March 31, 2022
- Operational Advances have gone up by ₹ 3,571 Lacs as compared to March 31, 2022.
- Balance with govt. authorities increased mainly due to GST on Stock-in-Transit amounting to ₹ 418 Lacs and GST appeal deposit amounting to ₹ 68 Lacs compared to March 31, 2022.

Inventories (Note 9)

(₹ in Lacs)				
Particulars	As at March 31, 2023	As at March 31, 2022	Change	Change %
Raw Materials	41,637	58,155	(16,518)	(28%)
Work-In-Progress	7,919	7,885	34	0%
Finished Goods (including stock-in-trade)	60,999	60,534	465	1%
Stores and Spares	1,853	2,077	(224)	(11%)
Total	1,12,408	1,28,651	(16,243)	(13%)

Raw material inventory when compared as a measure of the cost of material consumed is equivalent to 25 days as at March 31, 2023 against 35 days as at March 31, 2022.

The finished goods inventory (including traded goods stock) as a measure of the goods sold is stated at 30 days as at March 31, 2023 against 37 days as at March 31, 2022.

The above reductions are attributable to the working capital initiatives undertaken by the company.

Trade Receivables (Note 10)

(₹ in Lacs)				
Particulars	As at March 31, 2023	As at March 31, 2022	Change	Change %
Trade receivables	1,30,283	1,15,287	14,996	13%

Increase in debtors is mainly due to increase in sales volume and net realisable value. The receivables position for the current year is at 40 days sales outstanding as at March 31, 2023 as compared to 42 days sales outstanding as at March 31, 2022.

Cash and cash equivalents (Note 11)

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022	Change	Change %
Cash and cash equivalents	5,024	1,300	3,724	286%

Increase is primarily on account of inflow after the closure of business hours on the last working day of the year.

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

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022	Change	Change %
Non-current borrowings	1,44,056	1,71,916	(27,860)	(16%)
Current borrowings	62,517	35,224	27,293	77%
Total	2,06,573	2,07,140	(567)	(0%)

The improved operational performance and tight monitoring of working capital supported in maintaining the similar debt level.

Lease Liability (Note 4)

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022	Change	Change %
Non-current lease liabilities	13,055	8,047	5,008	62%
Current lease liabilities	7,222	5,162	2,060	40%
Total	20,277	13,209	7,068	54%

Lease liabilities represents lease components of warehousing as well as outsourcing arrangements which primarily include warehousing, production of goods and generation of power. Increase in lease liability is on account of the renewal of outsourcing agreement amounting to ₹ 10,525 Lacs which was offset by the repayment made during the year amounting to ₹ 3,457 Lacs.

Other financial liabilities (Note 19 and 24)

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022	Change	Change %
Other non-current financial liabilities	1,881	4,163	(2,282)	(55%)
Other current financial liabilities	83,737	80,837	2,900	4%
Total	85,618	85,000	618	1%

Other non-current financial liabilities has decreased due to regular payments to capital creditors amounting to ₹ 2,202 Lacs and derivative financial instrument amounting to ₹ 80 Lacs as compared to March 31, 2022.

Increase in other current financial liabilities is mainly due to increase in deposits from dealers amounting to ₹ 6,748 Lacs, employee related liabilities amounting to ₹ 2,066 Lacs and interest accrued but not due amounting to ₹ 1,895 Lacs as compared to March 31, 2022. Further, there is decrease in capital vendor amounting to ₹ 6,172 Lacs, derivative financial instruments amounting to ₹ 1,562 Lacs, unpaid dividend and unpaid matured deposits amounting to ₹ 75 Lacs as compared to March 31, 2022.

Provisions (Note 20)

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022	Change	Change %
Non-current provisions	4,730	4,114	616	15%
Current provisions	14,034	12,479	1,555	12%
Total	18,764	16,593	2,171	13%

Increase in non-current provisions is on account of increase in provision for compensated absences due to revised assumptions in actuarial valuation, i.e., investment, attrition and GSEC rate. Increase in current provisions is mainly due increase in sales related obligation provision in line with Company's policies and actual claims.

Trade Payables (Note 23)

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022	Change	Change %
Trade payables	2,27,083	2,15,500	11,583	5%

The trade payable position is at 91 days cost of goods sold outstanding as at March 31, 2023 as compared to 88 days as at March 31, 2022.

Other current liabilities (Note 25)

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022	Change	Change %
Other current liabilities	15,036	11,454	3,582	31%

Increase in other current liabilities is due to increase in statutory dues, mainly GST, on account of increased level of operations amounting to ₹ 3,126 Lacs as compared to March 31, 2022.

Statement of Profit and Loss

The following table sets forth the breakup of the Company's expenses as part of the Revenue from operations (net)

(₹ in Lacs)

Particulars	2022-23	% of Revenue from operations	2021-22	% of Revenue from operations
Revenue from operations	11,26,326	100.00%	9,31,263	100.00%
Cost of material consumed	7,35,074	65.26%	6,18,690	66.44%
Purchase of stock-in-trade	990	0.09%	756	0.08%
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(499)	(0.04%)	(18,234)	(1.96%)
Gross Margin	3,90,761	34.69%	3,30,051	35.44%
Employee benefit expense	72,536	6.44%	68,426	7.35%
Other expenses	2,20,499	19.58%	1,91,518	20.57%
EBITDA	97,726	8.68%	70,107	7.53%
Other income	3,866	0.34%	2,819	0.30%
Finance costs	23,904	2.12%	20,397	2.19%
Depreciation and amortization expenses	46,925	4.17%	43,514	4.67%
Exceptional items	3,342	0.30%	1,291	0.14%
Profit before tax	27,421	2.43%	7,724	0.83%
Tax expense	6,794	0.60%	2,291	0.25%
Profit for the year	20,627	1.83%	5,433	0.58%
Other comprehensive income for the year, net of tax	120	0.01%	401	0.04%
Total comprehensive income for the year	20,747	1.84%	5,834	0.63%

As compared to previous year:

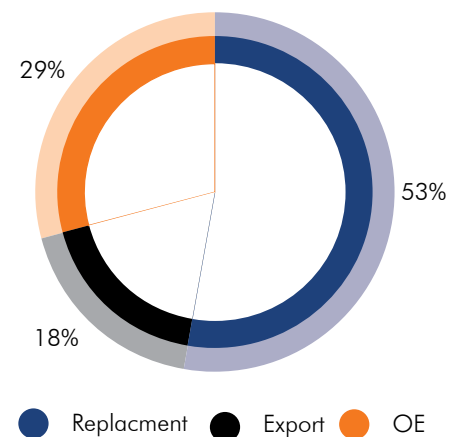
- Revenue from operations has increased by 21% due to favourable volume (~ 11%) and remaining attributable to price and mix improvement.
- Gross margin has increased by 18% (in absolute terms) and remained almost the same (in percentage terms) on account of increase in sales
- EBITDA has increased by 39% (in absolute terms) and increased by 115 bps (in percentage terms) on account of overall control on the operating expenses.

Revenue from operations (Note 26)

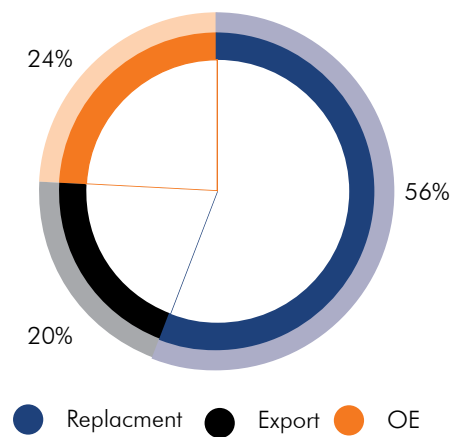
Particulars	2022-23	2021-22	Change	Change %
Sale of goods				
Automotive Tyres	10,34,379	8,39,607	1,94,772	23%
Tubes and others	74,430	68,497	5,933	9%
Royalty income	445	681	(236)	(35%)
Other revenues	506	518	(12)	(2%)
Total revenue from contracts with customers	11,09,760	9,09,303	2,00,457	22%
Sale of scrap	6,126	5,328	798	15%
Government grants	10,440	16,632	(6,192)	(37%)
Revenue from operations	11,26,326	9,31,263	1,95,063	21%

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

BU wise sales composition 2022-23



BU wise sales composition 2021-22



Other Income (Note 27)

Particulars	2022-23	2021-22	Change	Change %
Other Income	3,866	2,819	1,047	37%

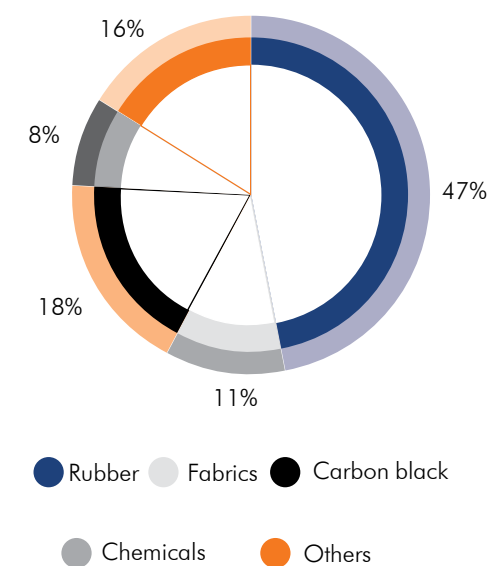
Other income has mainly increased due to increase in the dividend from subsidiaries amounting to ₹ 674 Lacs as compared to March 31, 2022.

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

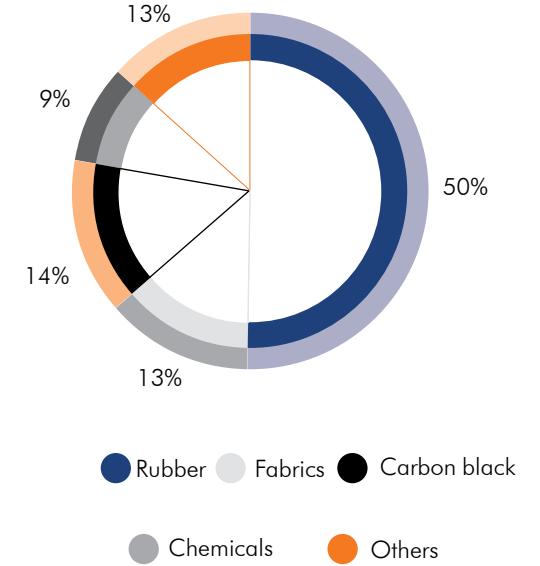
Particulars	2022-23	2021-22	Change	Change %
Cost material consumed	7,35,074	6,18,690	1,16,384	19%
Purchase of stock-in-trade	990	756	234	31%
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(499)	(18,234)	17,735	(97%)
Total	7,35,565	6,01,212	1,34,353	22%

Increase is on account of higher raw material price and increased production in year ended March 31, 2023.

Raw material consumed 2022-23



Raw material consumed 2021-22



Movement of changes in Inventory is mainly on account of increase in finished goods stock in previous year.

Employee benefit expense (Note 30)

Particulars	2022-23	2021-22	Change	Change %
Employee benefit expense	72,536	68,426	4,110	6%

Increase in employee benefit expenses is largely due to regular annual increments and additional manpower to new project.

Finance Costs (Note 31)

Particulars	2022-23	2021-22	Change	Change %
Finance cost	23,904	20,397	3,507	17%

Increase in finance cost is attributable to higher rates of interest and higher average debt during the year.

Depreciation and amortization expense (Note 32)

Particulars	2022-23	2021-22	Change	Change %
Depreciation on property, plant and equipment	34,808	31,512	3,296	10%
Amortization of intangible assets	3,858	3,374	484	14%
Depreciation on Right of Use Asset	8,259	8,628	(369)	(4%)
Total	46,925	43,514	3,411	8%

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

Other Expenses (Note 33)

Particulars	2022-23	2021-22	Change	Change %
Conversion Charges	34,146	31,947	2,199	7%
Stores and Spares Consumed	9,412	9,511	(99)	(1%)
Power and Fuel	37,541	32,766	4,775	15%
Freight and Delivery Charges	45,087	41,440	3,647	9%
Repairs - Machinery	9,644	8,341	1,303	16%
Advertisement and Sales Promotion Expenses	21,235	16,424	4,811	29%
Professional and Consultancy Charges	8,905	5,946	2,959	50%
CSR Expenses	604	802	(198)	(25%)
Sales related obligations	15,010	11,257	3,753	33%
Total	1,81,584	1,58,434	23,150	15%

Variable costs such as conversion charges, power and fuel, freight, etc. has increased in line with the increase in activity levels.

Increase in Advertisement and Sales Promotion Expenses is because of increase in marketing activities lead by IPL, WPL and other initiatives.

Increase in professional and consultancy charges is on account of engagement of Professional Consultants for driving key projects.

Increase in sales related obligations is in line with increase in sale of products.

Exceptional Items (Note 34)

(₹ in Lacs)				
Particulars	2022-23	2021-22	Change	Change %
Exceptional Items	3,342	1,291	2,051	159%

Exceptional items have increased due to higher number of workers opting for VRS in our older plants.

Tax expenses (Note 21)

(₹ in Lacs)				
Particulars	2022-23	2021-22	Change	Change %
Tax expenses	6,794	2,291	4,503	197%

Effective income tax rate for the year 2022-23 is 24.78 % as compared to 29.67% in 2021-22. Increase in tax expenses is due to higher taxable profit in FY23.

Cash Flows*

(₹ in Lacs)				
Particulars	2022-23	2021-22	Change	Change %
Net cash flow generated from operating activities	1,21,523	63,233	58,290	92%

Net cash from operating activities has increased as compared to previous year due to following reasons:

- Increase in the cash operating profit before working capital changes by ₹ 25,392 Lacs
- The reduction in working capital by ₹ 26,976 Lacs

(₹ in Lacs)				
Particulars	2022-23	2021-22	Change	Change %
Net cash (used in) investing activities	(85,997)	(95,022)	9,025	9%

Net cash used in investing activities has decreased mainly due to decrease in capital expenditure (net) by ₹ 6,953 Lacs.

(₹ in Lacs)				
Particulars	2022-23	2021-22	Change	Change %
Net cash flows (used in)/generated from financing activities	(31,802)	31,133	(62,935)	(202%)

Current year's cash outflow mainly comprises of interest payments and lease liabilities amounting to ₹ 46,612 Lacs compared to ₹ 41,850 Lacs as on March 31, 2022. Proceeds from borrowings is ₹ 16,073 Lacs as compared to ₹ 72,983 Lacs as on March 31, 2022.

* For details, refer cash flow statement

Ratio Analysis

(₹ in Lacs)				
Particulars	2022-23	2021-22	Change %	Reasons
Debtors turnover ratio	9.03	8.75	3%	Debtors turnover ratio has improved in the current year as compared to previous year mainly on account of better collection efficiency.
Inventory turnover ratio	10.71	10.14	6%	Inventory turnover has marginally increased in the current year as compared to previous year.
Interest coverage ratio	3.94	3.48	13%	Interest coverage ratio has increase in 2022-23 as compared to the previous year mainly on account of higher post-tax earnings.
Current ratio	0.64	0.71	-10%	The marginal decrease in current ratio is primarily due to increase in trade payables and current maturities of long term borrowings.
Debt equity ratio	0.62	0.66	-6%	The reduction is mainly due to higher networth led by higher earnings as compared to the previous year.
Operating profit margin	8.68%	7.53%	15%	Increase in margins is mainly due to overall control on operating expenses.
Net profit margin	1.83%	0.58%	214%	
Return on net worth	6.17%	1.72%	257%	Return on net worth has increased due to higher post tax earnings.
Price earning ratio	28.44	69.37	-59%	Earnings per share stood at ₹ 50.99 for the year ended March 31, 2023 registering an increase by 280% as compared to year ended March 31, 2022. Closing share price was higher by 56% as compared to previous year.
Return on capital employed	10.42%	5.45%	91%	Return on capital employed has increased due to an increase in earnings before interest and tax by 86% offset by a marginal increase in capital employed.

Board's Report

To,

The Members of **CEAT Limited**,

The Directors of the Company are pleased to present their Sixty-Fourth report, together with the Standalone and Consolidated Audited Financial Statements of the Company for the year ended March 31, 2023.

FINANCIAL SUMMARY AND HIGHLIGHTS

Standalone

(₹ in Lacs)		
Particulars	FY 2022-23	FY 2021-22
Total Revenue	11,30,192	9,34,082
Total Expenses (excluding exceptional items)	10,99,429	9,25,067
Profit Before Taxation	27,421	7,724
Tax expense:		
- Current Tax	(368)	(1,810)
- Deferred Tax charge / (credit)	7,162	4,101
Profit for the period	20,627	5,433
Other Comprehensive Income		
Items that will not be reclassified to profit or loss:		
- Remeasurement gains / (losses) on defined benefit plans	(990)	592
- Income tax relating to the above	249	(149)
Items that will be reclassified to profit or loss:		
- Effective portion of gains (losses) on hedging instruments in cash flow hedges	1,150	(56)
- Income tax relating to the above	(289)	14
Total Comprehensive Income for the year	20,747	5,834

Consolidated

(₹ in Lacs)		
Particulars	FY 2022-23	FY 2021-22
Total Revenue	11,33,182	9,37,481
Total Expenses (excluding exceptional items)	11,05,248	9,29,577
Profit Before Taxation	25,414	9,488
Tax expense:		
- Current Tax	186	(1,197)
- Deferred Tax charge / (credit)	6,989	3,627
Profit after tax, non-controlling interest and share of profit from Joint Venture	18,239	7,058
Other Comprehensive Income		
Items that will not be reclassified to profit or loss:		
- Remeasurement gains / (losses) on defined benefit plans	(817)	550
- Income tax relating to the above	197	(141)
Items that will be reclassified to profit or loss:		
- Effective portion of gains (losses) on hedging instruments in cash flow hedges	1,150	(56)
- Exchange differences on translating the financial statements of a foreign operation	(918)	(4,569)
- Income tax relating to movement in cash flow hedges	(289)	14
Total Comprehensive Income for the year	17,562	2,856

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 ₹ 11,26,326 Lacs, higher by 21%, compared to ₹ 9,31,263 Lacs of the last financial year. The Company recorded a net profit of ₹ 20,627 Lacs against a net profit of ₹ 5,433 Lacs of the last financial year. The Company's EBITDA stood at ₹ 97,726 Lacs, an increase of 39% over EBITDA of ₹ 70,107 Lacs of the last financial year.

On a consolidated basis, the Company recorded net revenue from operations of ₹ 11,31,488 Lacs, higher by 21%, compared to ₹ 9,36,341 Lacs for the last financial year. The Company recorded a net profit of ₹ 18,239 Lacs, against a net profit of ₹ 7,058 Lacs of the last financial year. The Company's EBITDA stood at ₹ 98,203 Lacs, an increase of 33% over EBITDA of ₹ 73,854 Lacs of the last financial year.

STATE OF COMPANY'S AFFAIRS

Domestic demand situation remained healthy as normalcy returned across all walks of life with the Covid pandemic subsiding, while export growth was impacted by global macro headwinds. Overall volumes grew by about 11.3% over FY 2021-22. Margins remained under pressure during H1/FY23 after which there was a recovery aided by moderating raw material prices.

The Company continued its efforts towards better management of working capital, operating cash flows and controlling capital expenditure and borrowings.

The Company continued to grow 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 5,200+ dealers, 600+ distributors and over 58,000+ sub-dealers. The Company currently has representative offices in Indonesia, United Arab Emirates, the Philippines and an R&D centre at Germany.

The Company as part of its drive towards 'Industry 4.0' achieved a significant milestone of 'Lighthouse' recognition by the World Economic Forum for its Halol plant. This is the first such recognition in the tyre industry globally. Thrust on technology upgradation and R&D continued for the existing as well as new products. The Company launched EV tyre platforms in India and Truck Bus Radial Tyres in Europe.

With regard to sustainability, the Company had institutionalised its purpose through the organisation-wide adoption of its purpose statement in 2015 and has been working consistently towards these goals. Further progress on this front and various initiatives being taken under the ambit of Environment, Social and Governance ('ESG') are more particularly described under the relevant sections as reported in this Integrated Annual Report as well as the Business Responsibility and Sustainability Report.

The Company has begun making its mark in ESG and has achieved a higher score of 49 for FY 22 from the previous year score of 39, as assessed under the Corporate Sustainability Assessment by S&P Global, showing a notable improvement in this direction.

The Competition Commission of India ('CCI') on February 02, 2022 had released its order dated August 31, 2018 against the Company and other Tyre Manufacturers and also the Automotive Tyre Manufacturer Association ('ATMA') concerning

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 had filed an appeal against the CCI Order before the Honourable National Company Law Appellate Tribunal ('NCLAT'). NCLAT in its order dated December 01, 2022, has remitted the matter to the CCI to re-examine the order and to consider reviewing the penalty pointing out certain errors leading to wrong conclusions. CCI has filed an Appeal before the Hon'ble Supreme Court against the Order passed by the NCLAT. Company is also a Respondent in the said Appeal. After hearing the CCI, the Hon'ble Supreme Court on April 10, 2023 has issued notice to all respondents returnable in September, 2023. No interim order has been passed by the Hon'ble Supreme Court.

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, 2023, 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 ₹ 12 (i.e. 120%) per equity share of face value ₹ 10/- each for the Financial Year ended March 31, 2023.

DIVIDEND DISTRIBUTION POLICY

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations), 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 Act'), the Directors do not propose to transfer any sum to the General Reserve pertaining to FY 2022-23.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

At the end of the year under review, the Company had the following 7 (seven) subsidiaries namely Rado Tyres Limited, Kochi, India, CEAT Auto Components Limited, Mumbai, India, Taabi Mobility Limited, Mumbai, India, Associated CEAT Holdings Company (Private) Limited, Colombo, Sri Lanka, CEAT AKKHAN LTD, Dhaka, Bangladesh, CEAT Specialty Tyres B.V, Netherlands, CEAT Specialty Tyres Inc., USA and an Associate Company viz. Tyresmore Online Private Limited, Delhi, India.

Rado Tyres Limited

Rado Tyres Limited ('RTL') having stopped its operations since 2018 did not report any operating income for FY 2022-23, however, reported other income of ₹ 24.75 Lacs mainly from

interest on Fixed Deposits (previous year ₹ 20.09 Lacs mainly from sale of its non-current assets) and a net profit of ₹ 7.88 Lacs (previous year profit ₹1.44 Lac).

As RTL has no other business activity, the accounts for the financial year under review have not been prepared on a going concern basis.

CEAT Auto Components Limited

CEAT Auto Components Limited ('CACL') was incorporated on April 20, 2022 and did not have any operations during the year. CACL had no income and reported net loss of ₹ 0.006 Lacs for FY 2022-23.

Taabi Mobility Limited

Taabi Mobility Limited ('TBL') was incorporated on September 16, 2022 and reported other income of ₹ 0.62 Lacs mainly from interest on Fixed Deposits and a net profit of ₹ 0.41 Lacs for FY 2022-23.

OVERSEAS SUBSIDIARIES

CEAT Specialty Tyres B.V., Netherlands

During the year under review, CEAT Specialty Tyres B.V., Netherlands ('CSTBV') registered a higher revenue of Euro 12.26 Lacs (₹ 1,025.67 Lacs) as compared to Euro 8.81 Lacs (₹ 762.99 Lacs) in FY 2021-22. The profit after tax for FY 2022-23 has increased by 47 % to Euro 0.81 Lacs (₹ 68 Lacs) as compared to Euro 0.55 Lacs (₹ 49 Lacs) in FY 2021-22.

CEAT Specialty Tires Inc., USA

During the year under review, CEAT Specialty Tires Inc., USA ('CSTI') registered a higher revenue of USD 20.27 Lacs (₹ 1,629.81 Lacs) as compared to USD 11.82 Lacs (₹ 880.94 Lacs) in FY 2021-22. The profit after tax for FY 2022-23 has increased by 181% to USD 1.49 Lacs (₹ 119.82 Lacs) as compared to USD 0.53 Lacs (₹ 39.61 Lacs) in FY 2021-22.

Details of Associated CEAT Holdings Company (Private) Limited, Colombo, 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 2 (two) manufacturing plants through its wholly owned subsidiaries in Sri Lanka.

During the year under review, ACHL registered a higher revenue of LKR 237.56 Lacs (₹ 53.37 Lacs) as compared to LKR 48 Lacs (₹ 17 Lacs) in FY 2021-22. The profit after tax for FY 2022-23 has decreased by 98% to LKR 168.57 Lacs (₹ 37.87 Lacs) as compared to LKR 8,503 Lacs (₹ 3,116 Lacs) in FY 2021-22. 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 during the year under review, paid a dividend to the Company of ₹ 2,240 Lacs as compared to ₹ 1,581 Lacs paid during the last year.

The economic situation in Sri Lanka continues to have a bearing on supply chain, import clearances, raw material prices and cost of operations amongst others. The Company is closely monitoring the same and taking relevant mitigation steps.

As part of a restructuring, effective March 31, 2022, Asian Tyres Limited and effective March 31, 2023 Ceat Kelani Radials (Pvt) Limited merged into their holding company CEAT Kelani International Tyres (Pvt) Limited.

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 16,318.25 Lacs (₹ 13,382.13 Lacs) as compared to BDT 15,693 Lacs (₹ 13,702 Lacs) in FY 2021-22. The net loss for the year under review was BDT (1,241) Lacs (₹ (1,272) Lacs) as compared to the net loss of previous year BDT 332 Lacs (₹ 209 Lacs).

ASSOCIATE COMPANY

Tyresnmore Online Private Limited

During the year under review, Tyresnmore Online Private Limited ('TNM') registered a revenue of ₹ 1,425.84 Lacs, a growth of 40% over the previous year revenue of ₹ 1,021.56 Lacs and a net loss of ₹ 656.74 Lacs in FY 2022-23 (previous year net loss ₹ 448 Lacs). A statement containing the salient features of the subsidiaries, associate companies and joint ventures in the prescribed Form AOC-1 is annexed separately.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with Section 129(3) of the Act and Regulation 34(2) of the SEBI Listing Regulations, 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 ('ICAI').

DIRECTORS AND KEY MANAGERIAL PERSONNEL

As approved by the shareholders at the Annual General Meeting held on June 28, 2022, Mr. Anant Goenka (DIN: 02089850) was re-appointed as the Managing Director and Chief Executive Officer of the Company for a term of 5 (five) years with effect from April 1, 2022 on the terms and conditions set out in the Agreement dated March 31, 2022.

During the year, Mr. Anant Goenka (DIN: 02089850), expressed his desire to resign from the position of the Managing Director and Chief Executive Officer of the Company, with effect from the close of business hours of March 31, 2023, in order to take up strategic functions at the group level, while continuing to be a Board member. Thereafter the Board of Directors based on the recommendation of the Nomination and Remuneration Committee appointed Mr. Anant Goenka (DIN: 02089850) as Non-executive Non-independent Director designated as Vice-Chairman of the Company w.e.f. April 1, 2023 and the Members of the Company approved the said appointment vide an Ordinary Resolution passed through Postal Ballot on April 27, 2023.

In line with the succession plan laid in place by the Board, the Board at its the meeting held on March 20, 2023, on recommendation of the NRC appointed Mr. Arnab Banerjee as Managing Director and Chief Executive Officer ('MD and CEO') for a period of 2 (two) years w.e.f. April 1, 2023 to March 31,

2025 (both days inclusive) on the terms and conditions set out in the agreement dated March 23, 2023 and the Members of the Company approved the said appointment vide an Ordinary Resolution passed through Postal Ballot on April 27, 2023.

Further, in accordance with the Companies Act, 2013 and Articles of Association of the Company, Mr. Pierre Cohade (DIN: 00468035) retires by rotation and being eligible offers himself for re-appointment.

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

Mr. Anant Goenka (DIN: 02089850), Managing Director & Chief Executive Officer for the year 2022-23 and Mr. Arnab Banerjee (DIN: 06559516), Whole-time Director designated as COO for the year 2022-23 did 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 Regulations, in view of the possible insufficiency of profits of the Company for the year 2022-23, the approval of shareholders was sought for payment of proposed remuneration for the year FY 2022-23 to Mr. Anant Goenka which was approved vide Special Resolution passed through Postal Ballot on April 27, 2023.

Company's Policy on Directors' appointment and remuneration

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

The said 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.

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 the Independent Directors of the Company have provided the declaration of independence as required under Section 149(7) of the Act and Regulation 25(8) of the SEBI Listing Regulations, stating that they continue to meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16 of the SEBI Listing Regulations. 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 Act.

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

Since there is no appointment of Independent Director during the year under review, the above statement is not applicable.

Evaluation of Board, its Committees and Directors

As required under the provisions of the Act and the Listing Regulations, 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 2022-23, 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 Act.

Meetings of the Board of Directors

During the year, 5 (five) Board Meetings were convened and held on May 5, 2022, July 20, 2022, November 7, 2022, January 25, 2023 and March 20, 2023. The details of which are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Act and Regulation 17 of the SEBI Listing Regulations.

Board Committees

As required under the Act and the SEBI Listing Regulations, the Company has formed all the statutory committees namely, Audit Committee, Nomination and Remuneration Committee, Sustainability and Corporate Social Responsibility Committee, Stakeholders' Relationship Committee and 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 Regulations. The details of this Committee and its terms of reference are set out in the Corporate Governance Report.

The Company has also formulated the Enterprise 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 Risk Management Committee overviews the policy and the mitigation plans. 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

Corporate Social Responsibility ('CSR') Committee has been constituted pursuant to Section 135 of the Companies Act, 2013. In line with the focus on sustainability initiatives and ESG maneuver, the Board of Directors, 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.

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 Act, is given in the Annual Report on CSR activities, as annexed to this Report.

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 Act and Regulation 22 of the SEBI Listing Regulations, 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 Act 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 Act, although no such transactions attracted the provisions of Section 188 of the Act. 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, 2023 was ₹ 4,045.01 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

During the year under review, the Company issued and allotted 1,500 Listed, 7.99% Senior, Unsecured, Redeemable, Non-cumulative, Taxable, Non-Convertible Debentures ('NCD') of ₹ 10 Lacs each in a single tranche of ₹ 15,000 Lacs on private placement basis.

The Company also has NCDs aggregating to value of ₹ 25,000 Lacs issued in the financial year 2020-21, in two tranches, listed on the debt segment of the National Stock Exchange of India Limited.

More details are available in the Corporate Governance Report.

ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2023, is available on its website at <https://www.ceat.com/investors/shareholder-information.html>

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

Conservation of Energy

Effective energy management is one of the key focus areas on Company's ESG roadmap. CEAT has been taking various initiatives around the same such as shifting from conventional sources to alternative and renewable sources of energy, process optimization and product improvement. The Company has made significant investments on such initiatives during the year under review.

The Company has renewable power through various power purchase agreements and solar rooftop installations. The Company strives to be efficient in its operations mainly through retrofitting, process modification and Variable Frequency Drive ('VFD') installation which enhances energy performance. The Energy Board, formed for the said purpose, functions on a multiyear roadmap to drive all the energy saving initiatives. By switching to 32% renewable energy sources, CEAT has achieved an annual power saving of 4,044 MWH which has contributed to 3,316 MT of CO₂ emission reduction with cost saving of ₹ 1,752 Lacs. With steam conservation activities across all facilities, the Company has saved 8,463 MT of emission with net impact of 2,562 MT of CO₂ reduction.

Five out of six plants have been converted to hybrid input model with coal and biofuel feeding system. With this intervention 96,839 MT of briquette was used to substitute coal with equivalent emission offsetting 1,76,241 MT of total CO₂ in the atmosphere. The Company has committed capital investment of ₹ 4,040 Lacs on energy conservation equipments.

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

Innovation is the greatest strength whereas Sustainability is prime focus at CEAT. CEAT's Research and Development (R&D) plays an indispensable role in the overall growth and development of the business operations by improving the efficiency of the products and services. R&D efforts are concentrated on identifying potential new opportunities for growth.

CEAT's Research and Development (R&D) is a 279 member team with dedicated centres in Halol and Frankfurt.

CEAT R&D constantly tracks evolving customer requirements and develops tyres that are safer, more energy efficient and have longer life., playing a crucial role in enhancing customer satisfaction as well as entering into new markets.

It also endeavours to make product development and manufacturing more efficient by using various simulation methodologies which reduces requirement of physical prototyping and testing, and thereby reducing cycle time, cost as well as energy consumption, thereby improving sustainability as well.

CEAT has a five-year technological and manufacturing roadmap aligned with the purpose of 'Making Mobility Safer & Smarter. Every Day.'

The Company has filed 150 patent applications and granted 15 patents so far. During FY 2022-23, the Company filed 25 patent applications, 52 design registrations and launched 170 new products.

Details of expenditure on Research and Development are as under:

Particulars	(₹ in Lacs)	
	FY 2022-23	FY 2021-22
Capital expenditure	4,367	1,325
Revenue expenditure	11,906	10,520
Total	16,273	11,845

More information on R&D and technology absorption is provided under 'Intellectual Capital' and 'Natural Capital' sections which form part of the Integrated Annual Report.

Foreign Exchange Earnings and Outgo

Particulars	(₹ in Lacs)	
	FY 2022-23	FY 2021-22
Foreign Exchange earned	2,06,292	1,80,060
Foreign Exchange outgo	1,88,043	2,01,205

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 Act and Rules made thereunder, approved the Fixed Deposit Scheme during the FY 2014-15, for the acceptance of deposits from Members and persons other than the 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 the interest accrued up to September 30, 2016, in FY 2016-17.

The Company has not accepted any fresh deposits covered under Chapter V of the Act during the year under review and as such "details of deposits which are not in compliance with the requirements of Chapter V of the Act" are not applicable. As on March 31, 2023, 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 Act, 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, 2023 and the Statement of Profit and Loss for the said Financial Year ended March 31, 2023.
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

- iv. The annual accounts have been prepared on a going concern basis.
- v. The proper internal financial controls were in place and that such internal financial controls are adequate and were operating effectively.
- vi. 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

In line with the SEBI Circular dated February 6, 2017 on Integrated Reporting by Listed Entities, since the Financial Year 2019-20, the Company has been publishing Integrated Annual Report, based on the Value Reporting Foundation 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 Regulations, 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 Regulations, 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 SEBI Listing Regulations also forms part of this Integrated Annual Report.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Pursuant to Regulation 34(2) (f) of the SEBI Listing Regulations, the requirement of submitting a Business Responsibility Report was discontinued after the financial year 2021-22 and thereafter, with effect from the financial year 2022-23, the top one thousand listed entities based on market capitalisation shall submit a Business Responsibility and Sustainability Report ('BRSR'). Accordingly, the said BRSR describing the initiatives taken by the Company from ESG perspective as required in terms of the above provisions separately forms part of this Integrated Annual Report.

AUDITORS

Statutory Auditors

At the Sixty Third Annual General Meeting of the Company, the Members approved the appointment of M/s B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022) as the Statutory Auditors of the Company, to hold office for a period of 5 (five) years from the Sixty Third Annual General Meeting of the Company till the conclusion of the Sixty Eighth Annual General Meeting of the Company, in terms of the applicable provisions of Section 139(1) of the Act read with the Companies (Audit and Auditors) Rules, 2014.

Secretarial Auditors

The Company had appointed M/s Parikh & Associates, Practising Company Secretaries, to conduct the Secretarial Audit for the Financial Year ended March 31, 2023, as prescribed under Section 204 of the Act and Rules made thereunder. The Secretarial Audit Report in the prescribed Form MR-3 for FY 2022-23 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

M/s Deloitte Haskins & Sells were re-appointed as the internal auditors of the Company. Additionally, M/s. Singhi and Company (erstwhile Moore Singhi Advisors LLP) were also re-appointed as Internal Auditors of the Company at the Board meeting of the Company held on May 5, 2022 for the year 2022-23.

As prescribed under Section 138 of the Act, M/s Deloitte Haskins & Sells carried out the internal audit of the Company. Additionally, M/s. Singhi and Company were engaged for internal audit of locations like CFA/DC/ Regional Office Zone and outsourcing units for FY 2022-23. 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 Act, 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 2022-23.

The Board of Directors has re-appointed M/s D. C. Dave & Co., Cost Accountants, (Firm Registration No. 000611) as Cost Auditors of the Company and recommends ratification of the remuneration payable to the Cost Accountants for the year ending on March 31, 2024 by the Members at the ensuing AGM.

The Cost Auditors' Report of FY 2021-22 did not contain any qualifications, reservations, adverse remarks or disclaimers and no frauds were reported by the Cost Auditors to the Company under sub-section (12) of Section 143 of the Act.

SECRETARIAL STANDARDS

Pursuant to Section 205 of the Act, the Company complies with the applicable Secretarial Standards as mandated by the Institute of Company Secretaries of India ('ICSI') to ensure compliance with all the applicable provisions read together with the relevant 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 Act 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. There is no corporate insolvency resolution process initiated under the Insolvency and Bankruptcy Code, 2016.

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 ('POSH Act'), the Company has put in place a Policy

on Prevention of Sexual Harassment of women at Workplace and 9 (nine) Internal Complaints Committees ('ICC') have been set up to redress complaints. During the year under review, 3 complaints were received and the same were resolved.

ACKNOWLEDGEMENT

Your Directors wish to express their grateful appreciation for the co-operation and continued support extended by its various stakeholders like the Central Government, State Government, Customers, Suppliers, Dealers, Value Chain partners, Banks, Financial Institutions, Communities, Employees and the Members towards conducting the business of the Company.

On behalf of the Board of Directors

H. V. Goenka

Chairman

DIN: 00026726

Place: Mumbai

Date: May 4, 2023

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 and

personnel who are members of the core management team excluding Board of Directors and shall also comprise all members of Management one level below the Chief Executive Officer or Managing Director or Whole-time Director or Managers (including Chief Executive Officer and/ Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and 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 achieving 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 as 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

- 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.
- There shall be no discrimination on account of gender, race and religion in terms of appointment as KMP or SMP.

C. Positive Attributes

- 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.
- 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

- MD/ CEO shall carry out the performance evaluation of all the SMPs and KMPs excluding himself / herself and the WTD.
- 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 be comprised 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 Corporate Social Responsibility ('CSR') Activities for FY 2022-23

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 WEBLINK TO THE CSR POLICY AND PROJECTS OR PROGRAMMES:

At CEAT, CSR is an integral part of Company's ethos and considers community as one of its key stakeholders for its presence and operations. As a responsible business corporation, the Company takes pride in activities to address key societal needs, both in the communities that operates in and the society at large. CSR activities are aligned with Sustainable Development Goals ('SDGs') established by the United Nations and the Company is working towards influencing micro and macro level development indicators in the targeted geographies. CEAT also encourages its employees to volunteer and participate in the CSR activities, thereby building a culture of equity and inclusivity and giving them an opportunity to be socially responsible for the surrounding communities. Aligning with its CSR Policy, CEAT has focused on 4 major pillars i.e. Education, Employability, Heritage and Community Development.

2. COMPOSITION OF THE SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY ('SCSR') COMMITTEE:

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

*Mr. Anant Goenka was a Managing Director & CEO as on March 31, 2023. He is Non-executive Director designated as Vice Chairman as on date of signing this report.

3. THE WEB-LINKS WHERE COMPOSITION OF SCSR 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. THE EXECUTIVE SUMMARY ALONG WITH WEB-LINK(S) OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8, IF APPLICABLE:

Not Applicable

5. (a) Average net profit of the Company as per sub-section (5) of section 135:

Net Profit	₹ in Lacs
2019-20	35,327.46
2020-21	45,944.59
2021-22	9,315.38
Average of last three years	30,195.81

(b) Two percent of average net profit of the company as per sub-section (5) of section 135:

₹ 603.92 Lacs

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years:

None

(d) Amount required to be set off for the financial year, if any:

None

(e) Total CSR obligation for the financial year (5b+5c-5d):

₹ 603.92 Lacs

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):

₹ 397.59 Lacs

(b) Amount spent in Administrative Overheads:

Nil

(c) Amount spent on Impact Assessment, if applicable:

Not Applicable

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]:

₹ 397.59 Lacs

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount (in ₹)	Date of transfer	Name of the Fund	Amount (in ₹)	Date of transfer
397.59 Lacs	206.33 Lacs	April 25, 2023	NA	Nil	NA

(f) Excess amount for set off, if any

Sl. No.	Particular	Amount (₹ in Lacs)
(i)	Two percent of average net profit of the company as per section 135(5)	603.92
(ii)	Total amount spent for the Financial Year	397.59
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

7. DETAILS OF UNSPENT CSR AMOUNT FOR THE PRECEDING THREE FINANCIAL YEARS:

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer.		
1	FY 2021-22	103.81 Lacs	Nil	103.81 Lacs	Nil	NA	Nil	NA
2	FY 2020-21	-	-	-	-	-	-	-
3	FY 2019-20	-	-	-	-	-	-	-

Annexure to the Board's Report

Secretarial Audit Report

FORM No. MR-3

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

(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 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, 2023 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, 2023 according to the provisions of:

- The Companies Act, 2013 ('the Act') and the rules made thereunder;
- The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 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;
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- 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)
- The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not applicable to the Company during the audit period)
- The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client; (Not applicable to the Company during the audit period)
- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable to the Company during the audit period) and
- The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit period)

- Other laws specifically applicable to the Company namely

- The Rubber Act, 1947 and The Rubber Rules, 1955

We have also examined compliance with the applicable clauses of the following:

- Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings.
- 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 Company has spent an amount of ₹ 397.59 lakhs out of the amount INR 603.92 lakhs to be spent during the year. The unspent amount of ₹ 206.33 lakhs during the year has been transferred to the unspent CSR account of the Company in accordance with the Companies (Corporate Social Responsibility) Amendment Rules, 2021.

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.

We further report that during the audit period the following events occurred which had a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc:

- The Company has issued and allotted 1,500 Listed, Senior, Unsecured, Redeemable, Non-cumulative, Taxable, Non-Convertible Debentures ('NCD') of ₹ 10 Lacs each in a single tranche of ₹ 15,000 Lacs on private placement basis aggregating to ₹ 15,000 Lacs.
- The Company has issued Commercial papers aggregating to ₹ 7,39,50,86,500/- and Commercial papers aggregating to ₹ 700,00,00,000/- were redeemed during the year.

