CEAT LIMITED
ANNUAL REPORT 2018-19

SAFER SMARTER BETTER



About RPG Group

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

hello **happiness**

Last year, we launched the RPG Group's new brand tagline – 'hello happiness', which is now an integral part of our Group's ethos. Our Vision tenets clearly outline the path we all collectively traverse – one that seeks to propel every RPGian to overcome their own limitations; one that drives each one of us to contribute and shape the lives of others around us positively; an organization where dreams will not be constrained by fences. The smiley signifies 'THAT' happiness which is within our grasp and is the culmination of our Vision tenets captured in our tagline. 'hello happiness' is a bold statement that helps us open our doors to a world of opportunities and possibilities; a statement that signifies our intent to touch and enrich the lives of others.

Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This Report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

SAFER SMARTER BETTER

At CEAT, we continue to resonate with our Purpose of ‘Making Mobility Safer & Smarter. Every Day.’

On the back of our innovative and agile methods and the drive to experiment, we have become one of the largest Indian manufacturer of high-performance tyres for all vehicle segments. We seek to sustain growth and deliver future-ready products and solutions that are safer, smarter and better in every respect.

We build best-in-class products through a culture of continuous innovation. Our tyres are durable and provide a secure grip, thereby ensuring the safety of our customers on the road, every day. We are expanding our reach and distribution, introducing differentiated products and creating strong brand associations and social media presence. With our cutting-edge mobility solutions, we are leaving no stone unturned in our drive to create a ‘SAFER SMARTER BETTER’ tomorrow.

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Ruling the Road

Since its inception in 1958, CEAT has steadily expanded its tyre production capacities and today, is one of India's leading tyre manufacturers with a strong presence in global markets. CEAT is built on strong ethos of passion, values, dynamism and resilience and remains committed to helping millions of vehicles travel safely. CEAT produces over 37 Million tyres a year. It manufactures world-class tyres for a wide range of vehicle segments. CEAT's manufacturing operations are carried out through a combination of in-house manufacturing facilities and outsourcing units. State-of-the-art R&D centres at Halol, India and Frankfurt, Germany enable CEAT to come up with safer and smarter products to fulfil the mobility needs of its customers.

Our Strategic Pillars

- Strong brand equity
- Differentiated products
- Strong OEM relationships
- Global reach
- World-class R&D
- Extensive distribution network

Values

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

CHALLENGER
Innovative and agile, questioning the existing ways and promoting experimentation

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

INTEGRITY
Being authentic, transparent and keeping commitments

RESULT OBSESSION
Passion, high energy, speed and collaboration

OPENNESS
Approachable open and boundary-less

Great Place To Work. Best Workplaces™ in Manufacturing INDIA 2019

Ranked amongst top 25 In Manufacturing

$1 Billion
Revenue Organization

Key Facts

₹ 7,023 Crores
Consolidated total income

₹ 663 Crores
Consolidated EBITDA (excluding non-operating income)

₹ 251 Crores
Consolidated PAT

₹ 12
Dividend per share

₹ 1,199 Crores
Capital expenditure



124
New products launched (CEAT & CSTL)

100+ countries
Global presence



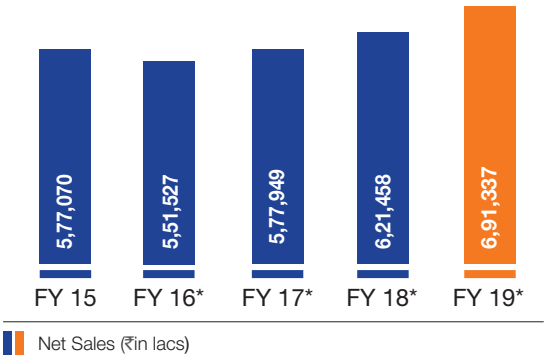
1Lac+ tyres
Manufacturing capacity per day

Financial Highlights (Consolidated)