For **Parikh & Associates**
Company Secretaries

Signature:

P.N.Parikh

Partner

FCS No: 327 CP No: 1228
UDIN: F000327E000251083

PR No.: 1129/2021

Place: Mumbai

Date: May 04, 2023

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.

- 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.
- 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.
- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events, etc.
- 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.

- 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

FCS No: 327 CP No: 1228
UDIN: F000327E000251083

PR No.: 1129/2021

Place: Mumbai

Date: May 04, 2023

Corporate Governance Report

This Corporate Governance Report of CEAT Limited ('CEAT' or 'the Company') for Financial Year ended on March 31, 2023, is being prepared pursuant to the Securities Exchange Board of India ('SEBI') (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as amended and circulars issued thereunder and forms part of the Integrated Annual Report and states compliance as per requirements of the Companies Act, 2013 ('the Act') and Rules made thereunder as amended and SEBI Listing Regulations.

I. CEAT'S PHILOSOPHY ON CORPORATE GOVERNANCE

Transparency and Integrity are the core values on which the governance system of CEAT is based upon. Corporate Governance is thus an integral part of CEAT's ethos, which drives best business practices and defines the way CEAT functions and interacts with its stakeholders in its journey towards sustainability. In integrating highest governance practices in its system which goes beyond compliance, CEAT endeavors to comply with applicable regulatory framework and conduct it's business ethically in each of the markets where it operates, 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.

The philosophy of highest standards on corporate governance can be described as observing of business practices with the ultimate aim of enhancing long-term shareholders' value. CEAT with its commitment of business ethics and conduct has framed a Code of Corporate Ethics and Conduct 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. CEAT is guided by a key set of values for all its internal and external interactions and the Company constantly strives to adopt emerging best practices being followed worldwide.

II. THE BOARD OF DIRECTORS

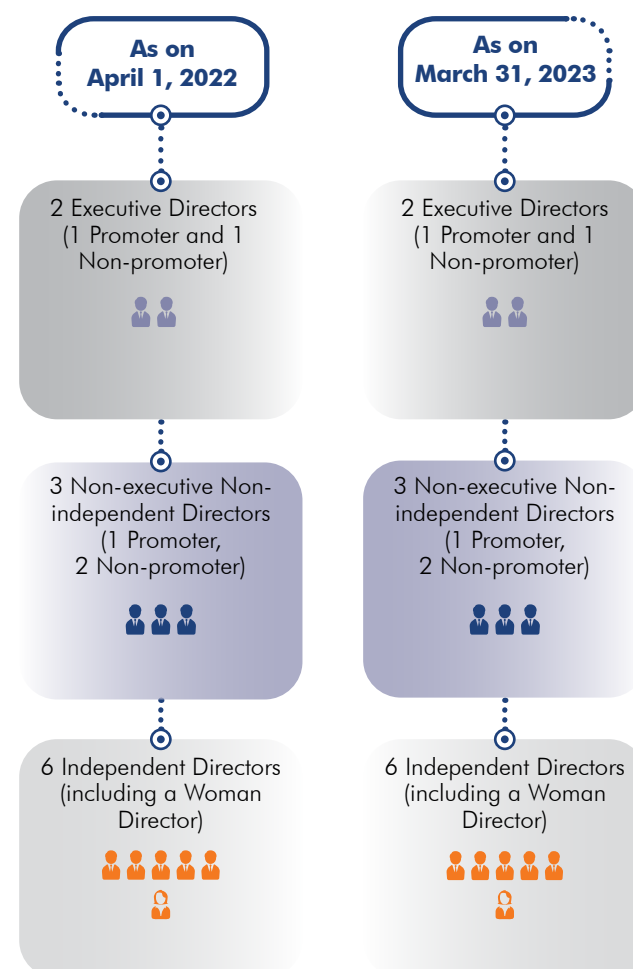
CEAT believes that a diverse and vigilant Board is essential to ensure highest standards of Corporate Governance. The Board of CEAT, being at the core of its Corporate Governance practice, plays a pivotal role in overseeing the management in serving and protecting the long-term interests of all its stakeholders.

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 sustainably as a socially responsible and ethically compliant corporate citizen.

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 SEBI 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 SEBI Listing Regulations.



In view of the changes being effective April 1, 2023, for the purpose of reporting for the year 2022-23, Mr. Anant Goekna is considered / referred as Managing Director & Chief Executive Officer('MD&CEO').

Disclosure of relationships between Directors inter-se

Mr. H. V. Goenka, Chairman and Mr. Anant Goenka, MD & CEO 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

As approved by the Members at the Annual General Meeting ('AGM') of the Company held on June 28, 2022, Mr. Anant Goenka, (DIN:02089850) was reappointed as MD & CEO for a term of 5 years from April 1, 2022 to March 31, 2027.

Mr. Anant Goenka on March 20, 2023, expressed his desire to focus on initiatives at the group level and accordingly sought to be relieved of his duties as MD & CEO of the Company w.e.f. close of business hours of March 31, 2023, while continuing as a Board member. The Board considered and noted the same.

Based on recommendation of the Nomination and Remuneration Committee ('NRC'), the Board appointed Mr. Anant Goenka as Non-executive, Non-independent Director designated as Vice-Chairman of the Company w.e.f. April 1, 2023 and in line with the succession plan laid in place by the Board, the Board appointed Mr. Arnab Banerjee as MD & CEO of the Company for the term of 2 years w.e.f. April 1, 2023 to March 31, 2025.

The above-mentioned proposals were approved by the Members on April 27, 2023 via postal ballot Notice dated March 20, 2023.

Board Meetings and Governance

The Board meets at regular intervals to discuss and decide on the 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 is given well in advance to all the Directors. Formal notice of the Meetings are 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 and no Meetings are 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 SEBI 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, ESG related updates 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 & CEO 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. Board members may also suggest inclusion of any additional items in the agenda, if need be. 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 Non-executive Directors including the Independent Directors of the Company appreciate the quality, quantity and timeliness of flow of information between the Management and the Board as well as the Board process through the feedback being sought from such Directors periodically.

The MD & CEO is responsible for the day-to-day management of the Company, subject to the supervision, direction and control of the Board, supported by the Chief Operating Officer ('COO'). The MD & CEO and COO are ably assisted by the Executive Committee and Operating Committee for implementing the decisions and strategic policies of the Board for effective execution.

The Board meets at least once a quarter to review the quarterly results and other items on the agenda. Additional meetings are held when necessary. During the year under review, the Board met 5 (five) times on May 5, 2022, July 20, 2022, November 7, 2022, January 25, 2023 and March 20, 2023 and not more than 120 (one hundred and twenty) days elapsed between the 2 (two) meetings. Video / teleconferencing facilities are also provided to enable participation from all Board Members. Committees of the Board usually meet earlier on the same day before the Board meeting, typically for certain statutory matters as well as at other intervals whenever the need arises for transacting relevant business.

The composition, category of Directors and their attendance details at the aforesaid Board Meetings and at the last Annual General Meeting ('AGM') of the Company held on June 28, 2022 are as given below:

Name of Directors	Category Of Directors	Attendance at Board Meetings	% of Attendance	Attendance at the last AGM
Mr. H. V. Goenka	Non-executive, Non-independent Director (Chairman) (Promoter)	5	100%	Yes
Mr. Anant Goenka*	Managing Director & CEO (Promoter)	5	100%	Yes
Mr. Arnab Banerjee ^	Whole-time Director	4	80%	Yes
Mr. Atul C. Choksey	Independent Director	4	80%	Yes
Mr. Haigreve Khaitan	Independent Director	3	60%	No
Mr. Mahesh S. Gupta	Independent Director	5	100%	Yes
Mr. Paras K. Chowdhary	Non-executive, Non-independent Director	4	80%	Yes
Mr. Pierre E. Cohade	Non-executive, Non-independent Director	5	100%	Yes
Ms. Priya Nair	Independent Director	4	80%	No
Mr. Ranjit V. Pandit	Independent Director	2	40%	Yes
Mr. Vinay Bansal	Independent Director	5	100%	Yes

*Mr. Anant Goenka has been appointed as Non-executive, Non-independent Director designated as Vice-Chairman of the Company w.e.f. April 1, 2023

^ Mr. Arnab Banerjee, Executive Director has been appointed as MD & CEO of the Company w.e.f. April 1, 2023

Details of shares of the Company held by Non-executive Directors as on March 31, 2023

1. Mr. H. V. Goenka holds 1,33,934 shares and the said shares do not include shares held by him in the capacity of Trustee.
2. Mr. Paras K. Chowdhary holds 3,000 shares .

Directorship(s) / Committee membership(s) held by Directors

Details of Directorship(s) / Committee membership(s) / Chairmanship(s) held by Directors as on March 31, 2023:

Name of the Directors	Directorships in public companies		Committee Position (Including CEAT)	
	Listed	Unlisted	Membership (including Chairmanship)	Chairmanship
Mr. H. V. Goenka	5	2	0	0
Mr. Anant Goenka	2	4	0	0
Mr. Arnab Banerjee	1	2	0	0
Mr. Atul C. Choksey	2	2	0	0
Mr. Haigreve Khaitan	7	1	10	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	0	0	0
Mr. Ranjit V. Pandit	3	4	5	2
Mr. Vinay Bansal	1	0	2	1

Details of Directorship(s) held by Directors in listed companies as on March 31, 2023:

Name of the Directors	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 & CEO
	Zensar Technologies Limited	Non-executive Director
Mr. Arnab Banerjee	CEAT Limited	Whole-time Director
Mr. Atul C. Choksey	CEAT Limited	Independent Director
Mr. Haigreve Khaitan	ApcoTex Industries Limited	Non-executive Director (Chairman)
	CEAT Limited	Independent Director
	JSW Steel Limited	Independent Director
	PVR Limited	Independent Director
	Torrent Pharmaceuticals Limited	Independent Director
	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. Paras K. Chowdhary	CEAT Limited	Non-executive Director
Mr. Pierre E. Cohade	CEAT Limited	Independent Director
Ms. Priya Nair	CEAT Limited	Independent Director
Mr. Ranjit V. Pandit	CEAT Limited	Independent Director
Mr. Vinay Bansal	The Great Eastern Shipping Company Limited	Independent Director
	Just Dial Limited	Independent Director
	CEAT Limited	Independent Director

Notes:

- As required under the Regulation 17A of SEBI 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 & CEO/ Whole-time Director of the Company does not serve as an Independent Director in more than 3 (three) listed companies.
- The Regulation 17A of SEBI 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 SEBI 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	NENID	ID	ID	ID	NENID	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 SEBI 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, SEBI 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

As prescribed under Section 149(6) of the Act and Regulation 16(1)(b) and Regulation 25(8) of SEBI Listing Regulations, the Independent Directors provide an annual confirmation that they meet the criteria of independence.

The Board at its meeting held on May 4, 2023, 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 SEBI Listing Regulation, the Independent Directors of the Company held their separate meeting on March 20, 2023, 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 Mr. Atul Choksey and Mr. Ranjit Pandit were present at the Meeting and Mr. Mahesh Gupta 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:



Activities of the Committee during the year	Frequency
Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and creditable	Q
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	P
Reviewing Management Discussion and Analysis of financial condition and results of operations	A
Reviewing, approving or subsequently modifying any Related Party Transactions in accordance with the Company's Policy on Related Party Transactions	Q/A
Recommending the appointment, remuneration and term of appointment of auditors of the Company and approval for availing any other services	A
Reviewing and monitoring the Auditors' independence and performance and effectiveness of audit process	A
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	A
Evaluating internal financial controls and risk management systems, reviewing the functioning of the whistle blower mechanism	Q

(Q) Quarterly | (A) Annually | (P) Periodically

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 which is more than the requirement of the Companies Act, 2013 and SEBI Listing Regulations, details of which are mentioned in the table. There was not more than 120 (one hundred and twenty) days elapsed between the 2 (two) meetings and requisite 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 SEBI Listing Regulations.

Name of Directors	Mr. Mahesh S. Gupta (Chairman)	Mr. Paras K. Chowdhary (Member)	Mr. Vinay Bansal (Member)
	Category of Director		
Date of Meeting	Independent Director	Non-independent Director	Independent Director
May 4, 2022			
July 20, 2022			
November 6, 2022			
January 25, 2023			
March 20, 2023			
% attendance	100%	100%	100%

 Independent Director  Non-independent Director

The Company Secretary functions as the Secretary to the Audit Committee of the Board.

The Committee invites Statutory Auditors and the Internal Auditors for discussions at the meeting. The Cost Auditors are invited as and when required. MD & CEO, 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 June 28, 2022 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 SEBI Listing Regulations, the Company has formed 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>

Activities of the Committee during the year	Frequency
Review matters relating to appointment/re-appointment and remuneration of Directors	A
Review matters relating to appointment/re-appointment and remuneration of Key Managerial Personnel, Senior Managerial Personnel	A
Formulating a criteria for effective evaluation of the performance of the Board, its Committees, Chairperson and individual directors	A
Devising a policy on diversity of the Board	A

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 Committee composition and the attendance at the meetings with presence of requisite quorum held during the year are given below:

Name of Director	Mr. Mahesh S. Gupta (Chairman)	Mr. Paras K. Chowdhary (Member)	Mr. Vinay Bansal (Member)
	Category of Director		
Date of Meeting	Independent Director	Non-independent Director	Independent Director
May 4, 2022			
July 20, 2022			
November 6, 2022			
January 25, 2023			
March 20, 2023			
% attendance	100%	100%	100%

 Independent Director  Non-independent Director

Mr. Mahesh S. Gupta, the Chairman of the Committee was present at the AGM of the Company held on June 28, 2022 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, 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 SEBI 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 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. An update on the overall evaluation process was placed before the Nomination and Remuneration Committee as well as the Board. 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 SEBI 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.

The details of Committee composition and the attendance at the meetings with presence of requisite quorum held during the year are given below:

Name of Directors	Mr. Vinay Bansal (Chairman)	Mr. Mahesh S. Gupta (Member)	Mr. Paras K. Chowdhary (Member)
	Category of Director		
Date of Meeting	Independent Director	Independent Director	Non-independent Director
November 6, 2022			
March 20, 2023			
% attendance	100%	100%	100%

 Independent Director  Non-independent Director

Mr. Vinay Bansal, the Chairman of the Committee was present at the AGM of the Company held on June 28, 2022 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, 2022	0
Complaints received during FY 2022-23	12
Complaints disposed-off during FY 2022-23	11
Complaints not solved to the satisfaction of Shareholders during FY 2022-23	0
Complaints remaining pending as on March 31, 2023	1



d) Risk Management Committee

In accordance with Regulation 21 of SEBI Listing Regulations, the Company had constituted its Risk Management Committee. 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.

The details of Committee composition and the attendance at the meetings with presence of requisite quorum held during the year are given below:

Name of Directors	Mr. Mahesh S. Gupta (Chairman)	Mr. Paras K. Chowdhary (Member)	Mr. Vinay Bansal (Member)
	Category of Director		
Date of Meeting	Independent Director	Non-independent Director	Independent Director
May 4, 2022			
August 24, 2022			
January 25, 2023			
% attendance	100%	100%	100%

 Independent Director
  Non-independent Director

MD & CEO, 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.




The business risks and its mitigation have been dealt with in the Management Discussion and Analysis section of this Annual Report.

e) Sustainability and Corporate Social Responsibility Committee

The Board in its meeting held on May 5, 2022 approved the enhanced scope of the Corporate Social Responsibility Committee to support and guide the Board on Company's ESG initiatives and renamed the Committee to Sustainability and Corporate Social Responsibility Committee. The composition and terms of reference of the said committee are in conformity with Section 135 of the Act. 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>.

The details of Committee composition and the attendance at the meetings with presence of requisite quorum held during the year are given below:

Name of Directors	Mr. Anant Goenka (Chairman)	Mr. Paras K. Chowdhary (Member)	Ms. Priya Nair (Member)	Mr. Vinay Bansal (Member)
	Category of Director			
Date of Meeting	Executive Director (Managing Director)	Non-independent Director	Independent Director	Independent Director
May 4, 2022				
August 24, 2022				
January 25, 2023				
% attendance	100%	100%	100%	100%

 Independent Director
  Non-independent Director
  Executive Director - MD & CEO

























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.



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>.

The details of composition of the Committee and the attendance at the meetings with presence of requisite quorum held during the year are given below:

Name of Directors	Mr. Anant Goenka (Chairman)*	Mr. H. V. Goenka (Member)	Mr. Arnab Banerjee (Member)*
	Category of Director		
Date of Meeting	Executive Director (Managing Director)	Non-Independent Director (Chairman)	Whole-time Director (Chief Operating Officer)
May 10, 2022			
July 27, 2022			
August 29, 2022			
September 7, 2022			
September 19, 2022			
November 7, 2022			
January 18, 2023			
March 30, 2023			
% attendance	100%	100%	100%

 Non-Independent Director (Chairman)
  Whole-time Director (Chief Operating Officer)

 Executive Director MD & CEO

* Mr. Arnab Banerjee is appointed as Chairman of the Committee and consequently Mr. Anant Goenka has become a Member of the Committee w.e.f April 1, 2023.

The minutes of the meetings of the Committee are placed before and noted by the Board.

IV. REMUNERATION OF DIRECTORS

Details of remuneration paid to the Directors during FY 2022-23 are as given below –

A. Remuneration to Managing Director, Whole-time Directors and / or Managers

(in ₹ lacs)

Particulars of Remuneration	Mr. Anant Goenka, MD & CEO*	Mr. Arnab Banerjee, COO	Total Amount
Gross Salary			
a) Salary as per provision contained in Section 17(1) of Income Tax Act, 1961	526.78	300.21	826.99
b) Value of perquisite under Section 17(2) of Income Tax Act, 1961	118.43	14.28	132.71
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)	15.54	12.19	27.73
Total	660.75	326.68	987.43
Performance Bonus#	75.63	36.19	111.82
Leave Encashment & Gratuity paid in F&F ^	148.81	-	148.81

*Includes salaries paused from January 2023 onwards and paid subsequent to approval of Members on April 27, 2023.

#Performance bonus of FY 2021-22 paid in FY 2022-23. Performance bonus of FY 2022-23 for Mr. Anant Goenka shall be payable in FY 2023-24 subject to the approval of the Members of the Company.

^ In view of relinquishing of the position as MD & CEO, leave encashment and gratuity were paid which is not included for the purpose of computation of ceiling on remuneration, as per Schedule V to the Companies Act, 2013.

B. Remuneration to Non-executive Directors

(in ₹ lacs)

Particulars	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	5.40	9.95	3.00	4.00	10.90	9.90	4.95	48.10
Commission	105.00	12.00	12.00	12.00	12.00	12.00	12.00	177.00
Others, please specify	-	-	-	-	-	-	-	-
Total	110.40	21.95	15.00	16.00	22.90	21.90	16.95	225.10

- 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, ₹ 35,000 per meeting of Sustainability and Corporate Social Responsibility Committee and

Nomination and Remuneration Committee, ₹ 25,000 per meeting of Risk Management Committee and Stakeholders' Relationship Committee and ₹ 5,000 per meeting of Finance and Banking Committee for participating in the meeting.

Managing Director / Whole-time Director remuneration

Remuneration paid to Mr. Anant Goenka, MD & CEO was pursuant to the approval accorded by the Members vide special resolution passed at the AGM of the Company held on June 28, 2022 and governed by the agreement dated March 31, 2022.

Based on anticipation of insufficiency in profits for the year ended March 31, 2023, approval of Members was taken via postal ballot dated March 20, 2023 to pay

remuneration to Mr. Anant Goenka for FY 2022-23 in case remuneration exceeds the limits specified under Section 197 of the Act.

Mr. Arnab Banerjee who was 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. W.e.f. April 1, 2023, Mr. Banerjee is appointed as MD & CEO and remuneration payable to him in capacity of MD & CEO was approved by the Members on April 27, 2023 via postal ballot notice dated March 20, 2023.

The compensation across the Company comprises of fixed and variable component, where the percentage of variable component increases depending on grade /designation of the employee, the highest being for the MD & CEO.

The Company monitors the performance and conducts the appraisal through an internal system which is Company wide process for goal setting, performance review and appraisals. Annual Performance Review based on internal assessment permits the employees to review their accomplishments of the year, which determines the compensation revision and variable pay-out which is based on the individual and the Company performance. Also, 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 MD & CEO.

The remuneration paid to the MD & CEO 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, MD & CEO and Mr. Arnab Banerjee, Whole-time Director (Chief Operating Officer) did not receive any profit related commission or any other remuneration from any of the subsidiary of the Company.

Disclosures as per Schedule V to SEBI Listing Regulations, pertaining to remuneration of Directors are as follows:

- 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
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.
63 rd AGM	Tuesday, June 28, 2022 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 payment of excess managerial remuneration to Mr. Anant Goenka (DIN:02089850), MD & CEO of the Company Approval for making offer or invitation to subscribe Non-Convertible Debentures / Bonds or such other debt securities up to ₹ 500 Crores.

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 Ministry of Corporate Affairs, 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 following matters:

1. Approval for payment of remuneration to Mr. Anant Goenka (DIN: 02089850), Managing Director and Chief Executive Officer for the Financial Year 2022 – 23.
2. Approval of appointment of Mr. Anant Goenka (DIN: 02089850) as a Non-Executive Director designated as Vice-Chairman of the Company effective April 1, 2023.
3. Approval of appointment and remuneration of Mr. Arnab Banerjee (DIN: 06559516) as Managing Director and Chief Executive Officer of the Company effective April 1, 2023

In compliance with Regulation 44 of SEBI 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. All the resolutions were passed with requisite majority on April 27, 2023, which was the last date for passing of the said resolutions as per SS-2 - Secretarial Standards on General Meetings.

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 2022-23 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.

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 SEBI 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, 0 (zero) complaint was received in last quarter under the Whistle Blower Policy.

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 on Company's website 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 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, 3 (three) 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 are given in the financial statements. Details of fees paid by the subsidiaries to the Statutory Auditors or network firm 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 ₹*)
KPMG	Statutory Audit	Ceat Akkhan Limited	6,50,650
KPMG	Statutory Audit	Associated CEAT Holdings Company (Pvt) Limited.	11,43,750

Note(*):

Above amount does not include reimbursement of out of pocket expenses

1. Converted 1 BDT=0.77 INR as on March 31, 2023.

2. Converted 1 LKR=0.25 INR as on March 31, 2023.

CEO and CFO Certification

The MD & 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, 2023. A declaration to this effect signed by the MD 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, read with BSE and National Stock Exchange dated March 16, 2023, Parikh & Associates, Practising Company Secretaries carried out the audit for the FY 2022-23 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 2022-23. 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, 2023 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: Wednesday, July 5, 2023

Time: 3.00 p.m.

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

Ministry of Corporate Affairs ('MCA') vide its Circular dated December 28, 2022 extended the time line and has allowed the companies to conduct their AGMs due in calendar year 2023 through VC / OAVM on or before September 30, 2023, 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 2022-23 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 ₹ 12 per equity share (120%) for the FY 2022-23, subject to approval by the Members at the ensuing AGM. Dividend paid in the previous year was ₹ 3 per share (30%).

Dividend Payment Date

Dividend on equity shares, if declared at the AGM, will be credited / dispatched on or before.

- 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; 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.

Listing on Stock Exchanges

The Equity Shares and Non-convertible Debentures of the Company are listed on the following Stock Exchanges:

Name of Stock Exchanges	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, CL26 (Debt)

Listing fees for FY 2022-23 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 2022-23, the Commercial Papers issued by the Company were listed on National Stock Exchange of India Limited, 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 Debentures ('NCDs') for which it entered into agreement with Vistra ITCL(India) Limited, to act as Debenture Trustee.

NCDs	Value (In ₹)	Date of Allotment	Tenure	Redemption Date
6.40% NCD INE482A07050	150 Crores	September 19, 2022	48 Months	September 19, 2026
7% NCD INE482A07068	100 Crores	October 13, 2020	60 Months	October 13, 2023

During FY 2022-23, relevant interest payments for above-mentioned NCDs were paid by ensuring compliances with applicable provisions.

During FY 2022-23, the Company issued following Unsecured, Rated, Listed, Taxable and Redeemable Non-convertible Debenture for which it entered into agreement with Catalyst Trusteeship Limited to act as Debenture Trustee and appointed TSR Consultants Private Limited as Registrar and Transfer Agent:

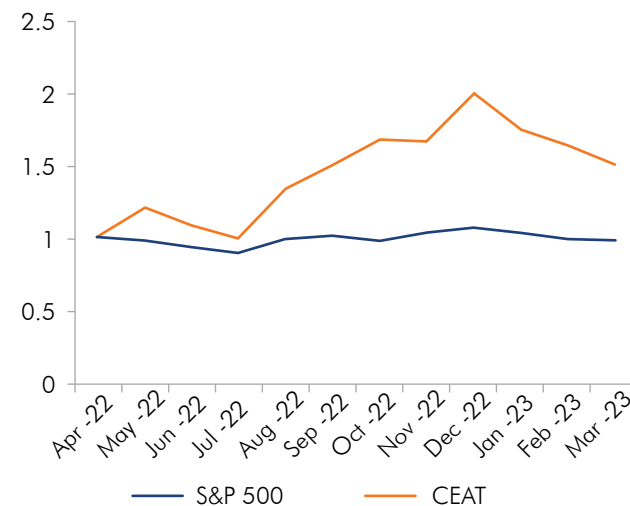
NCDs	Value (In ₹)	Date of Allotment	Tenure	Redemption Date
7.99% NCD INE482A08025	₹ 150 Crores	September 19, 2022	48 Months	September 19, 2026

Pursuant to Regulations 52(7) & (7A) of Listing Regulations read with SEBI Circular No. SEBI/HO/DDHS/DDHS_Div1/P/CIR/2022/0000000103 dated July 29, 2022 proceeds of fresh Non-Convertible Debentures issued during the year were utilised as per the purpose stated in the Information Memorandums.

Pursuant to amended Regulation 23 of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulation, 2021, an enabling provision in Articles of Association of the Company, permitting appointment of a nominee director by a Debenture Trustee, in case there default by the Company in relation to its NCDs is required. Considering the fact, a clause in regards is already in place, the Company is not amending its Articles of the Association.

Market Price Data for Equity shares of face value of ₹ 10/- each

Month	BSE		NSE	
	High Price	Low Price	High Price	Low Price
Apr-22	1,210.50	936.10	1,211.00	933.00
May-22	1,141.80	993.20	1,154.95	991.15
Jun-22	1,040.00	890.00	1,041.25	890.00
Jul-22	1,404.00	916.30	1,273.80	917.75
Aug-22	1,407.95	1,254.00	1,409.00	1,250.00
Sep-22	1,787.75	1,362.70	1,785.00	1,366.00
Oct-22	1,629.70	1,468.85	1,630.00	1,472.45
Nov-22	1,952.80	1,497.15	1,954.60	1,495.05
Dec-22	1,981.45	1,535.00	1,981.00	1,511.30
Jan-23	1,768.00	1,490.00	1,767.10	1,491.10
Feb-23	1,613.35	1,380.55	1,613.00	1,380.60
Mar-23	1,479.55	1,357.60	1,479.80	1,357.00

CEAT in comparison with S&P BSE during 2022-23*

*Indexed to 1 on March 31, 2022

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 Email: investors@ceat.com Web: www.ceat.com Ph. 022-2493 0621 Ms. Vallari Gupte, Company Secretary and Compliance Officer
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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 Email: csg-unit@tcplindia.co.in Web: https://www.tcplindia.co.in/ Ph. 022-6656 8484; Fax 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 Ph. +91-9820866664, Email kisucorporate@gmail.com Web: www.vistraitcl.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 Ph 022 - 2659 3535 Email mumbai@vistra.com Web: www.vistraitcl.com
	Catalyst Trusteeship Limited	Windsor, 6 th Floor, Office No - 604, C.S.T. Road, Kalina, Santacruz (East), Mumbai – 400 098 Ph. 022 - 4922 0555 Email dt.mumbai@clttrustee.com Web: www.catalysttrustee.com

Share Transfer System

As per Regulation 40 of the SEBI Listing Regulations, as amended, securities of listed entities can be transferred only in dematerialised form, with effect from April 1, 2019. Members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. Any Director of the Company or the Company Secretary is empowered to approve transfers.

Pursuant to SEBI circular dated January 25, 2022, securities of the Company shall be issued in dematerialised 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.

Dematerialisation of shares and liquidity

The Company has an arrangement with NSDL and CDSL for dematerialisation of shares with ISIN INE482A01020. During the year, 30,565 shares were dematerialised. As on March 31, 2023, 99.14% of equity share capital corresponding to equity shares were held in dematerialised form.

In accordance with the proviso to Regulation 40(1) of SEBI Listing Regulations 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.

Distribution of Shareholding as on March 31, 2023

No. of Equity Shares	No. of shares		No. of Shareholders		% of Equity Capital	
	Physical	Demat	Physical	Demat	Physical	Demat
1 to 500	2,76,009	29,30,790	10298	84,442	0.68	7.25
501 to 1000	27,691	5,39,328	40	745	0.07	1.33
1001 to 2000	31,564	3,70,221	22	262	0.08	0.92
2001 to 3000	9,648	2,23,927	4	88	0.02	0.55
3001 to 4000	3,300	1,12,332	1	32	0.01	0.28
4001 to 5000	0	1,21,110	0	27	0.00	0.30
5001 to 10000	0	4,61,459	0	64	0.00	1.14
Greater than 10000	0	3,53,42,713	0	100	0.00	87.37
TOTAL	3,48,212	4,01,01,880	10,365	85,760	0.86	99.14

Categories of Shareholding as on March 31, 2023

Category	No. of Share	% of Equity Capital
Promoters and Promoter Group	1,90,95,398	47.21
Foreign Portfolio/Institutional Investors	94,22,454	23.29
FI, Banks and Insurance Companies	9,57,354	2.37
Mutual Funds	44,81,834	11.08
Resident Individuals	53,35,341	13.19
NRI/OCB	3,11,795	0.77
Bodies Corporate	7,85,224	1.94
Others	60,692	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, 2023.

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 2022-23.

Plant Locations

Ambernath Plant	: Plot No G-2, Village - Bohonoli, Additional Ambernath MIDC, Ambernath (East), Maharashtra 421 506
Mumbai Plant	: Village 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 SEBI 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.

In compliance with provisions of the Act, all the shares have been transferred to Investor Education and Protection Fund Authority ('IEPF') and demat account is closed.

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 ₹ 30.31 Lacs for dividend of FY 2014-15 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 October 3, 2022.

Further, as provided under the IEPF Rules, the Company on October 14, 2022, in compliance with the due procedure of the said rules, transferred 29,760 shares of 669 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, 355 shares of 37 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 or any subsequent financial years are requested to submit their claims to the office of the Registrar and Transfer Agents, on or before, 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 SEBI 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 (in case of shares held in physical mode) and Depository Participants (in case shares 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 Wednesday, June 28, 2023, and the remote e-voting shall be open for a period of three days, from Sunday, July 2, 2023 (9.00 a.m. IST) till Tuesday, July 4, 2023 (5.00 p.m. IST).

The Board has appointed Mr. P. N. Parikh (FCS 327, CP 1228), or failing him Mr. Mitesh Dhhabliwala (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 64th 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, 2023, 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**

Place: Mumbai
Date : May 4, 2023

Arnab Banerjee
Managing Director & CEO
DIN:06559516

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, 2023, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (i) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI 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 Listing Regulations for the year ended on March 31, 2023.

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

Signature:

P.N.Parikh
Partner
FCS No: 327 CP No: 1228
UDIN: F000327E000250918
PR No.: 1129/2021

Place: Mumbai
Date: May 4, 2023

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 400030

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 400030 (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 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 & 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, 2023 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.

S. No.	Name of Director	DIN	Date of Appointment in Company*
1.	H. V. Goenka	00026726	16/10/1981
2.	Anant Goenka	02089850	01/04/2012
3.	Arnab 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

Signature:

P.N.Parikh
Partner
FCS No: 327 CP No: 1228
UDIN: F000327E000250841
PR No.: 1129/2021

Place: Mumbai
Date: May 4, 2023

Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L25100MH1958PLC011041
2.	Name of the Listed Entity	CEAT Limited
3.	Year of incorporation	1958
4.	Registered office address	463, Dr. Annie Besant Road, Worli, Mumbai - 400 030
5.	Corporate address	463, Dr. Annie Besant Road, Worli, Mumbai - 400 030
6.	E-mail	investors@ceat.com
7.	Telephone	022-2493 0621
8.	Website	www.ceat.com
9.	Financial year for which reporting is being done	2022-23
10.	Name of the Stock Exchange(s) where shares are listed	Equity Shares are listed on the BSE Limited and the National Stock Exchange of India Limited.
11.	Paid-up Capital	₹ 4,045 Lacs
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Anant Goenka, Chairman - Sustainability and the Corporate Social Responsibility ('SCSR') Committee ✉ - investors@ceat.com ☎ - 022-2493 0621
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Disclosures made in this report are on a Standalone basis and pertaining only to the operations of CEAT Limited in India.

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

S. no.	Description of Main Activity	Description of Business Activity	% of Turnover of The Entity
1	Manufacturing of Tyres, Tubes and Flaps	Manufacturing of tyres for passenger, commercial and off-road vehicles	100%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover)

S. no.	Product/service	NIC Code	% of total Turnover contributed
1	Tyres, Tubes and Flaps	22111	100%

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	Factories: 6 (six)	Regional Offices: 38 (thirty-eight) Zonal Offices: 7 (seven)	51
International	Nil	4 (four): Representative offices in Jakarta (Indonesia), Dubai (United Arab Emirates), Manila (The Philippines) and Frankfurt (Germany) (R&D Centre)	4

17. Markets served by the entity:

a. Number of locations*

Locations	Numbers
National (No. of States)	PAN India
International (No. of Countries)	110+

*Market being served through CFA/DC/RO/Dealers/Distributors/Retailers

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Contribution of exports is 18% of the total turnover of the Company.

c. A brief on types of customers - CEAT Limited, headquartered in Mumbai, is in the business of manufacturing and selling a wide range of tyres for Original Equipment Manufacturers ('OEMs') and Retail Customers (in India and around the globe) through dealers, distributors, online channels/platforms. The Company also offers a wide range of tyres, tubes and flaps under its portfolio for various segments like Passenger Cars & Utility Vehicles, 2W/3W, Commercial and Off-Highway Vehicles.

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled)

S. No.	Particulars	Total (A)	Male		Female		Transgender	
			No. (B)	%(B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)
Employees								
1.	Permanent (D)	6,364	5,437	85.43%	927	14.57%	NA	NA
2.	Other than Permanent (E)	827	777	93.95%	44	5.32%	6	0.73%
3.	Total Employees (D+E)	7,191	6,214	86.41%	971	13.50%	6	0.08%
Workers								
1.	Permanent (D)	1,843	1,843	100%	NA	NA	NA	NA
2.	Other than Permanent (E)	NA	NA	NA	NA	NA	NA	NA
3.	Total Employees (D+E)	1,843	1,843	100%	NA	NA	NA	NA

b. Differently abled Employees

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Differently abled Employees						
1.	Permanent (D)	29	25	86%	4	14%
2.	Other than Permanent (E)	2	2	100%	NA	NA
3.	Total Employees (D+E)	31	27	87%	4	13%

The Company does not have any differently abled workers.

19. Participation/Inclusion/Representation of women

Particulars	Total	No. and percentage of Females	
	(A)	No. (B)	% (B / A)
Board of Directors	11*	1	9%
Key Management Personnel	4	1	25%

*Includes Managing Director and Chief Operating Officer who is a Whole-Time Director

Note: Key Management Personnel are Managing Director, Chief Operating Officer, Chief Financial Officer and Company Secretary.

20. Turnover rate for permanent employees and workers

	Turnover rate in FY 2022-23			Turnover rate in FY 2021-22			Turnover rate in FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	22%	31%	24%	21%	24%	21%	17%	14%	16%
Permanent Workers	8%	NA	8%	4%	NA	4%	4%	NA	4%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Associated CEAT Holdings Company (Pvt.) Limited	Subsidiary	100%	No
2	CEAT AKKhan Limited	Joint Venture	70%	No
3	Rado Tyres Limited	Subsidiary	58.56%	No
4	CEAT Specialty Tyres Inc.	Subsidiary	100%	No
5	CEAT Specialty Tyres B.V.	Subsidiary	100%	No
6	Taabi Mobility Limited	Subsidiary	100%	No
7	CEAT Auto Components Limited	Subsidiary	100%	No
8	Tyresnmore Online Pvt Limited	Associate	49.83%	No

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)
Yes
- (ii) Turnover (in ₹) 11,263.26 cr.
- (iii) Net worth (in ₹) 3,345.60 cr.

VII. Transparency and Disclosures Compliances

23. Complaints/ Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/ No) (If Yes, then provide web-link for grievance redress policy)	FY 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities		6	1	The Company is taking the necessary efforts to address and resolve grievances in a timely manner.	4	1	The Company is taking the necessary efforts to address and resolve grievances in a timely manner.
Investors (other than shareholders) – Debentureholders	There are separate policies for different stakeholders. The Company also provides a web-based platform to all its stakeholders for raising their concerns, if any	0	0		0	0	
Shareholders		12	1		16	0	
Employees and workers*		19,010	514		14,370	3,540	
Customers		19,259	77		20,147	107	
Value Chain Partners	(https://www.ceat.com/corporate/sustainability.html)	0	0		1	0	
Other (please specify)							

*Data is compiled from various platforms made available by the Company and includes different types of queries raised by the employees for information or clarification.

24. Overview of the entity's material responsible business conduct issues

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Energy and Emissions Management	Opportunity	With energy saving initiatives, renewable energy initiatives, process optimisation and overall operations efficiency and logistic network optimisation initiatives, the Company shall be able to optimise its energy consumption and reduce carbon emissions.	NA	Positive With energy saving initiatives and efforts to mitigate, manage and minimise the emissions are expected to have positive financial implications.
2	Materials Management	Risk	<ul style="list-style-type: none"> Fluctuating raw material prices can affect profit margins. Risk of geo-political challenges could lead to disruption in supply chain. 	Hedging and forward buying of various raw material to maintain sufficient inventory cover and Plan to ensure lesser dependency on single supply source.	Negative Raw material and commodity pricing fluctuations have direct correlation with the profit margins.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	Waste Management	Opportunity	Overall operational efficiency, adherence to the compliances with resource efficiency result in reduction in creation of waste and its management in a better manner to have lesser impact on environment.	NA	Positive Managing waste at each stage of the manufacturing process has direct impact on achieving the resource efficiency and together with compliance of all the applicable regulations can have positive financial impact.
4	Water Management	Opportunity	With water stewardship initiatives the Company has achieved significant reduction in the water intensity.	NA	Positive Lesser usage of water would certainly lead to better resource management and positive financial impact.
5	Customer Satisfaction	Opportunity	Customer Centricity is one of the key focus areas of CEAT's business strategy.	NA	Positive Effective and regular engagement with customers has helped CEAT in delivering customer centric products and services, helping in higher revenues and better brand recognition.
6	Employee Wellbeing	Opportunity	People-centricity is one of the key focus areas of CEAT and CEAT is working towards being an aspirational employer brand.	NA	Positive Increase in efficiency, assisting in managing the employee cost.
7	Occupation Health and Safety	Opportunity	Manufacturing tyres is a cumbersome and complex process involving multiple stages of manual intervention, safety of employees is the utmost priority for the Company	NA	Positive Better employee safety eliminates fatality rates and reduces injuries, loss time injuries. This helps improve employee morale and better production capacities.
8	Diversity and Inclusion	Opportunity	Involvement and representation of women, transgenders and persons with disability	NA	Positive Helps in fostering a culture of diversity and inclusion.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
9	Economic Performance	Risk	Competition and increased cost of raw materials attribute to reduction in profit margins. Similarly recent events in global economy have caused disruption in overall supply chain, impacting economic performance.	CEAT is investing in the research and development and digitisation to enhance it's overall productivity and business performance. Better management of funds through various financial instruments also helps in reducing the financial impact and improve profit margins.	Negative Inability to implement price hike and increased cost of raw materials attribute to impacting the profit margins, apart from other factors.
10	Digitisation	Opportunity	Digital interventions are eliminating the potential bottlenecks in the business operations along with creating multiple opportunities. CEAT's achievement of the 'Lighthouse' recognition for Industry 4.0 automation is reflection of its efforts in the right direction.	NA	Positive Use of digital tools reduces manual intervention and time, thereby rationalising process cost CEAT deployed Fourth Industrial Revolution use cases like Advanced Analytics to optimise cycle times and digitalisation of the operator's touchpoints. As a result, the site reduced cycle times by 20%, process scrap by 46% and energy consumption by 15%.
11	Product Innovation/ Smart Mobility	Opportunity	Integrating sustainability measures into product design and focusing on the shift to Electric Vehicles.	NA	Positive Optimum product range and smarter options leading to increased revenue and brand recognition
12	Corporate Governance/ Ethics	Opportunity	Ethical conduct of business is foundation for any organisation to achieve long-term value for all its stakeholders.	NA	Positive Ethical and transparent business processes help in monitoring risk and mitigation loss leading to longterm and sustainable economic growth.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Disclosure Questions									
Policy and management processes	P1	P2	P3	P4	P5	P6	P7	P8	P9
1. a. Whether your entity’s policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available*	The web link of the policies are available on CEAT’s sustainability page. https://www.ceat.com/corporate/sustainability.html								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/ No)	Policies like Supplier Code of Conduct and Whistle Blower are extended to CEAT’s value chain partners (vendors, suppliers and customers)								
4. Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	ISO 9001:2015 ISO 31000 IAFT 16949:2016 is available on CEATs website. Certifications GSO, E4, SNI, ISI and INMETRO								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	CEAT has set a target of reducing its carbon footprint by 50% by 2030.								
6. Performance of the entity against the specific commitments, goals and targets alongwith reasons in case the same are not met.	The Company is reporting on its ESG Performance under the six capitals of the Integrated Report. For details, please refer to the Natural Capital section.								
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	Refer to the messages from Mr. H.V. Goenka, Chairman and Mr. Anant Goenka, Vice Chairman (MD and CEO till FY 2022-23)								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	The Sustainability and the Corporate Social Responsibility Committee (SCSR) is responsible for implementation and oversight of the policy (ies).								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	CEAT has a Sustainability and the Corporate Social Responsibility (SCSR) Committee. For details about the committee please refer to the Corporate Governance Report.								