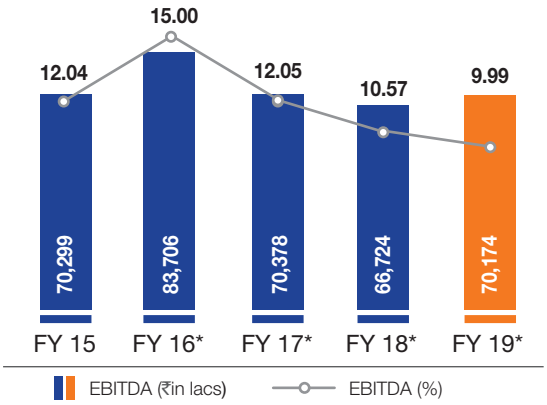
On a Steady Path

Net Sales

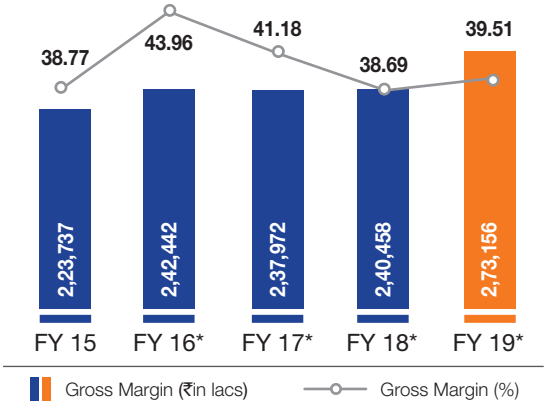
(₹in lacs)



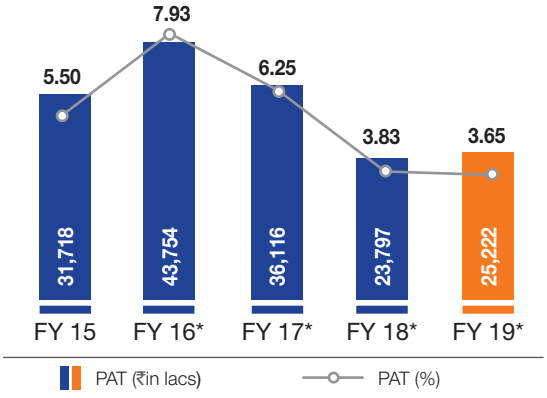
EBITDA



Gross Margin

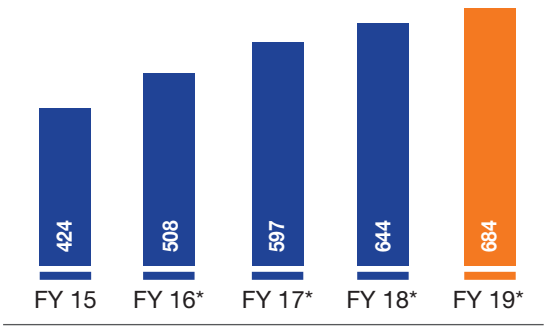


PAT



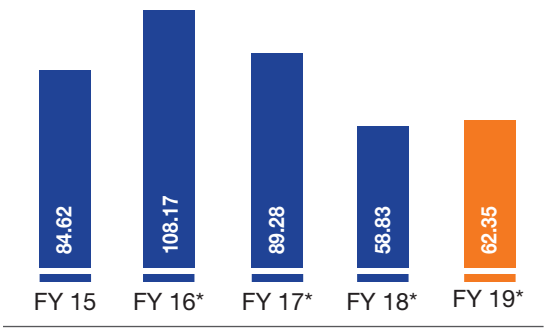
Book Value Per Share

(₹per share)



Earnings Per Share

(₹per share)



* The Company transitioned to IndAS from April 1, 2015. Thus, previous year's figures are not comparable.

1 EBITDA includes non-operating income.

2 PAT attributable to owners of parent company

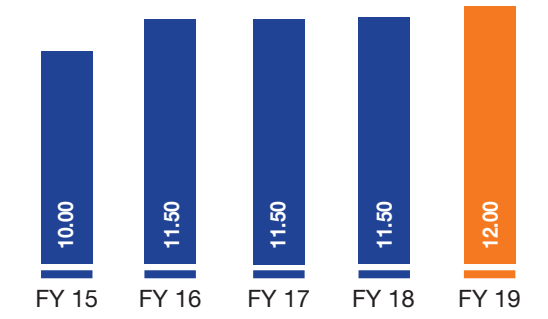
3 Interest includes interest capitalised during the year

4 Average capital employed considered for ROCE/ROE

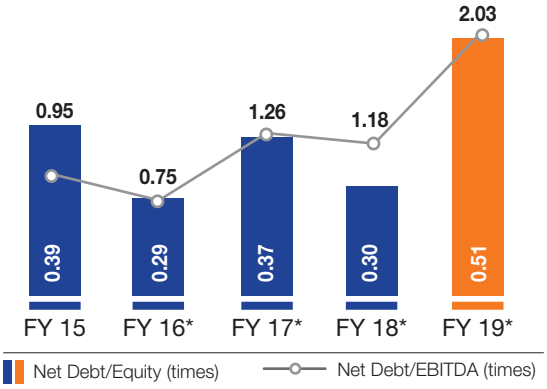
5 ROCE calculated based on PBIT * (1-Tax rate)

Dividend per share

(₹per share)

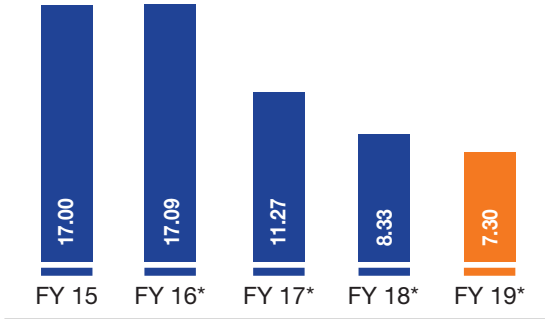


Net Debt/Equity and Net Debt to EBITDA



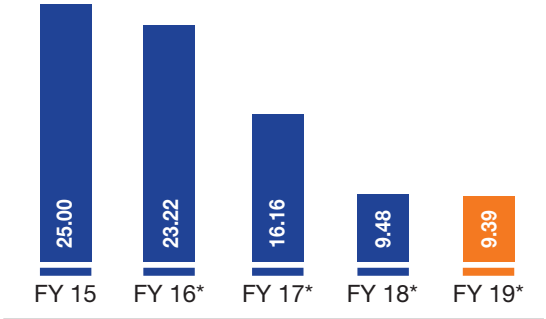
ROCE

(%)



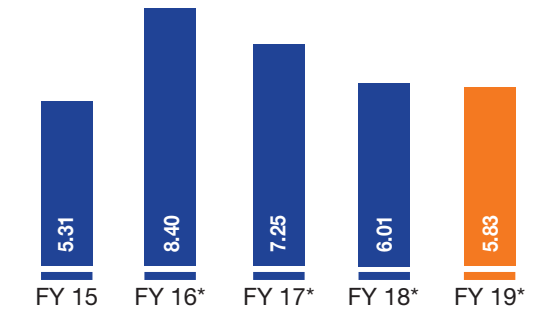
ROE

(%)

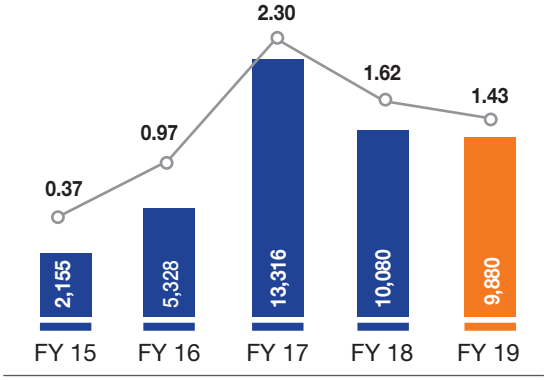


EBITDA/Interest

EBITDA/Interest (times)