Disclosure Questions									
Policy and management processes	P1	P2	P3	P4	P5	P6	P7	P8	P9
10. Details of Review of NGRBCs by the Company:									
Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	As a practice, BRSR policies of the Company are reviewed periodically or on a need basis by ESG Council and SCSR Committee. During this assessment, the efficacy of the policies is reviewed and necessary changes to policies and procedures are implemented.								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Company is in compliance with the extant regulations, as applicable.								
Subject for Review	Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	All the Policies are reviewed at least once annually and performance against some of these policies are reviewed usually on a quarterly basis.								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Policies are reviewed as prescribed under the applicable laws.								
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P1	P2	P3	P4	P5	P6	P7	P8	P9
	The Company has framed the required policies and practices under each of the above principles and as such has not carried out any independent assessment of working of these policies for FY 2022-23.								
12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:									

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training	%age of persons in respective category covered by the awareness programmes
Board of Directors	11	Awareness is created about various policies and practices concerning human rights, ethics and integrity, health and safety for employees, prevention of sexual harassment etc. covering all the applicable principles of NGRBC. Apart from Functional Trainings, such awareness sessions and trainings are also conducted under Learning & Development initiatives on various topics such as, POSH, Code of Conduct on Ethics and Governance, PwD Sensitization, Career conversations EHS management, Energy Conservation, Environment Sustainability, etc. Digital portal is used to share learning materials for all the employees on an ongoing basis, which covers various policies and related learning content.	100%
Key Managerial Personnel	13		100%
Employees other than BoD and KMPs	77		100%
Workers	3,595		100%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine Settlement Compounding fee		There were no such instances that required disclosure on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015.			

Non- Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment Punishment		There were no such instances that required disclosure on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015.		

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not applicable	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

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 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 placed before Audit Committee on a quarterly basis.

A dedicated email ID ethics@rpg.in is provided for reporting grievances and violations of the said Code / Whistle Blower Policy to the CGEC. The Company also provides a web-based platform to all its stakeholders for raising their concerns, if any. (<https://www.ceat.com/corporate/sustainability.html>).

The Code and Whistle Blower Policy are available on <https://www.ceat.com/investors/corporate-governance.html>.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Nil

6. Details of complaints with regard to conflict of interest:

Particulars	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	NA	0	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	NA	0	NA

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable.

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Particulars	FY 2022-23	FY 2021-22	Details of improvements in environmental and social impacts
R&D	5.57%	3.33%	<ul style="list-style-type: none"> Sustainable raw material development and validation Devulcanization and reclaiming of bladder rubber Improve traction, Compaction and Puncture resulted in better tyre life Solar panels, renewable energy projects
Capex	4.10%	3.98%	

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

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 emphasises 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.

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.

b. If yes, what percentage of inputs were sourced sustainably?

The Company has robust vendor assessment mechanism. During the supplier onboarding the Company ensures suppliers to have compliances with the regulatory guidelines and laws. Only authorized vendors are engaged for the sourcing of raw materials. The Company encourages suppliers to have environment management system, quality management system and health and safety management system. At present, all active suppliers are certified with ISO 14001 and OHSAS 18001. 100% of the raw materials have been sourced from such authorised suppliers in FY 2022-23.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

CEAT has engaged authorised waste management service providers such as recyclers, co-processors and incinerators to manage its e-waste and plastic waste and hazardous waste which is being disposed off as stated below:

- 1. Plastic** – Plastic related scrap is sold to the authorised plastic recyclers. In addition to that, for packaging products, as per CPCB's requirement, since 2 years, CEAT has implemented EPR compliance.
- 2. E Waste & Hazardous Waste** – All E-Waste & Hazardous Waste are being sold to respective state govt. pollution control board's authorised agencies.
- 3. Other Waste like Tyres** are being sold to Govt. approved buyers only.

CEAT has managed compliant disposal of 4.46 MT of e-waste and 734.03 MT of plastic waste in FY 2022-23 including packaging.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, EPR is applicable to CEAT's activities and as per Plastic Waste Management Rules, 2016 (PWMR). The Company has been registered as Brand Owner and has robust EPR implementation plan in line with PWMR, 2016 submitted to the Pollution Control Boards.

As a leading manufacturer in the tyre industry, it is a business imperative that the Company ensures safe disposal of the pre-consumer and post consumer packaging. The Company has been ensuring the collection and safe disposal of its packaging waste through the EPR.

CEAT has engaged with authorised implementation partners (producer responsibility organisations) for the collection, transportations and end of life management of the plastic waste.

PRINCIPLE 3: BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

Essential Indicators

1. a. Details of measures for the well-being of employees:

% of employees covered by											
Category	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities*	
		Number	%	Number	5.32%	Number	%	Number	%	Number	%
Permanent Employees											
Male	5,437	5,437	100%	5,437	100%	NA	NA	5,437	100%	-	0%
Female	927	927	100%	927	100%	927	100%	NA	NA	927	100%
Total	6,364	6,364	100%	6,364	100%	927	14.57%	5,437	85.43%	927	14.57%

% of employees covered by											
Category	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities*	
		Number	%	Number	5.32%	Number	%	Number	%	Number	%
Other than Permanent Employees											
Male	777	777	100%	777	100%	NA	NA	777	100%	NA	NA
Female	44	44	100%	44	100%	44	100%	NA	NA	NA	NA
Transgender	6	6	100%	6	100%	NA	NA	NA	NA	NA	NA
Total	827	827	100%	827	100%	44	5.32%	777	93.95%	NA	NA

*The Company extends day care facility to the male employees on need basis.

b. Details of measures for the well-being of workers:

% of workers covered by											
Category	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number	%	Number	%	Number	%	Number	%	Number	%
Permanent workers											
Male	1,843	1,843	100%	NA	NA	NA	NA	1,843	100%	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	1,843	1,843	100%	NA	NA	NA	NA	1,843	100%	NA	NA
Other than Permanent workers											
Male											
Female											
Total											

2. Details of retirement benefits, for Current Financial Year and Previous Financial Year.

Category	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	NA	100%	100%	NA
ESI	18%*	0%	Yes	18%*	0%	Yes
Others- Please Specify	-	-	-	-	-	-

(*100% of eligible employees with salary less than ₹ 21,000 per month are covered)

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

- To make life easy at workplace for People with Disabilities, the Company has assured people centric workplace planning and management by incorporating the following parameters:

At manufacturing facilities, there are auto glow emergency exit boards; auto glow red tap on pillars; auto glow arrow marking on shop floor, etc.

Apart from auto glow following additional initiatives are carried out:

- Sensitization sessions are held from time to time on disability.
 - Sign Language training is provided by the Company to fellow associates and managers including relevant stakeholders from contract staff, security, canteen, human resources, occupational health centres, etc.
- A new induction outline was customised to onboard the new people with disabilities joiners within 37 days of joining.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy

The Company is committed to provide equal employment opportunities without any discrimination on the grounds of age, color, origin, nationality, disability, religion, race, caste, gender, sex and sexual orientation. The Company believes that Diversity and Inclusivity (D&I) at workplace is an instrument for economic growth, sustainable competitive advantage and societal progress. The Company's Equal Opportunity Policy is available at <https://www.ceat.com/corporate/sustainability.html>.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	NA*	NA*
Female	100%	100%	NA*	NA*
Total	100%	100%	NA*	NA*

*No instances of parental leave for workmen.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Employees	Yes
Other than Permanent Employees	
Permanent Workers	
Other than Permanent Workers	

The Company is committed to providing a safe and conducive work environment to all of its employees. Employees have access to an effective grievance redressal system via which they can voice any workplace problems. It provides digital forum, "Bol Bindass", & "R-SHIELD" for its employees to voice their complaints about daily operations. Employees can even file complaints through Red Book when they are offline. The Company has implemented "Sherlock" a Chat Bot, accessible through 5 modes including mobile application, desktop, MS Teams, MS Outlook & the Company intranet, to address questions about HR policies and related issues.

The Company has formulated a Policy on Prevention of Sexual Harassment at Workplace for prevention, prohibition and redressal of sexual harassment at workplace and Internal Complaints Committee has also been set up to redress any such complaints received.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

	FY 2022-23			FY 2021-22		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	6,364	0	0%	5,703	0	0%
Male	5,437	0	0%	4,788	0	0%
Female	927	0	0%	915	0	0%
Total Permanent Workers	1,843	1,843	100%	1,919	1,919	100%
Male	1,843	1,843	100%	1,919	1,919	100%
Female	NA	NA	NA	NA	NA	NA

8. Details of training given to employees and workers:

Category	FY 2022-23					FY 2021-22				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (A)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	5,437	5,437	100%	5,437	100%	4,788	4,788	100%	4,788	100%
Female	927	927	100%	927	100%	915	915	100%	915	100%
Total	6,364	6,364	100%	6,364	100%	5,703	5,703	100%	5,703	100%
Workers										
Male	1,843	1,843	100%	1,843	100%	1,919	1,919	100%	1,919	100%
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	1,843	1,843	100%	NA	NA	1,919	1,919	100%	1,919	100%

9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	5,437	5,437	100%	4,788	4,788	100%
Female	927	927	100%	915	915	100%
Total	6,364	6,364	100%	5,703	5,703	100%
Workers						
Male	1,843	1,843	100%	1,919	1,919	100%
Female	NA	NA	NA	NA	NA	NA
Total	1,843	1,843	100%	1,919	1,919	100%

10 Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such a system?

ISO 45001:2018 i.e. Occupational Health and Safety Management System implemented in all manufacturing facilities and it covers the employees ,workers, logistics (truck drivers and cleaners), service providers such as contractual employees, visitors, transporters, vendors and suppliers in the CEAT's manufacturing and production facilities.

The Company has a corporate Environment, Health and Safety policy and Plant specific Environment, Health & Safety Policy as a guiding instrument to implement, monitor and assess the Occupational Health and Safety Management System. The Company monitors EHS related risks, best practices and performance through regular safety committee meetings, safety audits and training and awareness programs.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

CEAT has various platforms to record incidents (Redbook, safety meetings, daily work management meeting, toolbox talk, Mobile App). Workers are

encouraged to report the incidents. Based on the nature and frequency of the incident, supervisor and safety officers takes adequate actions to mitigate and avoid any future incident of such nature. Based on the incidents reported and investigated are recorded and communicated to all plants for horizontal deployment of corrective actions.

CEAT conducts regular risk assessment by job safety analysis and occupational health and safety inspections. Work related risks are measured through assessments of activity-based risks, some of the key risks are control of substances hazardous to health, manual material handling, display screen equipment, equipment risk, fire and traffic risks.

The Company also conducts ergonomic assessments and task hazard analyses through work permits to assess risks on a routine and non-routine basis. The Company assesses the effectiveness and status of existing control systems to mitigate the risks. With the risk-control matrix, the top 15 risks are identified as critical risks with an effective risk management plan. The Company's risk mitigation plan has been prepared considering a hierarchy of controls. First priority is, therefore, given to elimination or substitution and engineering controls. The critical risks are reviewed by the leadership followed by engineering and administrative control is reviewed by the plant head and heads from human resources, quality, production and procurement and manufacturing divisions.

Following activities are part of the Company's Hazard Identification and Risk Assessment ("HIRA"): Activity risk assessment, COSHH assessment, Manual material handling assessment, DSE assessment, Fire risk assessment, Traffic risk assessment, ergonomic assessment, Task Hazard Analysis through work permits.

The Company reviews its safety dashboard regularly at the plant and corporate level. As a part of safety assessment, internal auditors conduct the review of the health and safety management system twice a year. The Company also engages the safety experts and Health and safety agencies to conduct independent third-party assessments across all the manufacturing facilities. The Company accommodates electrical safety and fire safety on a regular basis.

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

Yes, CEAT has a well-defined process and system to encourage the workers to report on the incidents, unsafe conditions and near misses. To ensure the reporting of incidents by the workers CEAT conducts various training and awareness programs on the basis and standard safety practices. Daily toolbox talks on job safety and work related standard operating procedures are discussed with the workmen.

Plant safety team provides signages and safety communications on the potential work-related hazards. Workmen have an individual target to report incidents on monthly basis and common incidents are reviewed, analysed and closed with adequate controls and measures applied, followed with the feedback on closure from the respective workmen.

Mobile App, Redbook and logbooks are provided for reporting of hazards, unsafe conditions, unsafe acts and near misses.

d. Do the employees/ workers of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, all employees are covered under Company's health insurance and personal accident policy. The Company also ensures its adherence to the regulatory guidelines for non-occupational medical and healthcare services for the workers, such as awareness and mandatory Employees State Insurance Corporation (ESIC) provisions and benefits.

The Company has appointed Chief Fitness Officer ('CFitO') who conducts various training program on healthy lifestyle & wellbeing and employees can connect to CFitO for any non-occupational medical services.

Adequate and required PPE with first aid and medical services are available at the manufacturing facilities.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate ('LTIFR') (per one million-person hours worked)	Employees	0	0
	Workers	0.14	0.04
Total recordable work-related injuries	Employees	0	0
	Workers	42	32
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

The Company's manufacturing facilities are designed based on careful consideration of requirements, for a healthy and safe workplace. The Company has several measures to ensure a safe and healthy workplace with robust health and safety infrastructure and systems. General and job specific health and safety training is provided to all employees and workers. PPEs are provided to employees, workers and visitors as per PPE Matrix. Health and safety due-diligence, inspections and audits are conducted on a regular basis by internal and external safety experts and agencies.

Periodic workplace monitoring is carried out through industrial hygienists on heat stress and ventilation, noise levels, illumination and Respirable Suspended Particulate Matter ('RSPM'). An action plan is prepared on the basis of their findings and reviewed in monthly operations review and safety committee meetings.

CEAT conducted the following work-related health and safety trainings:

- IMS (ISO 14001:2015 and ISO 45001:2018)
- Internal Auditors training
- Lock Out, Tag Out ('LOTO')
- Machine guarding
- Work permit system
- Electrical safety
- Fire safety noise and vibration hazard

- Chemical safety Ergonomics
- Control of substances hazardous to health
- Hazard identification and risk assessment
- Accident reporting and investigation
- Emergency preparedness
- Environment aspect impact analysis
- Environment, health and safety laws
- Safety in manual material handling
- PPE
- Material safety data sheets
- Waste management
- Work at height safety

13. Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	9,528	376		4,675	175	-
Health & Safety	144	3		195	8	-

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

*The assessments are conducted by the Company itself.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

CEAT regularly carries out internal assessments of compliances towards health and safety practices and working conditions and the suggestions for improvement are communicated to the respective plants and business functions. In its QBM way, the required corrective measures are framed in a detailed action plan which is monitored closely. The learnings are also shared across other manufacturing locations to ensure better working conditions and health and safety for its employees and workers.

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

The Company believes that the stakeholders play an integral role in its business operations and recognises the importance of engaging with stakeholders on a regular basis, and the need to understand their concerns, for long-term business sustainability. CEAT takes an inclusive approach towards stakeholders by engaging with them through meaningful dialogue and identifying the topics that are of high priority.

CEAT's stakeholders include individuals or groups that can influence or are impacted by its business. It has a robust stakeholder engagement process to assess and cater to their specific needs.

Through this mechanism, the Company has currently identified following internal and external stakeholder groups: Customers, Employees, Suppliers, Investors, Industry Association, Communities and NGOs.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Investors - Shareholders & Debenture holders	No	Annual General Meetings (AGM), investor calls, website, email, intimations through stock exchanges & other statutory authority, newspaper, advertisement	Quarterly/ Annually/ Regularly	Disseminating and sharing of information to enable investors to make informed decisions, update and seek their approval on various matters as may be required.
Customers	No	Advertisement, newspaper, SMS, website, pamphlets, channel partners and customer contact centre, social media	Regularly	Product information, sales service and grievance redressal
Employees	No	Notice Board, internal communication, email	Regularly	Employee well-being, career development, safe-working environment and learning and development
Collaborators/Partners	No	In-person meetings and partnership portals.	Periodically	Long-term partnerships, fair revenue distribution
Industry Associations	No	Industry conferences, media releases, memberships in associations, regional industry events	Periodically	Compliance with regulations, Business collaborations
Suppliers	No	Supplier management portals, supplier surveys	Periodically	Reliable payment schedules, robust procurement policies, sustainability
Communities/NGOs	No	CSR initiatives, community grievance mechanism, public hearings	Periodically	Contribution to society, activities for the local communities, community satisfaction survey

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	6,364	6,364	100%	5,703	5,703	100%
Other than Permanent	827	827	100%	792	792	100%
Total Employee	7,191	7,191	100%	6,495	6,495	100%
Workers						
Permanent	1,843	1,843	100%	1,919	1,919	100%
Other than Permanent	NA	NA	NA	NA	NA	NA
Total Workers	1,843	1,843	100%	1,919	1,919	100%

*Depending on the roles & responsibilities of the employees & workers, various awareness & training programs were conducted around POSH, code of corporate governance & ethics, sensitization workshops & communications concerning human rights.

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (A)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent										
Male	5,437	0	0%	5,437	100%	4,788	0	0%	4,788	100%
Female	927	0	0%	927	100%	915	0	0%	915	100%
Other than permanent										
Male	777	0	0%	777	100%	764	0	0%	764	100%
Female	44	0	0%	44	100%	21	0	0%	21	100%
Transgender	6	0	0%	6	100%	7	0	0%	7	100%
Workers										
Permanent										
Male	1,843	0	0%	1,843	100%	1,919	0	0%	1,919	100%
Female	NA	0	0%	NA	NA	NA	0	0%	NA	NA
Other than permanent										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)*	8	21,92,500	1	16,95,000
Key Managerial Personnel	3	3,26,68,098	1	64,62,734
Employees other than BoD and KMP	5,434	2,60,429	926	1,98,405
Workers	1,843	7,53,826	NA	NA

*Excludes Managing Director and Chief Operating Officer

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes. The ESG Council shall periodically review and monitor the Human Rights Policy.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company has a detailed Human Rights Policy, wherein grievances can be raised with the Company as stated in the Policy. Concerns, if any, are reviewed by to the ESG Council periodically.

6. Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	3	0	-	2	0	-
Discrimination at work-place	-	-	-	-	-	-
Child Labour	-	-	-	-	-	-
Forced Labour/ Involuntary Labour	-	-	-	-	-	-
Wages*	3,569	0	-	3,405	0	-
Other human rights related issues	-	-	-	-	-	-

*Includes concerns raised in the nature of queries, like status of payslip, details of deduction, unpaid leave calculation, etc.

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

CEAT believes that people are an integral part of the entire ecosystem and recognises the importance of protecting and respecting human rights by playing an affirmative role in the communities in which CEAT operates. The Company is committed to provide a platform where the fundamental rights of all stakeholders are protected while engaging with customers, employees, value chain partners, communities and investors as per the National / International policy frameworks.

The Company has formed 9 Internal Complaints Committee ('ICC') to independently evaluate the complaints as per Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal Act) 2013.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

All the business agreement and contracts which are entered into by the Company with any party include relevant clauses on the affirmation of applicable regulatory requirements which include human rights.

9. Assessments for the year:

	% of plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labor	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	-

*The assessments are conducted by the Company itself.

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

CEAT regularly carries out internal assessments of compliance towards human rights policy and regulatory provisions and the suggestions for improvement are communicated to the respective plants and business functions. The Company is continuously working on ensuring adherence of applicable labour compliances for its employees and workers.

PRINCIPLE 6: BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format: (In Giga Joules)

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A)	8,08,034	9,19,245
Total fuel consumption (B)	9,38,955	9,50,933
Energy consumption through other sources (Renewable Energy)	17,53,830	13,27,783
Total energy consumption (A+B+C)	35,00,819	31,97,961
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	310.82	343.39
Energy intensity (optional) – the relevant metric may be selected by the entity		

*Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No, the Company has not carried out any third-party assessment.

2. Does the entity have any sites / facilities identified as Designated Consumers ('DCs') under the Performance, Achieve and Trade ('PAT') Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable

3. Provide details of the following disclosures related to water, in the following format: (In Giga Joules)

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	54,262	30,023
(iii) Third party water	10,44,146	9,29,571
(iv) Seawater / desalinated water	0	0
(v) Others	0	1,050
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	10,98,408	9,60,644
Total volume of water consumption (in kilolitres)	10,98,408	9,60,644
Water intensity per rupee of turnover (Water consumed / turnover)	97.52	103.15
Water intensity (optional) – the relevant metric may be selected by the entity		

*Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, the Company has not carried out any third-party assessment.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

CEAT has three Zero Liquid Discharge ('ZLD') facilities. CEAT is committed to ensure water stewardship by effective management of water resources. At present Nagpur, Ambarnath & Chennai Plants are Zero Liquid Discharge facilities (ZLD Facilities).

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Units	FY 2022-23	FY 2021-22
NOx	MT	102.36	83.85
SOx	MT	225.65	184.36
Particulate matter ('PM')	MT	421.94	181.02

Parameter	Units	FY 2022-23	FY 2021-22
Persistent organic pollutants ('POP')	NA	NA	NA
Volatile organic compounds ('VOC')	NA	NA	NA
Hazardous air pollutants ('HAP')	NA	NA	NA
Others – please specify			

*Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, the Company has not carried out any third-party assessment.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Units	FY 2022-23	FY 2021-22
Total Scope 1 emissions	Metric tonnes of CO ₂ equivalent	66,841	81,764
Total Scope 2 emissions	Metric tonnes of CO ₂ equivalent	1,60,485	2,11,937
Total Scope 1 and Scope 2 emissions per rupee of turnover	Metric tonnes of CO ₂ equivalent/ ₹ Crore of revenue	20.18	32
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity			

*Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, the Company has not carried out any third-party assessment.

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

CEAT has commitment to reduce its emissions by 50% by 2030. To achieve this ambitious target, the Company is working on multiple aspects such as green fuels, energy efficiency, transition to renewable energy, logistics and supply chain network optimisation in order to eliminate the avoidable emissions in the production and manufacturing phase.

The Company is consistently progressing towards resource efficient and green product. At present, CEAT has introduced various segments of tyres with low rolling resistance which has resulted into the better mileage experience followed by respective emission reduction.

The Company has Compressed Natural Gas ('CNG') and electric vehicles to eliminate the emission from vehicles. For more information you may refer the natural capital section and supply chain sustainability section of the Integrated Report.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23	FY 2021-22
Total Waste generated (in metric tonnes)		
Plastic waste (A)	734.03	744.47
E Waste (B)	4.46	16.31
Bio medical waste (C)	3.65	0.04
Construction and Demolition Waste (D)	2985	485.10
Battery Waste (E)	9.1	8.98
Radioactive waste (F)	0	0
Hazardous waste. Please specify, if any. (G)	746.68	758.32
Non-hazardous waste generated (H). Please specify, if any.(Break-up by composition i.e. by materials relevant to the sector)	14,906.20	18,608
Total (A to H) (MT)	19,389.12	20,621.22

For each category of waste generated, total waste recovered through recycling, reusing or other recovery operations (in metric tonnes)

Parameter	FY 2022-23	FY 2021-22
Category of waste		
(i) Recycled	18,996.78	15,945.80
(ii) Reused	0	466.00
(iii) Other recovery operations	74.49	3,068.13
Total	19,071.27	19,479.93

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

Parameter	FY 2022-23	FY 2021-22
Category of waste		
(i) Incineration	97.09	127.43
(ii) Landfilling	30.41	535.36
(iii) Other recovery operations	-	-
Total	127.50	662.79

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, the Company has not carried out any third-party assessment.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

CEAT is registered as Brand Owner as per EPR (PWMR). The Company 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, the Company 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. The Company is also involved with Automotive Tyre Manufacturers Association ('ATMA') in the formulation of a framework for the management of end-of-life of tyres.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
1	Nashik	Tyre Manufacturing	Yes
2	Bhandup	Tyre Manufacturing	Yes
3	Ambernath	Tyre Manufacturing	Yes
4	Halol	Tyre Manufacturing	Yes
5	Chennai	Tyre Manufacturing	Yes
6	Nagpur	Tyre Manufacturing	Yes

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
Not Applicable					

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

CEAT is compliant with respect to the applicable environmental law/ regulations/ guidelines in India; such as: The Water (Prevention & Control of Pollution) Act 1974, Amendments 1988, The Water (Prevention & Control of Pollution) Rules 1975, The Air (Prevention & Control of Pollution) Act 1981, Amendments 1987, Noise Pollution (Regulations and Control) Rules 2000, amendment Rule 2006, 2010, Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, E-Waste (Management) Rules, 2016, Plastic Waste Management Rules, 2016, Batteries (Management & Handling) Amendment Rules, 2010, The Environmental (Protection) (Third Amendment) Rules, 2013.

There have been no instances of non-compliances during the year.

PRINCIPLE 7: BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

The Company is affiliated with 1 trade and industry chambers/associations.

- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such a body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Automotive Tyre Manufactures Association ('ATMA')	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
Competition Commission of India	The Competition Commission of India ('CCI') on February 2, 2022 released its order dated August 31, 2018 against few tyre companies including CEAT based on the proceeding carried out upon representations alleging anti-competitive practices by the tyre companies. CCI in the said order has imposed a penalty of ₹ 252.16 Crores on the Company. The Company had filed an appeal against the CCI Order before the Hon'ble National Company Law Appellate Tribunal ('NCLAT'). In respect of the appeal filed by the Company before NCLAT, Delhi, NCLAT in its Order dated December 1, 2022 allowed the appeal and remanded back the matter to CCI for review of its order. Therefore, currently there is no order against the company in this matter	The order passed by the CCI has been remanded back to CCI by NCLAT. The Company believes that it has a strong case and there are no adverse orders against the Company for indulging in anticompetitive practices.

PRINCIPLE 8: BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

Essential Indicators

1. Details of Social Impact Assessments ('SIA') of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes/No)	Relevant Web link
Not Applicable					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement ('R&R') is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families ('PAFs')	No. of Project Affected Families ('PAFs')	Amounts paid to PAFs in the FY (In ₹)
Not Applicable						

3. Describe the mechanisms to receive and redress grievances of the community.

The Community Satisfaction Survey was conducted with the beneficiaries of CSR initiatives conducted around all 6 CEAT plant locations. The survey was conducted with 880 beneficiaries of employability & community development programs. The aim of the survey was to understand the satisfaction level of the beneficiaries and 88% beneficiaries were reported to be satisfied with the initiatives undertaken by CEAT.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Parameter	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	8.21%	7.40%
Sourced directly from within the district and neighboring districts	14.9%	12.30%

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

For Domestic Customers (i.e. Pan India), Complaints can be raised through various avenues. They can approach Channel Partners and Customer Contact Centre through a toll free number 1800 22 1213. Alternatively, the Customers can write to us on customercare@ceat.com or reach out on Social Media handles, Whatsapp and the official Website. The Company also has a robust Product Stewardship and Customer Care Policy, available at <https://www.ceat.com/corporate/sustainability.html>.

There is a robust grievance resolution process followed by our Customer Contact Centre to resolve customer complaints received through all channels. A predefined escalation matrix helps resolve the grievances within the stipulated timeline and end-to-end loop closure.

For more information, please refer the Social and Relationship Capital of the Integrated Report.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	29.77%
Safe and responsible usage	100%
Recycling and/or safe disposal	As a product it is difficult to recycle/dispose a tyre individually. For safe disposal of tyres, the Company is in discussion with the scrap recycling ecosystem.

3. Number of consumer complaints in respect of the following:

	FY 2022-23			FY 2021-22		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Cyber-security	-	-	-	-	-	-
Delivery of essential services	-	-	-	-	-	-
Restrictive Trade Practices	-	-	-	-	-	-
Unfair Trade Practices	-	-	-	-	-	-
Other (Consumer Complaints)	19,259	77	0.40% pending as on March 31, 2023	20,147	107	0.53% pending as on March 31, 2022

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	0	Not Applicable
Forced recalls	0	Not Applicable

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes. The Company has a Enterprise Risk Management framework covering cyber security and risk related to data privacy. The Company also has a Privacy Policy as well which is available at www.ceat.com. For any grievances related to cyber security and risks related to data privacy you may refer <https://www.ceat.com/corporate/sustainability.html>

6. Provide details of any corrective actions taken or underway on issues relating to advertising and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

No such instances occurred during the year that required corrective actions to be taken.

CEAT ENERGYDRIVE EV

Engineered for electric cars

A journey towards sustainability



FELT Material -

Sound absorbing technology to cancel tyre noise

EasyFlex Cavity -

For Lower rolling resistance and better battery range

Durablock technology -

To withstand instant high torque



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Independent Auditor’s Report

To the Members of CEAT Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of CEAT Limited (the “Company”) which comprise the standalone balance sheet as at 31 March 2023, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone 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 standalone financial statements give the information required by the Companies Act, 2013 (“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 31 March 2023, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor’s Responsibilities for the Audit of the Standalone 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 standalone 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 opinion on the standalone 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 of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter 1

See Note 26 to standalone financial statements

Revenue recognition on Sale of Products	How the matter was addressed in our audit
<p>The Company recognises revenue from the sales of products when control over goods is transferred to the customer based on specific terms and conditions of sale contracts with respective customers.</p> <p>We have identified recognition of revenue on sale of products as a key audit matter as –</p> <ul style="list-style-type: none"> revenue is a key performance indicator; and there is a presumed fraud risk of revenue being overstated through manipulation of the timing of transfer of control due to pressures to achieve performance targets as well as meeting external expectations. 	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> Assessed the appropriateness of the policies in respect of revenue recognition by comparing with applicable accounting standards. Performed testing of design, implementation and operating effectiveness of the Company’s general Information Technology (‘IT’) controls over revenue recognition and key IT application controls by involving our IT specialists. Performed testing of design, implementation and operating effectiveness of the Company’s key manual controls around revenue recognition. Performed substantive testing (including year-end cut-off testing) of recognition of revenue in the correct period by selecting statistical samples of revenue transactions recorded during and at the end of the financial year. Examined the underlying documents such as sales invoices/ contracts and dispatch/ shipping documents for the selected transactions. Assessed manual journals posted in revenue ledger to identify any unusual items.

Standalone Financial Statements



Key audit matter 2

See Note 3 to standalone financial statements

Significant estimates and judgment relating to capitalisation of property, plant and equipment (PPE)	How the matter was addressed in our audit
<p>As disclosed in Note 3 to the standalone Ind AS financial statements, as at March 31, 2023 the net additions of property, plant and equipment including capital work-in-progress is INR 76,279 lakhs.</p> <p>The Company has incurred significant capital expenditure mainly on expansion at its manufacturing plants.</p> <p>With regard to the capitalisation, the management evaluates the costs incurred and applies judgement to identify costs that are eligible for capitalisation and consequent allocation to specific class of PPE such that capitalization of PPE and capital work-in-progress (CWIP) meets the specific recognition criteria under Ind AS 16, 'Property, Plant and Equipment'.</p> <p>As a result, we considered it to be a key audit matter, considering the judgement and significance of amounts involved.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> Assessed the appropriateness of accounting policy for PPE as per the relevant accounting standard. Evaluated and tested the design, implementation and operating effectiveness of internal controls with respect to the capitalization of PPE. Tested the direct and indirect costs capitalised, on a sample basis, with the underlying documents to verify nature of costs and basis for allocation, where applicable, and evaluated whether they meet the recognition criteria. Compared the capital expenditure incurred during the year, on a test check basis, with that budgeted to examine whether the capital expenditure projects were completed in accordance with budgets.

Key audit matter 3

See Note 5 to standalone financial statements

Significant estimates and judgment relating to capitalisation of intangible assets and impairment assessment	How the matter was addressed in our audit
<p>As disclosed in Note 5 to the standalone Ind AS financial statements, as at March 31, 2023 the net additions to Intangible assets including Intangible assets under development is INR 1,893 lakhs.</p> <p>Intangible assets and Intangible assets 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 accordance with Ind AS 38 "Intangible Assets".</p> <p>In addition, determining whether there is any indication of impairment of the carrying value of intangible assets and Intangible assets under development, requires management judgment and assumptions which are affected by future market or economic developments. Given the level of estimation and judgement required and the significance of amounts involved, we considered it to be a key audit matter.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> Assessed the appropriateness of accounting policy for capitalisation and impairment of intangible assets and intangible assets under development as per the relevant accounting standard. Examined the nature of expenditure considered in intangible assets capitalised by the Company and the intangible assets under development to verify that the assets capitalised meets the recognition criteria set out in Ind AS 38. Evaluated and tested the design, implementation and operating effectiveness of internal controls with respect to the capitalization and also for impairment of intangible assets and intangible assets under development. Compared the capital expenditure incurred during the year, on a test check basis, with that budgeted to examine whether the capital expenditure projects were completed in accordance with budget. Obtained and examined management's assessment whether there is any indication of impairment of intangible assets and Intangible assets under development from management. Assessed the reliability of the financial projections prepared by the Company by comparing projections for previous financial years with actual results realized and analysis of significant variances, if any.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and auditor's report thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Management's and Board of Directors' Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows 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. 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 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 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 financial statements, the Management and Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 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 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 the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements 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 standalone 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 financial statements, including the disclosures, and whether the standalone 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 financial statements of the current period 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. The standalone financial statements of the Company for the year ended 31 March 2022 were audited by the predecessor auditor who had expressed an unmodified opinion on 5 May 2022.

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 Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. A. 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 standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none

of the directors is disqualified as on 31 March 2023 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 financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. 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, in our opinion and to the best of our information and according to the explanations given to us:
 - a. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its standalone financial statements - Refer Note 38 to the standalone financial statements.
 - b. 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 41 to the standalone financial statements.
 - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - d. (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 47(v) to the standalone financial statements, 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 person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, 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 on behalf of the Ultimate Beneficiaries.
 - (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 47(vi) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), 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 Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (iii) Based on the 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 there presentations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

- e. As stated in Note 17 to the standalone financial statements, the Board of Directors of the Company has 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.
- f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.
- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid/payable by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid/payable to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Sadashiv Shetty
Partner

Place: Mumbai
Date: 04 May 2023
Membership No.: 048648
ICAI UDIN:23048648BGWAMU8340

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of CEAT Limited

for the year ended 31 March 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section 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 intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, 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 inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments in companies, in respect of which the requisite information is as below. The Company has not made any investments in firms, limited liability partnership or any other parties.
- (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) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made during the year are, prima facie, not prejudicial to the interest of the Company. 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) According to the information and explanations given to us and based on the audit procedures conducted by us, 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) According to the information and explanations given to us and based on the audit procedures conducted by us, 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) According to the information and explanations given to us and based on the audit procedures conducted by us, 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)(e) of the Order is not applicable to the Company.

- (f) According to the information and explanations given to us and based on the audit procedures conducted by us, 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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.
- (v) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has complied with the provisions of Sections 73 to 76 or other relevant provisions of the Act and the rules framed thereunder where applicable and the directives issued by the Reserve Bank of India as applicable, with regard to deposits or amounts which are deemed to be deposits. As informed to us, there have been no proceedings before the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal in this matter and no order has been passed by any of the aforesaid authorities in this regard.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited with the appropriate authorities, though there have been slight delays in a few cases of profession tax and provident fund.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

Name of the statute	Nature of the dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Direct Tax	Income Tax, Interest, penalty	1,131	1989-90, 1990-91, 1991-92, 2011-12 & 2013-14	High Court	
Direct Tax	Income Tax, Interest, penalty	7,182	1998-99, 1999-00, 2000-01, 2001-02, 2007-08, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17, 2017-18, 2018-19, 2019-20, 2020-21, 2021-22	CIT (Appeals)	
Direct Tax	Income Tax, Interest, penalty	80	2017-2019	Indonesian Tax Authorities	
Sales Tax, VAT, CST	Tax/Interest and Penalty	1,687	1995-2018	Tribunal Appeal	
Sales Tax, VAT, CST	Tax/Interest and Penalty	141	1995-2018	High Court	
Sales Tax, VAT, CST	Tax/Interest and Penalty	1,237	1995-2018	Appellate authority	
Central/Excise/Custom Service Tax under the Finance Act 1994	Tax/Interest and Penalty	8,707	1991-2018	High Court	

Name of the statute	Nature of the dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Central/Excise/Custom Service Tax under the Finance Act 1994	Tax/Interest and Penalty	34,132	1991-2018	Appellate authority and Tribunal	
Central/Excise/Custom Service Tax under the Finance Act 1994	Tax/Interest and Penalty	900	1991-2018	Supreme Court	
Goods and service tax 2017	Tax/Interest and Penalty	13,033	2017-2021	Assistant Commissioner of CGST, Superintendent of CGST	
Goods and service tax 2017	Tax/Interest and Penalty	103	2017-2021	Appellate officer, JC Appeals	

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associate or joint ventures as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate company (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(b) In respect of ongoing projects, the Company has transferred the unspent amount to a Special Account within a period of 30 days from the end of the financial year in compliance with Section 135(6) of the said Act, except in respect of the following:

Financial Year*	Amount unspent on corporate social responsibility activities for "On-going Projects"	Amount transferred to Special Account within 30 days from the end of the Financial Year	Amount transferred after the due date (specify the date of transfer)
(a) FY 2022-23	(b) ₹ 206 lakhs	(c) ₹ 206 lakhs	(d) -

(*For current year and for the previous year/(s) for which the amount remains unspent)

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Sadashiv Shetty
Partner

Membership No.: 048648
ICAI UDIN:23048648BGWAMU8340

Place: Mumbai
Date: 04 May 2023

Annexure B to the Independent Auditor's Report on the standalone financial statements of CEAT Limited

for the year ended 31 March 2023

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of CEAT Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the company considering the essential components of internal control stated in the Guidance Note. 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 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 Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 financial statements were 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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 standalone 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 financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include 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 standalone 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 standalone financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Sadashiv Shetty

Partner

Place: Mumbai
Date: 04 May 2023
Membership No.: 048648
ICAI UDIN: 23048648BGWAMU8340

Standalone Balance Sheet

as at March 31, 2023

(₹ in Lacs)

Particulars	Note	As at March 31, 2023 Audited	As at March 31, 2022 Audited
I Assets			
(1) Non-current assets			
(a) Property, plant and equipment	3	5,71,612	5,01,628
(b) Capital work-in-progress	3	50,931	76,159
(c) Right-of-use asset	4	29,203	22,457
(d) Intangible assets	5	8,780	8,809
(e) Intangible assets under development	5	2,748	4,661
(f) Financial assets			
(i) Investments	6	13,027	12,602
(ii) Other financial assets	7	812	959
(g) Non-current tax assets (net)	21	1,414	5,855
(h) Other non-current assets	8	4,719	5,588
Total non-current assets (1)		6,83,246	6,38,718
(2) Current assets			
(a) Inventories	9	1,12,408	1,28,651
(b) Financial assets			
(i) Trade receivables	10	1,30,283	1,15,287
(ii) Cash and cash equivalents	11	5,024	1,300
(iii) Bank balances other than (ii) above	12	289	367
(iv) Other financial assets	13	4,287	6,381
(c) Other current assets	14	11,376	5,386
Total current assets (2)		2,63,667	2,57,372
Total assets [(1) + (2)]		9,46,913	8,96,090
II Equity And Liabilities			
(1) Equity			
(a) Equity share capital	15	4,045	4,045
(b) Other equity	16	3,30,515	3,10,982
Total equity (1)		3,34,560	3,15,027
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	1,44,056	1,71,916
(ii) Lease liabilities	4	13,055	8,047
(iii) Other financial liabilities	19	1,881	4,163
(b) Provisions	20	4,730	4,114
(c) Deferred tax liabilities (net)	21	37,998	30,795
Total non-current liabilities (2)		2,01,720	2,19,035
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	62,517	35,224
(ii) Lease liabilities	4	7,222	5,162
(iii) Trade payables	23		
- Total outstanding dues of micro enterprises and small enterprises		8,128	8,044
- Total outstanding dues of creditors other than micro enterprises and small enterprises		2,18,955	2,07,456
(iv) Other financial liabilities	24	83,737	80,837
(b) Other current liabilities	25	15,036	11,454
(c) Provisions	20	14,034	12,479
(d) Current tax liabilities (net)	21	1,004	1,372
Total current liabilities (3)		4,10,633	3,62,028
Total equity and liabilities [(1) + (2) + (3)]		9,46,913	8,96,090
Significant accounting policies	2		

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No: 101248W/W-100022

Sadashiv Shetty
Partner
Membership Number : 048648
Place: Mumbai
Date: May 04, 2023

Kumar Subbiah
Chief Financial Officer

Vallari Gupte
Company Secretary

Place: Mumbai
Date: May 04, 2023

**For and on behalf of Board of Directors of
CEAT Limited**

H.V.Goenka
Chairman
[DIN: 00026726]

Arnab Banerjee
Managing Director
[DIN:06559516]

Anant Goenka
Vice-Chairman
[DIN: 02089850]

Mahesh Gupta
Chairman-Audit Committee
[DIN:00046810]

Standalone Statement of Profit and Loss

for the year ended March 31, 2023

(₹ in Lacs)

Particulars	Note	2022-23	2021-22
Revenue from operations	26	11,26,326	9,31,263
Other income	27	3,866	2,819
I Total income		11,30,192	9,34,082
Expenses			
Cost of materials consumed	28	7,35,074	6,18,690
Purchases of stock-in-trade		990	756
Changes in inventories of finished goods, stock-in-trade and work-in-progress	29	(499)	(18,234)
Employee benefit expense	30	72,536	68,426
Finance costs	31	23,904	20,397
Depreciation and amortisation expenses	32	46,925	43,514
Other expenses	33	2,20,499	1,91,518
II Total expenses		10,99,429	9,25,067
III Profit before exceptional items and tax		30,763	9,015
IV Exceptional items	34	3,342	1,291
V Profit before tax		27,421	7,724
VI Tax expense	21		
Current tax		(368)	(1,810)
Deferred tax		7,162	4,101
VII Profit for the year		20,627	5,433
VIII Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurements gains / (losses) on defined benefit plans		(990)	592
(ii) Income tax relating to above		249	(149)
(iii) Items that will be reclassified to profit or loss			
(a) Effective portion of gains (losses) on hedging instruments in cash flow hedges		1,150	(56)
(iv) Income tax relating to above		(289)	14
Other comprehensive income / (loss) for the year		120	401
IX Total Comprehensive Income for the year (Comprising profit and other comprehensive income / (loss) for the year)		20,747	5,834
X Earnings per equity share (of face value of ₹ 10 each)	36		
(a) Basic (in ₹)		50.99	13.43
(b) Diluted (in ₹)		50.99	13.43
Significant accounting policies	2		

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No: 101248W/W-100022

Sadashiv Shetty
Partner
Membership Number : 048648
Place: Mumbai
Date: May 04, 2023

Kumar Subbiah
Chief Financial Officer

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**For and on behalf of Board of Directors of
CEAT Limited**

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Chairman
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Managing Director
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Anant Goenka
Vice-Chairman
[DIN: 02089850]

Mahesh Gupta
Chairman-Audit Committee
[DIN:00046810]

Standalone Statement of Cash Flow

for the year ended March 31, 2023

(₹ in Lacs)

Particulars	2022-23	2021-22
I CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	27,421	7,724
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortization expenses	46,925	43,514
Interest income	(778)	(256)
Finance costs	23,904	20,397
Dividend income	(2,255)	(1,729)
Provision/(Reversal) for obsolescence of stores and spares	(6)	(85)
Allowance/(Reversal) for doubtful debts and advances	69	(338)
(Profit) / Loss on disposal of property, plant and equipment (net)	(48)	1,072
(Gain)/ loss arising on investments measured at fair value through profit or loss	(14)	(13)
Unrealised foreign exchange (gain) / loss (net)	711	(81)
Unrealised Losses due to fluctuations in Sri Lanka currency	-	332
Operating profit before working capital changes	95,929	70,537
Adjustments for :		
Decrease / (Increase) in inventories	16,249	(17,316)
Decrease / (Increase) in trade receivables	(15,043)	(22,689)
Decrease / (Increase) in other current assets and other current financial assets	(3,794)	1,195
Decrease / (Increase) in other non-current assets and other non-current financial assets	(81)	(243)
(Decrease) / Increase in trade payables	10,245	32,030
(Decrease) / Increase in current financial liabilities and other current liabilities	12,395	(723)
(Decrease) / Increase in non-current financial liabilities	-	(11)
(Decrease) / Increase in current provisions	565	2,313
(Decrease) / Increase in non-current provisions	616	(380)
Cash flows from operating activities	1,17,081	64,713
Income taxes (paid) / refund	4,442	(1,480)
Net cash flow generated from operating activities (I)	1,21,523	63,233
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)	(88,916)	(95,869)
Proceeds from sale of property, plant and equipment	124	290
Withdrawal/(Investment) of margin money deposit with banks	95	35
Changes in other bank balances	78	228
Investment in subsidiaries	(61)	-
Purchase of other non current investments	(350)	(778)
Interest received	778	256
Dividend received	2,255	816
Net cash flow (used in) investing activities (II)	(85,997)	(95,022)

Standalone Statement of Cash Flow

for the year ended March 31, 2023

(₹ in Lacs)

Particulars	2022-23	2021-22
III CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(20,615)	(19,129)
Proceeds / (repayment) of short-term borrowings (net)	586	21,361
Proceeds from long-term borrowings	15,487	51,622
Repayment of long-term borrowings	(16,640)	(5,551)
Payment of Lease Liabilities	(9,357)	(9,710)
Dividend paid	(1,263)	(7,460)
Net cash flows (used in)/ generated from financing activities (III)	(31,802)	31,133
Net increase / (decrease) in cash and cash equivalents (I + II + III)	3,724	(656)
Cash and cash equivalents at the beginning of the year	1,300	1,956
Cash and cash equivalents at the end of the year	5,024	1,300

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No: 101248W/W-100022

Sadashiv Shetty
Partner
Membership Number : 048648
Place: Mumbai
Date: May 04, 2023

Kumar Subbiah
Chief Financial Officer

Vallari Gupte
Company Secretary

Place: Mumbai
Date: May 04, 2023

**For and on behalf of Board of Directors of
CEAT Limited**

H.V.Goenka
Chairman
[DIN: 00026726]

Arnab Banerjee
Managing Director
[DIN:06559516]

Anant Goenka
Vice-Chairman
[DIN: 02089850]

Mahesh Gupta
Chairman-Audit Committee
[DIN:00046810]

Standalone Statement of Changes in Equity

for the year ended March 31, 2023

A. Equity Share Capital

Particulars	As at	
	March 31, 2023	March 31, 2022
Balance as at beginning of the year	4,045	4,045
Changes in the equity share capital due to prior period errors	-	-
Restated balance as at the beginning of the year	4,045	4,045
Changes in the equity share capital during the year	-	-
Balance as at the end of the year	4,045	4,045

b. Other Equity

Particulars	Reserves & Surplus				Item of Other Comprehensive income (OCI)		Total Reserves & surplus & surplus
	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))	Effective portion of cash flow hedges (refer note 16(d))	
As at April 01, 2021	56,703	1,177	390	25,178	2,29,694	(713)	3,12,429
Profit for the year	-	-	-	-	5,433	-	5,433
Other comprehensive income/(loss)	-	-	-	-	443	(42)	401
Total comprehensive income	-	-	-	-	5,876	(42)	5,834
Payment of dividend (refer note 17)	-	-	-	-	(7,281)	-	(7,281)
As at March 31, 2022	56,703	1,177	390	25,178	2,28,289	(755)	3,10,982

Standalone Statement of Changes in Equity

for the year ended March 31, 2023

b. Other Equity

Particulars	Reserves & Surplus					Item of Other Comprehensive income (OCI)	Total Reserves & surplus
	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))	Effective portion of cash flow hedges (refer note 16(d))	
Profit for the year	-	-	-	-	20,627	-	20,627
Other comprehensive income/(loss)	-	-	-	-	(741)	861	120
Total comprehensive income	-	-	-	-	19,886	861	20,747
Payment of dividend (refer note 17)	-	-	-	-	(1,214)	-	(1,214)
As at March 31, 2023	56,703	1,177	390	25,178	2,46,961	106	3,30,515

Refer note no. 16- Other equity

The accompanying notes are an integral part of the standalone financial statements.

For and on behalf of Board of Directors of CEAT Limited

As per our report of even date
For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No: 101248W/W-100022

Kumar Subbiah
Chief Financial Officer

H.V.Goenka
Chairman
[DIN: 00026726]

Anant Goenka
Vice-Chairman
[DIN: 02089850]

Sadashiv Shetty
Partner
Membership Number : 048648
Place: Mumbai
Date: May 04, 2023

Vallari Gupte
Company Secretary

Arnab Banerjee
Managing Director
[DIN:06559516]

Mahesh Gupta
Chairman-Audit Committee
[DIN:00046810]

Place: Mumbai
Date: May 04, 2023

Notes to Standalone Financial Statements

for the year ended March 31, 2023

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 approved for issue in accordance with a resolution of the Board of Directors on May 4th, 2023.

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 Basis of 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
- Investment in others (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 from operation & other income

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 Standalone Financial Statements

for the year ended March 31, 2023

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. Sales related obligations). 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 in statement of profit and loss as per income approach 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 on accrual basis.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

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 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.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

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 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. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. The cost of property, plant and equipment at 1 April 2015, the company's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

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 which may not be necessarily in the alignment with the useful lives prescribed by schedule II to the Companies Act, 2013. 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
Plant & Equipment	1 year - 20 years
Furniture & Fixture	1 Year - 10 years
Vehicle	8 years
Office Equipment	1 Year- 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. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. The cost of intangible assets at 1 April 2015, the Company's date of transition to Ind AS, was determined with reference to its carrying value recognized as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

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.

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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.

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	1 Year – 6 years
Brand (refer 2.8.1)	20 years
Technical know-how (refer 2.8.1)	20 years
Product development (refer 2.8.2)	6 - 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 charged to P&L as and when they are 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.

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 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

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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 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
Land	95 Years
Others (includes buildings & Plant & machinery)	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.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

2.10.2 Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of future 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 on item by item basis.

The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. 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.

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- 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 and stores & spares 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 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.

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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.

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.

2.14.1.1 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.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

2.14.2 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) except for trade receivables

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without financing component which are measured at transaction price, 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.

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 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:

- Trade receivables
- Financial assets measured at amortised cost (other than trade receivables)
- 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

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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.

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.

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

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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.

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.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and Loss at the reclassification date.

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.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

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 or 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.

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. For the purpose of cash flow statement, Cash & Cash equivalent consists of cash & short term deposits

Notes to Standalone Financial Statements

for the year ended March 31, 2023

as defined above. The Cash flow statement is prepared using indirect method.

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 shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

2.20 Segment Reporting

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 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 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 43
- Measurement of lease liabilities and right-of-use asset – note 4

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note 3: Property, plant and equipment and Capital work-in-progress

Refer note 2.7 for accounting policy on Property, plant and equipment

(₹ in Lacs)

Particulars	Freehold land	Buildings	Plant and Equipment (Owned)	Furniture and Fixtures	Vehicles	Office equipments	Capital work in progress	Total
Gross carrying amount								
As at April 01, 2021	48,524	72,159	4,19,731	2,490	744	1,853	70,288	6,15,789
Additions	-	9,630	77,742	336	56	507	94,157	1,82,428
Disposals	-	(8)	(2,024)	(0)	(20)	(4)		(2,056)
Capitalised							(88,286)	(88,286)
As at March 31, 2022	48,524	81,781	4,95,449	2,826	780	2,356	76,159	7,07,875
Additions	137	9,559	95,299	388	92	340	80,587	1,86,402
Disposals	-	(67)	(4,140)	(21)	(16)	(64)		(4,308)
Capitalised							(1,05,815)	(1,05,815)
As at March 31, 2023	48,661	91,273	5,86,608	3,193	856	2,632	50,931	7,84,154
Accumulated Depreciation								
As at April 01, 2021	-	8,282	89,357	941	526	910	-	1,00,016
Depreciation for the year	-	2,387	28,505	243	75	302	-	31,512
Disposals	-	(6)	(1,411)	(0)	(19)	(4)	-	(1,440)
As at March 31, 2022	-	10,663	1,16,451	1,184	582	1,208	-	1,30,088
Depreciation for the year	-	2,581	31,575	277	44	331	-	34,808
Disposals	-	(34)	(3,160)	(16)	(14)	(61)	-	(3,285)
As at March 31, 2023	-	13,210	1,44,866	1,445	612	1,478	-	1,61,611
Net Book Value:								
As at March 31, 2022	48,524	71,118	3,78,998	1,642	198	1,148	76,159	5,77,787
As at March 31, 2023	48,661	78,063	4,41,742	1,748	244	1,154	50,931	6,22,543

Net carrying amount

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Property, plant and equipment	5,71,612	5,01,628
Capital work in progress	50,931	76,159

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Capital work in progress (CWIP) Ageing Schedule

As at March 31, 2023

(₹ in Lacs)

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	30,226	14,494	1,325	4,886	50,931
Total	30,226	14,494	1,325	4,886	50,931

As at March 31, 2022

(₹ in Lacs)

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	76,159
Total	51,979	8,743	8,655	6,782	76,159

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.

- 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.

(₹ in Lacs)

Particulars	Note	2022-23	2021-22
Finance cost	31	2,000	1,790
Professional and consultancy charges	33	102	140
Miscellaneous expenses	33	253	235
Employee benefit expenses	30	1,200	1,234
Travelling and conveyance	33	142	104
Total		3,697	3,503

- As a part of ongoing expansion project at Halol (Phase III), during the year the Company has capitalised and commissioned assets of ₹ 9,548 lacs (March 31, 2022: ₹ 8,170 lacs).
- As a part of ongoing expansion project at Nagpur, during the year the Company has capitalised and commissioned assets of ₹ 13,231 lacs (March 31, 2022: ₹ 5,437 lacs).
- As a part of ongoing green field project at Chennai, during the year the Company has capitalised and commissioned assets of ₹ 31,708 lacs (March 31, 2022: ₹ 40,165 lacs).
- As a part of ongoing expansion project at Ambarnath (Phase II), during the year the Company has capitalised and commissioned of ₹ 13,505 lacs (March 31, 2022: ₹ 11,625 lacs).
- The amount of borrowing cost capitalised during the year ended March 31, 2023 is ₹ 2,000 lacs (March 31, 2022: ₹ 1,790 lacs). The rates used to determine the amount of borrowing cost eligible for capitalisation was in the range of 5% to 7.34% (March 31, 2022: 6.50% to 7.25%) which is the effective interest rate of specific borrowings.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

7. Refer notes 18 and 22 for details on pledges and securities.

8. During the year, the Company has reclassified leasehold land from Property, plant and equipment to Right-of-use asset to appropriately reflect nature of asset and accordingly the comparative amount of previous year of ₹ 10,078 Lacs has also been reclassified.

Note 4: Leases

Refer note 2.10 for accounting policy on Leases

Note 4(a): Right-of-use assets

(₹ in Lacs)

Particulars	As at March 31, 2023				As at March 31, 2022			
	Building	Land	Others *	Total	Building	Land	Others *	Total
Opening net carrying balance	6,525	10,078	5,854	22,457	788	10,196	9,995	20,979
Additions during the year	4,471	9	10,525	15,005	10,091	15	-	10,106
Depreciation	(4,133)	(133)	(3,993)	(8,259)	(4,354)	(133)	(4,141)	(8,628)
Total	6,863	9,954	12,386	29,203	6,525	10,078	5,854	22,457

* 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

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening net carrying balance	13,209	11,497
Additions	14,995	10,091
Accretion of interest (refer note 31)	1,420	1,331
Payments	(9,347)	(9,710)
Total	20,277	13,209

Notes:

- The rate used for discounting is in range of 7-10%.
- 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.

- During the year, the Company has reclassified leasehold land from Property, plant and equipment to Right-of-use asset to appropriately reflect nature of asset and accordingly the comparative amount of previous year of ₹ 10,078 Lacs has also been reclassified.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note 4(b): Lease liabilities (Contd..)

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current lease liabilities	13,055	8,047
Current lease liabilities	7,222	5,162

Note 5: Intangible assets

Refer note 2.8 for accounting policy on Intangible assets

(₹ in Lacs)

Particulars	Software	Brand	Technical Know-how	Product development	Intangible assets under development	Total
Gross carrying amount						
As at April 01, 2021	9,836	4,404	704	5,101	77	20,122
Additions	2,130	-	-	199	6,913	9,242
Capitalised	-	-	-	-	(2,329)	(2,329)
As at March 31, 2022	11,966	4,404	704	5,300	4,661	27,035
Additions	2,594	-	-	1,238	1,919	5,751
Disposal	(26)	-	-	-	-	(26)
Capitalised	-	-	-	-	(3,832)	(3,832)
As at March 31, 2023	14,534	4,404	704	6,538	2,748	28,928
Accumulated amortization						
As at April 01, 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
Amortisation for the year	2,896	289	47	625	-	3,857
Disposal	(22)	-	-	-	-	(22)
As at March 31, 2023	11,395	2,215	347	3,443	-	17,400
Net Book Value:						
As at March 31, 2022	3,445	2,478	404	2,482	4,661	13,470
As at March 31, 2023	3,139	2,189	357	3,095	2,748	11,528

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Intangible assets	8,780	8,809
Intangible assets under development	2,748	4,661

Intangible assets under development (IAUD) Ageing Schedule

As at March 31, 2023

(₹ 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	849	602	487	810	2,748
Total	849	602	487	810	2,748

Notes to Standalone Financial Statements

for the year ended March 31, 2023

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
Total	2,161	1,509	991	-	4,661

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	As at March 31, 2023	As at March 31, 2022
Non-current			
Unquoted equity shares (at cost) (Non Trade)			
Investment in Subsidiaries			
1,00,00,000 (March 31, 2022: 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, 2022: 10,49,99,994) equity shares of CEAT AKKHAN Limited	10 Taka	3,717	3,717
94,16,350 (March 31, 2022: 94,16,350) equity shares of Rado Tyres Limited	₹ 4	9	9
400 (March 31, 2022 : 400) equity shares of CEAT Specialty Tires INC.	1 \$	26	26
50,000 (March 31, 2022 : 50,000) equity shares of CEAT Specialty Tyres BV	1 Euro	40	40
10,000(March 31, 2022 : NIL) equity shares of CEAT Auto Components Limited	₹ 10	1	-
6,00,000 (March 31, 2022 : NIL) equity shares of Taabi Mobility Limited	₹ 10	60	-
Investment in Associates (at cost)			
100 (March 31, 2022: 100) equity shares of TYRESNMORE Online Pvt Limited	₹ 1	1	1
Unquoted preference shares (Non Trade)			
Investment in Subsidiaries (at amortised cost)			
15,10,000 (March 31, 2022: 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, 2022: 1,07,797) 0.001% compulsory convertible preference shares of Tyresnmore Online Private Limited	₹ 1	1,638	1,638
Total 6(a)		11,360	11,299

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note 6(b): Investments

Refer note 2.15 for accounting policy on Financial instruments

(₹ in Lacs)

Particulars	Face Value	As at March 31, 2023	As at March 31, 2022
Investment in Others			
(at fair value through profit and loss)			
16,95,000 (March 31, 2022: 16,95,000) equity shares of Bhadreshwar Vidyut Private Limited (formerly known as OPGS Power Gujarat Private Limited)	₹ 0.19	3	3
7,129 (March 31, 2022: 7,129) 0.001% Compulsorily Convertible Preference shares of E-Fleet Systems Private Limited	₹ 10	426	412
10 (March 31, 2022: 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	60
33,69,600 (March 31, 2022: 33,69,600) equity shares of TP Akkalkot Renewable limited	₹ 10	337	337
10,50,001 (March 31, 2022: 6,12,501) equity shares of Greenzest Solar Private Limited	₹ 10	840	490
Total 6(b)		1,667	1,303
Total [6(a) + 6(b)]		13,027	12,602

- a) During the year, the Company has reclassified the investment in equity shares of Greenzest Solar Private Limited from investment in associates to investment in others to appropriately reflect nature of asset and accordingly the comparative amount of previous year of ₹ 490 Lacs has also been reclassified.

Information about subsidiaries

(₹ in Lacs)

Name and principle business	Country of Incorporation	Proportion (%) of equity interest	
		As at March 31, 2023	As at March 31, 2022
CEAT Specialty Tires INC. - Marketing Support Services	USA	100.00	100.00
CEAT Specialty Tyres BV - 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
CEAT Auto Components Limited- Manufacturing auto components	India	100.00	-
Taabi Mobility Limited- Providing fleet management services	India	100.00	-

Information about associate

(₹ in Lacs)

Name and principle business	Country of Incorporation	Proportion (%) of equity interest	
		As at March 31, 2023	As at March 31, 2022
TYRESNMORE Online Pvt Ltd - Trading of tyres, tubes and flaps	India	49.83*	49.83*

*Includes compulsory convertible preference shares (potential voting right)

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note 7: Other financial assets

Refer note 2.15 for accounting policy on Financial instruments

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Unsecured, considered good		
Derivative financial instrument	11	-
At amortised cost		
Security deposits	697	760
Security deposits (related parties) (refer note 39)	100	100
Margin money deposits (refer foot note a)	4	99
Unsecured, considered doubtful		
Security deposits	88	98
Receivables from subsidiaries (refer note 39)	209	209
Less : Allowance for doubtful deposits	(88)	(98)
Less: Allowance for doubtful receivables	(209)	(209)
Total	812	959

Notes:

- The margin deposits are for bank guarantees given to statutory authorities.
- Refer note 42 of information about fair value measurement.

Note 8: Other non-current assets

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Capital advances	2,510	3,523
Security deposits with statutory authorities	2,209	2,065
Unsecured, considered doubtful		
Balances with government authorities and agencies	192	192
Less: Allowance for doubtful balances	(192)	(192)
Total	4,719	5,588

Note 9: Inventories

Refer note 2.11 for accounting policy on Inventories

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Raw materials	37,070	55,791
Goods in transit	4,567	2,364
	41,637	58,155
b) Work-in-progress	7,919	7,885
c) Finished goods	60,801	60,362
d) Stock in trade	198	172
e) Stores and spares	1,820	2,042
Goods in transit	33	35
	1,853	2,077
Total	1,12,408	1,28,651

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note 9: Inventories (Contd..)

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Details of finished goods		
Automotive tyres	53,381	52,936
Tubes and others	7,420	7,426
Total	60,801	60,362

Notes:

- During the financial year 2022-23, ₹ 3329 lacs (March 31, 2022: ₹ 2,506 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 details on pledges and securities.
- Inventories of finished goods have been reduced by ₹ 182 Lacs (31 March 2022: ₹ 311 Lacs) as a result of the write-down to net realisable value.

Note 10: Trade receivables

Refer note 2.15 for accounting policy on Financial instruments

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables from others	1,29,551	1,11,972
Trade receivables from related parties (refer note 39)	732	3,315
Total receivables	1,30,283	1,15,287

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Break-up for security details		
Secured, considered good (refer foot note a)	20,429	35,512
Unsecured, considered good	1,09,766	79,731
Trade Receivables which have significant increase in credit risk	175	88
Trade Receivables - credit impaired	1,147	1,311
	1,31,517	1,16,642
Less: Allowance for doubtful debts	(1,234)	(1,355)
Total	1,30,283	1,15,287

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
The movement in allowance for doubtful debts is as follows:		
Balance as at beginning of the year	1,355	1,598
Change in allowance for doubtful debts	70	(224)
Trade receivables written off during the year	(191)	(19)
Balance as at end of the year	1,234	1,355

- 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.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note 10: Trade receivables (Contd..)

- c) For terms and conditions relating to related party receivables, refer note 39.
- d) Trade receivables are non-interest bearing within the credit period which is generally 27 to 60 days.
- e) Refer note 44(b) for information about credit risk of Trade receivables.
- f) Refer note 22 for details on pledges and securities.

(₹ in Lacs)

Trade receivables ageing as on March 31, 2023	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 year	
Undisputed Trade Receivables - considered good	1,26,751	3,444	-	-	-	-	1,30,195
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	175	-	-	-	175
Undisputed Trade receivable - credit impaired	-	-	-	110	56	501	667
Disputed Trade receivables - credit impaired	-	-	-	3	56	421	480
Total	1,26,751	3,444	175	113	112	922	1,31,517

(₹ in Lacs)

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

Note 11: Cash and cash equivalents

Refer note 2.16 for accounting policy on cash and cash equivalents

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with Banks		
On current accounts	3,047	451
Cheques on hand	1,875	847
On Deposit accounts	100	-
Cash on hand	2	2
Cash and cash equivalent as per statement of cash flow	5,024	1,300

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Changes in liabilities arising from financing activities

(₹ in Lacs)

Particulars	Current borrowings	Non- current borrowings	Interest accrued but not due on borrowing
March 31, 2021	53	1,39,655	1,307
Interest accrued during the year			19,169
Cash flows	21,361	46,071	(19,129)
March 31, 2022	21,414	1,85,726	1,347
Interest accrued during the year			22,510
Cash flows	586	(1,153)	(20,615)
March 31, 2023	22,000	1,84,573	3,242

- a) Refer note 4(b) for changes in lease liabilities arising from financing activities

Note 12: Bank balances other than cash and cash equivalents

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances held for unclaimed public fixed deposit and interest thereon (refer foot note a)	7	36
Balances unclaimed dividend accounts (refer foot note b)	282	331
Total	289	367

Notes

- a) These balances are available for use only towards settlement of matured deposits and interest on deposits. Also includes ₹ 0.20 lacs (March 31, 2022 ₹ 0.20 lacs) outstanding for a period exceeding seven years, in respect of which a Government agency has directed the Company to hold.
- b) These balances are available for use only towards settlement of corresponding unpaid dividend liabilities. The sum also includes ₹ 1.04 lacs (March 31, 2022 ₹ 1.03 lacs) outstanding for a period exceeding seven years retained in accordance with the provisions of Section 6(3) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

Note 13: Other financial assets

Refer note 2.15 for accounting policy on Financial instruments

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Unsecured, considered good		
At fair value through other comprehensive income		
Derivative financial instrument	102	-
At amortised cost		
Advance receivable in cash	418	357
Other receivables	3,523	5,478
Interest receivable	1	1
Receivable from related parties (refer note 39)	231	545
Unamortised premium on forward contract	12	-
Total	4,287	6,381

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note 14: Other current assets

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Advance receivable in kind or for value to be received	4,152	581
Balance with government authorities	2,785	2,211
Advance to employees	28	30
Prepaid Expense	4,411	2,564
Unsecured, considered doubtful		
Advance receivable in kind or for value to be received	104	99
Less: Allowance for advance receivable in kind or for value to be received	(104)	(99)
Total	11,376	5,386

Note 15: Equity share capital

(₹ in Lacs)

Authorised share capital	Equity shares (Face value ₹ 10)		Preference Shares (Face value ₹ 10)		Unclassified Shares (Face value ₹ 10)	
	Numbers	₹ in lacs	Numbers	₹ in lacs	Numbers	₹ in lacs
At April 01, 2021	7,51,50,000	7,515	39,00,000	390	1,00,00,000	1,000
Changes during the year	-	-	-	-	-	-
At March 31, 2022	7,51,50,000	7,515	39,00,000	390	1,00,00,000	1,000
Changes during the year	-	-	-	-	-	-
At March 31, 2023	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

(₹ in Lacs)

Issued share capital	Numbers	₹ in lacs
At April 01, 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
Allotted during the year	-	-
At March 31, 2023 (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

(₹ in Lacs)

Subscribed and Paid-up share capital	Numbers	₹ in lacs
At April 01, 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
Allotted during the year	-	-
At March 31, 2023 (refer foot note a)	4,04,50,092	4,045

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note 15: Equity share capital (Contd..)

a) Includes 688 (March 31, 2022 - 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

(₹ in Lacs)

Name of the shareholders	As at March 31, 2023		As at March 31, 2022	
	Numbers	% holding in the class	Numbers	% holding in the class
Equity shares of ₹ 10 each fully paid				
Instant Holdings Limited	1,19,35,259	29.51%	1,19,15,259	29.46%
Swallow Associates LLP	44,84,624	11.09%	44,84,624	11.09%
Amansa Holdings Pvt Limited	35,75,399	8.84%	37,07,695	9.17%
Mirae Asset Emerging Bluechip Fund	14,71,366	3.64%	26,06,341	6.44%

d) As per the records of the Company as at March 31, 2023 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 preceding March 31, 2023

f) Details of shares held by promoter

(₹ in Lacs)

Promoter Name	As at March 31, 2023			As at March 31, 2022		
	No. of shares	% of Total Shares	% Change during the year	No. of shares	% of Total Shares	% Change during the year
Promoter						
1. Anant Vardhan Goenka	14,185	0.04%	0.00%	14,185	0.04%	0.00%
2. Harsh Vardhan Goenka	1,33,934	0.33%	0.00%	1,33,934	0.33%	0.00%
Subtotal (a)	1,48,119	0.37%	0.00%	1,48,119	0.37%	0.00%
Promoter Group						
3. Radha Anant Goenka	10	0.00%	0.00%	10	0.00%	0.00%
4. Mala Goenka	10	0.00%	0.00%	10	0.00%	0.00%
5. Instant Holdings Limited	1,19,35,259	29.51%	0.17%	1,19,15,259	29.46%	0.52%
6. Swallow Associates LLP	44,84,624	11.09%	0.00%	44,84,624	11.09%	0.00%
7. Stel Holdings Limited	14,80,157	3.66%	0.64%	14,70,757	3.64%	3.81%
8. Summit Securities Ltd	10,46,248	2.59%	0.97%	10,36,248	2.56%	0.00%
9. Chattarpati Apartments LLP	876	0.00%	0.00%	876	0.00%	0.00%
10. Ektara Enterprises LLP	10	0.00%	0.00%	10	0.00%	0.00%
11. Vayu Udaan Aircraft LLP	10	0.00%	0.00%	10	0.00%	0.00%
12. Sofreal Mercantrade Pvt Ltd	10	0.00%	0.00%	10	0.00%	0.00%
13. Malabar Coastal Holdings LLP	10	0.00%	0.00%	10	0.00%	0.00%
14. Atlantis Dwellings And Infrastructure LLP	10	0.00%	0.00%	10	0.00%	0.00%

Notes to Standalone Financial Statements

for the year ended March 31, 2023

f) Details of shares held by promoter (Contd..)

(₹ in Lacs)

Promoter Name	As at March 31, 2023			As at March 31, 2022		
	No. of shares	% of Total Shares	% Change during the year	No. of shares	% of Total Shares	% Change during the year
15. Sudarshan Electronics And Tv Ltd	1	0.00%	0.00%	1	0.00%	0.00%
16. Stellar Energy Trust (Harsh Vardhan Goenka in the Capacity Of Trustee)	1	0.00%	0.00%	1	0.00%	0.00%
17. Nucleus Life Trust (Harsh Vardhan Goenka in the Capacity Of Trustee)	1	0.00%	0.00%	1	0.00%	0.00%
18. Secura India Trust (Harsh Vardhan Goenka in the Capacity Of Trustee)	1	0.00%	0.00%	1	0.00%	0.00%
19. Prism Estates Trust (Harsh Vardhan Goenka in the Capacity Of Trustee)	1	0.00%	0.00%	1	0.00%	0.00%
20. AVG Family Trust (Anant Vardhan Goenka in the Capacity Of Trustee)	10	0.00%	0.00%	10	0.00%	0.00%
21. RG Family Trust (Anant Vardhan Goenka in the Capacity Of Trustee)	10	0.00%	0.00%	10	0.00%	0.00%
22. Navya Goenka Trust (Harsh Vardhan Goenka in the Capacity Of Trustee)	10	0.00%	0.00%	10	0.00%	0.00%
23. Ishann Goenka Trust (Harsh Vardhan Goenka in the Capacity Of Trustee)	10	0.00%	0.00%	10	0.00%	0.00%
Subtotal (b)	1,89,47,279	46.84%	0.21%	1,89,07,879	46.74%	0.62%
Total (a + b)	1,90,95,398	47.21%	0.21%	1,90,55,998	47.11%	0.61%

Note 16: Other equity

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
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
Effective portion of cash flow hedges (refer foot note d)	106	(755)
General reserve (refer foot note e)	25,178	25,178
Retained earnings (refer foot note f)	2,46,961	2,28,289
Total other equity	3,30,515	3,10,982

Refer Statement of Changes in Equity

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.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

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) Effective portion of cash flow hedges

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.

Note 17: Distribution made and proposed

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash dividends on equity shares declared and paid		
Final dividend for the year ended on March 31, 2022: ₹ 3/- per share (March 31, 2021: ₹ 18/- per share for the year ended on March 31, 2020)	1,214	7,281
Total	1,214	7,281

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Proposed dividends on equity shares		
Proposed dividend for the year ended on March 31, 2023: ₹ 12/- per share (March 31, 2022: ₹ 3/- per share)	4,854	1,214
Total	4,854	1,214

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.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note 18: Borrowings

(At amortised cost)

Refer note 2.15 for accounting policy on Financial instruments

(₹ in Lacs)

Particulars	Non-current		Current maturities	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Interest bearing loans and borrowings				
I. Secured				
i) Debentures				
Non-convertible debentures (refer foot note 1)	10,000	25,000	15,000	-
ii) Term loans				
Indian rupee loan from banks*				
Citi Bank N.A. (refer foot note 2)	-	10,750	10,750	6,450
Kotak Mahindra Bank (refer foot note 3)	22,785	26,233	3,448	2,998
Bank of Baroda (refer foot note 4)	53,114	57,086	3,493	3,005
State Bank of India (refer foot note 5)	24,548	33,736	7,324	855
II. Unsecured:				
i) Debentures				
Non-convertible debentures (refer foot note 1)	15,000	-	-	-
ii) Term loans from banks				
Axis Bank (refer foot note 6)	3,000	3,000	-	-
HSBC Bank (refer foot note 7)	15,000	15,000	-	-
ii) Public deposits (refer foot note 8)	0	0	-	-
iii) Deferred sales tax incentive (refer foot note 9)	609	1,111	502	502
	1,44,056	1,71,916	40,517	13,810
Less: amount classified under current borrowings (refer note 22)	-	-	(40,517)	(13,810)
Total	1,44,056	1,71,916	-	-

* Indian rupee loan from banks carries floating interest rate ranging from 4.05% p.a. to 8.75% p.a. (As on March 31, 2022: 4.75% p.a. to 7.25% p.a.)

Notes to Borrowings:

1 Non-Convertible Debentures ("NCDs") ₹ 40,000 lacs as on March 31, 2023 (March 31, 2022: ₹ 25,000 lacs) allotted on October 07, 2020 (NCD Series 1), October 13, 2020 (NCD Series 2) and September 19, 2022 (NCD Series 3) on private placement basis. First two tranches of NCDs are secured by way of first charge over movable and immovable fixed assets located at Ambarnath plant and third tranche of NCD is un-secured. As at March 31, 2023, the NCDs carry an interest at 6.40% p.a. (NCD Series 1), 7.00% p.a. (NCD Series 2) and 7.99% p.a. (NCD Series 3) and is repayable as under:

- NCD Series 1: ₹ 15,000 lacs (37.50% of the issue amount) repayable on October 06, 2023.
- NCD Series 2: ₹ 10,000 lacs (25% of the issue amount) repayable on October 13, 2025.
- NCD Series 3: ₹ 15,000 lacs (37.50% of the issue amount) repayable on September 19, 2026.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

2 Term loan from Citibank N.A. ₹ 10,750 lacs as on March 31, 2023 (March 31, 2022: ₹ 17,200 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 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 ₹ 26,250 lacs as on March 31, 2023 (March 31, 2022: ₹ 29,250 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 repayable 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 ₹ 56,711 lacs as on March 31, 2023 (March 31, 2022: ₹ 60,212 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 repayable 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%	

5 Term Loan from State Bank of India ₹ 32,116 lacs as on March 31, 2023 (March 31, 2022: ₹ 34,882 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 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%	

Notes to Standalone Financial Statements

for the year ended March 31, 2023

- 6 Term Loan from Axis Bank Ltd ₹ 3,000 lacs as on March 31, 2023 (March 31, 2022: ₹ 3,000 lacs) 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 July 2024

- 7 Term Loan from HSBC Bank Ltd ₹ 15,000 lacs as on March 31, 2023 (March 31, 2022: ₹ 15,000 lacs) 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 September 2025

- 8 Public deposits ₹ 0.20 lacs (March 31, 2022 ₹ 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.

Note 19 : Other financial liabilities

Refer note 2.15 for accounting policy on Financial instruments

Particulars	As at March 31, 2023	As at March 31, 2022
Non current		
At fair value through other comprehensive income		
Derivative financial instrument	-	80
At amortised cost		
Payable to capital vendors (refer foot note b)	1,788	3,990
Deposits	93	93
Total	1,881	4,163

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.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note 20: Provisions

Refer note 2.13 for accounting policy on Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current provisions		
(A) Provision for employee benefits		
Provision for compensated absences (Refer foot note a)	3,970	3,344
(B) Others		
Provision for sales related obligation (Refer foot note b)	655	676
Provision for decommissioning liability (Refer foot note c)	105	94
	4,730	4,114
Current provisions		
(A) Provision for employee benefits		
Provision for compensated absences (Refer foot note a)	751	636
Provision for gratuity (refer note 37b)	2,007	1,097
(B) Others		
Provision for sales related obligation (Refer foot note b)	8,873	8,349
Provision for indirect tax and labour matters (Refer foot note d)	2,403	2,397
	14,034	12,479

a) Provision for 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, 2021	4,271
Additions during the year	254
Utilised during the year	(545)
As at March 31, 2022	3,980
Additions during the year	1,281
Utilised during the year	(540)
As at March 31, 2023	4,721

b) 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, 2021	7,154
Additions during the year	11,257
Utilised during the year	(9,386)
As at March 31, 2022	9,025
Additions during the year	15,010
Utilised during the year	(14,507)
As at March 31, 2023	9,528

Notes to Standalone Financial Statements

for the year ended March 31, 2023

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)
		(₹ in Lacs)
As at April 01, 2021		85
Additions during the year		9
As at March 31, 2022		94
Additions during the year		11
As at March 31, 2023		105

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)
		(₹ in Lacs)
As at April 01, 2021		3,042
Additions during the year		16
Utilised during the year		(661)
As at March 31, 2022		2,397
Additions during the year		116
Utilised during the year		(110)
As at March 31, 2023		2,403

Note 21: Income taxes and deferred taxes

Refer note 2.6 for accounting policy on Taxes

Balance Sheet

			(₹ in Lacs)
Particulars	As at March 31, 2023	As at March 31, 2022	
Non-current tax assets (net)			
Advance payment of tax (net of provision)	1,414	5,855	
Current tax liabilities (net)			
Provision for income tax (net of advance tax)	1,004	1,372	
Deferred tax liability (net)	37,998	30,795	

Statement of Profit and Loss

			(₹ in Lacs)
Particulars	2022-23	2021-22	
Current tax	(368)	(1,810)	
Deferred tax	7,162	4,101	
Income tax expense recognised in the Statement of Profit and Loss (refer foot note b)	6,794	2,291	

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Other Comprehensive Income (OCI) section

Deferred tax related to items recognised in OCI during the year

			(₹ in Lacs)
Particulars	2022-23	2021-22	
Income tax effect on actuarial losses for gratuity	249	(149)	
Income tax effect on movement in effective portion of cash flow hedges	(289)	14	
Income tax (expense) / income charged to OCI	(40)	(135)	

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2023 and March 31, 2022:

			(₹ in Lacs)
Particulars	2022-23	2021-22	
Accounting profit before tax	27,421	7,724	
Income tax rate of 25.17% (31 March, 2022: 25.17%)	6,901	1,944	
Reversal of provision for tax of earlier years	(368)	(15)	
Others		25	
Non-deductible expenses for tax purposes			
Depreciation on revaluation	101	101	
Corporate Social Responsibility (CSR) expenses	152	202	
Other non-deductible expenses	8	34	
At the effective income tax rate of 24.78% (March 31, 2022: 29.67%)	6,794	2,291	

Deferred tax

Deferred tax relates to the following

					(₹ in Lacs)
Particulars	Balance Sheet		Statement of Profit and Loss		
	As at March 31, 2023	As at March 31, 2022	2022-23	2021-22	
Accelerated depreciation for tax purposes	(44,589)	(38,143)	6,446	4,548	
Voluntary Retirement Scheme (VRS)	1,110	860	(250)	222	
Allowance for doubtful debts/advances	421	452	31	135	
Carry forward Business loss	932	2,338	1,406	(2,338)	
Others	4,128	3,698	(471)	1,534	
Deferred tax expense/(income)			7,162	4,101	
Net deferred tax assets/(liabilities)	(37,998)	(30,795)			

Reflected in the balance sheet as follows

			(₹ in Lacs)
Particulars	As at March 31, 2023	As at March 31, 2022	
Deferred tax asset	6,591	7,349	
Deferred tax liability	(44,589)	(38,143)	
Deferred tax liability (net)	(37,998)	(30,795)	

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Reconciliation of deferred tax liabilities (net)

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance as at April 01	(30,795)	(26,560)
Tax expense during the period recognised in statement of profit and loss	(7,162)	(4,101)
Tax (expense)/income during the period recognised in other comprehensive income	(40)	(135)
Others	(1)	1
Closing balance as at March 31	(37,998)	(30,795)

Notes:

- a) 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.

Note 22: Borrowings

Refer note 2.15 for accounting policy on Financial instruments

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Secured		
Cash credit facilities from banks (repayable on demand) (refer foot note a)	-	1,314
Export packing credit from banks (refer foot note a)	-	4,500
Working capital demand loan (refer foot note a)	12,000	5,600
Current maturities of long-term borrowings		
Current maturities of long-term borrowings (refer note 18)	40,517	13,810
Unsecured:		
Commercial paper (refer foot note b)	10,000	10,000
Total	62,517	35,224

Notes:

- a) 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. (March 31, 2022 : 4.50% to 9.70% p.a.)
- b) The Company had issued commercial papers (total available limit ₹ 50,000 lacs) at regular intervals for working capital purposes with interest ranging from 4.14% p.a. to 7.70% p.a. (March 31, 2022 : 3.48% to 3.98% p.a.)
- c) Quarterly returns and statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts
- d) Refer note 44(c) for information about liquidity risk relating to borrowings.

Note 23: Trade payables

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprise and small enterprises (refer foot note a):		
Overdue	5	37
Not due	8,123	8,007

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note 23: Trade payables (Contd..)

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of creditors other than micro enterprises and small enterprises:		
Trade payables to related parties (refer note 39)*	673	531
Trade payables to others	2,18,282	2,06,925
Total	2,27,083	2,15,500

* For terms and conditions with related parties, refer note 39

Notes

- a) 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, 2023	As at March 31, 2022
i) The principal amount remaining unpaid to any supplier as at the end of each accounting year	8,128	8,043
ii) Interest due thereon remaining unpaid to any supplier as at the end of accounting year	0	1
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	1	6
iv) The amount of interest due and payable for the year	0	1
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.

- 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, 2023	Current but not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 year	2-3 year	More than 3 years	
Total outstanding dues of Micro enterprises and small enterprises	8,123	5	-	-	-	8,128
Total outstanding dues of creditors other than Micro enterprises and small enterprises	2,17,847	857	-	-	228	2,18,932
Disputed dues of creditors other than Micro enterprises and small enterprises	-	9	-	-	14	23
	2,25,970	871	-	-	242	2,27,083

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note 23: Trade payables (Contd..)

(₹ 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 1 year	1-2 year	2-3 year	More than 3 years	
Total outstanding dues of Micro enterprises and small enterprises	8,007	37	-	-	-	8,044
Total outstanding dues of creditors other than Micro enterprises and small enterprises	2,00,729	6,464	-	-	235	2,07,428
Disputed dues of creditors other than Micro enterprises and small enterprises	-	13	-	-	15	28
	2,08,736	6,514	-	-	250	2,15,500

Note 24: Other financial liabilities

Refer note 2.15 for accounting policy on Financial instruments

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
At fair value through other comprehensive income		
Derivative financial instrument	-	1,562
At amortised cost		
Employee related liabilities	10,933	8,867
Interest accrued but not due	3,242	1,347
Unpaid dividends (refer foot note a)	282	331
Unpaid matured deposits and interest accrued thereon (refer foot note a)	7	33
Deposits from dealers and others	49,389	42,641
Payable to capital vendors (others)	19,884	25,699
Payable to capital vendors (related parties) (refer note 39)	-	356
Others	-	1
Total	83,737	80,837

Notes:

- Refer foot note a) and b) below note 12: Bank balances other than cash and cash equivalents.
- Refer note 42 for information about fair value measurement and note 44(c) for information about liquidity risk relating to other financial liabilities.