R&D Expenditure/Net Sales



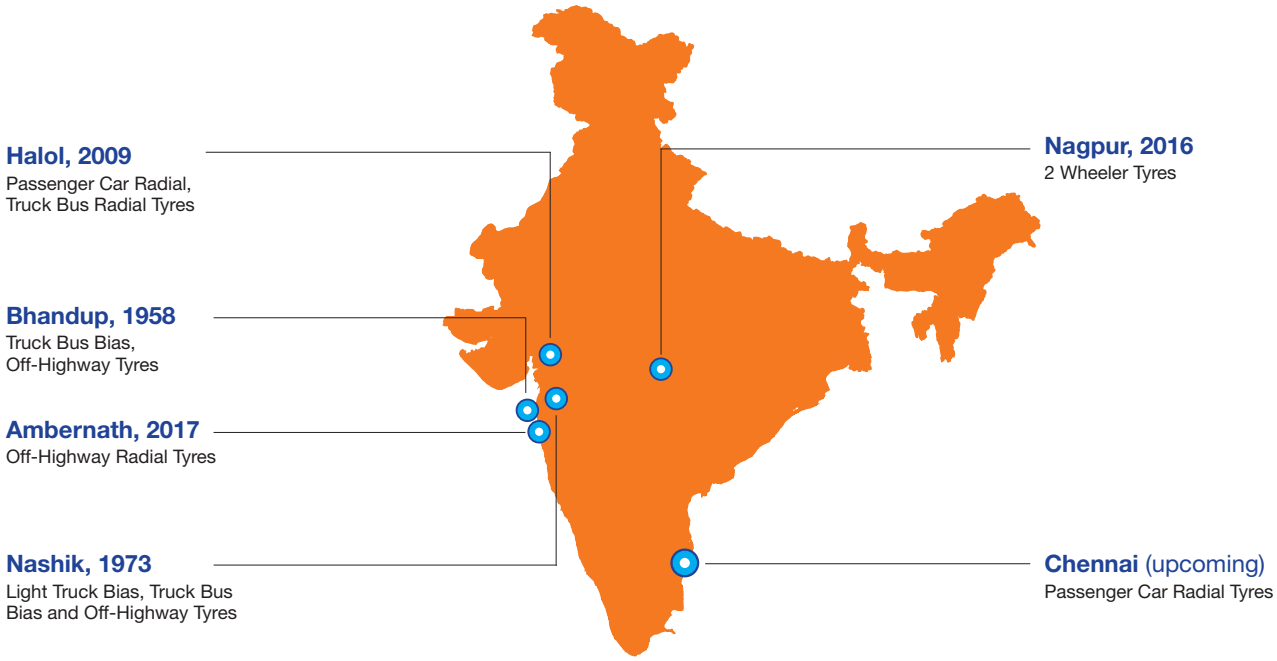
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4 Average capital employed considered for ROCE/ROE
5 ROCE calculated based on PBIT * (1-Tax rate)