Note 25: Other current liabilities

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory dues	12,649	10,019
Advance received from customers *	2,387	1,435
Total	15,036	11,454

* Represents contract liabilities

Notes to Standalone Financial Statements

for the year ended March 31, 2023

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	2022-23	2021-22
Revenue recognised at the point of time		
Automotive Tyres	10,34,379	8,39,607
Tubes and others	74,430	68,497
Other revenues	506	518
Revenue recognised over the period of time		
Royalty income (Refer note 39)	445	681
Total revenue from contracts with customers	11,09,760	9,09,303
Other operating revenue		
Sale of scrap	6,126	5,328
Government grants (refer foot note d)	10,440	16,632
Revenue from operations	11,26,326	9,31,263

Notes

- Revenue disaggregation basis geography has been included in segment information (refer note 40)
- Contract assets and liabilities

The Company has recognised the following revenue-related contract assets and liabilities:

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables (refer note 10)	1,30,283	1,15,287
Contract liabilities (refer note 25)	2,387	1,435

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.

- Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price:

(₹ in Lacs)

Particulars	2022-23	2021-22
Revenue as per contracted price	11,40,035	9,31,167
Reductions towards variable consideration components *	(30,275)	(21,864)
Revenue from contracts with customers	11,09,760	9,09,303

* The reduction towards variable consideration comprises of discounts, indexations etc.

- Government Grant:
 - In accordance with the accounting policy for Government grants, the Company has recognised an amount of ₹ 10,268 lacs towards state incentives (March 31, 2022: ₹ 14,907 lacs) which is included in other operating revenue.
 - 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.
- During the year, the Company has reclassified the sale of scrap to other operating income to appropriately reflect nature of income and accordingly the comparative amount of previous year of ₹ 5,328 Lacs has also been reclassified.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note 27: Other Income

Refer note 2.3 for accounting policy on Revenue recognition

Particulars	2022-23	2021-22
(₹ in Lacs)		
Interest income on		
Bank deposits	2	2
Others	776	254
Dividend income from subsidiaries (refer note 39)	2,255	1,729
Other non-operating income	785	753
Gain on disposal of property, plant and equipment / asset held for sale (net)	48	-
Foreign exchange fluctuation (net)	-	81
Total	3,866	2,819

Note 28: Cost of material consumed

Particulars	2022-23	2021-22
(₹ in Lacs)		
Raw Material		
Opening stock	58,155	58,699
Add: Purchases	7,18,556	6,18,146
	7,76,711	6,76,845
Less: Closing stock	(41,637)	(58,155)
Total	7,35,074	6,18,690

Details of raw materials consumed

Particulars	2022-23	2021-22
(₹ in Lacs)		
Rubber	3,48,425	3,08,822
Fabrics	81,765	83,379
Carbon black	1,29,091	88,563
Chemicals	57,427	55,579
Others	1,18,366	82,347
Total	7,35,074	6,18,690

Details of closing inventories

Particulars	As at March 31, 2023	As at March 31, 2022
(₹ in Lacs)		
Rubber	23,027	34,827
Fabrics	4,310	6,991
Carbon black	3,233	3,578
Chemicals	4,640	5,670
Others	6,427	7,089
Total [refer note 9(a)]	41,637	58,155

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note 29: Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	2022-23	2021-22
(₹ in Lacs)		
Opening Stock		
Work-in-progress	7,885	6,708
Finished goods	60,362	43,238
Stock in trade	172	239
	68,419	50,185
Closing Stock		
Work-in-progress	7,919	7,885
Finished goods	60,801	60,362
Stock in trade	198	172
	68,918	68,419
Total change in inventories	(499)	(18,234)

Note 30: Employee benefit expense

Refer note 2.14 for accounting policy on Retirement and other employee benefits

Particulars	2022-23	2021-22
(₹ in Lacs)		
Salaries, wages and bonus	60,615	55,594
Contribution to provident and other funds	3,074	2,955
Gratuity expenses (refer note 37)	956	947
Staff welfare expenses	7,891	8,930
Total	72,536	68,426

Note 31: Finance costs

Refer note 2.9 for accounting policy on Borrowing costs and 2.10 for accounting policy on leases

Particulars	2022-23	2021-22
(₹ in Lacs)		
Interest on debts and borrowings [refer note 3(d)]	20,465	17,163
Other finance charges	749	783
Interest on lease liabilities [refer note 4(b)]	1,420	1,331
Total interest expense	22,634	19,277
Unwinding of decommissioning liability	11	9
Unwinding of deferred payment obligation	271	326
Unwinding of discount on provision of sales related obligation	988	785
Total	23,904	20,397

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	2022-23	2021-22
(₹ in Lacs)		
Depreciation of property, plant and equipment (refer note 3)	34,808	31,512
Amortisation of intangible assets (refer note 5)	3,858	3,374
Depreciation of right-of-use assets [refer note 4(a)]	8,259	8,628
Total	46,925	43,514

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note 33: Other expenses

(₹ in Lacs)		
Particulars	2022-23	2021-22
Conversion charges	34,146	31,947
Stores and spares consumed	9,412	9,511
Power and fuel	37,541	32,766
Freight and delivery charges	45,087	41,440
Repairs and maintenance	9,644	8,341
Directors' sitting fees (refer note 39)	48	49
Payment to auditors (refer foot note 1)	121	107
Cost audit fees	4	3
Advertisement and sales promotion expenses	21,235	16,424
Bad debts and advances written off	258	37
Allowance for bad debts and advances written back	(191)	(37)
	67	-
Allowance for doubtful debts and advances	69	(338)
Loss on disposal of property, plant and equipment (net)	-	1,072
Professional and consultancy charges	8,905	5,946
Commission to directors (refer note 39)	177	85
Corporate Social Responsibility (CSR) expenses (refer foot note 2)	604	802
Sales related obligations	15,010	11,257
Miscellaneous expenses	38,429	32,106
Total	2,20,499	1,91,518

Notes:

1) Payment to auditors*

(₹ in Lacs)		
Particulars	2022-23	2021-22
As auditor		
Audit fee	63	62
Limited review	35	24
In other capacity:		
Other services (including certification fees)	14	20
Reimbursement of expenses	9	1
Total payment to auditor	121	107

* Exclusive of Goods and Services Tax (GST)

2) Details of Corporate Social Responsibility (CSR) expenses

(₹ in Lacs)		
Particulars	2022-23	2021-22
a) Gross amount required to be spent during the year	604	802
b) Amount spent during the year on on-going projects ended on March 31, 2023 *		
	In cash	Yet to be paid in cash
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	398	206
Total	398	206

Notes to Standalone Financial Statements

for the year ended March 31, 2023

2) Details of Corporate Social Responsibility (CSR) expenses (Contd..)

(₹ in Lacs)		
c) Amount spent during the year on other than on-going projects ended on March 31, 2023 *	In cash	Yet to be paid in cash
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	-	-
Total	-	-

(₹ in Lacs)		
d) Amount spent during the year on-going projects ended on March 31, 2022 *	In cash	Yet to be paid in cash
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	632	104
Total	632	104

(₹ in Lacs)		
e) Amount spent during the year other than on-going projects ended on March 31, 2022 *	In cash	Yet to be paid in cash
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	66	-
Total	66	-

f) Movement of CSR Balance

Particulars	Balance as on March 31, 2022		Amount required to be spent during the year	Amount spent during the year		Balance as on March 31, 2023	
	With company	In separate CSR unspent A/c		With company	In separate or unspent A/c	With company	In separate CSR unspent A/c
Ongoing project	-	104	604	398	104	-	206
Other than ongoing project	-	-	-	-	-	-	-

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 ₹ 206 lacs of Corporate Social Responsibility expense related to ongoing projects as at March 31, 2023 (March 31, 2022: ₹ 104 Lacs). The same was transferred to a special account designated as "Unspent Corporate Social Responsibility Account for FY23" ("UCSRA - FY23") of the Company within 30 days from end of financial year.

Note 34: Exceptional items

(₹ in Lacs)		
Particulars	2022-23	2021-22
Voluntary retirement scheme (VRS) (refer foot note a)	3,160	703
Expenses / Losses due to fluctuations in Sri Lanka currency (refer foot note b)	182	588
Total	3,342	1,291

Notes

- The Company had introduced VRS for employees across the Company. During the year, 147 employees (March 31, 2022, 38 employees) opted for the VRS.
- The economic situation in Sri Lanka has deteriorated significantly and consequently there has been a devaluation of the currency. The exchange loss of ₹ 182 lacs (March 31, 2022- ₹ 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, 2023.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note 35: Research and development costs

Particulars	(₹ in Lacs)	
	2022-23	2021-22
Capital expenditure	4,367	1,325
Revenue expenditure	11,906	10,520
Total	16,273	11,845

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)	
	2022-23	2021-22
Profit after tax for calculation of basic and diluted EPS	20,627	5,433
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)	50.99	13.43
Diluted EPS (of face value of ₹ 10 each)	50.99	13.43

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.

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, 2023 and March 31, 2022.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Balance Sheet

i) Net Assets / (Liability) as at year end

Sr. No.	Particulars	(₹ in Lacs)	
		As at March 31, 2023	As at March 31, 2022
1	Closing present value of the defined benefit obligation	13,530	12,508
2	Closing fair value of plan assets	11,523	11,411
	Net (Liability) / Assets recognized in the Balance Sheet	(2,007)	(1,097)

Sr. No.	Particulars	(₹ in Lacs)	
		2022-23	2021-22
1	Opening present value of defined benefit obligation	12,508	12,324
2	Current service cost	956	944
3	Interest cost	900	837
4	Benefits paid	(1,332)	(796)
5	Remeasurement (gain) / loss in other comprehensive income		
	- Change in demographic Assumptions	493	(13)
	- Actuarial changes arising from changes in financial assumption	(760)	(407)
	- Experience adjustments	765	(381)
	Closing present value of defined benefit obligation	13,530	12,508

iii) Changes in fair value of plan assets

Sr. No.	Particulars	(₹ in Lacs)	
		2022-23	2021-22
1	Opening fair value of plan assets	11,411	11,624
2	Expected return on plan assets	821	790
3	Contributions made	1,100	-
4	Benefits paid	(1,316)	(796)
5	Return on plan assets, excluding amount recognised in net interest expense	(493)	(207)
	Closing fair value of plan assets	11,523	11,411

The Company's gratuity funds are invested through insurers.

Statement of Profit and Loss

iv) Expenses recognised during the year

Sr. No.	Particulars	(₹ in Lacs)	
		2022-23	2021-22
1	In income statement	1,035	992
2	In other comprehensive income	990	(594)
	Total expenses recognised during the period	2,025	398

v) Expenses recognized in the income statement

Sr. No.	Particulars	(₹ in Lacs)	
		2022-23	2021-22
1	Current service cost (refer note 30)	956	944
2	Interest cost on benefit obligation	79	48
	Net benefit expense	1,035	992

Notes to Standalone Financial Statements

for the year ended March 31, 2023

vi) Expenses recognized in other comprehensive income

		(₹ in Lacs)	
Sr. No.	Particulars	2022-23	2021-22
1	Remeasurement arising from changes in demographic assumptions	493	(13)
2	Remeasurement arising from changes in financial assumptions	(760)	(407)
3	Remeasurement arising from changes in experience adjustment	765	(381)
4	Return on plan assets, excluding amount recognized in net interest expense	493	207
Components of defined benefit costs recognized in other comprehensive income		990	(594)

vii) Actual return on plan assets for the year ended

		(₹ in Lacs)	
Sr. No.	Particulars	2022-23	2021-22
1	Expected return on plan assets	821	790
2	Actuarial (loss) / gain on plan assets	(493)	(207)
3	Actual return on plan assets	328	583

viii) The principal assumptions used in determining gratuity and leave encashment for the Company's plan are shown below

		(₹ in Lacs)	
Particulars	2022-23	2021-22	
Discount Rates (per annum)	7.45%	7.20%	
Salary growth rate (per annum)	9% for Management Employees and 12% for Associates and Workmen (Bhandup and Nasik)*	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	0% to 18.33%	9.61%	
- Equal and above 5 years	1.33% to 5.67%	3.74%	

* Salary increment adopted for Bhandup and Nasik workmen is assumed once in every four years

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 ₹ 3,437 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, 2023	As at March 31, 2022	
Defined Benefit Obligation (Base)	13,530	12,508	

Notes to Standalone Financial Statements

for the year ended March 31, 2023

ix) Sensitivity analysis of the defined benefit obligation (Contd..)

A quantitative sensitivity analysis for significant assumption as at March 31, 2023 and March 31, 2022 is as shown below:

(₹ in Lacs)				
Particulars	2022-23		2021-22	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	15,105	12,248	13,623	11,545
(% change compared to base due to sensitivity)	11.60%	(9.50%)	8.90%	(7.70%)
Salary Growth Rate (- / + 1%)	12,245	15,067	11,536	13,613
(% change compared to base due to sensitivity)	(9.50%)	11.40%	(7.80%)	8.80%
Attrition Rate (- / + 50% of attrition rates)	13,814	13,318	12,520	12,493
(% change compared to base due to sensitivity)	2.10%	(1.60%)	0.10%	(0.10%)
Mortality Rate (- / + 10% of mortality rates)	13,533	13,526	12,508	12,509
(% 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.
Asset Liability Mismatching or Market Risk	The duration of the liability is longer compared to duration of assets, exposing the Company to market risk for volatilities/fall in interest rate.
Regulatory Risk	Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (e.g. Increase in the maximum limit on gratuity of ₹ 20,00,000).

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 11 years.

		(₹ in Lacs)	
Particulars	As at March 31, 2023	As at March 31, 2022	
Within the next 12 months (next annual reporting period)	1,994	1,896	
Between 2 and 5 years	4,626	4,287	
Between 5 and 10 years	4,905	5,437	
Beyond 10 years	31,019	15,278	
Total	42,544	26,898	

Compensated absences

Refer note 20(a) for details on provision made towards compensated absences

Notes to Standalone Financial Statements

for the year ended March 31, 2023

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)

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
1. Direct and indirect taxation matters*		
Income tax	1,074	901
Excise duty / Service tax / GST	16,618	7,859
Sales tax	2,324	4,517
2. Bills discounted with banks	20,725	15,164
3. Claims against Company not acknowledged as debts*		
In respect of labour matters	988	743
Vendor disputes	294	294
4. Other claims* (refer foot note a)	3,210	28,456

*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 had released its order dated August 31, 2018 against the Company and other Tyre Manufacturers and also the Automotive Tyre Manufacturer Association (ATMA) concerning 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 had filed an appeal against the CCI Order before the Honourable National Company Law Appellate Tribunal (NCLAT). NCLAT in its order dated December 01, 2022, has remitted the matter back to the CCI to re-examine the order and to consider reviewing the penalty pointing out certain errors leading to wrong conclusions. CCI has filed an Appeal before the Supreme Court against the Order passed by the NCLAT. Company is also a Respondent in the said Appeal. After hearing CCI, Supreme Court on 10th April, 2023 has issued notice to all respondents returnable in September, 2023. No interim order has been passed by the Supreme Court.

b. Commitments

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance payments)	55,818	85,105

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 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 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.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

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. ("CSTI")(Subsidiary Company)
- CEAT Specialty Tyres B.V ("CSTBV")(Subsidiary Company)
- CEAT Auto Components Limited(Subsidiary Company)
- Taabi Mobility Limited ("Taabi")(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)
- Associated CEAT Holdings Company (Pvt.) Limited ("ACHL") (Subsidiary Company)
- Ceat-Kelani International Tyres (Pvt.) Limited ("CKITL") (Subsidiary of CKHL)
- Associated CEAT (Pvt.) Limited ("ACPL") (Subsidiary of CKHL)
- Ceat Kelani Radials Limited ("CKRL") (Subsidiary of CKHL)
- TYRESNMORE Online Pvt Ltd. ("TNM") (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)
- Seniority Pvt. Limited ("Seniority") (Directors, KMP or their relatives are interested)
- B.N. Elias & Co. LLP ("B.N. Elias") (Directors, KMP or their relatives are interested)
- Chattarpati Apartments LLP ("Chattarpati") (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)
- CEAT Limited Superannuation Scheme ("Superannuation Scheme")(Post employment benefit fund)
- CEAT Limited Employees Gratuity Fund ("Gratuity trust")(Post employment benefit fund)
- CEAT Auto Components Limited (Subsidiary Company)
- CEAT Specialty Tires Inc. ("CSTI")(Subsidiary Company)
- CEAT Specialty Tyres B.V ("CSTBV")(Subsidiary Company)

Notes to Standalone Financial Statements

for the year ended March 31, 2023

a) Names of related parties and related party relationship (Contd..)

- Artemis ventures Limited ("Artemis") (Directors, KMP or their relatives are interested)
- Taabi Mobility Limited (Subsidiary Company)
- Key Management Personnel (KMP):
 - i) Mr. Harsh Vardhan Goenka, Chairman
 - ii) Mr. Anant Vardhan Goenka, Managing Director upto March 31, 2023 (redesignated as Vice chairman w.e.f. April 1, 2023)
 - iii) Mr. Arnab Banerjee, Whole-time Director upto March 31, 2023 (redesignated as Managing Director and Chief Executive Officer w.e.f. April 1, 2023)
 - iv) Mr. Kumar Subbiah, Chief Financial Officer
 - v) Ms. Vallari Gupte, Company Secretary
 - vi) Mr. Paras K. Chowdhary, Non-Executive - Non Independent Director
 - vii) Mr. Vinay Bansal, Independent Director
 - viii) Mr. Atul Choksey, Independent Director
 - ix) Mr. Mahesh Gupta, Independent Director
 - x) Mr. Haigreve Khaitan, Independent Director
 - xi) Ms. Priya Nair, Independent Director
 - xii) Ms. Punita Lal, Independent Director upto January 20, 2021

b) The following transactions were carried out during the year with the related parties in the ordinary course of business:

(₹ in Lacs)			
Transactions	Related Party	2022-23	2021-22
Reimbursement / (recovery) of expenses (net)	ACPL	15	5
	CKRL	(12)	(19)
	CKITL	-	(12)
	Raychem	(9)	(4)
	KEC	(45)	(39)
	Rado	(2)	(2)
	Zensar	18	(6)
	RPGE	243	250
	TNM	15	36
	RPGLS	(13)	4
	Total	210	213
Dividend income, excludes exchange fluctuations	ACHL	2,240	1,581
	CSTBV	5	94
	CSTI	10	54
	Total	2,255	1,729
Royalty income	ACPL	89	156
	CKITL	66	171
	CKRL	290	354
	Total	445	681
Purchase of Traded goods	Seniority	-	32
Purchase of Raw Material	ACPL	42	-
	CKITL	62	-
	Total	104	-

Notes to Standalone Financial Statements

for the year ended March 31, 2023

b) The following transactions were carried out during the year with the related parties in the ordinary course of business: (Contd...)

(₹ in Lacs)			
Transactions	Related Party	2022-23	2021-22
Sales	CEAT AKKHAN Limited	8,677	9,257
	CKITL	1,110	4,056
	TNM	409	369
	ACPL	-	7
	Total	10,196	13,689
Investments (including share application money) made during the year	TNM	-	380
	CEAT Auto Components Limited	1	-
	Taabi	60	-
	Total	61	380
Technical development fees received	CKRL	128	-
	CKITL	30	-
	Total	158	-
Rent paid on residential premises / guest house, etc.	Malabar Coastal Holding	60	60
	Chattarpati	45	45
	B N Elias	26	22
	KEC	2	8
	Total	133	135
Operations & Maintenance of Solar panels	KEC	37	-
Building maintenance recovery	KEC	486	498
	RPGE	139	139
	RPGLS	130	130
	Total	755	767
Rent recovery on residential premises	KEC	24	7
	Raychem	-	1
	RPGE	14	7
	Total	38	15
Contribution to Post-Employment Benefit Plans	Gratuity trust	1,011	-
	Superannuation Scheme	66	78
	Total	1,077	78
Receipt from Post-Employment Benefit Plans	Gratuity trust	1,317	813
	Superannuation Scheme	61	71
	Total	1,378	884
Purchase of capex / spares	Raychem	-	93
	KEC	42	4,456
	Total	42	4,549
Consultancy fees	Artemis	18	43
Marketing Support Services	CSTI	1,627	883
	CSTBV	1,026	759
	Total	2,653	1,642
Legal fees	Khaitan	155	211
License fees	RPGE	1,872	1,521

Notes to Standalone Financial Statements

for the year ended March 31, 2023

c) Balance outstanding at the year end

(₹ in Lacs)

Amount due to / from related party	Related party	As at March 31, 2023	As at March 31, 2022
Advances recoverable / (payable) in cash or kind and other balances	ACPL	(22)	(7)
	CEAT AKKHAN Limited	209	209
	Malabar Coastal Holding	100	100
	CKITL	30	1
	TNM	567	(1)
	KEC	23	(4)
	CKRL	142	19
	Rado	-	1
	Zensar	(15)	6
	RPGE	15	35
	Raychem	11	-
	RPGLS	-	4
	Total	1,060	363
Royalty receivable	ACPL	50	45
	CKITL	31	92
	CKRL	150	208
	Total	231	345
Trade payables	CEAT AKKHAN Limited	177	174
	CSTI	131	117
	CSTBV	89	65
	CKITL	63	-
	Chattarpati	-	3
	Khaitan	-	9
	Artemis	18	-
	Malabar Coastal Holding	-	4
	ACPL	18	-
	Total	496	372
Trade receivables	CKITL	137	2,157
	CEAT AKKHAN Limited	349	928
	ACPL	-	31
	TNM	246	199
	Total	732	3,315
Dividend receivable	ACHL	-	385
	CSTBV	5	94
	Total	5	479
Capital advance / (Capital creditors) (net)	KEC	-	(356)

Notes to Standalone Financial Statements

for the year ended March 31, 2023

d) Transactions with key management personnel and their relatives

(₹ in Lacs)

Sr. No.	Related party	2022-23	2021-22
1)	Mr. Harsh Vardhan Goenka		
	Commission*	31	370
	Director sitting fees	5	5
	Dividend	4	24
	Total	40	399
2)	Mr. Anant Vardhan Goenka		
	Salaries for FY 23	527	476
	Allowances and perquisites	118	122
	Performance bonus*	76	291
	Contribution to provident & superannuation fund	16	49
	Dividend	0	3
	Leave encashment ***	18	-
	Gratuity***	131	0
	Total	886	941
	Salary relating to FY 22 paid in FY 23 **	200	(200)
	Total	1,086	741
3)	Mr. Arnab Banerjee		
	Salaries	304	276
	Allowances and perquisites	6	4
	Performance bonus*	36	145
	Contribution to provident & superannuation fund	16	20
	Total	362	445
4)	Mr. Kumar Subbiah		
	Salaries	258	241
	Allowances and perquisites	3	3
	Performance bonus*	33	118
	Contribution to provident & superannuation fund	8	8
	Rent recovered	(14)	(17)
	Dividend	0	-
	Total	288	353
5)	Ms. Vallari Gupte		
	Salaries	54	50
	Performance bonus*	7	17
	Contribution to provident & superannuation fund	4	3
	Dividend	0	0
	Allowances and perquisites	0	-
	Total	65	70
6)	Mr. Paras K. Chowdhary		
	Commission*	9	10
	Director sitting fees	10	9
	Dividend	0	-
	Total	19	19
7)	Mr. Vinay Bansal		
	Commission*	9	10
	Director sitting fees	11	11
	Total	20	21
8)	Mr. Atul C. Choksey		
	Commission*	9	10
	Director sitting fees	4	5
	Total	13	15

Notes to Standalone Financial Statements

for the year ended March 31, 2023

d) Transactions with key management personnel and their relatives (Contd...)

(₹ in Lacs)

Sr. No.	Related party	2022-23	2021-22
9)	Mr. Mahesh S. Gupta		
	Commission*	9	10
	Director sitting fees	10	10
	Total	19	20
10)	Mr. Haigreve Khaitan		
	Commission*	9	10
	Director sitting fees	3	4
	Total	12	14
11)	Ms. Punita Lal		
	Commission*	-	9
	Total	-	9
12)	Ms. Priya Nair		
	Commission	9	5
	Director sitting fees	5	5
	Total	14	10
	Grand Total	1,938	2,116

* Represents amount paid during the year.

** Due to inadequacy of profits in FY 22, excess remuneration of ₹ 200 Lacs recovered from Mr. Anant Goenka was paid subsequently in FY 23 after shareholders approval by way of special resolution at the Annual General Meeting of the Company held on June 28, 2022.

*** Mr. Anant Goenka stepped down as the MD and CEO as of March 31, 2023, pursuant to which his Gratuity and Leave Encashment as entitled was appropriately accrued as payable in the books as on that date. These payables are however not considered for his managerial remuneration workings for FY 23, as per Schedule V of the Companies Act, 2013.

e) Balance outstanding at the year end for KMP

(₹ in Lacs)

Amount due to related party	Related party	As at March 31, 2023	As at March 31, 2022
Other receivable	Mr. Anant Vardhan Goenka #	-	200
Other payable	Mr. Anant Vardhan Goenka ##	308	-
Commission Payable	Mr. Harsh Vardhan Goenka	105	31
	Mr. Paras K. Chowdhary	12	9
	Mr. Vinay Bansal	12	9
	Mr. Atul C. Choksey	12	9
	Mr. Mahesh S. Gupta	12	9
	Mr. Haigreve Khaitan	12	9
	Ms. Priya Nair	12	9
	Total	177	85

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 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.

As at 31 March, 2022 ₹ 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.

Considering the possibility of inadequacy of profits, if any, the Company had paused the payment to Mr. Anant Goenka effective January 1, 2023, subject to approval of members which has been obtained subsequently by way of Postal Ballot on April 27, 2023.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

f) 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, 2023	As at March 31, 2022
Raychem	1	-
KEC	287	319
Total	288	319

Note 40: Segment information

Refer note 2.20 for accounting policy on Segment reporting

The Company's business activity falls within a single reportable business segment, viz. "Automotive Tyres, Tubes and Flaps".

Information about geographical areas

(₹ in Lacs)

Particulars	2022-23			2021-22		
	In India	Outside India	Total	In India	Outside India	Total
Revenue from contracts with customers	9,14,494	1,95,266	11,09,760	7,36,476	1,78,155	9,14,631
Non-current assets	6,83,246	-	6,83,246	6,38,718	-	6,38,718

During the financial year 2022-23 and 2021-22, no single external customer has generated revenue of 10% or more of the Company's total revenue.

During the financial year 2022-23 and 2021-22, 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 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 committed future purchases and highly probable 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.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Hedged foreign currency exposure

(Amount in Foreign currency and ₹ in lacs)

Derivative instrument	Purpose	Currency	As at March 31, 2023		As at March 31, 2022	
			Foreign Currency	₹	Foreign Currency	₹
Forward contract to sell foreign currency	Hedge of Foreign Currency sales	USD	209	17,172	332	25,177
		EUR	76	6,767	49	4,101
		AED	3	67	-	-
	Hedge of Foreign Currency High probable sales	USD	148	12,120	318	24,063
Forward contract to buy foreign currency	Hedge of foreign currency purchase	USD	423	34,731	252	19,083
		EUR	63	5,675	101	8,496
		GBP	-	-	0	34
	Hedge of Foreign Currency Firm Commitment – PO based hedging	JPY	2,587	1,594	2,255	1,401
		USD*	495	40,703	653	49,520
		EUR	94	8,437	109	9,203
		GBP	0	16	2	179
		JPY	2,979	1,835	5,473	3,401

* Amount as on March 31, 2022 includes USD 4.1 Lakhs hedged under option contract

Unhedged foreign currency exposure*

(Amount in foreign currency in lacs)

Particulars	Currency	2022-23	2021-22
Trade Receivables	USD	3	15
	EURO	-	8

* 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 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, 2023 were assessed to be highly effective and a net unrealised gain of ₹ 1150 lacs, with a deferred tax liability of ₹ 289 lacs relating to the hedging instruments, is included in OCI. Comparatively, 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, 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:

(₹ in Lacs)

Particulars	Note	Carrying value / Fair value	
		As at March 31, 2023	As at March 31, 2022
Financial assets			
a) Measured at fair value through profit and loss			
Investments in others	6	430	416
b) Measured at fair value through other comprehensive income			
Investments in others	6	1,237	887
Derivative financial instruments (non-current and current)	7 and 13	113	-
c) Measured at amortised cost			
Investment in subsidiaries and associate	6	11,360	11,299
Total		13,027	12,602

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note 42: Fair values (Contd..)

(₹ in Lacs)

Particulars	Note	Carrying value / Fair value	
		As at March 31, 2023	As at March 31, 2022
Financial liabilities			
a) Measured at fair value through other comprehensive income			
Derivative financial instruments (non-current and current)	19 and 24	-	1,642
b) Measured at amortised cost			
Lease liability (non-current and current)	4	20,277	13,209
Borrowings (non-current)	18	1,44,056	1,71,916
Total		1,64,333	1,86,767

a) 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.

b) The Management assessed that fair values of other non current financial assets and liabilities measured at amortised cost approximate their carrying amounts largely due to nature of such 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, 2023 and March 31, 2022

(₹ in Lacs)

Particulars	Total	Fair Value measurement using		
		Level 1	Level 2	Level 3
As at March 31, 2023				
Financial assets at fair value				
a) Through profit & loss				
Investments in others (Refer note 6(b))	430	-	-	430
b) Through other comprehensive income				
Investments in others (Refer note 6(b))	1,237	-	-	1,237
Derivative financial instruments (non-current and current)	113	-	-	113
Financial liabilities at fair value				
a) Through other comprehensive income				
Derivative financial instruments (non-current and current)	-	-	-	-

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note 43: Fair value hierarchy (Contd..)

(₹ 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 (Refer note 6(b))	416	-	-	416
b) Through other comprehensive income				
Investments in others (Refer note 6(b))	887	-	-	887
Financial liabilities at fair value				
a) Through other comprehensive income				
Derivative financial instruments (non-current and current)	1,642	-	1,642	

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, 2022.

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 - 18.64%.

Significant Unobservable Inputs Used in Level 3 Fair Values

As at March 31, 2023	Valuation techniques	Significant unobservable inputs	Sensitivity of input to fair value measurement
Investment in Compulsorily Convertible Preference shares & equity shares of E-Fleet Systems Private Limited	Discounted cash flows: The valuation model considers the present value of the expected future payments, discounted using a risk-adjusted discount rate.	Discount Rate : 18.64%	1% increase in discount rate will have reduction of ₹ 13 Lacs and 1% decrease in discount rate will have led to an equal but opposite impact

As at March 31, 2022	Valuation techniques	Significant unobservable inputs	Sensitivity of input to fair value measurement
Investment in Compulsorily Convertible Preference shares & equity shares of E-Fleet Systems Private Limited	Discounted cash flows: The valuation model considers the present value of the expected future payments, discounted using a risk-adjusted discount rate.	Discount Rate : 17.57%	1% increase in discount rate will have reduction of ₹ 39 Lacs and 1% decrease in discount rate will have led to an equal but opposite impact

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Reconciliation of Level 3 fair value measurements of financial assets and financial liabilities is given below

(₹ in Lacs)

Reconciliation of movements in Level 3 valuations	As at March 31, 2023	As at March 31, 2022
Opening value	1,303	893
Additions during the year	350	397
Gain recognised in profit and loss on fair value adjustment (FVTPL)	14	13
Closing value	1,667	1,303

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, 2023 and March 31, 2022 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.	<p>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.</p> <p>As at March 31, 2023, after taking into account the effect of interest rate swaps, approximately 30% of the Company's total borrowings are at a fixed rate of interest (March 31, 2022: 22%).</p>

Notes to Standalone Financial Statements

for the year ended March 31, 2023

The following table provides a break-up of Company's fixed and floating rate borrowing (gross off processing fees)
(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Fixed rate borrowings	62,000	46,713
Floating rate borrowings	1,43,827	1,60,834
Total borrowings	2,05,827	2,07,547

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	Increase / decrease in basis points	Effect on profit before tax
March 31, 2023		
₹ 1,43,827 lacs	+ / - 100 bps	-1,438.27 / +1,438.27
March 31, 2022		
₹ 1,60,834 lacs	+ / - 100 bps	-1,608.34 / +1,608.34

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, 2023, the Company has hedged 99% (March 31, 2022: 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	Change in Currency	Effect on profit before tax
March 31, 2023		
Recognized net receivable – USD 0.3 Mio	₹ + 1 / - 1	+ 3 / - 3
March 31, 2022		
Recognized net receivable – USD 1.5 Mio	₹ + 1 / - 1	+ 15 / - 15
Recognized net receivable – EUR 0.80 Mio	₹ + 1 / - 1	+ 8 / - 8

Notes to Standalone Financial Statements

for the year ended March 31, 2023

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	Increase in profit due to decrease in commodity price		Decrease in profit due to increase in commodity price	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Natural rubber	9,300	8,800	(9,300)	(8,800)
Synthetic rubber	8,100	6,600	(8,100)	(6,600)
Carbon black	6,500	4,200	(6,500)	(4,200)

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 ₹ 49,389 lacs (March 31, 2022: ₹ 42,641 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.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

b) Credit risk (Contd..)

Particulars	As at March 31, 2023			As at March 31, 2022		
	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	1,29,985	175	1,147	1,15,243	88	1,311
Loss allowance provision	-	88	1,147	-	44	1,311

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 or 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, 2023				
Non current borrowings*		1,36,309	7,812	1,44,121
Current borrowings	62,517			62,517
Lease liability	8,677	12,816	2,288	23,781
Other financial liabilities	83,737	1,788	93	85,618
Trade and other payables	2,27,083			2,27,083
Total	3,82,014	1,50,913	10,193	5,43,120
Derivative financial instruments	-	-	-	-
Total	3,82,014	1,50,913	10,193	5,43,120
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

* 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.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note 45: Capital management (Contd..)

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Borrowings (note 18 and 22)	2,06,573	2,07,140
Less: cash and cash equivalents (note 11)	(5,024)	(1,300)
Net debt	2,01,549	2,05,840
Equity (note 15 and 16)	3,34,560	3,15,027
Capital and net debt	5,36,109	5,20,867
Gearing ratio	38%	40%

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, 2023 and March 31, 2022.

Note 46: 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 47: 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.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note 48: Ratio analysis and its elements

(₹ in Lacs)

Ratio	Numerator	Denominator	31-Mar-23	31-Mar-22	% change	Reason for variance
Current ratio	Current Assets	Current Liabilities	0.64	0.71	(9.68)%	-
Debt- Equity Ratio	Total Debt	Shareholder's Equity	0.62	0.66	(6.10)%	
Debt Service Coverage ratio	Earnings for debt service = (EBITDA * - Tax expenses) for the period	Debt service = Interest** & Lease Payments + Principal Repayments	1.25	1.88	(33.69)%	Decrease is mainly on account of increase in current maturities of borrowing
Return on Equity ratio	Net Profits after taxes	Average Shareholder's Equity	6%	2%	217.54 %	Increase is on account of increase in profit for the current year
Inventory Turnover ratio	Cost of goods sold	Average Inventory of finished goods, work-in-progress and stock-in trade	10.71	10.14	5.64%	
Trade Receivable Turnover Ratio	Net sales	Average Trade Receivable	9.03	8.75	3.21 %	
Trade Payable Turnover Ratio	Net credit purchases = RM purchases + Other expenses	Average Trade Payables	4.24	4.06	4.52 %	
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	1.83	0.58	215.75 %	Increase is on account of higher margins
Return on Capital Employed	Earnings before interest, taxes and exceptional items	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	10.42%	5.45%	91.15 %	Increase is on account of increase in profit for the current year
Return on Investment	Interest income on bank deposits	Bank deposits	2.5% to 5.5%	2.5% 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

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note 49: Extended Producer Responsibility

On July 21, 2022, the Ministry of Environment, Forest and Climate Change issued notification containing Regulations on Extended Producer Responsibility (EPR) for Waste Tyre applicable to Tyre manufacturers and Recyclers. As per the notification, the Company has a present legal obligation as at March 31, 2023 to purchase EPR certificates online from Recyclers of waste tyre, registered with the Central Pollution Control Board, to fulfil its obligations, which is determined based on certain percentage of the quantity of tyres manufactured in the year ended March 31, 2021.

Currently the modalities of the above regulations are dynamic and would be fine-tuned in line with the changing requirements including measurement of obligation and timeline for achieving compliance by tyre manufacturing companies in consultation with Industry forum of Tyre companies. Accordingly, the Company has not recognised any provision towards EPR obligation for the year ended March 31, 2023.

Note 50: Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below.

Key synopsis are as under:

1. Ind AS 1 – Presentation of Financial Statements: The amendments require to disclose their material accounting policies rather than their significant accounting policies.
2. Ind AS 12 - Income Taxes: The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.
3. Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors: The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

While preparing the financial statement for the year ended March 31, 2023, 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.

As per our report of even date
For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No: 101248W/W-100022

Kumar Subbiah
Chief Financial Officer

For and on behalf of Board of Directors of CEAT Limited

H.V.Goenka
Chairman
[DIN: 00026726]

Anant Goenka
Vice-Chairman
[DIN: 02089850]

Sadashiv Shetty
Partner
Membership Number : 048648
Place: Mumbai
Date: May 04, 2023

Vallari Gupte
Company Secretary

Place: Mumbai
Date: May 04, 2023

Arnab Banerjee
Managing Director
[DIN:06559516]

Mahesh Gupta
Chairman-Audit Committee
[DIN:00046810]

Consolidated Financial Statements



Independent Auditor's Report

To the Members of CEAT Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of CEAT Limited (hereinafter referred to as the "Holding Company") and its subsidiaries together referred to as ("the Group"), its associate and its joint ventures, which comprise the consolidated balance sheet as at 31 March 2023, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated 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 the other auditors on separate financial statements of such subsidiaries, associate and joint ventures as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013

("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 associate and joint ventures as at 31 March 2023, of its consolidated profit and other comprehensive loss, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associate and joint ventures in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated 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 financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter 1

See Note 28 to consolidated financial statements

Revenue recognition on Sale of Products	How the matter was addressed in our audit
<p>The Group recognises revenue from the sales of products when control over goods is transferred to the customer based on specific terms and conditions of sale contracts with respective customers.</p> <p>We have identified recognition of revenue on sale of products as a key audit matter as –</p> <ul style="list-style-type: none"> revenue is a key performance indicator; and there is a presumed fraud risk of revenue being overstated through manipulation of the timing of transfer of control due to pressures to achieve performance targets as well as meeting external expectations. 	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> Assessed the appropriateness of the policies in respect of revenue recognition by comparing with applicable accounting standards. Performed testing of design, implementation and operating effectiveness of the Holding Company's general Information Technology('IT') controls over revenue recognition and key IT application controls by involving our IT specialists. Performed testing of design, implementation and operating effectiveness of the Holding Company's key manual controls around revenue recognition. Performed substantive testing (including year-end cut-off testing) of recognition of revenue in the correct period by selecting statistical samples of revenue transactions recorded during and at the end of the financial year. Examined the underlying documents such as sales invoices/ contracts and dispatch/ shipping documents for the selected transactions. Assessed manual journals posted in revenue ledger to identify any unusual items.

Key audit matter 2

See Note 3 to consolidated financial statements

Significant estimates and judgment relating to capitalisation of property, plant and equipment (PPE)	How the matter was addressed in our audit
<p>As disclosed in Note 3 to the consolidated Ind AS financial statements, as at March 31, 2023 the net additions of property, plant and equipment including capital work-in-progress is INR 75,421 lakhs.</p> <p>The Group has incurred significant capital expenditure mainly on expansion at its manufacturing plants.</p> <p>With regard to the capitalisation, the management evaluates the costs incurred and applies judgement to identify costs that are eligible for capitalisation and consequent allocation to specific class of PPE such that capitalization of PPE and capital work-in-progress (CWIP) meets the specific recognition criteria under Ind AS 16, 'Property, Plant and Equipment'.</p> <p>As a result, we considered it to be a key audit matter, considering the judgement and significance of amounts involved.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none">Assessed the appropriateness of accounting policy for PPE as per the relevant accounting standard.Evaluated and tested the design, implementation and operating effectiveness of internal controls with respect to the capitalization of PPE.Tested the direct and indirect costs capitalised, on a sample basis, with the underlying documents to verify nature of costs and basis for allocation, where applicable, and evaluated whether they meet the recognition criteria.Compared the capital expenditure incurred during the year, on a test check basis, with that budgeted to examine whether the capital expenditure projects were completed in accordance with budgets.

Key audit matter 3

See Note 5 to consolidated financial statements

Significant estimates and judgment relating to capitalisation of intangible assets and impairment assessment	How the matter was addressed in our audit
<p>As disclosed in Note 5 to the consolidated Ind AS financial statements, as at March 31, 2023 the net additions to Intangible assets including Intangible assets under development is INR 1,893 lakhs.</p> <p>Intangible assets and Intangible assets 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 accordance with Ind AS 38 "Intangible Assets".</p> <p>In addition, determining whether there is any indication of impairment of the carrying value of intangible assets and Intangible assets under development, requires management judgment and assumptions which are affected by future market or economic developments. Given the level of estimation and judgement required and the significance of amounts involved, we considered it to be a key audit matter.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none">Assessed the appropriateness of accounting policy for capitalisation and impairment of intangible assets and intangible assets under development as per the relevant accounting standard.Examined the nature of expenditure considered in intangible assets capitalised by the Company and the intangible assets under development to verify that the assets capitalised meets the recognition criteria set out in Ind AS 38.Evaluated and tested the design, implementation and operating effectiveness of internal controls with respect to the capitalization of intangible assets and also for impairment of intangible assets under development.Compared the capital expenditure incurred during the year, on a test check basis, with that budgeted to examine whether the capital expenditure projects were completed in accordance with budget.Obtained and examined management's assessment whether there is any indication of impairment of intangible assets and Intangible assets under development from management.Assessed the reliability of the financial projections prepared by the Company by comparing projections for previous financial years with actual results realized and analysis of significant variances, if any.

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and auditor's reports thereon. The Holding Company's annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Holding Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associate 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. The respective Management and Board of Directors of the companies included in the Group and the respective Management and Board of Directors of its associate and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the 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 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 financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and the respective Management and Board of Directors of its associate and joint ventures are responsible for

assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and the respective Management and Board of Directors and of its associate and joint ventures are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 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 the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 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 associate and joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group and its associate and joint ventures to express an opinion on the consolidated 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 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. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company 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 financial statements of the current period 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 Matters

- The consolidated financial statements of the Group and its associate and joint ventures for the year ended 31 March 2022 were audited by the predecessor auditor who had expressed an unmodified opinion on 5 May 2022.
- We did not audit the financial statements of three subsidiaries, whose financial statements reflects total assets (before consolidation adjustments) of ₹ 23,097 lakhs as at 31 March 2023, total revenues (before consolidation adjustments) of ₹ 13,460 lakhs and net cash outflows (before consolidation adjustments) amounting to ₹ 571

lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (and other comprehensive income) of ₹ 1,615 lakhs for the year ended 31 March 2023, in respect of one associate and four joint ventures, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and associate is based solely on the reports of the other auditors.

- Certain of these subsidiaries and joint ventures are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries and joint ventures located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries and joint ventures located outside India is based on the reports of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the consolidated 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.

- The financial statements of four subsidiaries, whose financial statements reflects total assets (before consolidation adjustments) of ₹ 550 lakhs as at 31 March 2023, total revenues (before consolidation adjustments) of ₹ 2,656 lakhs and net cash inflows (before consolidation adjustments) amounting to ₹ 121 lakhs for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. These unaudited financial statements have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
 - As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries, associate and joint ventures as were audited by other auditors, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:
 - 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 of the aforesaid consolidated financial statements.
 - In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
 - On the basis of the written representations received from the directors of the Holding Company as on 31 March 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company and associate company incorporated in India, none of the directors of the Group companies and its associate company incorporated in India is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company and associate company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - 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, 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 reports of the other auditors on separate financial statements of the subsidiary company, associate and joint ventures, as noted in the "Other Matters" paragraph:

- The consolidated financial statements disclose the impact of pending litigations as at 31 March 2023 on the consolidated financial position of the Group, its associate and joint ventures. Refer Note 43(a) to the consolidated financial statements.
- Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 43(b) to the consolidated financial statements in respect of such items as it relates to the Group, its associate and joint ventures.
- There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary company and associate company incorporated in India during the year ended 31 March 2023.
- The management of the Holding Company and its subsidiary company and associate company incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary company and associate company respectively that, to the best of their knowledge and belief, as disclosed in the Note 53(iv) to the consolidated financial statements, 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 company and associate company incorporated in India to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, 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 Holding Company or any of such subsidiary company and associate company incorporated in India ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - The management of the Holding Company and its subsidiary company and associate company incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary company and associate company respectively that, to the best of their knowledge and belief,

as disclosed in the Note 53(v) to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary company and associate company incorporated in India from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary company and associate company incorporated in India shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) 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 company and associate company incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. 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 has 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.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company or any of such subsidiary company and associate company incorporated in India only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary company and associate company incorporated in India which were not audited by us, the remuneration paid/ payable during the current year by the Holding Company and its subsidiary company and associate company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid/ payable to any director by the Holding Company and its subsidiary company and associate company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Sadashiv Shetty
Partner
Place: Mumbai Membership No.: 048648
Date: 04 May 2023 ICAI UDIN:23048648BGWAMX8405

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of CEAT Limited

for the year ended 31 March 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xii) In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have unfavourable remarks, qualification or adverse remarks given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entities	CIN	Holding Company/ Subsidiary/ JV/ Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
1	Rado Tyres Limited	U25111KL1986 PLC004449	Subsidiary	vii(b)
2	Tyresmore Online Private Limited	U25119DL2014 PTC267768	Associate	(xvi) and (xvii)

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Sadashiv Shetty
Partner
Membership No.: 048648
ICAI UDIN:23048648BGWAMX8405

Place: Mumbai
Date: 04 May 2023

Annexure B to the Independent Auditor's Report on the Consolidated Financial Statements of CEAT Limited

for the year ended 31 March 2023

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of CEAT Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary company and its associate company, as of that date.

In our opinion and based on the consideration of reports of the other auditors on internal financial controls with reference to financial statements of subsidiary company and associate company, as were audited by the other auditors, the Holding Company and such companies incorporated in India which are its subsidiary company and its associate company, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Holding Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The respective Companies Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note. 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 Holding 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 internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 financial statements were 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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 consolidated 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 of the relevant subsidiary company and associate company 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 financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include 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 consolidated 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 consolidated financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial

controls with reference to financial statements insofar as it relates to one subsidiary company and one associate company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

The internal financial controls with reference to financial statements insofar as it relates to two subsidiary companies, which are companies incorporated in India and included in these consolidated financial statements, have not been audited either by us or by other auditors. In our opinion and according to the information and explanations given to us by the Management, such unaudited subsidiary companies are not material to the Holding Company.

Our opinion is not modified in respect of above matters.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Sadashiv Shetty
Partner

Place: Mumbai
Date: 04 May 2023
Membership No.: 048648
ICAI UDIN: 23048648BGWAMX8405

Consolidated Balance Sheet

as at March 31, 2023

(₹ in Lacs)

Particulars	Note	As at March 31, 2023 Audited	As at March 31, 2022 Audited
I Assets			
(1) Non-current assets			
(a) Property, plant and equipment	3	5,71,627	5,01,651
(b) Capital work-in-progress	3	56,859	82,927
(c) Right-of-use assets	4	29,203	22,457
(d) Intangible assets	5	8,781	8,810
(e) Intangible assets under development	5	2,748	4,661
(f) Investments accounted using equity method	6	15,290	16,594
(g) Financial assets			
(i) Investments	7	1,667	1,321
(ii) Other financial assets	8	1,012	1,187
(h) Non-current tax assets (net)	23	1,414	5,855
(i) Deferred tax assets (net)	23	127	80
(j) Other non-current assets	9	5,192	6,323
Total non-current assets (A)		6,93,920	6,51,866
(2) Current assets			
(a) Inventories	10	1,13,778	1,30,956
(b) Financial assets			
(i) Trade receivables	11	1,30,703	1,15,432
(ii) Cash and cash equivalents	12	6,062	2,377
(iii) Bank balances other than cash and cash equivalents	13	1,126	1,254
(iv) Other financial assets	14	4,312	5,938
(c) Other current assets	15	12,784	8,119
(d) Assets held-for-sale	16	98	92
Total current assets (B)		2,68,863	2,64,168
Total assets [(A) + (B)]		9,62,783	9,16,034
II Equity and liabilities			
(1) Equity			
(a) Equity share capital	17	4,045	4,045
(b) Other equity	18	3,39,919	3,23,236
Equity attributable to owners of parent		3,43,964	3,27,281
(c) Non-controlling interests	39	1,739	2,354
Total equity (A)		3,45,703	3,29,635
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	20	1,44,056	1,71,916
(ii) Lease liabilities	4	13,055	8,047
(iii) Other financial liabilities	21	1,881	4,163
(b) Provisions	22	4,788	4,168
(c) Deferred tax liabilities (net)	23	38,858	31,769
Total non-current liabilities (B)		2,02,638	2,20,063
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	24	65,214	37,762
(ii) Lease liabilities	4	7,222	5,162
(iii) Trade payables	25		
- Total outstanding dues of micro enterprises and small enterprises		8,128	8,044
- Total outstanding dues of creditors other than micro enterprises and small enterprises		2,18,705	2,07,714
(iv) Other financial liabilities	26	84,205	81,464
(b) Other current liabilities	27	15,065	11,588
(c) Provisions	22	14,382	12,633
(d) Current tax liabilities (net)	23	1,521	1,969
Total current liabilities (C)		4,14,442	3,66,336
Total equity and liabilities		9,62,783	9,16,034
Significant accounting policies	2		

The accompanying notes are an integral part of the consolidated financial statements

For and on behalf of Board of Directors of
CEAT LimitedAs per our report of even date
For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No: 101248W/W-100022**Kumar Subbiah**
Chief Financial Officer**H.V.Goenka**
Chairman
[DIN: 00026726]**Anant Goenka**
Vice-Chairman
[DIN: 02089850]**Sadashiv Shetty**
Partner
Membership Number : 048648
Place: Mumbai
Date: May 04, 2023**Vallari Gupte**
Company Secretary**Arnab Banerjee**
Managing Director
[DIN:06559516]**Mahesh Gupta**
Chairman-Audit Committee
[DIN:00046810]Place: Mumbai
Date: May 04, 2023

Consolidated Statement of Profit and Loss

for the year ended March 31, 2023

(₹ in Lacs)

Particulars	Note	2022-23	2021-22
Revenue from operations	28	11,31,488	9,36,341
Other income	29	1,694	1,140
I Total income		11,33,182	9,37,481
Expenses			
Cost of materials consumed	30	7,35,074	6,18,690
Purchases of stock-in-trade		3,029	2,868
Changes in inventories of finished goods, stock-in-trade and work-in-progress	31	436	(18,799)
Employee benefit expense	32	73,520	69,380
Finance costs	33	24,210	20,695
Depreciation and amortization expenses	34	46,931	43,520
Other expenses	35	2,22,048	1,93,223
II Total expenses		11,05,248	9,29,577
III Profit before share of profit of associate and joint venture, exceptional items and tax		27,934	7,904
IV Share of profit of associate and joint venture (net of tax)	40,41	822	2,875
V Profit before exceptional items and tax		28,756	10,779
VI Exceptional items	36	3,342	1,291
VII Profit before tax		25,414	9,488
VIII Tax expense	23		
Current tax		186	(1,197)
Deferred tax		6,989	3,627
IX Profit for the period		18,239	7,058
Attributable to			
(a) Owners of the parent		18,617	7,120
(b) Non-controlling interests	39	(378)	(62)
X Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurement gains / (losses) on defined benefit plans	42	(817)	550
(ii) Income tax relating to above	23	197	(141)
(iii) Items that will be reclassified to profit or loss			
(a) Effective portion of gains (losses) on hedging instruments in cash flow hedges		1,150	(56)
(b) Exchange differences on translating the financial statements of a foreign operation	51	(918)	(4,569)
(iv) Income tax relating to movement in cash flow hedges	23	(289)	14
Other comprehensive income / (loss) for the year		(677)	(4,202)
Attributable to			
(a) Owners of the parent		(677)	(4,202)
(b) Non-controlling interests		-	-
XI Total comprehensive income for the year [Comprising profit and other comprehensive income / (loss) for the year]		17,562	2,856
Attributable to			
(a) Owners of the parent		17,940	2,918
(b) Non-controlling interests	39	(378)	(62)
XII Earnings per equity share (of face value of ₹ 10 each)	38		
(a) Basic (in ₹)		46.03	17.60
(b) Diluted (in ₹)		46.03	17.60
Significant accounting policies	2		

The accompanying notes are an integral part of the consolidated financial statements

For and on behalf of Board of Directors of CEAT Limited

As per our report of even date
For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No: 101248W/W-100022**Kumar Subbiah**
Chief Financial Officer**H.V.Goenka**
Chairman
[DIN: 00026726]**Anant Goenka**
Vice-Chairman
[DIN: 02089850]**Sadashiv Shetty**
Partner
Membership Number : 048648
Place: Mumbai
Date: May 04, 2023**Vallari Gupte**
Company Secretary**Arnab Banerjee**
Managing Director
[DIN:06559516]**Mahesh Gupta**
Chairman-Audit Committee
[DIN:00046810]Place: Mumbai
Date: May 04, 2023

Consolidated Statement of Cash Flow

for the year ended March 31, 2023

(₹ in Lacs)

Particulars	2022-23	2021-22
I Cash Flow From Operating Activities		
Profit before tax and excluding share of profit / (loss) of associates and joint venture	24,592	6,613
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortization expenses	46,931	43,520
Interest income	(861)	(298)
Gain arising on investments measured at fair value through profit or loss	(14)	(13)
Finance costs	24,210	20,695
Provision/(Reversal) for obsolescence of stores and spares	(6)	(85)
Allowance/(Reversal) for doubtful debts and advances	259	(338)
Loss on sale of property, plant and equipment (net)	48	1,072
Unrealised foreign exchange (gain) / loss (net)	711	(89)
Unrealised foreign exchange loss on Sri Lankan Currency	-	332
Foreign Currency Translation Reserve on Consolidation	(1,195)	(161)
Operating profit before working capital changes	94,675	71,248
Adjustments for :		
Decrease / (Increase) in inventories	17,184	(17,880)
Decrease / (Increase) in trade receivables	(15,508)	(22,991)
Decrease / (Increase) in other current assets and other current financial assets	(2,937)	425
Decrease / (Increase) in non-current asset and other non-current financial assets	(55)	(250)
(Decrease) / Increase in trade payables	9,737	31,943
(Decrease) / Increase in current financial liabilities and other current liabilities	12,136	(615)
(Decrease) / Increase in non-current financial liabilities	-	70
(Decrease) / Increase in current provisions	929	2,298
(Decrease) / Increase in non-current provisions	620	(361)
Cash flows from operating activities	1,16,781	63,887
Income taxes (paid) / refund	3,768	(1,998)
Net cash flow generated from operating activities (I)	1,20,549	61,889
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)	(87,913)	(95,867)
Proceeds from sale of property, plant and equipment	124	290
Withdrawal of margin money deposit with banks	95	43
Changes in other bank balances	128	(551)
Purchase of non current investments	(332)	(778)
Dividend received from Joint Venture	2,126	2,127
Interest received	861	299
Net cash flow (used in) investing activities (II)	(84,911)	(94,437)

Consolidated Statement of Cash Flow

for the year ended March 31, 2023

(₹ in Lacs)

Particulars	2022-23	2021-22
III Cash Flow From Financing Activities		
Interest paid	(20,925)	(19,437)
Proceeds / (repayment) of short term borrowings (net)	745	21,852
Proceeds from long-term borrowings	15,487	51,622
Repayment of long-term borrowings	(16,640)	(5,551)
Payment of lease liabilities	(9,357)	(9,710)
Dividend paid	(1,263)	(7,460)
Net cash flow (used in) / generated from financing activities (III)	(31,953)	31,316
Net increase / (decrease) in cash and cash equivalents (I + II + III)	3,685	(1,232)
Cash and cash equivalents at the beginning of the year	2,377	3,609
Cash and cash equivalents at the end of the year	6,062	2,377

The accompanying notes are an integral part of the consolidated financial statements

**For and on behalf of Board of Directors of
CEAT Limited**

As per our report of even date

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration No: 101248W/W-100022

Kumar Subbiah

Chief Financial Officer

H.V.Goenka

Chairman

[DIN: 00026726]

Anant Goenka

Vice-Chairman

[DIN: 02089850]

Sadashiv Shetty

Partner

Membership Number : 048648

Place: Mumbai

Date: May 04, 2023

Vallari Gupte

Company Secretary

Arnab Banerjee

Managing Director

[DIN:06559516]

Mahesh Gupta

Chairman-Audit Committee

[DIN:00046810]

Place: Mumbai

Date: May 04, 2023

Consolidated Statement of Changes in Equity

for the year ended March 31, 2023

A. Equity Share Capital

Particulars	(₹ in Lacs)	
	As at March 31, 2023	As at March 31, 2022
Balance as at beginning of the year	4,045	4,045
Changes in the equity share capital due to prior period errors	-	-
Restated balance as at the beginning of the year	4,045	4,045
Changes in the equity share capital during the year	-	-
Balance as at the end of the year	4,045	4,045

b. Other Equity

Particulars	Reserves & Surplus					Items of other comprehensive income		Other equity attributable to owners of the parent	Non-controlling interests	Total Other equity
						Effective portion of cash flow hedges (refer note 18(d))	Exchange differences on translating the financial statements of a foreign operation (refer note 18(e))			
	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))					
As at March 31, 2021	56,703	1,405	390	25,166	2,46,764	(713)	(2,131)	3,27,584	2,324	3,29,908
Profit for the year	-	-	-	-	7,120	-	-	7,120	(62)	7,058
Other comprehensive income/(loss)	-	-	-	-	409	(42)	(4,569)	(4,202)	-	(4,202)
Total comprehensive income	-	-	-	-	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	56,703	1,420	390	25,166	2,47,012	(755)	(6,700)	3,23,236	2,354	3,25,590

Consolidated Statement of Changes in Equity

for the year ended March 31, 2023

b. Other Equity

Particulars							(₹ in Lacs)			
Reserves & Surplus							Items of other comprehensive income		Non- controlling interests	Total Other equity
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))	Effective portion of cash flow hedges (refer note 18(d))	Exchange differences on translating the financial statements of a foreign operation (refer note 18(e))				
Profit for the year	-	-	-	-	18,617	-	-	18,617	(378)	18,239
Other comprehensive income/(loss)	-	-	-	-	(623)	861	(917)	(679)	-	(679)
Total comprehensive income	-	-	-	-	17,994	861	(917)	17,938	(378)	17,560
Increase / (Decrease) in capital reserve	-	(41)	-	-	-	-	-	(41)	-	(41)
Transfer to general reserve	-	-	-	12	(12)	-	-	-	-	-
Payment of dividend (refer note 19)	-	-	-	-	(1,214)	-	-	(1,214)	-	(1,214)
Forex gain / (loss) on restatement of non-controlling interest	-	-	-	-	-	-	-	-	(237)	(237)
As at March 31, 2023	56,703	1,379	390	25,178	2,63,780	106	(7,617)	3,39,919	1,739	3,41,658

Refer note no. 18- Other equity

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date
For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No: 101248W/W-100022

Sadashiv Shetty
Partner
Membership Number : 048648
Place: Mumbai
Date: May 04, 2023

Kumar Subbiah
Chief Financial Officer

Vallari Gupta
Company Secretary

**For and on behalf of Board of Directors of
CEAT Limited**

H.V.Goenka
Chairman
[DIN: 00026726]

Arnab Banerjee
Managing Director
[DIN: 06559516]

Anant Goenka
Vice-Chairman
[DIN: 02089850]

Mahesh Gupta
Chairman-Audit Committee
[DIN:00046810]

Place: Mumbai
Date: May 04, 2023

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Note 1: Group Corporate Information

The consolidated financial statements comprise financial statements of CEAT Limited ("the Company") and its subsidiaries (collectively, "the Group"), associate and joint ventures for the year ended March 31, 2023. 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 approved for issue in accordance with a resolution of the Board of Directors on May 4th, 2023.

The following subsidiaries, associate and joint ventures have been considered in the consolidated financial statements

a) Subsidiaries

(₹ in Lacs)

Name	Principle activities	Country of incorporation	% of equity interest	
			March 31, 2023	March 31, 2022
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%
CEAT Auto Components Limited	Manufacturing auto components	India	100.00%	NA
Taabi Mobility Limited	Providing fleet management services	India	100.00%	NA

b) Joint venture

(₹ in Lacs)

Name	Principle activities	Country of incorporation	% of equity interest	
			March 31, 2023	March 31, 2022
CEAT Kelani Holding (Pvt) Limited [Joint venture of Associated CEAT Holdings Company (Pvt.) Ltd.]	Manufacturing of tyres	Sri Lanka	50%	50%
Associated CEAT (Pvt.) Limited	Manufacturing of tyres	Sri Lanka	50%	50%
CEAT Kelani Radials (Pvt.) Limited	Manufacturing of tyres	Sri Lanka	50%	50%
CEAT Kelani International Tyres (Pvt.) Limited	Manufacturing of tyres	Sri Lanka	50%	50%

c) Associates

(₹ in Lacs)

Name	Principle activities	Country of incorporation	% of equity interest	
			March 31, 2023	March 31, 2022
TYRESNMORE Online Pvt Ltd	Trading of tyres, tubes and flaps	India	*49.83%	*49.83%

* Includes compulsory convertible preference shares (potential voting right)

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

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 CEAT Limited (Parent company). Items included in the financial statements of the Group are recorded using the currency of the primary economic environment in which the CEAT limited (Parent company) 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 Basis of 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
- Investment in others (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, 2023. The Group's investment in joint ventures 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, additional financial information as of the same date as the financial statements of the parent

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

- Combine items like of 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 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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

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.

2.6 Revenue from operation & other income

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

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. Sales related obligations). 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 in statement of profit and loss as per income approach 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 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 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 on accrual basis.

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, 2023

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

for the year ended March 31, 2023

- 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. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably. The cost of property, plant and equipment at 1 April 2015, the Group's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

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 which may not be necessarily in the alignment with the useful lives prescribed by schedule II to the Companies Act, 2013. 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	1 – 10 Years
Vehicle	8 years
Office Equipment	1 – 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.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably. The cost of property, plant and equipment at 1 April 2015, the Group's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

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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.

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	1 – 6 years
Brand (refer 2.11.1)	20 years
Technical know-how (refer 2.11.1)	20 years
Product development (refer 2.11.2)	6- 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 charged to P&L as and when they are 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.

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 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

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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 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
Land	95 Years
Others (includes buildings & Plant & machinery)	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.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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 on item by item basis.

The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. 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

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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 and stores & spares 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.

2.15 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.

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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 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.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

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

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are recognised at fair value through profit and loss (FVTPL) except for trade receivables without financing component which are measured at transaction price, 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')

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 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:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and

- b) 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

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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.

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:

- (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 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

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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.
- 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:

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

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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.
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

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

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 or 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

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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

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. For the purpose of cash flow statement, Cash & Cash equivalent consists of cash & short term deposits as defined above. The Cash flow statement is prepared using indirect method.

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

(a) Foreign currency transactions

The Group's financial statements are presented in ₹, which is the CEAT Limited's (Parent Company) functional currency.

Transactions in foreign currencies are initially recorded by the Group at functional currency's 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).

(b) Foreign operations

The assets and liabilities of foreign operations (subsidiaries, associates, joint arrangements, branches), including goodwill (if any) and fair value adjustments arising on acquisition, are translated into INR at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

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

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.

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,

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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
- Investment accounted for using equity method- Note 6

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Note 3: Property, plant and equipment and Capital work-in-progress

Refer note 2.10 for accounting policy on Property, plant and equipment

(₹ in Lacs)

Particulars	Freehold land	Buildings	Plant and Equipments (Owned)	Furniture and Fixtures	Vehicles	Office equipments	Capital work in progress	Total
Gross carrying amount								
As at April 01, 2021	48,524	72,159	4,19,665	2,490	770	1,863	76,786	6,22,257
Additions	-	9,630	77,745	336	56	511	94,434	1,82,712
Disposals	-	(8)	(2,029)	(0)	(20)	(4)	-	(2,061)
Capitalised	-	-	-	-	-	-	(88,293)	(88,293)
Foreign Exchange Adjustment	-	-	-	-	-	-	-	-
As at March 31, 2022	48,524	81,781	4,95,381	2,826	806	2,370	82,927	7,14,615
Additions	137	9,559	95,300	388	92	340	79,748	1,85,564
Disposals	-	(67)	(4,156)	(22)	(16)	(66)	-	(4,327)
Capitalised	-	-	-	-	-	-	(1,05,816)	(1,05,816)
As at March 31, 2023	48,661	91,273	5,86,525	3,192	882	2,644	56,859	7,90,036
Accumulated Depreciation:								
As at April 01, 2021	-	8,283	89,277	954	524	924	-	99,962
Depreciation for the year	-	2,387	28,507	246	75	302	-	31,517
Disposals	-	(6)	(1,413)	(0)	(19)	(4)	-	(1,442)
Foreign Exchange Adjustment	-	-	-	-	-	-	-	-
As at March 31, 2022	-	10,664	1,16,371	1,200	580	1,222	-	1,30,037
Depreciation for the year	-	2,581	31,578	279	44	332	-	34,814
Disposals	-	(34)	(3,173)	(16)	(14)	(64)	-	(3,301)
As at March 31, 2023	-	13,211	1,44,776	1,463	610	1,490	-	1,61,550
Net Book Value:								
As at March 31, 2022	48,524	71,117	3,79,010	1,626	226	1,148	82,927	5,84,578
As at March 31, 2023	48,661	78,062	4,41,749	1,729	272	1,154	56,859	6,28,486

Net book value

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Property, plant and equipment	5,71,627	5,01,651
Capital work in progress	56,859	82,927

Capital work in progress (CWIP) Ageing Schedule

As at March 31, 2023

(₹ in Lacs)

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	30,226	14,494	1,325	10,814	56,859
Total	30,226	14,494	1,325	10,814	56,859

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Note 3: Property, plant and equipment and Capital work-in-progress (Contd..)

As at March 31, 2022

(₹ in Lacs)

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	13,550	82,927
Total	51,979	8,743	8,655	13,550	82,927

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.

(₹ in Lacs)

Particulars	Note	2022-23	2021-22
Finance Cost	33	2,000	1,790
Professional and consultancy charges	35	102	140
Miscellaneous expenses	35	253	235
Employee benefit expenses	32	1,200	1,234
Travelling and Conveyance	35	142	104
Total		3,697	3,503

- As a part of ongoing expansion project at Halol (Phase III), during the year the Company has capitalised and commissioned assets of ₹ 9,548 lacs (March 31, 2022: ₹ 8,170 lacs).
- As a part of ongoing expansion project at Nagpur, during the year the Company has capitalised and commissioned assets of ₹ 13,231 lacs (March 31, 2022: ₹ 5,437 lacs).
- As a part of ongoing green field project at Chennai, during the year the Company has capitalised and commissioned assets of ₹ 31,708 lacs (March 31, 2022: ₹ 40,165 lacs).
- As a part of ongoing expansion project at Ambernath (Phase II), during the year the Company has capitalised and commissioned of ₹ 13,505 lacs (March 31, 2022: ₹ 11,625 lacs).
- The amount of borrowing cost capitalised during the year ended March 31, 2023 is ₹ 2,000 lacs (March 31, 2022: ₹ 1,790 lacs). The rates used to determine the amount of borrowing cost eligible for capitalisation was in the range of 5% to 7.34% (March 31, 2022: 6.50% to 7.25%) which is the effective interest rate of specific borrowings.
- Refer note 20 and 24 for details on pledges and securities.
- During the year, the Group has reclassified leasehold land from Property, plant and equipment to Right-of-use asset to appropriately reflect nature of asset and accordingly the comparative amount of previous year of ₹ 10,078 Lacs has also been reclassified

Note 4: Leases

Refer note 2.13 for accounting policy on Leases

Note 4(a): Right-of-use assets

(₹ in Lacs)

Particulars	As at March 31, 2023				As at March 31, 2022			
	Building	Land	Others *	Total	Building	Land	Others *	Total
Opening net carrying balance	6,525	10,078	5,854	22,457	788	10,196	9,995	20,979
Additions during the year	4,471	9	10,525	15,005	10,091	15	-	10,106
Depreciation (refer note 34)	(4,133)	(133)	(3,993)	(8,259)	(4,354)	(133)	(4,141)	(8,628)
Total	6,863	9,954	12,386	29,203	6,525	10,078	5,854	22,457

* 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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Note 4(b): Lease liabilities

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening net carrying balance	13,209	11,497
Additions	14,996	10,091
Accretion of interest (refer note 33)	1,420	1,331
Payments	(9,347)	(9,710)
Total	20,278	13,209

Notes:

- The rate used for discounting is in range of 7 - 10%.
- 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.

- During the year, the Group has reclassified leasehold land from Property, plant and equipment to Right-of-use asset to appropriately reflect nature of asset and accordingly the comparative amount of previous year of ₹ 10,078 Lacs has also been reclassified"

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current lease liabilities	13,055	8,047
Current lease liabilities	7,222	5,162

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	Intangible assets under development	Total
Gross carrying amount						
As at April 01, 2021	11,384	4,404	704	3,589	77	20,158
Additions	2,131	-	-	199	6,914	9,244
Foreign Exchange Adjustment	1	-	-	-	-	1
Capitalised	-	-	-	-	(2,330)	(2,330)

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Note 5: Intangible assets and intangible assets under development (Contd..)

(₹ in Lacs)

Particulars	Software	Brand	Technical Know-how	Product development	Intangible assets under development	Total
As at March 31, 2022	13,516	4,404	704	3,788	4,661	27,073
Additions	2,595	-	-	1,238	1,920	5,753
Disposal	(26)	-	-	-	-	(26)
Capitalised	-	-	-	-	(3,833)	(3,833)
As at March 31, 2023	16,085	4,404	704	5,026	2,748	28,967
Accumulated amortization						
As at April 01, 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
Amortization for the year	2,897	289	47	625	-	3,858
Disposal	(22)	-	-	-	-	(22)
As at March 31, 2023	11,578	2,215	346	3,299	-	17,438
Net Book Value:						
As at March 31, 2022	4,813	2,478	405	1,114	4,661	13,471
As at March 31, 2023	4,507	2,189	358	1,727	2,748	11,529

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Intangible assets	11,529	13,471
Intangible assets under development	2,748	4,661

Intangible assets under development (IAUD) Ageing Schedule

As at March 31, 2023

(₹ 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	849	602	487	810	2,748
Total	849	602	487	810	2,748

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
Total	2,161	1,509	991	-	4,661

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Note 6: Investments accounted using equity method

Refer note 2.4 for accounting policy on investments in joint venture and associate

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Investment in Joint venture (refer note 40)		
CEAT Kelani Holding Company (Pvt.) Limited	14,631	15,608
Investment in Associate (refer note 41)		
TYRESNMORE Online Pvt Ltd	659	986
Total	15,290	16,594

- a) Significant judgments are involved in determining the significant influence over investees
- b) During the year, the Group has reclassified the investment in equity shares of Greenzest Solar Private Limited from investment in associates to investment in others to appropriately reflect nature of asset and accordingly the comparative amount of previous year of ₹ 508 Lacs has also been reclassified

Note 7: Investments

Refer note 2.18 for accounting policy on Financial instruments

(₹ in Lacs)

Particulars	Face Value	As at March 31, 2023	As at March 31, 2022
Unquoted investment in others (at fair value through profit and loss)			
16,95,000 (March 31, 2022: 16,95,000) equity shares of Bhadreshwar Vidyut Private Limited (formerly known as OPGS Power Gujarat Private Limited)	₹ 0.19	3	3
National Saving Certificates VIII issue (refer foot note a)		0	0
7,129 (March 31, 2022: 7,129) 0.001% Compulsorily Convertible Preference shares of E-Fleet Systems Private Limited	₹ 10	426	412
10 (March 31, 2022: 10) equity shares of E-Fleet Systems Private Limited	₹ 10	1	1
1,000 (March 31, 2022: 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	60
33,69,600 (March 31, 2022: 33,69,600) equity shares of TP Akkalkot Renewable Limited	₹ 10	337	337
10,50,001 (March 31, 2022: 6,12,501) equity shares of Greenzest Solar Private Limited		840	508
Total		1,667	1,321

Notes:

- a) Pledged as security for sales tax purpose.
- b) Refer note 47 for information about fair value measurement.
- c) During the year, the Group has reclassified the investment in equity shares of Greenzest Solar Private Limited from investment in associates to investment in others to appropriately reflect nature of asset and accordingly the comparative amount of previous year of ₹ 508 Lacs has also been reclassified

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Note 8: Other financial assets

Refer note 2.18 for accounting policy on Financial instruments

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Secured, considered good		
At amortised cost		
Security deposits	897	988
Security deposits (related parties) (refer note 44)	100	100
Unsecured, considered good		
Margin money deposits (refer foot note a)	4	99
Unsecured, considered doubtful		
Security deposits	88	98
Less : Allowance made for doubtful deposits	(88)	(98)
Derivative financial instrument	11	-
Total	1,012	1,187

Notes:

- a) The margin money deposits are for bank guarantees given to statutory authorities.
- b) Refer note 47 for information about fair value measurement.

Note 9: Other non-current assets

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Capital advances (others)	2,981	4,258
Security deposits with statutory authorities	2,211	2,065
Unsecured, considered doubtful		
Balance with government authorities and agencies	192	192
Less : Allowance made for doubtful balances	(192)	(192)
Total	5,192	6,323

Note 10: Inventories

Refer note 2.14 for accounting policy on Inventories

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Raw materials	37,070	55,791
Goods in transit	4,567	2,364
	41,637	58,155
b) Work-in-progress	7,919	7,885
c) Finished goods	60,801	60,362
d) Stock-in-trade	986	975
Goods in transit	583	1,503
	1,569	2,478
e) Stores and spares	1,818	2,035
Goods in transit	34	41
	1,852	2,076
Total	1,13,778	1,30,956

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Details of finished goods

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Automotive tyres	53,381	52,936
Tubes and others	7,420	7,426
Total	60,801	60,362

Notes:

- During the financial year 2022-23, ₹ 3,329 lacs (March 31, 2022: ₹ 2,506 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.
- Inventories of finished goods have been reduced by ₹ 182 Lacs (31 March 2022: ₹ 311 Lacs) as a result of the write-down to net realisable value.

Note 11: Trade receivables

Refer note 2.18 for accounting policy on financial instruments

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables from others	1,30,566	1,13,045
Trade receivables from related parties (refer note 44)	137	2,387
Total	1,30,703	1,15,432

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Break-up for security details		
Secured, considered good (refer foot note a)	20,970	36,177
Unsecured, considered good	1,09,645	79,211
Trade Receivables which have significant increase in credit risk	175	88
Trade Receivables - credit impaired	1,151	1,318
	1,31,941	1,16,794
Less: Allowance for doubtful debts	(1,238)	(1,362)
Total	1,30,703	1,15,432

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
The movement in allowance for doubtful debts is as follows:		
Balance as at beginning of the year	1,362	1,608
Change in allowance for doubtful debts	67	(227)
Trade receivables written off during the year	(191)	(19)
Balance as at the end of the year	1,238	1,362

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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Notes: (Contd..)

- 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, 2023 and March 31, 2022 is as follows:

(₹ in Lacs)

Ageing as on March 31, 2023	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	1,26,751	3,868	-	-	-	-	1,30,619
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	175	-	-	-	175
Undisputed Trade receivable - credit impaired	-	-	-	110	56	501	667
Disputed Trade receivables - credit impaired	-	-	-	3	56	421	480
Total	1,26,751	3,868	175	113	112	922	1,31,941

(₹ in Lacs)

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 receivable - 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

Note 12: Cash and cash equivalents

Refer note 2.19 for accounting policy on Cash and cash equivalents

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with Banks		
On current accounts	3,602	1,525
Cheques on hand	1,875	847
Cash on hand	4	5
Deposits with original maturity of less than 3 months	581	-
Cash and cash equivalents as per statement of cash flow	6,062	2,377

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Note 12: Cash and cash equivalents (Contd..)

Changes in liabilities arising from financing activities

(₹ in Lacs)			
Particulars	Current borrowings	Non current borrowings*	Interest accrued but not due on borrowing
As at April 01, 2021	2,100	1,39,655	1,307
Interest accrued during the year			19,477
Cash Flows	21,852	46,071	(19,437)
As at March 31, 2022	23,952	1,85,726	1,347
Interest accrued during the year			22,820
Cash Flows	745	(1,153)	(20,925)
As at March 31, 2023	24,697	1,84,573	3,242

* includes current maturities of non-current borrowings.

a) Refer note 4(b) for changes in lease liabilities arising from financing activities

Note 13: Bank balances other than cash and cash equivalents

(₹ in Lacs)		
Particulars	As at March 31, 2023	As at March 31, 2022
Deposits with maturity of more than 3 months but remaining maturity of less than 12 months	837	887
Balances held for unclaimed public fixed deposits and interest thereon (refer foot note a)	7	36
Balances held for unclaimed dividend accounts (refer foot note b)	282	331
Total	1,126	1,254

Notes:

- a) These balances are available for use only towards settlement of matured deposits and interest on deposits. Also includes ₹ 0.20 lacs (March 31, 2022: ₹ 0.20 lacs) outstanding for a period exceeding seven years, in respect of which a Government agency has directed the Group to hold.
- b) These balances are available for use only towards settlement of corresponding unpaid dividend liabilities. The sum also includes ₹ 1.04 lacs (March 31, 2022: ₹ 1.03 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.

Note 14: Other financial assets

Refer note 2.18 for accounting policy on Financial instruments

(₹ in Lacs)		
Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Unsecured, considered good		
Derivative financial instrument	102	-
At amortised cost		
Advance receivable in cash	445	396
Other receivables	3,532	4,995
Interest receivable	2	2
Receivable from related party (refer note 44)	231	545
Total	4,312	5,938

a) Refer note 47 for information about fair value measurement.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Note 15: Other current assets

(₹ in Lacs)		
Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Advance receivable in kind or for value to be received	4,176	593
Balance with government authorities	4,069	4,894
Advance to employees	28	30
Prepaid expense	4,511	2,602
Unsecured, considered doubtful		
Advance receivable in kind or for value to be received	104	99
Less: Allowance for advance receivable in kind or for value to be received	(104)	(99)
Total	12,784	8,119

Note 16: Assets held-for-sale

Refer note 2.9 for accounting policy on Assets held-for-sale

(₹ in Lacs)		
Particulars	As at March 31, 2023	As at March 31, 2022
Free hold land and building (refer foot note a)	98	92
Total	98	92

Note:

- a) During the previous years, the partially 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.

Note 17: Equity share capital

(₹ in Lacs)						
Authorised share capital	Equity shares (Face value ₹ 10)		Preference Shares (Face value ₹ 10)		Unclassified Shares (Face value ₹ 10)	
	Numbers	₹ in lacs	Numbers	₹ in lacs	Numbers	₹ in lacs
As at April 01, 2021	7,51,50,000	7,515	39,00,000	390	1,00,00,000	1,000
Changes during the year	-	-	-	-	-	-
As at March 31, 2022	7,51,50,000	7,515	39,00,000	390	1,00,00,000	1,000
Changes during the year	-	-	-	-	-	-
As at March 31, 2023	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, 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
Allotted during the year	-	-
At March 31, 2023 (refer foot note a)	4,04,50,780	4,045

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Subscribed and Paid-up share capital

(₹ in Lacs)

Equity shares of ₹ 10 each subscribed and fully paid	Numbers	₹ in lacs
At April 01, 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
Allotted during the year	-	-
At March 31, 2023 (refer note a)	4,04,50,092	4,045

a) Includes 688 (March 31, 2022: 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

(₹ in Lacs)

Name of the shareholders	As at March 31, 2023		As at March 31, 2022	
	Numbers	% holding in the class	Numbers	% holding in the class
Equity shares of ₹ 10 each fully paid				
Instant Holdings Limited	1,19,35,259	29.51%	1,19,15,259	29.46%
Swallow Associates LLP	44,84,624	11.09%	44,84,624	11.09%
Amansa Holdings Pvt Limited	35,75,399	8.84%	37,07,695	9.17%
Mirae Asset Emerging Bluechip Fund	14,71,366	3.64%	26,06,341	6.44%

d) As per the records of the Company as at March 31, 2023, 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 preceding March 31, 2023.

f) Details of shares held by promoter are as follows:

(₹ in Lacs)

Promoter Name	As at March 31, 2023			As at March 31, 2022		
	No. of shares	% of Total Shares	% Change during the year	No. of shares	% of Total Shares	% Change during the year
Promoter						
1. Anant Vardhan Goenka	14,185	0.04%	0.00%	14,185	0.04%	0.00%
2. Harsh Vardhan Goenka	1,33,934	0.33%	0.00%	1,33,934	0.33%	0.00%
Subtotal (a)	1,48,119	0.37%	0.00%	1,48,119	0.37%	0.00%
Promoter Group						
3. Radha Anant Goenka	10	0.00%	0.00%	10	0.00%	0.00%
4. Mala Goenka	10	0.00%	0.00%	10	0.00%	0.00%
5. Instant Holdings Limited	1,19,35,259	29.51%	0.17%	1,19,15,259	29.46%	0.52%
6. Swallow Associates LLP	44,84,624	11.09%	0.00%	44,84,624	11.09%	0.00%
7. Stel Holdings Limited	14,80,157	3.66%	0.64%	14,70,757	3.64%	3.81%

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

f) Details of shares held by promoter are as follows: (Contd..)

(₹ in Lacs)

Promoter Name	As at March 31, 2023			As at March 31, 2022		
	No. of shares	% of Total Shares	% Change during the year	No. of shares	% of Total Shares	% Change during the year
8. Summit Securities Ltd	10,46,248	2.59%	0.97%	10,36,248	2.56%	0.00%
9. Chattarpati Apartments LLP	876	0.00%	0.00%	876	0.00%	0.00%
10. Ektara Enterprises LLP	10	0.00%	0.00%	10	0.00%	0.00%
11. Vayu Udaan Aircraft LLP	10	0.00%	0.00%	10	0.00%	0.00%
12. Sofreal Mercantrade Pvt Ltd	10	0.00%	0.00%	10	0.00%	0.00%
13. Malabar Coastal Holdings LLP	10	0.00%	0.00%	10	0.00%	0.00%
14. Atlantus Dwellings And Infrastructure LLP	10	0.00%	0.00%	10	0.00%	0.00%
15. Sudarshan Electronics And Tv Ltd	1	0.00%	0.00%	1	0.00%	0.00%
16. Stellar Energy Trust (Harsh Vardhan Goenka in the Capacity Of Trustee)	1	0.00%	0.00%	1	0.00%	0.00%
17. Nucleus Life Trust (Harsh Vardhan Goenka in the Capacity Of Trustee)	1	0.00%	0.00%	1	0.00%	0.00%
18. Secura India Trust (Harsh Vardhan Goenka in the Capacity Of Trustee)	1	0.00%	0.00%	1	0.00%	0.00%
19. Prism Estates Trust (Harsh Vardhan Goenka in the Capacity Of Trustee)	1	0.00%	0.00%	1	0.00%	0.00%
20. AVG Family Trust (Anant Vardhan Goenka in the Capacity Of Trustee)	10	0.00%	0.00%	10	0.00%	0.00%
21. RG Family Trust (Anant Vardhan Goenka in the Capacity Of Trustee)	10	0.00%	0.00%	10	0.00%	0.00%
22. Navya Goenka Trust (Harsh Vardhan Goenka in the Capacity Of Trustee)	10	0.00%	0.00%	10	0.00%	0.00%
23. Ishann Goenka Trust (Harsh Vardhan Goenka in the Capacity Of Trustee)	10	0.00%	0.00%	10	0.00%	0.00%
Subtotal (b)	1,89,47,279	46.84%	1.78%	1,89,07,879	46.74%	0.62%
Total (a + b)	1,90,95,398	47.21%	1.78%	1,90,55,998	47.11%	0.61%

Note 18: Other equity

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Securities premium (refer note a)	56,703	56,703
Capital reserve (refer note b)	1,379	1,420
Capital redemption reserve (refer note c)	390	390
Effective portion of cash flow hedges (refer note d)	106	(755)
Exchange differences on translating the financial statements of a foreign operation (refer note e)	(7,617)	(6,700)
General reserve (refer note f)	25,178	25,166
Retained earnings (refer note g)	2,63,780	2,47,012
Total other equity	3,39,919	3,23,236

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Note 18: Other equity (Contd..)