Global Presence

Our Firm Foothold



Operational Facilities



International Business

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





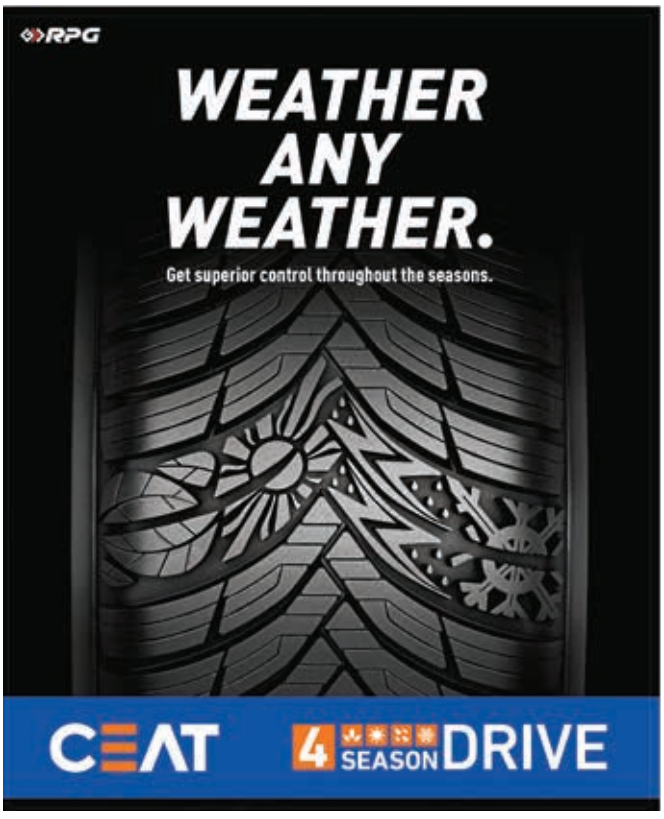
CEAT Store - Spain



Product launch & showcase -
BAUMA CONEXPO 2018



CEAT Store - Italy



Product Portfolio

Smarter Products for Smarter Mobility

Passenger Car Tyres



Milaze X3

Tyres with high mileage up to 1 lacs km tyre life



Secura Drive

Tyres that provide a secure grip even at high speed



CZAR HP

Tyres that provide superior control at high speed



Fuelsmarrt

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

Two Wheeler Tyres



Milaze

Tyres with superior life



Gripp X3

Tyres that provide long lasting grip



Zoom

Tyres that provide control at high speed



Gripp XL

Tyres that provide better grip over different terrains

Truck-Bus Radial Tyres



WinMile X3

Tyres with high mileage (for long haul highway application)



WinLoad X3

Tyres made to carry heavy loads

Off-Highway Tyres



Minemax

Tyres with puncture resistance, superior traction, enhanced grip and higher mileage



Floatmax FT

Tyres with additional traction and stability with a firm grip on the loose surface conditions typical to agricultural land



Aayushmaan series

Tyres designed to have a good grip and high overall life



Aayushmaan plus

Tyres that offer puncture protection, in addition to giving good grip and high overall life

Light Commercial Vehicle Tyres



Buland Lug XL Pro

Tyres with better loadability and durability



Milaze

Tyres with high mileage and better loadability

Last Mile Tyres



Buland Mile XL Rib

Tyres for cargo application providing higher loadability



Anmol Rib HD

Tyres for cargo and passenger applications with long life



Milaze LT

Tyres for passenger application with long life and durability

THE TYRE THAT LASTS.

CEAT | MILAZE X3

THE 1 LAKH KM* TYRE



CEAT it helps

CAR TYRES

www.ceat.com Call: 1800 22 1213 (Toll Free) customercare@ceat.com



Associations

Establishing the Right COLLABORATIONS

We continued to develop smart associations to drive home the point that CEAT tyres are the right choice for the ‘Game called Road’.

Association with Sports

BAT SPONSORSHIP



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

CEAT CRICKET RATING



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



INDIAN PREMIER LEAGUE



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

TORINO FOOTBALL CLUB



CEAT tied up with Torino FC, one of the leading football clubs in the Italian Serie A, for a period of two years, to expand its presence in the European markets.

RPG

DRIVE SHARP.

EVEN ON WET ROADS.



Smart compounding and optimized tread design for superior wet grip.

CEAT

SECURA DRIVE TYRES

New OEM Entries

CEAT continued to strengthen its association with major Indian and Global OEMs leading to its entry in multiple new OEM projects.

Hyundai Venue



Hyundai
New Santro



Hyundai Verna



Hero Destini



Royal Enfield
Classic ABS



Royal Enfield Bullet Trails



Royal Enfield
Himalayan ABS



The Ace Deluxe
Cleveland
Cycleworks



Mahindra
Bolero Pick Up



JBM CNG Bus





Campaigns

Smarter CONNECT

Road safety is central to CEAT's business philosophy and we strive to communicate the same through our campaigns.