Refer Statement of Changes in Equity

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) Effective portion of cash flow hedges

It represents mark-to-market valuation of effective hedges as required by Ind AS 109.

e) Exchange differences on translating the financial statements of a foreign operation

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.

Note 19: Distribution made and proposed

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash dividend on equity shares declared and paid		
Final dividend for the year ended on March 31, 2022: ₹ 3 per share (March 31, 2021: 18 per share for the year ended on March 31, 2020)	1,214	7,281
Total	1,214	7,281

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Proposed dividend on equity shares		
Proposed dividend for the year ended on March 31, 2023: ₹ 12 per share (March 31, 2022: 3 per share)	4,854	1,214
Total	4,854	1,214

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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Note 19: Distribution made and proposed (Contd..)

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

(₹ in Lacs)

Particulars	Non-current		Current maturities	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Interest bearing loans and borrowings				
I. Secured				
i) Debentures				
Non-convertible debentures (refer foot note 1)	10,000	25,000	15,000	-
ii) Term loans				
Indian rupee loan from banks *	-			
Citibank N.A. (refer foot note 2)	-	10,750	10,750	6,450
Kotak Mahindra Bank (refer foot note 3)	22,785	26,233	3,448	2,998
Bank of Baroda (refer foot note 4)	53,114	57,086	3,493	3,005
State Bank of India (refer foot note 5)	24,548	33,736	7,324	855
II. Unsecured				
i) Debentures				
Non-convertible debentures (refer foot note 1)	15,000	-	-	-
ii) Term loans				
Indian rupee loan from banks *				
Axis Bank (refer foot note 6)	3,000	3,000	-	-
HSBC Bank (refer foot note 7)	15,000	15,000	-	-
ii) Public deposits (refer foot note 8)	0	0	-	-
iii) Deferred sales tax incentive (refer foot note 9)	609	1,111	502	502
	1,44,056	1,71,916	40,517	13,810
Less: amount classified under current borrowings (refer note 24)	-	-	(40,517)	(13,810)
Total	1,44,056	1,71,916	-	-

* Indian rupee loan from banks carries floating interest rate ranging from 4.05% p.a. to 8.75% p.a. (As on March 31, 2022: 4.75% p.a. to 7.25% p.a.)

Notes:

- 1) Non-Convertible Debentures ("NCDs") ₹ 40,000 lacs as on March 31, 2023 (March 31, 2022: ₹ 25,000 lacs) allotted on October 07, 2020 (NCD Series 1), October 13, 2020 (NCD Series 2) and September 19, 2022 (NCD Series 3) on private placement basis. First two tranches of NCDs are secured by way of first charge over movable and immovable fixed assets located at Ambarnath plant and third tranche of NCD is un-secured. As at March 31, 2023, the NCDs carry an interest at 6.40% p.a. (NCD Series 1), 7.00% p.a. (NCD Series 2) and 7.99% p.a. (NCD Series 3) and is repayable as under:

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Notes: (Contd..)

- NCD Series 1: ₹ 15,000 lacs (37.50% of the issue amount) repayable on October 06, 2023.
 - NCD Series 2: ₹ 10,000 lacs (25% of the issue amount) repayable on October 13, 2025.
 - NCD Series 3: ₹ 15,000 lacs (37.50% of the issue amount) repayable on September 19, 2026.
- 2) Term loan from Citibank N.A. ₹ 10,750 lacs as on March 31, 2023 (March 31, 2022: ₹ 17,200 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 ₹ 26,250 lacs as on March 31, 2023 (March 31, 2022: ₹ 29,250 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 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 ₹ 56,711 lacs as on March 31, 2023 (March 31, 2022: ₹ 60,212 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 repayable as under:

Year	Repayment Schedule (In %)	Schedule of Repayment
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%	

- 5) Term Loan from State Bank of India ₹ 32,116 lacs as on March 31, 2023 (March 31, 2022: ₹ 34,882 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 repayable as under:

Year	Repayment Schedule (In %)	Schedule of Repayment
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%	

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Notes: (Contd..)

- 5) Term Loan from State Bank of India ₹ 32,116 lacs as on March 31, 2023 (March 31, 2022: ₹ 34,882 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 repayable as under: (Contd..)

Year	Repayment Schedule (In %)	Schedule of Repayment
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, 2023 (March 31, 2022: ₹ 3,000 lacs) is an un-secured loan. It is repayable as under:

Year	Repayment Schedule (In %)	Schedule of Repayment
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, 2023 (March 31, 2022: ₹ 15,000 lacs) is an un-secured loan. It is re-payable as under:

Year	Repayment Schedule (In %)	Schedule of Repayment
2024 - 25	100.00%	To be re-paid in one bullet installment in Sept 2025

- 8) Public deposits ₹ 0.20 lacs (March 31, 2022: ₹ 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.

Note 21: Other financial liabilities

Refer note 2.18 for accounting policy on Financial instruments

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
At fair value through other comprehensive income		
Derivative financial instrument	-	80
At amortised cost		
Deposits	93	93
Payable to capital vendors (refer note b)	1,788	3,990
Total other financial liabilities	1,881	4,163

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Note 21: Other financial liabilities (Contd..)

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

(₹ in Lacs)		
Particulars	As at March 31, 2023	As at March 31, 2022
Non-current provisions		
(A) Provision for employee benefits		
Provision for compensated absences (refer foot note a)	3,970	3,344
(B) Others		
Provision for sales related obligations (refer note b)	713	730
Provision for decommissioning liability (refer note c)	105	94
	4,788	4,168
Current provisions		
(A) Provision for employee benefits		
Provision for compensated absences (refer foot note a)	751	636
Provision for gratuity [refer note 42(b)]	2,205	1,097
(B) Others		
Provision for sales related obligations (refer note b)	9,023	8,503
Provision for litigations (refer foot note d)	2,403	2,397
	14,382	12,633

a) 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, 2021		4,271
Additions during the year		254
Utilised during the year		(545)
As at March 31, 2022		3,980
Additions during the year		1,281
Utilised during the year		(540)
As at March 31, 2023		4,721

b) 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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

b) Provision for Sales related obligations (Contd..)

Movement in provision for sales related obligations		(₹ in lacs)
As at April 01, 2021		7,316
Additions during the year		11,373
Utilised during the year		(9,456)
As at March 31, 2022		9,233
Additions during the year		15,092
Utilised during the year		(14,589)
As at March 31, 2023		9,736

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, 2021		85
Additions during the year		9
As at March 31, 2022		94
Additions during the year		11
As at March 31, 2023		105

d) Provision for litigations

Movement in provision for indirect tax and labour matters		(₹ in lacs)
As at April 01, 2021		3,042
Additions during the year		16
Utilised during the year		(661)
As at March 31, 2022		2,397
Additions during the year		116
Utilised during the year		(110)
As at March 31, 2023		2,403

Note 23: Income tax and deferred taxes

Refer note 2.8 for accounting policy on Taxes

Consolidated Balance Sheet

(₹ in Lacs)		
Particulars	As at March 31, 2023	As at March 31, 2022
Non current tax assets (net)		
Advance payment of tax (net of provision)	1,414	5,855
Current tax liabilities (net)		
Provision for income tax (net of advance tax)	1,521	1,969
Deferred tax liabilities (net)	38,858	31,769
Deferred tax assets (net) (refer foot note a)	127	80

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Consolidated statement of profit and loss

Particulars	(₹ in Lacs)	
	2022-23	2021-22
Current tax	186	(1,197)
Deferred tax	6,989	3,627
Income tax expense reported in the consolidated statement of profit and loss (refer foot note c)	7,175	2,430

Other comprehensive income (OCI)

Deferred tax related to items recognised in OCI during the year:

Particulars	(₹ in Lacs)	
	2022-23	2021-22
Income tax effect on actuarial losses for gratuity	197	(141)
Income tax effect on effective portion of cash flow hedges	(289)	14
Income tax (expense) / income charged to OCI	(92)	(127)

Reconciliation of Effective Tax Rate

Particulars	(₹ in Lacs)	
	2022-23	2021-22
Accounting profit before tax	25,414	9,488
Income tax rate of 25.17% (March 31, 2022: 25.17%)	6,396	2,388
Reversal of provision for tax of earlier years	(368)	(15)
Impact of share of profit from joint venture and associates	(207)	(724)
Effect of undistributed earnings of subsidiaries	(97)	(497)
Difference in tax rates for certain entities of the group	632	479
Others	558	461
Non-deductible expenses for tax purposes:		
Depreciation on revaluation	101	101
Corporate social responsibility (CSR) Expenses	152	202
Other non-deductible expenses	8	35
At the effective income tax rate of 28.23% (March 31, 2022: 25.61%)	7,175	2,430

Deferred tax

Deferred tax relates to the following

Particulars	(₹ in Lacs)			
	Balance sheet		Statement of Profit and loss	
	As at March 31, 2023	As at March 31, 2022	2022-23	2021-22
Accelerated depreciation for tax purposes	(44,580)	(38,133)	6,447	4,552
Voluntary Retirement Scheme (VRS)	1,110	860	(250)	222
Allowance for doubtful debts/advances	422	454	32	313
Carry forward of business loss	932	2,338	1,406	(2,338)
Undistributed profit of Subsidiary	(960)	(1,071)	(111)	(497)
Others	4,345	3,863	(535)	1,375
Deferred tax expense / (income)			6,989	3,627
Net deferred tax assets / (liabilities)	(38,731)	(31,689)		

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Reflected in the Balance Sheet as follows:

Particulars	(₹ in Lacs)	
	As at March 31, 2023	As at March 31, 2022
Deferred tax assets	6,809	7,515
Deferred tax liability	(45,540)	(39,204)
Deferred tax liability (net)	(38,731)	(31,689)

Reconciliation of deferred tax liabilities (net)

Particulars	(₹ in Lacs)	
	2022-23	2021-22
Opening balance as of April 01	(31,689)	(27,931)
Tax (expense) / income recognised in the Statement of Profit and Loss	(6,989)	(3,627)
Tax (expense) / income recognised in Other Comprehensive Income	(92)	(127)
Others	39	(4)
Closing balance as at March 31	(38,731)	(31,689)

Notes:

- This figure includes deferred tax asset of ₹ 127 lacs (March 31, 2022: ₹ 80 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.

Note 24: Borrowings

Refer note 2.18 for accounting policy on Financial instruments

Particulars	(₹ in Lacs)	
	As at March 31, 2023	As at March 31, 2022
Current		
Secured		
Cash credit facilities from banks (repayable on demand) (refer foot note a)	1,476	3,314
Export packing credit from banks (refer foot note a)	-	4,500
Buyer's credit from banks (refer foot note a)	1,221	538
Working capital demand loan (refer foot note a)	12,000	5,600
Current maturities of long-term borrowings (refer note 20)	40,517	13,810
Unsecured		
Commercial paper (refer foot note b)	10,000	10,000
Total	65,214	37,762

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. (March 31, 2022: 4.50% to 9.70% p.a.). In case of foreign subsidiaries, the short-term borrowings carry interest in the range of 8.00 % to 9.00 % p.a. (March 31, 2022: 8.00% to 8.70% 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 4.14% p.a. to 7.70% p.a. (March 31, 2022 : 3.48% 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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Note 25: Trade payables

Refer note 2.18 for accounting policy on Financial instruments

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises (refer foot note a):		
Overdue	5	37
Not due	8,123	8,007
Total outstanding dues of creditors other than micro enterprises and small enterprises:		
Other trade payables	2,18,429	2,07,539
Trade payables to related parties (refer note 44)	276	175
Total	2,26,833	2,15,758

Notes :

- a) 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, 2023	As at March 31, 2022
i) The principal amount remaining unpaid to any supplier as at the end of each accounting year	8,128	8,043
ii) Interest due thereon remaining unpaid to any supplier as at the end of accounting year	-	1
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	1	6
iv) The amount of interest due and payable for the year	-	1
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, 2023 and March 31, 2022 is as follows:

(₹ in Lacs)

Trade payable ageing as on March 31, 2023	Current but not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 year	2-3 year	More than 3 years	
Total outstanding dues of Micro enterprises and small enterprises	8,123	5	-	-	-	8,128
Total outstanding dues of creditors other than Micro enterprises and small enterprises	2,17,596	857	-	-	228	2,18,681
Disputed dues of creditors other than Micro enterprises and small enterprises	-	9	-	-	14	23
	2,25,719	872	-	-	242	2,26,832

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Note 25: Trade payables (Contd..)

(₹ 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 1 year	1-2 year	2-3 year	More than 3 years	
Total outstanding dues of Micro enterprises and small enterprises	8,007	37	-	-	-	8,044
Total outstanding dues of creditors other than Micro enterprises and small enterprises	2,00,958	6,464	-	-	264	2,07,686
Disputed dues of creditors other than Micro enterprises and small enterprises	-	13	2	-	13	28
Total	2,08,965	6,514	2	-	277	2,15,758

Note 26: Other financial liabilities

Refer note 2.18 for accounting policy on Financial instruments

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
At fair value through other comprehensive income		
Derivative financial instrument	-	1,562
At amortised cost		
Employee related liability	11,061	9,056
Interest accrued but not due on borrowings	3,242	1,347
Interest accrued but not due on Security deposit	14	18
Unpaid dividends (refer foot note a)	282	331
Unpaid matured deposits and interest accrued thereon (refer foot note a)	7	33
Payable to capital vendors (others)	19,886	25,701
Payable to capital vendors (Related parties) (refer note 44)	-	356
Deposits from dealers and Others	49,713	43,059
Others	-	1
Total	84,205	81,464

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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Note 27: Other current liabilities

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory dues	12,669	10,047
Advance received from customers *	2,396	1,541
Total	15,065	11,588

* 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:

(₹ in Lacs)

Particulars	2022-23	2021-22
Revenue recognised at the point of time		
Automotive Tyres	10,39,520	8,44,625
Tubes and others	74,430	68,497
Other revenues	510	542
Revenue recognised over the period of time		
Royalty income (refer note 44)	445	681
Total revenue from contracts with customers	11,14,905	9,14,345
Other operating revenue		
Sale of scrap	6,143	5,364
Government grants (refer foot note d)	10,440	16,632
Revenue from operations	11,31,488	9,36,341

Notes:

- Revenue disaggregation basis geography has been included in segment information (refer note 45).
- Contract assets and liabilities

The Group has recognized the following revenue-related contract assets and liabilities:

(₹ in Lacs)

Particulars	2022-23	2021-22
Trade receivables (refer note 11)	1,30,703	1,15,432
Contract liabilities (refer note 27)	2,396	1,541

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.

- Reconciling the amount of revenue recognised in the consolidated statement of profit and loss with the contracted price:

(₹ in Lacs)

Particulars	2022-23	2021-22
Revenue as per contracted price	11,45,180	9,36,209
Reductions towards variable consideration components *	(30,275)	(21,864)
Revenue from contracts with customers	11,14,905	9,14,345

* The reduction towards variable consideration comprises of discounts, indexations etc.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Notes: (Contd..)

- Government Grant:

- In accordance with the accounting policy for Government grants, the Group has recognised an amount of ₹ 10,268 lacs towards state incentives (March 31, 2022: ₹ 14,907 lacs) which is included in other operating revenue.
- 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.

- During the year, the Company has reclassified the sale of scrap to other operating income to appropriately reflect nature of income and accordingly the comparative amount of previous year of ₹ 5,364 Lacs has also been reclassified.

Note 29: Other income

Refer note 2.6 for accounting policy on revenue recognition

(₹ in Lacs)

Particulars	2022-23	2021-22
Interest income on:		
Bank deposits	85	44
Others	776	254
Other non-operating income	785	753
Gain on disposal of property, plant and equipment / asset held for sale (net)	48	-
Foreign Exchange Fluctuations (Net)	-	89
Total	1,694	1,140

Note 30: Cost of material consumed

(₹ in Lacs)

Particulars	2022-23	2021-22
Raw material		
Opening stock	58,155	58,699
Add: Purchases	7,18,556	6,18,146
	7,76,711	6,76,845
Less: Closing stock	(41,637)	(58,155)
Total	7,35,074	6,18,690

Details of raw materials consumed

(₹ in Lacs)

Particulars	2022-23	2021-22
Rubber	3,48,425	3,08,822
Fabrics	81,765	83,379
Carbon black	1,29,091	88,563
Chemicals	57,427	55,579
Others	1,18,366	82,347
Total	7,35,074	6,18,690

Details of Closing inventories

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Rubber	23,027	34,827
Fabrics	4,310	6,991
Carbon black	3,233	3,578
Chemicals	4,640	5,670
Others	6,427	7,089
Total [refer note 10(a)]	41,637	58,155

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Note 31: Changes in inventories of finished goods, work-in-progress and stock-in-trade

(₹ in Lacs)		
Particulars	2022-23	2021-22
Opening Stock		
Finished goods	60,363	43,239
Work-in-progress	7,885	6,708
Stock-in-trade	2,477	1,979
	70,725	51,926
Closing Stock		
Finished goods	60,801	60,362
Work-in-progress	7,919	7,885
Stock-in-trade	1,569	2,478
	70,289	70,725
Total change in inventories	436	(18,799)

Note 32: Employee benefit expenses

Refer note 2.17 for accounting policy on employee benefits

(₹ in Lacs)		
Particulars	2022-23	2021-22
Salaries, wages and bonus	61,255	56,396
Contribution to provident and other funds	3,093	2,975
Gratuity expenses (refer note 42)	956	944
Staff welfare expenses	8,216	9,065
Total	73,520	69,380

Note 33: Finance costs

Refer note 2.12 for accounting policy on Borrowing costs, 2.16 on Provisions and 2.13 on Leases.

(₹ in Lacs)		
Particulars	2022-23	2021-22
Interest on debts and borrowings [refer note 3(6)]	20,771	17,461
Other finance charges	749	783
Interest on lease liabilities [refer note 4(b)]	1,420	1,331
Total Interest expense	22,940	19,575
Unwinding of decommissioning liability	11	9
Unwinding of deferred payment obligation	271	326
Unwinding of discount on provision of sales related obligations	988	785
Total finance cost	24,210	20,695

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

(₹ in Lacs)		
Particulars	2022-23	2021-22
Depreciation on property, plant and equipment (refer note 3)	34,814	31,517
Amortization on intangible assets (refer note 5)	3,858	3,375
Depreciation on Right-of-use assets [refer note 4(a)]	8,259	8,628
Total	46,931	43,520

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Note 35: Other expenses

(₹ in Lacs)		
Particulars	2022-23	2021-22
Conversion charges	34,146	31,947
Stores and spares consumed	9,412	9,511
Power and fuel	37,542	32,767
Freight and delivery charges	45,681	42,240
Rates and taxes	343	141
Insurance	1,637	1,368
Repairs and maintenance	9,649	8,345
Directors' fees (refer note 44)	48	49
Payment to auditors (refer foot note 1)	129	114
Cost audit fees	3	3
Advertisement and sales promotion expenses	21,226	16,363
Bad debts and advances written off	258	345
Allowance for bad debts and advances written back including utilisation of provision [refer note 22(d)]	(191)	(37)
	67	308
Allowance for doubtful debts and advances	259	(338)
Loss on disposal of property, plant and equipment (net)	-	1,072
Professional and consultancy charges	9,465	5,975
Commission to directors (refer note 44)	177	85
Corporate social responsibility (CSR) expenses (refer foot note 2)	604	802
Sales related obligations	15,092	11,373
Miscellaneous expenses	36,568	31,098
Total	2,22,048	1,93,223

Notes:

1) Payment to the auditors *

(₹ in Lacs)		
Particulars	2022-23	2021-22
As auditor		
Audit fee	71	69
Limited review	35	24
In other capacity:		
Other services (including certification fees)	14	20
Reimbursement of expenses	9	1
Total	129	114

* Exclusive of Goods and Services Tax (GST) and other indirect taxes relevant to foreign subsidiary

2) Details of Corporate Social Responsibility (CSR) expenditure

(₹ in Lacs)		
Particulars	2022-23	2021-22
a) Gross amount required to be spent during the year	604	802

(₹ in Lacs)			
Particulars	In cash	Yet to be paid in cash	Total
b) Amount spent during the year on on-going projects ended on March 31, 2023 *			
(i) Construction / acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	398	206	604
Total	398	206	604

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Note 35: Other expenses (Contd..)

(₹ in Lacs)			
Particulars	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, 2023 *			
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	-	-	-
Total	-	-	-

(₹ in Lacs)			
Particulars	In cash	Yet to be paid in cash	Total
d) Amount spent during the year ending on March 31, 2022*			
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	632	104	736
Total	632	104	736

(₹ in Lacs)			
Particulars	In cash	Yet to be paid in cash	Total
e) Amount spent during the year ending on March 31, 2022*			
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	66	-	66
Total	66	-	66

f) Movement of CSR Balance

(₹ in Lacs)							
Particulars	Balance as on March 31, 2022		Amount required to be spent during the year	Amount spent during the year		Balance as on March 31, 2023	
	With company	In separate CSR unspent A/c		With company	In separate or unspent A/c	With company	In separate CSR unspent A/c
Ongoing project	-	104	604	398	104	-	206
Other than ongoing project	-	-	-	-	-	-	-

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 ₹ 206 lacs of Corporate Social Responsibility expense related to ongoing projects as at March 31, 2023 (March 31, 2022: ₹ 104 lacs). The same was transferred to a special account designated as "Unspent Corporate Social Responsibility Account for FY23" ("UCSRA – FY23") of the Group within 30 days from end of financial year.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Note 36: Exceptional items

(₹ in Lacs)		
Particulars	2022-23	2021-22
Voluntary retirement scheme (VRS) (refer foot note a)	3,160	703
Expenses / losses due to fluctuations in Sri Lankan currency (refer foot note b)	182	588
Total	3,342	1,291

a) The Group had introduced VRS for employees. During the year, 147 employees (March 31, 2022: 38 employees) opted for the VRS.

b) The economic situation in Sri Lanka has deteriorated significantly and consequently there has been a devaluation of the currency. The exchange loss of ₹ 182 lacs (March 31, 2022- ₹ 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, 2023.

Note 37: Research and development costs

(₹ in Lacs)		
Particulars	2022-23	2021-22
Capital expenditure	4,367	1,325
Revenue expenditure	11,906	10,520
Total	16,273	11,845

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:

(₹ in Lacs)		
Particulars	2022-23	2021-22
Profit after tax for calculation of basic and diluted EPS	18,617	7,120
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)	46.02	17.60
Diluted earnings per share (Face value of ₹ 10 each)	46.02	17.60

Note 39: Non-controlling interests

Financial information of subsidiaries that have material non-controlling interests is provided below:

i) Proportion of equity interest held by non-controlling interests

(₹ in Lacs)			
Name	Country of Incorporation	% of Equity interest	
		March 31, 2023	March 31, 2022
Rado Tyres Limited	India	41.44%	41.44%
CEAT AKKHAN Limited	Bangladesh	30.00%	30.00%

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Note 39: Non-controlling interests (Contd..)

Information regarding non-controlling interest

(₹ in Lacs)		
Particulars	2022-23	2021-22
Accumulated balances of material non-controlling interests:		
Rado Tyres Limited	(380)	(383)
CEAT AKKHAN Limited	2,119	2,737
Total	1,739	2,354
Total comprehensive income allocated to material non-controlling interests:		
Rado Tyres Limited	3	0
CEAT AKKHAN Limited	(381)	(62)
Total	(378)	(62)

ii) The summarized financial information of these subsidiaries is provided below (before inter-company eliminations).

a) Summarized statement of profit and loss

(₹ in Lacs)		
For the year ended March 31, 2023	Rado Tyres Limited	CEAT AKKHAN Limited
Revenue	25	13,382
Profit / (Loss) for the year	8	(1272)
Other comprehensive income	0	0
Total comprehensive income	8	(1272)
Attributable to:		
Owners of parent	5	(891)
Non-controlling interest	3	(381)

(₹ in Lacs)		
For the year ended March 31, 2022	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:		
Owners of parent	1	(147)
Non-controlling interest	0	(62)

b) Summarized balance sheet

(₹ in Lacs)		
As at March 31, 2023	Rado Tyres Limited	CEAT AKKHAN Limited
Non-Current Assets	100	6,940
Current Assets	502	4,879
Non-Current Liabilities	(1,510)	(57)
Current Liabilities	(8)	(4,700)
Total equity	(916)	7062
Attributable to:		
Owners of parent	(536)	4943
Non-controlling interest	(380)	2,119

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

b) Summarized balance sheet (Contd..)

(₹ in Lacs)		
As at March 31, 2022	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:		
Owners of parent	(541)	6,388
Non-controlling interest	(383)	2,737

c) Summarized cash flow information

(₹ in Lacs)		
For the year ended March 31, 2023	Rado Tyres Limited	CEAT AKKHAN Limited
Operating	(23)	121
Investing	18	(760)
Financing	-	466
Net increase / (decrease) in cash and cash equivalents	(5)	(173)

(₹ in Lacs)		
For the year ended March 31, 2022	Rado Tyres Limited	CEAT AKKHAN Limited
Operating	(60)	(983)
Investing	21	90
Financing	-	404
Net increase / (decrease) in cash and cash equivalents	(39)	(489)

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, 2023	March 31, 2022
CEAT Kelani Holding (Pvt) Limited	Manufacturing of tyres	Sri Lanka	50%	50%

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

ii) Summarized balance sheet

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-Current Assets	19,309	30,002
Current Assets*	24,246	18,684
Non-Current Liabilities	(2,048)	(18,880)
Current Liabilities	(16,773)	(2,611)
Foreign currency translation differences	5,542	5,422
Net Assets (A)	30,276	32,617
Percentage of the Group's ownership (B)	50%	50%
Group's share in Net worth [A x B]	15,138	16,308
Goodwill	1,266	1,299
Revaluation reserve	(1,773)	(1,999)
Carrying amount of investments	14,631	15,608

* Current assets of CEAT Kelani Holding (Pvt) Limited includes Cash & Cash equivalent of INR 7,124 Lacs (As on March 31, 2022 :10,004 lacs)

iii) Summarized statement of profit and loss

(₹ in Lacs)

Particulars	2022-23	2021-22
Revenue	34,669	61,142
Finance Costs	(1,847)	(321)
Depreciation and amortization	(1,412)	(1,880)
Profit before tax	3,492	7,448
Income tax expenses	(1,194)	(1,241)
Profit after tax (A)	2,298	6,207
Other comprehensive income	242	(68)
Total comprehensive income	2,540	6,139
Percentage of the Group's ownership (B)	50%	50%
Profit considered for consolidation [A x B]	1,149	3,104

The Group has no contingent liabilities or capital commitments relating to its interest in CEAT Kelani Holding (Pvt) Limited as at March 31, 2023 and March 31, 2022. The joint venture has no contingent liabilities or capital commitments as at March 31, 2023 and 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, 2023 and March 31, 2022 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, 2023	March 31, 2022
TYRESNMORE Online Pvt Ltd	Trading of tyres, tubes and flaps	India	* 49.83%	* 49.83%

* Includes compulsory convertible preference shares (potential voting right).

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

ii) TYRESNMORE Online Pvt Ltd

During the year, the Group made additional investment of Nil (March 31, 2022 ₹ 380 lacs) in TYRESNMORE Online Pvt Ltd.

a) Summarized balance sheet

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-Current Assets	145	151
Current Assets*	263	268
Non-Current Liabilities	(123)	(102)
Current Liabilities	(856)	(237)
Total equity (A)	(571)	80
Percentage of the Group's ownership (B)	49.83%	49.83%
Group's share in Net worth [A x B]	(285)	40
Goodwill	943	946
Carrying amount of investment	659	986

* Current assets of TYRENMORE Online Pvt Limited includes Cash & Cash equivalent of ₹ 71 Lacs (As on March 31, 2022 : ₹ 45 Lacs)

b) Summarized statement of profit and loss

(₹ in Lacs)

Particulars	2022-23	2021-22
Revenue	1,426	1,022
Finance Costs	9	5
Depreciation and amortization	25	28
Profit / (Loss) for the period	(657)	(449)
Other comprehensive income	6	-
Total comprehensive income	(651)	(449)
Profit / (Loss) considered for consolidation	(657)	(449)
Percentage of the Group's ownership	49.83%	49.83%
Group share in Profit / (Loss) considered for consolidation #	(327)	(224)

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, 2023 and March 31, 2022. The associate has no contingent liabilities or capital commitments as at March 31, 2023 and March 31, 2022.

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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

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, 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, 2023 and March 31, 2022.

Consolidated balance sheet

i) Net Assets / (Liability) as at year end

(₹ in Lacs)			
Sr. No.	Particulars	As at March 31, 2023	As at March 31, 2022
1	Closing Present value of the defined benefit obligation	13,530	12,508
2	Closing fair value of plan assets	11,523	11,411
	Net Assets / (Liability) recognized in the Balance Sheet	(2,007)	(1,097)

ii) Change in present value of the defined benefit obligation

(₹ in Lacs)			
Sr. No.	Particulars	2022-23	2021-22
1	Opening present value of defined benefit obligation	12,508	12,324
2	Current Service Cost	956	944
3	Interest Cost	900	837
4	Benefits paid	(1,332)	(796)
5	Remeasurement (Gain) / Loss in other comprehensive income		
	- Actuarial changes arising from changes in demographic assumptions	493	(13)
	- Actuarial changes arising from changes in financial assumption	(760)	(407)
	- Experience adjustments	765	(381)
	Closing present value of defined benefit obligation	13,530	12,508

iii) Changes in fair value of plan assets

(₹ in Lacs)			
Sr. No.	Particulars	2022-23	2021-22
1	Opening fair value of plan assets	11,411	11,624
2	Expected return on plan assets	821	790
3	Contributions made	1,100	-
4	Benefits paid	(1,316)	(796)
5	Return on plan assets, excluding amount recognised in net interest expense	(493)	(207)
	Closing fair value of plan assets	11,523	11,411

The Group's gratuity funds are invested through insurers

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Consolidated statement of profit and loss

iv) Expenses recognised during the year

(₹ in Lacs)			
Sr. No.	Particulars	2022-23	2021-22
1	In Income Statement	1,035	992
2	In Other Comprehensive Income	817	(550)
	Total Expenses recognised during the period	1,852	442

v) Expenses recognized in the income statement

(₹ in Lacs)			
Sr. No.	Particulars	2022-23	2021-22
1	Current service cost (refer note 32)	956	944
2	Interest cost on benefit obligation	79	48
	Net benefit expense	1,035	992

vi) Expenses recognized in Other comprehensive income

(₹ in Lacs)			
Sr. No.	Particulars	2022-23	2021-22
1	Remeasurement arising from changes in demographic assumptions	493	(13)
2	Remeasurement arising from changes in financial assumptions	(933)	(363)
3	Remeasurement arising from changes in experience adjustment	765	(381)
4	Return on plan assets, excluding amount recognized in net interest expense	493	207
	Components of defined benefit (gain) / cost recognised in other comprehensive income	817	(550)

vii) Actual return on plan assets for the year ended

(₹ in Lacs)			
Sr. No.	Particulars	2022-23	2021-22
1	Expected return on plan assets	821	790
2	Actuarial gain / (loss) on plan assets	(493)	(207)
	Actual return on plan assets	328	583

viii) The principal assumptions used in determining gratuity and leave encashment for the Group's plan are shown below

Particulars	2022-23	2021-22
Discount Rates (per annum)	7.45%	7.20%
Salary growth rate (per annum)	9% for Management Employees and 12% for Associates and Workmen (Bhandup and Nasik)*	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	0% to 18.33%	9.61%
- Equal and above 5 years	1.33% to 5.67%	3.74%

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Consolidated statement of profit and loss (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 ₹ 3,437 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, 2023	As at March 31, 2022
Defined Benefit Obligation (Base)	13,530	12,508

A quantitative sensitivity analysis for significant assumption as at March 31, 2023 and March 31, 2022 is as shown below:

Particulars	2022-23		2021-22	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	15,105	12,248	13,623	11,545
(% change compared to base due to sensitivity)	11.60%	(9.50%)	8.90%	(7.70)%
Salary Growth Rate (- / + 1%)	12,245	15,067	11,536	13,613
(% change compared to base due to sensitivity)	(9.50%)	11.40%	(7.80%)	8.80%
Attrition Rate (- / + 50% of attrition rates)	13,814	13,318	12,520	12,493
(% change compared to base due to sensitivity)	2.10%	(1.60%)	0.10%	(0.10)%
Mortality Rate (- / + 10% of mortality rates)	13,533	13,526	12,508	12,509
(% 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.
Asset Liability Mismatching or Market Risk	The duration of the liability is longer compared to duration of assets, exposing the Company to market risk for volatilities/fall in interest rate.
Regulatory Risk	Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (e.g. Increase in the maximum limit on gratuity of ₹ 20,00,000).

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

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 11 years.

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Within the next 12 months (next annual reporting period)	1,994	1,896
Between 2 and 5 years	4,626	4,287
Between 5 and 10 years	4,905	5,437
Beyond 10 years	31,019	15,278
Total	42,544	26,898

Compensated absences

Refer note 22(a) 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)

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
1. Direct and indirect taxation matters *		
Income tax	1,074	901
Excise duty / Service tax / GST	16,618	7,859
Sales tax / VAT	2,324	4,517
Bills discounted with banks		
2. Bills discounted with banks	20,725	15,164
3. Claims against the Group not acknowledged as debts *		
In respect of labour matters	988	743
Vendor disputes	294	294
4. Other claims * (refer foot note a)	3,210	28,456

* 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 had released its order dated August 31, 2018 against the Parent Company and other Tyre Manufacturers and also the Automotive Tyre Manufacturer Association (ATMA) concerning contravention of the provisions of the Competition Act, 2002 in the year 2011-12 and imposed a penalty of ₹ 25,216 lakhs on the Parent Company. The Parent Company had filed an appeal against the CCI Order before the Honourable National Company Law Appellate Tribunal (NCLAT). NCLAT in its order dated December 01, 2022, has remitted the matter back to the CCI to re-examine the order and to consider reviewing the penalty pointing out errors leading to wrong conclusions. CCI has filed an Appeal before the Supreme Court against the Order passed by the NCLAT. Parent Company is also a Respondent in the said Appeal. After hearing CCI, Supreme Court on 10th April, 2023 has issued notice to all respondents returnable in September, 2023. No interim order has been passed by the Supreme Court.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Notes: (Contd..)

b) Commitments

Particulars	(₹ in Lacs)	
	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advance payments)	58,743	88,529

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.

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 with whom transactions have taken place during the current year and previous year

- 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)
- TYRESNMORE Online Pvt Ltd. ("TNM") (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)
- B.N. Elias & Co. LLP ("B.N. Elias") (Directors, KMP or their relatives are interested)
- Chattarpati Apartments LLP ("Chattarpati") (Directors, KMP or their relatives are interested)

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

a) Names of related parties and related party relationship (Contd..)

- 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:
 - Mr. Harsh Vardhan Goenka, Chairman
 - Mr. Anant Vardhan Goenka, Managing Director upto March 31, 2023 (redesignated as Vice chairman w.e.f. April 1, 2023)
 - Mr. Arnab Banerjee, Whole-time Director upto March 31, 2023 (redesignated as Managing Director and Chief Executive Officer w.e.f. April 1, 2023)
 - Mr. Kumar Subbiah, Chief Financial Officer
 - Ms. Vallari Gupte, Company Secretary
 - Mr. Paras K. Chowdhary, Non-Executive - Non Independent Director
 - Mr. Vinay Bansal, Independent Director
 - Mr. Atul Choksey, Independent Director
 - Mr. Mahesh Gupta, Independent Director
 - Mr. Haigreve Khaitan, Independent Director
 - Ms. Punita Lal, Independent Director up to January 20, 2021
 - Ms. Priya Nair

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)	
		2022-23	2021-22
Reimbursement / (recovery) of expenses (net)	ACPL	15	5
	CKITL	-	(12)
	Raychem	(9)	(4)
	KEC	(45)	(39)
	Zensar	18	(6)
	RPGE	243	250
	TNM	15	36
	CKRL	(12)	(19)
	RPGLS	(13)	4
	Total	212	215
Royalty income	ACPL	89	156
	CKITL	66	171
	CKRL	290	354
	Total	445	681
Purchase of Traded goods and others	Seniority	-	32
	Total	-	32
Purchase of Raw Material	ACPL	42	-
	CKITL	62	-
	Total	104	-

Notes to Consolidated Financial Statements

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b) The following transactions were carried out during the year with the related parties in the ordinary course of business: (Contd..)

		(₹ in Lacs)	
Transactions	Related party	2022-23	2021-22
Sales	CKITL	1,110	4,056
	TNM	409	369
	ACPL	-	7
	Total	1,519	4,432
Investments (including share application money) made during the year	TNM	-	380
	Total	-	380
Technical development fees received	CKRL	128	-
	CKITL	30	-
	Total	158	-
Rent paid on residential premises / guest house, etc.	KEC	2	8
	Malabar	60	60
	Chattarpati	45	45
	B N Elias	26	22
	Total	133	135
	KEC	37	-
Operations & Maintenance of Solar panels	KEC	486	498
Building maintenance recovery	RPGE	139	139
	RPGLS	130	130
	Total	755	767
	KEC	24	7
Rent recovery on residential premises	Raychem	-	1
	RPGE	14	7
	Total	38	15
	Gratuity trust	1,011	-
Contribution to Post-Employment Benefit Plans	Superannuation trust	66	78
	Total	1,077	78
	Gratuity trust	1,317	813
	Superannuation Scheme	61	71
Purchase of capex / spares	Total	1,378	884
	KEC	42	4,456
	Raychem	-	93
	Total	42	4,549
Consultancy fees	Artemis	18	43
Legal fees	Khaitan & Co.	155	211
License fees	RPGE	1,872	1,521

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c) Balance outstanding at the year end

		(₹ in Lacs)	
Amount due to / from related party	Related party	As at March 31, 2023	As at March 31, 2022
Advances recoverable / (payable) in cash or kind and other balances	ACPL	(22)	(7)
	CKITL	30	1
	KEC	23	(4)
	RPGE	15	35
	Raychem	11	-
	Zensar	(15)	6
	RPGLS	-	4
	TNM	567	(1)
	CKRL	142	19
	Malabar	100	100
	Total	851	153
	ACPL	50	45
	CKITL	31	92
	CKRL	150	208
	Total	231	345
Trade payables	ACPL	18	-
	CKITL	63	-
	Chattarpati	-	3
	Artemis	18	-
	Malabar	-	4
	Khaitan & Co	-	9
	Total	99	16
	CKITL	137	2,157
Trade receivables	ACPL	-	31
	TNM	-	199
	Total	137	2,387
	Capital advance / (Capital creditors) (net)	KEC	-
			(356)

d) Transactions with key management personnel and Directors

		(₹ in Lacs)	
Sr. No.	Related party	2022-23	2021-22
1)	Mr. Harsh Vardhan Goenka		
	Commission *	31	370
	Director sitting fees	5	5
	Dividend	4	24
	Total	40	399
2)	Mr. Anant Vardhan Goenka		
	Salaries for FY 23	527	476
	Allowances and perquisites	118	122
	Performance bonus *	76	291
	Contribution to provident & superannuation fund	16	49
	Dividend	0	3
	Leave encashment ***	18	-
	Gratuity***	131	-
	Total	886	941
	Salary relating to FY 22 paid in FY 23 **	200	(200)
	Total	1,086	741

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

d) Transactions with key management personnel and Directors (Contd..)

(₹ in Lacs)

Sr. No.	Related party	2022-23	2021-22
3)	Mr. Arnab Banerjee		
	Salaries	304	276
	Allowances and perquisites	6	4
	Performance bonus *	36	145
	Contribution to provident & superannuation fund	16	20
	Total	362	445
4)	Mr. Kumar Subbiah		
	Salaries	258	241
	Allowances and perquisites	3	3
	Performance bonus *	33	118
	Contribution to provident & superannuation fund	8	8
	Rent recovered	(14)	(17)
	Dividend	0	0
	Total	288	353
5)	Ms. Vallari Gupte		
	Salaries	54	50
	Performance bonus *	7	17
	Contribution to provident & superannuation fund	4	3
	Dividend	0	-
	Allowances and perquisites	0	-
	Total	65	70
6)	Mr. Paras K. Chowdhary		
	Commission *	9	10
	Director sitting fees	10	9
	Dividend	0	-
	Total	19	19
7)	Mr. Vinay Bansal		
	Commission *	9	10
	Director sitting fees	11	11
	Total	20	21
8)	Mr. Atul C. Choksey		
	Commission *	9	10
	Director sitting fees	4	5
	Total	13	15
9)	Mr. Mahesh S. Gupta		
	Commission *	9	10
	Director sitting fees	10	10
	Total	19	20
10)	Mr. Haigreve Khaitan		
	Commission *	9	10
	Director sitting fees	3	4
	Total	12	14
11)	Ms. Punita Lal		
	Commission *	-	9
	Total	-	9

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

d) Transactions with key management personnel and Directors (Contd..)

(₹ in Lacs)

Sr. No.	Related party	2022-23	2021-22
12)	Ms. Priya Nair		
	Commission *	9	5
	Director sitting fees	5	5
	Total	14	10
	Grand Total	2,381	2,587

* Represents amount paid during the year.

** Due to inadequacy of profits in FY 22, excess remuneration of ₹ 200 Lacs recovered from Mr. Anant Goenka was paid subsequently in FY 23 after shareholders approval by way of special resolution at the Annual General Meeting of the Company held on June 28, 2022.

*** Mr. Anant Goenka stepped down as the MD and CEO as of March 31, 2023, pursuant to which his Gratuity and Leave Encashment as entitled was appropriately accrued as payable in the books as on that date. These payables are however not considered for his managerial remuneration workings for FY 23, as per Schedule V of the Companies Act, 2013.

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, 2023	As at March 31, 2022
Other receivable	Mr. Anant Vardhan Goenka #	-	200
Other Payable	Mr. Anant Vardhan Goenka ##	308	-
Commission Payable	Mr. Harsh Vardhan Goenka	105	31
	Mr. Paras K. Chowdhary	12	9
	Mr. Vinay Bansal	12	9
	Mr. Atul C. Choksey	12	9
	Mr. Mahesh S. Gupta	12	9
	Mr. Haigreve Khaitan	12	9
	Ms. Priya Nair	12	9
	Total	177	85

As at March 31, 2022. 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.

Considering the possibility of inadequacy of profits, if any, the Company had paused the payment to Mr. Anant Goenka effective January 1, 2023, subject to approval of members which has been obtained subsequently by way of Postal Ballot on April 27, 2023.

f) 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 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:

(₹ in Lacs)

Related Party	As at March 31, 2023	As at March 31, 2022
KEC	287	319
Raychem	1	-
Total	288	319

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Note 45: Segment information

Refer note 2.23 for accounting policy on Segment reporting

The Group's business activity falls within a single reportable business segment, viz. "Automotive Tyres, Tubes and Flaps".

i) Information about geographical areas:

Particulars	2022-23			2021-22		
	In India	Outside India	Total	In India	Outside India	Total
Revenue from contracts with customers	9,14,938	1,99,967	11,14,905	7,31,113	1,83,232	9,14,345
Non-current assets	6,76,386	17,534	6,93,920	6,32,228	19,638	6,51,866

During the year 2022-23 and 2021-22, no single external customer has generated revenue of 10% or more of the Group's total revenue.

During the year 2022-23 and 2021-22, no single country outside India has given revenue of more than 10% of total revenue.

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

(Amount in foreign currency & ₹ are in Lacs)

Derivative instrument	Purpose	Currency	As at March 31, 2023		As at March 31, 2022	
			Foreign Currency	₹	Foreign Currency	₹
Forward Contract to sell Foreign Currency (FC)	Hedge of Foreign Currency sales	USD	209	17,172	332	25,177
		EUR	76	6,767	49	4,101
		AED	3	67	-	-
	Hedge of Foreign Currency High probable sales	USD	148	12,120	318	24,063
Forward Contract to buy Foreign Currency (FC)	Hedge of foreign currency purchase	USD	423	34,731	252	19,083
		EUR	63	5,675	101	8,496
		GBP	0	-	0	34
	Hedge of Foreign Currency Firm Commitment – Purchase Order based hedging	JPY	2,587	1,594	2,255	1,401
		USD *	495	40,703	653	49,520
		GBP	0	-	2	179
		EUR	94	8,437	109	9,203
		JPY	2,979	1,835	5,473	3,401

* This includes USD 4.1 Lacs hedged under options contract.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Unhedged Foreign currency Exposure

(Amount in foreign currency in Lacs)

Particulars	Currency	2022-23	2021-22
Trade Receivables	USD	3	15
	EUR	-	8

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, 2023 were assessed to be highly effective and a net unrealised loss of ₹ 1150 lacs, with a deferred tax asset of ₹ 289 lacs relating to the hedging instruments, is included in OCI. Comparatively, 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, was included in OCI.

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:

(₹ in Lacs)

Particulars	Note	Carrying value / Fair value	
		As at March 31, 2023	As at March 31, 2022
Financial assets			
a) Measured at fair value through profit and loss			
Investments	7	430	416
b) Measured at fair value through other comprehensive income			
Investments	7	1,237	905
Derivative financial instruments (non-current and current)	8 & 14	113	-
Total		1,780	1,321
Financial liabilities			
a) Measured at fair value through other comprehensive income			
Derivative financial instruments (non-current and current)	21 & 26	-	1,642
b) Measured at amortised cost			
Lease liability (non-current and current)	4	20,277	13,209
Borrowings (Non-current)	20	1,44,056	1,71,916
Total		1,64,333	1,86,767

- 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.
- The Management assessed that fair values of other non current financial assets and liabilities measured at amortised cost approximate their carrying amounts largely due to nature of such 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, 2023

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, 2023 and March 31, 2022

(₹ in Lacs)

Particulars	Total	Fair Value measurement using		
		Level 1	Level 2	Level 3
As at March 31, 2023				
Financial assets at fair value				
a) Through profit & loss				
Investments	430	-	-	430
b) Through other comprehensive income				
Investments	1,237	-	-	1,237
Derivative financial instruments (non-current and current)	113	-	-	113
Financial liabilities at fair value				
a) Through other comprehensive income				
Derivative financial instruments (non-current and current)	-	-	-	-

(₹ 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	416			416
b) Through other comprehensive income		-	-	
Investments	905			905
Financial liabilities at fair value				
a) Through other comprehensive income		-		-
Derivative financial instruments (non-current and current)	1,642		1,642	

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, 2022.

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 - 18.64%.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Note 48: Fair values hierarchy (Contd..)

Significant Unobservable Inputs Used in Level 3 Fair Values

As at March 31, 2023	Valuation techniques	Significant unobservable inputs	Sensitivity of input to fair value measurement
Investment in Compulsorily Convertible Preference shares & equity shares of E-Fleet Systems Private Limited	Discounted cash flows: The valuation model considers the present value of the expected future payments, discounted using a risk-adjusted discount rate.	Discount Rate : 18.64%	1% increase in discount rate will have reduction of ₹ 13 Lacs and 1% decrease in discount rate will have led to an equal but opposite impact

As at March 31, 2022	Valuation techniques	Significant unobservable inputs	Sensitivity of input to fair value measurement
Investment in Compulsorily Convertible Preference shares & equity shares of E-Fleet Systems Private Limited	Discounted cash flows: The valuation model considers the present value of the expected future payments, discounted using a risk-adjusted discount rate.	Discount Rate : 17.57%	1% increase in discount rate will have reduction of ₹ 39 Lacs and 1% decrease in discount rate will have led to an equal but opposite impact

Reconciliation of Level 3 fair value measurements of financial assets and financial liabilities is given below

(₹ in Lacs)

Reconciliation of movements in Level 3 valuations	As at March 31, 2023	As at March 31, 2022
Opening value	1,321	911
Additions during the year	332	397
Gain recognised in profit and loss on fair value adjustment (FVTPL)	14	13
Closing value	1,667	1,321

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;
- 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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Note 49: Financial risk management objectives and policies (Contd..)

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, 2023 and March 31, 2022 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, 2023, after taking into account the effect of interest rate swaps, approximately 30% of the Group's total borrowings are at a fixed rate of interest (March 31, 2022: 23%).

The following table provides a break-up of Group's fixed and floating rate borrowing (gross off processing fees)

Particulars	As at	
	March 31, 2023	March 31, 2022
Fixed rate borrowings	62,000	49,251
Floating rate borrowings	1,43,827	1,60,834
Total borrowings	2,05,827	2,10,085

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:

Particulars	Increase / decrease in basis points	Effect on profit before tax
March 31, 2023		
₹ 1,43,827 lacs	+ / - 100 bps	- 1,438.27 / + 1,438.27
March 31, 2022		
₹ 1,60,834 lacs	+ / - 100 bps	- 1,608.34 / + 1,608.34

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

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, 2023, the Group has hedged 99% (March 31, 2022: 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.

Particulars	Change in Currency	Effect on profit before tax
March 31, 2023		
Recognized net receivable – USD 0.3 Mio	₹ + 1 / - 1	+ 3.0 / - 3.0
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

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.

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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Note 49: Financial risk management objectives and policies (Contd..)

(₹ 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, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Natural rubber	9,300	8,800	(9,300)	(8,800)
Synthetic rubber	8,100	6,600	(8,100)	(6,600)
Carbon black	6,500	4,200	(6,500)	(4,200)

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 ₹ 49,713 lacs (March 31, 2022: ₹ 43,059 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, 2023			As at March 31, 2022		
	Less than 180 days	More than 180 and less than 360 days	More than 360 days	Less than 180 days	More than 180 and less than 360 days	More than 360 days
Expected loss rate	0.00%	50.00%	100%	0.00%	50.00%	100%
Gross carrying amount	1,30,615	175	1,151	1,15,388	88	1,318
Loss allowance provision	-	88	1,151	-	44	1,318

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.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Note 49: Financial risk management objectives and policies (Contd..)

Liquidity exposure

(₹ in Lacs)

Particulars	< 1 year	1 - 5 years	> 5 years	Total
As at March 31, 2023				
Non-derivative financial liabilities				
Non current borrowings *	-	1,36,309	7,812	1,44,121
Current borrowings	65,214	-	-	65,214
Lease Liabilities	8,677	12,816	2,288	23,781
Other Financial Liabilities	84,205	1,788	93	86,086
Trade payables	2,26,833	-	-	2,26,833
Total	3,84,929	1,50,913	10,193	5,46,035
Derivative financial instruments	-	-	-	-
Total	3,84,929	1,50,913	10,193	5,46,035

(₹ in Lacs)

Particulars	< 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

* 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.

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Borrowings (note 20 & 24)	2,09,270	2,09,678
Less: cash and cash equivalents (note 12)	(6,062)	(2,377)
Net debt (A)	2,03,208	2,07,301
Equity attributable to owners of parent (note 17 and 18)	3,43,964	3,27,581
Equity and net debt (B)	5,47,172	5,34,882
Gearing ratio (A) / (B)	37%	39%

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, 2023 and March 31, 2022.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Note 51: 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 quarter ended March 31, 2022. The same has been disclosed under Other Comprehensive Income.

Note 52: 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 53: 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.

Note 54: Extended Producer Responsibility

On July 21, 2022, the Ministry of Environment, Forest and Climate Change issued notification containing Regulations on Extended Producer Responsibility (EPR) for Waste Tyre applicable to Tyre manufacturers and Recyclers. As per the notification, the Company has a present legal obligation as at March 31, 2023 to purchase EPR certificates online from Recyclers of waste tyre, registered with the Central Pollution Control Board, to fulfil its obligations, which is determined based on certain percentage of the quantity of tyres manufactured in the year ended March 31, 2021.

Currently the modalities of the above regulations are dynamic and would be fine-tuned in line with the changing requirements including measurement of obligation and timeline for achieving compliance by tyre manufacturing companies in consultation with Industry forum of Tyre companies. Accordingly, the Company has not recognised any provision towards EPR obligation for the year ended March 31, 2023.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Note 55: Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below.

Key synopsis are as under:

1. Ind AS 1 – Presentation of Financial Statements: The amendments require to disclose their material accounting policies rather than their significant accounting policies.
2. Ind AS 12 - Income Taxes: The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences
3. Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors: The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

While preparing the financial statement for the year ended March 31, 2023, 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 Consolidated Financial Statements

for the year ended March 31, 2023

Note 56: Information required for consolidated financial statement pursuant to Schedule III of the Companies Act, 2013

(₹ in Lacs)

Name of Entity	Relationship	As at March 31, 2023		2022-23					
		Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or Loss					
		As % of consolidated net assets	₹ in Lacs	As % of consolidated Profit or Loss (before OCI)	₹ in Lacs	As % of consolidated other comprehensive income	₹ in Lacs	As % of consolidated Profit or Loss (after OCI)	₹ in Lacs
CEAT Limited	Parent	97%	3,34,559	112%	20,627	(18%)	120	118%	20,747
Rado Tyres Limited	Indian Subsidiary	0%	(916)	0%	8	0%	-	0%	8
CEAT Auto Components Limited	Indian Subsidiary	0%	1	0%	0	0%	-	(0%)	(0)
Taabi Mobility Limited	Indian Subsidiary	0%	60	0%	0	0%	-	0%	0
CEAT Specialty Tires INC.	Foreign Subsidiary	0%	248	1%	120	0%	-	1%	120
CEAT Specialty Tyres BV	Foreign Subsidiary	0%	130	0%	68	0%	-	0%	68
CEAT AKKHAN Limited	Foreign Subsidiary	2%	7,062	(7%)	(1,272)	0%	-	(7%)	(1,272)
Associated CEAT Holding Pvt Limited (ACHL)	Foreign Subsidiary	3%	10,659	7%	1,207	18%	(121)	6%	1,086
Tyresnmore Online Private Limited	Associate	0%	659	(2%)	(327)	0%	-	(2%)	(327)
Non-controlling interest in all subsidiaries									
Rado Tyres Limited	Indian Subsidiary	(0%)	(380)	0%	3	0%	-	0%	3
CEAT AKKHAN Limited	Foreign Subsidiary	1%	2,119	(2%)	(381)	0%	-	(2%)	(381)
Consolidation adjustments		(3%)	(8,497)	(10%)	(1,814)	100%	(676)	(14%)	(2,490)
Total		100%	3,45,703	100%	18,239	100%	(677)	100%	17,562

For and on behalf of Board of Directors of CEAT Limited

As per our report of even date

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration No: 101248W/W-100022

Kumar Subbiah

Chief Financial Officer

H.V.Goenka

Chairman

[DIN: 00026726]

Anant Goenka

Vice-Chairman

[DIN: 02089850]

Sadashiv Shetty

Partner

Membership Number : 048648

Vallari Gupte

Company Secretary

Arnab Banerjee

Managing Director

[DIN:06559516]

Mahesh Gupta

Chairman-Audit Committee

[DIN:00046810]

Place: Mumbai

Date: May 04, 2023

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 company

Part A: Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹ lacs)

1	SI No.	1	2	3	4	5	6	7
2	Name of the subsidiary	Associated CEAT Holdings Company (Pvt.) Limited	CEAT AKKhan Limited	Rado Tyres Limited	CEAT Specialty Tires Inc.	CEAT Specialty Tyres B.V	CEAT Auto Components Limited	Taabi Mobility Limited
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	April 20, 2022	September 16, 2022
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Uniform	Uniform	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 = ₹ 0.2519	1 BDT = ₹ 0.7792	Not Applicable	1 USD = ₹ 82.18	1 EUR = ₹ 89.47	Not Applicable	Not Applicable
6	Share capital	252	11,624	643	0	45	1	60
7	Reserves & surplus	10,407	(4,562)	(1,560)	248	85	(0)	0
8	Total assets	10,676	11,819	602	348	141	1	61
9	Total Liabilities	18	4,757	1,518	100	12	-	0
10	Investments	10,594	-	0	-	-	-	-
11	Turnover	53	13,382	25	1,630	1,026	-	1
12	Profit before taxation	52	(816)	8	133	78	(0)	1
13	Provision for taxation	14	456	-	13	10	-	0
14	Profit after taxation	38	(1,272)	8	120	68	(0)	0
15	Proposed Dividend	-	-	-	-	-	-	-
16	% of shareholding	100%	70%	58.56%	100%	100%	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.

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
1	Latest audited Balance sheet Date	March 31, 2023
2	Date on which the Associate was associated or acquired	August 21, 2017
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
	Amount of investment in Associates	₹ 1,640 lacs
	Extent of holding %	49.83%
4	Description of how there is a significant influence	By holding more than 20% share
5	Reason why the associate is not consolidated	Not Applicable
6	Networth attributable to shareholding as per latest audited Balance Sheet	₹ (284.31 Lacs)
7	Profit / (Loss) for the year	
	i. Considered in Consolidation	₹ (327.26 Lacs)
	ii. Not Considered in Consolidation	₹ (329.49 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
[DIN: 00026726]

Anant Goenka
Vice-Chairman
[DIN: 02089850]

Vallari Gupte
Company Secretary

Arnab Banerjee
Managing Director
[DIN:06559516]

Mahesh Gupta
Chairman-Audit Committee
[DIN:00046810]

Date: May 04, 2023
Place: Mumbai

Notice

NOTICE is hereby given that the Sixty-Fourth Annual General Meeting of CEAT Limited will be held on **Wednesday, July 5, 2023, 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, 2023, 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, 2023, together with the Report of the Auditors thereon.
- To declare dividend of ₹ 12/- (Rupees Twelve) per equity share of face value of ₹ 10/- each for the Financial Year ended March 31, 2023.
- To appoint a Director in place of Mr. Pierre Cohade, Non-executive Non-independent Director (DIN: 00468035), who retires by rotation, in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

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 ₹ 3,75,000/- (Rupees Three Lacs Seventy Five Thousand 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 at its meeting held May 4, 2023 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, 2024, 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 a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 23, 42, 71 and any other applicable provisions of the Companies Act, 2013 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 Crore 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 4, 2023

CEAT Limited

CIN: L25100MH1958PLC011041
Registered Office: 463, Dr. Annie Besant Road, Worli, Mumbai 400 030

NOTES:

1. Pursuant to the General Circulars 10/2022, 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 2023 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 SEBI 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

2. 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.

3. 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 Regulations and Secretarial Standard – 2 on General Meetings issued by the Institute of Company Secretaries of India ('ICSI').

4. The Explanatory Statement setting out material facts, pursuant to Section 102 of the Act, which sets out details relating to the Item Nos. 4 to 5 to be taken at the AGM is appended hereto.

5. 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

6. 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.

7. 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.

8. 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.

9. 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:

A. 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 complete bank account details viz core banking A/c no., type and branch, 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.

B. 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.

C. 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 **Thursday, August 3, 2023**, as under:

D. 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 Tuesday, June 20, 2023; and

E. 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 Tuesday, June 20, 2023.

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.

10. As per the SEBI 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.

11. 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-PoD-1/P/CIR/2023/37 dated March 16, 2023 read together with SEBI Circular(s) SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2021/655 dated November 3, 2021, 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.

12. 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 dematerialised 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 SEBI 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.

13. 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.

14. In terms of Section 124(5) and 124(6) of the Act, dividend amount and the corresponding shares for the financial year ended March 31, 2016, remaining unclaimed for a period of 7 (seven) years were transferred in May 2023 to the Investor Education and Protection Fund ('IEPF') established by the Central Government.

15. Members who have not claimed dividends in respect of the financial year 2016-17 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 2022-23 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 2022-23 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 submitting Investor Service Request Form (Form ISR1) duly filled and signed as per the specimen signature registered with the Company along with self-attested ID Proof and address proof and supporting mentioned thereon. The Investor Service Request form can be downloaded from website of the RTA <https://www.tcplindia.co.in> -> Investor Services -> Download -> Forms -> Formats for KYC.

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.

For more details on Members' matters, please refer to the 'General Shareholder Information' section included in the Corporate Governance Report.

18. 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:

- 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 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 124120** will be displayed.

- 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.
- 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.
- Members are encouraged to join the Meeting through Laptops / iPads connected through broadband for a better experience. Further Members will be required to allow Camera and use internet with a good speed to avoid any disturbance during the meeting. 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.
- 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 28, 2023 till 5.00 p.m. (IST) on Friday, June 30, 2023. 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.

- 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, July 1, 2023, 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.
- 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.
- 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 Tel. no.: 022 - 4886 7000 / and 022 - 2499 7000; 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
- 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:

- Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the EGM/ AGM. For this purpose, the Company has entered into an agreement with

National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the EGM/ AGM will be provided by NSDL.

- In line with the Ministry of Corporate Affairs ('MCA') Circular No. 17/2020 dated April 13, 2020, the Notice calling the EGM/ AGM has been uploaded on the website of the Company at www.ceat.com. The Notice can also be accessed from the 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 the EGM/ AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
- The Members who have cast their vote by remove 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.
- A person whose name is recorded in the Register of Members or in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date i.e. Wednesday, June 28, 2023.

Any person holding shares in physical form and non-individual shareholders, who acquire 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. Wednesday, June 28, 2023, 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 remove 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 Tel. no. 022 - 4886 7000 and 022 - 2499 7000. 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. Wednesday, June 28, 2023, may follow steps mentioned in the Notice of the AGM under 'Access to NSDL e-voting system'.

- The Company 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, to act as the Scrutinizer, to the remote e-voting process and e-voting at the AGM in a fair and transparent manner.
- 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.
- Pursuant to Regulation 44 of the SEBI 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.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 GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on **Sunday, July 2, 2023, at 9:00 A.M.** and ends on **Tuesday, July 4, 2023 at 5:00 P.M.** 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. Wednesday, June 28, 2023, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being i.e. Wednesday, June 28, 2023.

The Details of the process and manner for remote e-voting and joining the AGM are explained herein below:

How do I vote electronically using NSDL e-Voting system?


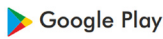


The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting 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.	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 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. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. <p>NSDL Mobile App is available on</p> <p>   </p> <div style="display: flex; justify-content: space-around;">   </div>

Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.
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Type of shareholders	LOGIN METHOD
Individual Shareholders (holding securities in demat mode) login through their depository participants	<ol style="list-style-type: none"> If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers. <p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. 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 company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned 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	HELPSDESK DETAILS
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

- 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.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

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***

1. 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. 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 process for those shareholders whose email ids are not registered.

2. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- b) Physical User Reset Password? (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

3. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
4. Now, you will have to click on "Login" button.
5. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting 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 - 124120** 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.
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.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to 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.
2. 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.
3. In case of any queries, 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.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Ms.Pallavi Mhatre, Senior Manager, NSDL or Ms. Sarita Mote, Assistant Manager, NSDL at evoting@nsdl.co.in

C) Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to agm@ceat.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to agm@ceat.com. If you are an Individual shareholders 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 virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

4. 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 required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

D) THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

- 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.

Annexure to the Notice

Item No. 3 of the Notice:

As regards the re-appointment of Mr. Pierre Cohade (DIN: 00468035) referred to in Item no. 3 of the Notice, following necessary disclosures are made for the information of the Members.

Profile of Mr. Pierre Cohade

Mr. Cohade, 61, a native of Barcelonnette, France, has lived and worked globally in four continents, building and leading multi-billion dollars businesses, in many cases after turning them around. He currently serves as Non-Executive Director on the boards of Johnson Control International (NYSE: JCI), Deutsche Bank China, and CEAT (NSE: CEATLTD). He is Chairman of IMA CEO forum and a Senior Advisor to CCL China (Center for Creative Leadership). He is also Founder and Principal of Artemis Ventures, an advisory and investment firm based in Hong-Kong.

Most recently, Mr. Cohade was the CEO of Triangle Tyre, China largest private tire manufacturer. As one of the very few Western CEO of a Chinese owned business, Mr. Cohade was operating at the heart of China Inc. Between 2004 and 2011, he was the President of Goodyear Asia Pacific.

Under Mr. Cohade's leadership, Goodyear Asia Pacific earned recognition beyond its financial success, receiving numerous third-party awards for its product innovation, brand building, branded retailing network and was named China's "Employer of the Year" in 2010 and 2011.

Mr. Cohade has been on the Board of CEAT since February 1, 2018 and currently holds no other directorships in any Company registered in India. Mr. Cohade has not resigned from any of the listed entities during the last three years. Mr. Cohade is not related to any of the Directors on the Board or any Key Managerial Personnel of the Company; nor does he hold any share in the Company. 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.

Mr. Pierre Cohade is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

None of the Directors, Key Managerial Personnel of the Company or their relatives except Mr. Cohade is, in any way, concerned or interested 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.

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. 4 to 5 of the accompanying Notice:

Item No. 4 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 4, 2023, 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, 2024 at a remuneration of ₹ 3,75,000/- (Rupees Three Lacs Seventy Five Thousand 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, 2024, 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. 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:

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 June 28,

2022, 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 June 27, 2023.

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 Special Resolution as set out in Item No. 5 of the Notice for approval of the Members.

Under the Authority of the Board of Directors

Vallari Gupta
Company Secretary and
Compliance Officer
(M. No. FCS-5770)

Place: Mumbai
Date: May 4, 2023

CEAT Limited

CIN: L25100MH1958PLC011041

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

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	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Human Capital and BRSR	47, 143			
	403-8 Workers covered by an occupational health and safety management system	Human Capital	47-49			
	403-9 Work-related injuries	Human Capital and BRSR	49, 144			
	403-10 Work-related ill health	BRSR	144			
Training and education						
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GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Human Capital	45			
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	404-3 Percentage of employees receiving regular performance and career development reviews	BRSR	143			
Diversity and equal opportunity						
GRI 3: Material Topics 2021	3-3 Management of material topics	SEMA and BRSR	24-25, 133-135			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Human Capital, Corporate Governance Report and BRSR	43-44, 108, 131			
	405-2 Ratio of basic salary and remuneration of women to men	BRSR	147			
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GRI 3: Material Topics 2021	3-3 Management of material topics	SEMA and BRSR	24-25, 133-135			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	BRSR	148			
Freedom of association and collective bargaining						
GRI 3: Material Topics 2021	3-3 Management of material topics	SEMA and BRSR	24-25, 133-135			
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Human Capital and BRSR	46, 142			
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GRI 3: Material Topics 2021	3-3 Management of material topics	SEMA and BRSR	24-25, 133-135			
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Human Capital and BRSR	46, 148			
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GRI 3: Material Topics 2021	3-3 Management of material topics	SEMA and BRSR	24-25, 133-135			
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human Capital and BRSR	46, 148			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	Page No	OMISSION		
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION
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GRI 3: Material Topics 2021	3-3 Management of material topics	SEMA and BRSR	24-25, 133-135			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Social and Relationship Capital	64-67			
	413-2 Operations with significant actual and potential negative impacts on local communities	Social and Relationship Capital	64-67			
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GRI 3: Material Topics 2021	3-3 Management of material topics	SEMA and BRSR	24-25, 133-135			
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Social and Relationship Capital	62			
	414-2 Negative social impacts in the supply chain and actions taken	Social and Relationship Capital	62			
Customer health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	SEMA and BRSR	24-25, 133-135			
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Social and Relationship Capital and BRSR	60, 153-154			
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Social and Relationship Capital and BRSR	60, 153-154			
Marketing and labeling						
GRI 3: Material Topics 2021	3-3 Management of material topics	SEMA and BRSR	24-25, 133-135			
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Social and Relationship Capital and BRSR	60, 153			
	417-2 Incidents of non-compliance concerning product and service information and labeling	Social and Relationship Capital and BRSR	60, 153			
	417-3 Incidents of non-compliance concerning marketing communications	Social and Relationship Capital and BRSR	60, 154			
Customer privacy						
GRI 3: Material Topics 2021	3-3 Management of material topics	SEMA and BRSR	24-25, 133-135			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	BRSR	154			

UNGC Principles

UNGC Principles	Section in Report	Page Number
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.	Human Capital	
Principle 2: Make sure that they are not complicit in human right abuses.	Human Capital	
Principle 3: Business should uphold the freedom of association and the effective recognition of the right to collective bargaining	Human Capital and BRSR	
Principle 4: The elimination of all forms of forced and compulsory labour	Human Capital and BRSR	
Principle 5: The effective abolition of child labour	Human Capital and BRSR	
Principle 6: The elimination of discrimination in respect of employment and occupation	Human Capital and BRSR	
Principle 7: Business should support a precautionary approach to environmental challenges	Value Creation Model	
Principle 8: Undertake initiatives to promote greater environmental responsibility	Stakeholder Engagement and Materiality Analysis, Natural Capital	
Principle 9: Encourage the development and diffusion of environmentally friendly technologies	Intellectual Capital, Natural Capital	
Principle 10: Business should work against corruption in all its forms, including extortion and bribery.	Corporate Governance Report and BRSR	

SASB Sustainability Disclosure Topics & Accounting Metrics

Topic	Accounting metric	Section	Page Number
Energy Management	TR-AP-130a.1 Total energy consumed	Natural Capital, BRSR	
	TR-AP-130a.1 Percentage grid electricity	Natural Capital	
	TR-AP-130a.1 Percentage renewable	Natural Capital	
Waste Management	TR-AP-150a.1 Total amount of waste from manufacturing	Natural Capital	
	TR-AP-150a.1 Percentage hazardous	Natural Capital	
	TR-AP-150a.1 Percentage recycled	Natural Capital	
Materials Sourcing	TR-AP-440a.1 Description of the management of risks associated with the use of critical materials	Natural Capital and Social and Relationship Capital	
Materials Efficiency	TR-AP-440b.2 Percentage of input materials from recycled or remanufactured content	Natural Capital	

SDG Linkage

Sustainable Development Goals (SDG's)	Section in Report other than BRSR	Page Number
SDG 3: Good health and well-being – Ensure healthy lives and promote well-being for all at all age	Human Capital	
SDG 4: Quality education – Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	Social and Relationship Capital	
SDG 5: Gender equality – Achieve gender equality and empower all women and girls	Human Capital	
SDG 6: Clean water and sanitation – Ensure availability and sustainable management of water and sanitation for all	Social and Relationship Capital	
SDG 7: Affordable and clean energy – Ensure access to affordable, reliable, sustainable and modern energy for all	Natural Capital	
SDG 8: Decent work and economic growth – Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Human Capital	
	Social & Relationship Capital	
	Financial Capital	
	Intellectual Capital	
SDG 9: Industry, innovation and infrastructure – Build resilient infrastructure, promote sustainable industrialization and foster innovation	Natural Capital	
	Intellectual Capital	
	Manufactured Capital	
	Financial Capital	
SDG 10: Reduced inequalities – Reduce inequality within and among countries	Human Capital	
	Social and Relationship Capital	
SDG 11: Sustainable cities and communities – Make cities and human settlement inclusive, safe, resilient and sustainable	Social and Relationship Capital	
SDG 12: Responsible production and consumption – Ensure sustainable consumption and production patterns	Manufactured Capital	
	Natural Capital	
	Intellectual Capital	

NGRBC Principles

NGRBC Principles	Section in the Report other than BRSR	Page Number
Principle 1: Businesses should conduct and govern themselves with integrity in a manner that is Ethical, Transparent and Accountable	Financial Capital, Corporate Governance and Board's Report	
Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe	Manufactured, Intellectual, Natural and Social and Relationship Capital	
Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains	Human Capital	
Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders	Stakeholder Engagement and Materiality Assessment and Social and Relationship Capital	
Principle 5: Businesses should respect and promote human rights	Human Capital	
Principle 6: Businesses should respect and make efforts to protect and restore the environment	Intellectual and Natural Capital	
Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent	Stakeholder Engagement and Materiality Assessment, Board's Report	
Principle 8: Businesses should promote inclusive growth and equitable development	Stakeholder Engagement and Materiality Assessment, Financial Capital, Human Capital, Social and Relationship Capital	
Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner	Manufactured and Social and Relationship Capital	

List of Abbreviations

Sr no	Abbreviation	Full Form
1	AGM	Annual General Meeting
2	AI	Artificial Intelligence
3	AIM	Analytics India Magazine
4	AQI	Air Quality Index
5	ASES	Alliance Supplier Evaluation Standard
6	ATMA	Automotive Tyre Manufacturers' Association
7	BCP	Business Continuity Plan
8	BEE	Bureau of Energy Efficiency
9	BR	Business Responsibility
10	BRR	Business Responsibility Report
11	BRSR	Business Responsibility and Sustainability Report
12	BSC	British Safety Council
13	CAGR	Compound Annual Growth Rate
14	CALM	Cavity Low-noise Mode
15	CAPEX	Capital Expenditure
16	CCI	Competition Commission of India
17	CE	Circular Economy
18	CEO	Chief Executive Officer
19	CETC	CEAT European Technical Centre
20	CFA	Carrying and Forwarding Agent
21	CFitO	Chief Fitness Officer
22	CFO	Chief Financial Officer
23	CGEC	Corporate Governance and Ethics Committee
24	CGWA	Central Ground Water Authority
25	CIN	Corporate Identity Number
26	CLIP	Committed Line Item Performance
27	CMRT	Conflict Mineral Reporting Template
28	CNG	Compressed Natural Gas
29	CO ₂	Carbon dioxide
30	CoE	Centre of Excellence
31	COPQ	Cost of Poor Quality
32	COSHH	Control Of Substances Hazardous to Health
33	CPCB	Central Pollution Control Board
34	CQ	Continuous Quality
35	CRISIL	Credit Rating Information Services of India Limited
36	CRM	Customer Relationship Management
37	CS	Company Secretary
38	CSR	Corporate Social Responsibility
39	CTQ	Critical-To-Quality
40	CTR	Cut Tyre Rating
41	CV	Commercial Vehicle
42	CWH	CEAT Way of Hiring
43	D&I	Diversity and Inclusivity
44	D2C	Direct-to-Consumer
45	dBA	Decibels A
46	DC	Distribution Centre
47	DG	Diesel Generator
48	DnA	Data & Analytics
49	DSE	Display Screen Equipment
50	DSIR	Department of Scientific and Industrial Research
51	E2E	End-to-End
52	EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
53	EBL	Electronic Bill of Lading
54	ECB	European Central Bank
55	EHS	Environment, Health and Safety

List of Abbreviations

Sr no	Abbreviation	Full Form
56	ELV	End of Life Vehicles
57	EPR	Extended Producer Responsibility
58	ERM	Enterprise Risk Management
59	ESG	Environmental, Social and Governance
60	ESIC	Employees' State Insurance Scheme
61	EU	European Union
62	EV	Electric Vehicles
63	FAME	Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles
64	FAQ	Frequently Asked Questions
65	FO	Furnace Oil
66	FOMC	Federal Open Market Committee
67	GDA	General Duty Assistant
68	GDP	Gross Domestic Product
69	GHG	Green House Gases
70	GJ	Giga Joule
71	GLN	Global Lighthouse Network
72	GM	General Manager
73	GPTW	Great Place to Work®
74	GRC	Governance, Risk management and Compliance
75	GRI	Global Reporting Initiative
76	GSEC	Government Securities
77	GST	Goods and Service Tax
78	H&S	Health and Safety
79	HAP	Hazardous Air Pollutants
80	HCI	Hyper-Converged Infrastructure
81	HDPE	High Density Polyethylene
82	HIRA	Hazard Identification and Risk Assessment
83	HPS	High Pressure Steam
84	HSSC	Higher Secondary School Certificate
85	HVLS	high-volume low-speed
86	IA	Internal Audit
87	IATF	International Automotive Task Force
88	ICC	Internal Complaints Committee
89	ID	Independent Director
90	IFC	Intelligent air Flow Control
91	IFM	Integrated Facility Management
92	IGBC	Indian Green Building Council
93	IIP	Index of Industrial Production
94	IIRC	International Integrated Reporting Council
95	IMF	International Monetary Fund
96	INMETRO	National Institute of Metrology Standardization and Industrial Quality
97	IoT	Internet of Things
98	IRC	Integrated Reporting Council
99	ISO	International Organization for Standardization
100	IT	Information Technology
101	IT/ITES	Information Technology/ Information Technology Enabled Services
102	kl	Kilo Liter
103	KMP	Key Managerial Personnel
104	KPI	Key Performance Indicators
105	kWh	Kilo-Watt Hour
106	LDO	Light Diesel Oil
107	LED	Light Emitting Diode
108	LOTO	Lock Out, Tag Out
109	LP	Low Pressure
110	LPS	Low Pressure Steam

List of Abbreviations

Sr no	Abbreviation	Full Form
111	LTI	Lost Time Injury
112	LTMP	Long Term Material Planning
113	MaaS	Mobility as a Service
114	MD	Managing Director
115	MEIS	Merchandise Exports from India Scheme
116	MES	Manufacturing Execution system
117	MHCV	Medium and Heavy Commercial Vehicles
118	ML	Machine Learning
119	MMH	Manual Material Handling
120	MOR	Operations Reviews
121	MOSPI	Ministry of Statistics and Programme Implementation
122	MPC	Monetary Policy Committee
123	MSME	Micro, Small and Medium Enterprises
124	MSP	Minimum Support Price
125	MT	Metric Tonne
126	MW	Megawatt
127	NABL	National Accreditation Board for Testing and Calibration Laboratories
128	NCLAT	National Company Law Appellate Tribunal
129	NED	Non-executive Director
130	NFTs	Non-fungible Tokens
131	NGO	Non-Government Organisation
132	NGRBC	National Guidelines on Responsible Business Conduct
133	NHEV	National Highways for Electric Vehicles
134	Nox	Oxides of Nitrogen
135	NPD	New Product Development
136	NPS	Net Promoter Score
137	NR	Natural Rubber
138	NRC	Nomination and Remuneration Committee
139	NTEP	National TB Elimination program
140	OBD	On-Board Diagnostic
141	OEM	Original Equipment Manufacturer
142	OHC	Occupational Health Centre
143	OpCom	Operational Committee
144	OPD	Outpatient Department
145	Opex	Operational Expenditure
146	OTR	Off the Road
147	P2P	Purchase-2-Pay
148	PACE:)	Play To Win, Agility, Customer Obsession and Empowerment
149	PAT	Profit After Tax
150	PBT	Profit Before Tax
151	PC	Passenger Cars
152	PCI	Post Curing Inflation
153	PCPA	Process Control Plan Audit
154	PCR	Passenger Car Radial
155	PCT	Process Cooling Tower
156	PF	Provident Fund
157	PLI	Production Linked Incentive
158	PLT	Passenger Light Truck
159	PO	Purchase Order
160	PoD	Proof of Delivery
161	POP	Persistent Organic Pollutants
162	PPC	Procurement Planning and Control
163	PPE	Personal Protective Equipment
164	PPM	Parts per Million
165	PPP	Public Private Partnership

List of Abbreviations

Sr no	Abbreviation	Full Form
166	PSA	Peugeot Societe Anonyme
167	PV	Passenger Vehicles
168	QA	Quality Assurance
169	QBM	Quality Based Management
170	QIP	Quality Improvement Projects
171	QPRS	Quarterly Return & Monthly Payment Scheme
172	R&D	Research and Development
173	R&R	Rewards and Recognition
174	REACH	Regulation on the Registration, Evaluation, Authorisation and Restriction of Chemicals
175	RM	Raw Material
176	ROCE	Return On Capital Employed
177	ROE	Return On Equity
178	RPA	Robotic Process Automation
179	RPG	Rama Prasad Goenka Group
180	RQ	Request for Quotation
181	RSPM	Respirable Suspended Particulate Matter
182	RWH	Rain Water Harvesting
183	SAM	Shift Assembly Meeting
184	SASB	Sustainability Accounting Standards Board
185	SCSR	Sustainability and Corporate Social Responsibility
186	SDG	Sustainable Development Goals
187	SIA	Social Impact Assessment
188	SIS	Shop in Shop
189	SKU	Stock Keeping Units
190	SLA	Service Level Agreements
191	SMED	Single-Minute Exchange of Dies
192	SMP	Senior Managerial Personnel
193	Sox	Oxides of Sulphur
194	SPARSH	Sustainable, Productive, Accurate, Reliable, Safe and Healing
195	SPC	Statistical Process Control
196	SPCB	State Pollution Control Board
197	SUV	Sport Utility Vehicle
198	TB	Tuberculosis
199	TBR	Truck and Bus Radial
200	tCO ₂ e	Tons of Carbon Dioxide Equivalent
201	TCS	Tax Collected at Source
202	TCU	Temperature Control Unit
203	TPD	Tonnes per day
204	TPM	Total Particulate Matter
205	TPS	Toyota Production System
206	TQM	Total Quality Management
207	TTRO	Tertiary Treated Reverse Osmosis
208	TWI	Tread Wear Indicator
209	UNGC	UN Global Compact Principles
210	VFD	Variable Frequency Drive
211	VMI	Vendor Managed Inventory
212	VOC	Volatile Organic Compounds
213	VP	Vice President
214	VSS	Vendor Satisfaction Survey
215	WEF	World Economic Forum
216	WPL	Women's Premier League
217	WTD	Whole-time Director
218	Y-O-Y	Year-On-Year
219	ZLD	Zero Liquid Discharge

Corporate Information

Executive Committee

Mr. Arnab Banerjee
Managing Director & Chief Executive Officer

Mr. Amit Tolani
Chief Executive - CEAT Specialty

Mr. Jayasankar Kuruppal
Sr. Vice President - Manufacturing

Mr. Kumar Subbiah
Executive Director - Finance & CFO

Mr. Renji Issac
Sr. Vice President - R&D and Technology

Mr. Saurav Mukherjee
Sr. Vice President - Global Sales

Mr. Somraj Roy
Sr. Vice President- Human Resources

Company Secretary and Compliance Officer

Ms. Vallari Gupta

Statutory Auditors

B S R & Co. LLP

Secretarial Auditors

Parikh & Associates, Practising Company Secretaries

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 Trustees

Visra ITCL (India) Limited

IL&FS Financial Center
Plot No. C-22, G Block,
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Bandra (East), Mumbai - 400 051

Catalyst Trusteeship Limited

Windsor, 6th Floor, Office No - 604,
C.S.T. Road, Kalina, Santacruz (East),
Mumbai - 400 098

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. Atul C. Choksey - Member

Mr. Paras K. Chowdhary - Member

Mr. Vinay Bansal* - Member

Stakeholders' Relationship Committee

Mr. Anant Goenka - Chairman

Mr. Mahesh S. Gupta - Member

Mr. Paras K. Chowdhary - Member

Mr. Vinay Bansal* - Member

Risk Management Committee

Mr. Mahesh S. Gupta - Chairman

Mr. Anant Goenka - Member

Mr. Paras K. Chowdhary - Member

Mr. Vinay Bansal* - Member

Sustainability and Corporate Social Responsibility Committee

Mr. Anant Goenka - Chairman

Mr. Paras K. Chowdhary - Member

Ms. Priya Nair - Member

Mr. Vinay Bansal* - Member

Nomination and Remuneration Committee

Mr. Mahesh S. Gupta - Chairman

Mr. Atul C. Choksey - Member

Mr. Paras K. Chowdhary - Member

Mr. Vinay Bansal* - Member

Finance and Banking Committee

Mr. Arnab Banerjee - Chairman

Mr. H. V. Goenka - Member

Mr. Anant Goenka - Member

*Mr. Vinay Bansal has resigned from the post of Non-executive Independent Director w.e.f. June 1, 2023 and consequently from membership of the Committees. The position given above is as on date, while the information mentioned in the relevant reports is as applicable for the financial year 2022-23.

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- 82, MIDC, Satpur, Nashik, Maharashtra - 422 007
- Village Getmuvala, Taluka Halol, Dist. Panchmahal, Gujarat - 389 350
- Plot No. SZ-39, Industrial Area, MIDC, Butibori, Nagpur, Maharashtra - 441 108
- Kannanthangal Village, Maduramangalam post, Sriperumbudur TK, Kancheepuram Dist Tamil Nadu - 602 108
- Plot No G-2, Village - Bohonoli, Additional Ambarnath MIDC, Ambarnath (East), Dist. Thane, Maharashtra - 421 506



 **hello happiness**

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