Campaigns

CEAT GRIPP X3



The Gripp X3 brand campaign was created to generate consumer awareness and promote the benefits of a tyre that has an 'everlasting' grip. The campaign challenges customer belief that an old tyre is more likely to cause accidents. The campaign emphasises that the Gripp X3 tyre with Dual Compound Technology (DCT) provides a grip as good as a new tyre even when the tyres become old, thereby allowing the rider to have a safe drive on the road.

#CEATGripp X3 Tyres

CEAT SAFETY BANNER



Kumbh Mela in India attracts massive crowd which brings unique challenges along with it. CEAT identified three major issues at the Kumbh Mela – injuries, crowd control and women's safety. As a brand that stands for safety on-road and off-road, we decided to take a step ahead and extend a helping hand. We introduced the #CEATSafetyBanner, an easy-to-use multipurpose safety device that transforms into a stretcher, a barricade and a changing room.

#CEATSafetyBanner

CEAT SUPERIOR GRIP



'Kamla', our new TVC aims at communicating the importance of superior grip tyres in keeping the scooter riders safe. The TVC showcases a progressive woman riding her scooter along with her kid, when all of a sudden, 'Kamla' – a rogue cow comes in her way. CEAT tyres, with their superior grip, help the rider stay safe.

#CEATSuperiorGrip



Winning through Excellence



'Great Place to Work' - Ranked amongst Top 25 Manufacturing companies in India

IR Magzine Award - Best IR Team in the small to midcap category 2018



AVTAR Group & Working Mother Media - One of the 100 Best Companies for Women in India

British Safety Council's 'Sword of Honour' - Manufacturing excellence at Nagpur Plant



Hyundai Partnership Award - Excellence in Customer Delight



Manufacturing Today - Mr. Anant Goenka recognized as the Young Entrepreneur of the Year 2018

Kyoorius Design Awards – Big elephant for 'CEAT Safety Grip'





TISS Leapvault CLO Awards - Gold for Best Programme for 'Sales Enablement' and Silver for 'Best Diversity and Inclusion Training Programme'

ET Innovation Award for Marketing & Brand Innovation - CEAT's media campaign on road safety





Forebs India - Mr. Anant Goenka chosen as 'Tycoon of Tomorrow'

Committed towards a

SAFER TOMORROW

Safety is of utmost importance to CEAT, for our customers as well as for our employees. We, therefore, invest well towards creating safer products for the customers and building safer work environment for the employees.



Safe Products

CEAT's range of tyres undergo extensive quality checks to ensure endurance and grip control. We have built an ecosystem where designing, testing and extensive field research validate the life and performance of the tyres, optimizing the three parameters in the Magic Triangle of Tyre technology: Rolling Resistance, Grip and Tread-wear.



GRIPP X3



These tyres are developed with Dual Compound Technology, which provides grip even when the first layer of the tyre is worn out. This everlasting grip action is effective even up to 80% tyre wear, thus providing complete confidence and safety to the rider throughout the lifetime of the tyre.

PUNCTURE-SAFE TYRES



These innovative tyres come with puncture resistant technology to ensure that customers enjoy a hassle-free and safe ride without the fear of punctures, which are the most common cause of two-wheeler accidents in India.

SECURA DRIVE



These tyres are designed to provide a mix of comfort and safety at high speed driving. The tyres have wide longitudinal grooves intended for aquaplaning resistance, while the new generation compound is intended to provide superior grip. Their optimised tread pattern helps in lowering the noise, thereby giving customers a peaceful and comfortable drive.

Safety in Plants



CEAT follows the environment protection principle of 'Reduce, Reuse and Recycle', by adopting several measures to maintain ecological balance around its production facilities aiming towards 'zero accidents' at all its plants.

Nagpur plant was awarded with the coveted 'Sword of Honour' by British Safety Council for demonstrating highest standard of health, safety and environmental management.

Bhandup plant was successfully certified with ISO 45001:2018, Standard for Occupational Health & Safety Management System, first in Indian tyre industry, achieving it in a short span of 6 months from the release of the standard.

Ventilation at Bhandup plant improved through infrastructure development at the shop floor. Silencers were installed at Banbury RAM exhaust resulting in noise reduction by ~21 decibels.

Driving towards a

SMARTER TOMORROW

At CEAT, our driving force is working towards a smarter tomorrow, by investing in upgrading technological and R&D capabilities to deliver high-quality, innovative and customized products across categories. CEAT facilities are well-equipped with new simulation technologies for predictive testing, enabling better understanding of products.



Smart Technology

The simulation technology in our plants and units enables us to understand our products better, thus enhancing our capability of producing future-ready tyres.

The Design & Advance Engineering plays an important role in ensuring that we deliver innovative and quality products. The use of digital and automation has also helped reduce product development time. The use of semantic approach with updated pattern bank has assisted in developing new products for Original Equipment (OE) and Replacement markets. We have elevated test facilities by installing High Speed Uniformity, Flat Trac and Semi Anechoic Chamber, which has reinforced objective testing and timely development of products to meet customer requirements.



DIGITAL INITIATIVES

- CEAT has extensively used digital to improve the experience of its business partners and simplify their day to day operations. Dealer portal is one such initiative which helps dealers register warranties and claims, check their financial transactions, view product catalogue and place orders with CEAT which helps them reduce their time in manual tasks and help automate their business operations.
- Digital projects such as Maintenance 4.0, online temperature monitoring system, online utility parameter monitoring system, energy monitoring system and others to ease fault traceability, receive predictive alerts by SMS/e-mail and monitor through remote locations
- Enhanced engineering controls for machines after detailed risk assessment
- Significant improvement in energy convention by improvement of boiler evaporation ratio

Research and Development (R&D)

In our constant endeavour to improve R&D capability in the areas of fuel efficiency, grip, durability and noise, we focused specially on developing simulation technologies, predictive testing capabilities and using novel materials and advanced raw material characterisation.



R&D Centre at Frankfurt, Germany

Automation, digital, design thinking and data analytics will help reduce product development time, which will make the development efficient and agile. Various technologies developed in the last few years in the areas of reducing rolling resistance and noise, and improving grip and tyre life will accelerate the product development of Electrical Vehicle tyres for passenger, two-wheeler and commercial categories, which will be a key focus area for FY 20.

Striving towards a BETTER TOMORROW



Sustainability is a key business priority for CEAT with there being a clear transition towards greener mobility solutions worldwide. Our capabilities, culture and use of best available technology enable us to prepare for a better tomorrow and touch the lives of our stakeholders positively.

Better Tomorrow for Customers

At CEAT R&D, our aim is to make innovation a powerful enabler to achive business breakthroughs. We have identified several new functional and nano materials for 'greener' tyre compounds, which meet stringent requirements of grip, rolling resistance and noise, while ensuring a 'sustainable' future.



New investments in the areas of predictive testing and advanced raw material characterisation has resulted in significant technological edge over competition. Last year, we also initiated multiple advanced research projects and Ph.D. programmes in collaboration with IITs and German Universities. Aggressive approach in the areas of patent filing and research/special projects has created a total of 46 patents and 51 design registrations cumulatively.

Our approach to the future

CAPABILITY	CULTURE	SERVITIZATION
• Design Thinking • Digital • Analytics	• Innovation • Customer Centricity	• Online buying and doorstep fitment • Fleet Advisory Services

Enriching Lives

At CEAT, we believe that it is our responsibility to uplift and foster strong relationships with the society we operate in. We are, therefore, committed to conducting our operations in a socially responsible manner. All our CSR initiatives are undertaken through RPG Foundation, a public charitable trust that operates in accordance with Schedule VII of the Companies Act, 2013.



Netranjali

The project aims at providing comprehensive vision/eye care to prevent avoidable blindness. During the year, the project screened 1,67,328 people (including 1,17,182 truck drivers, 14,568 bus drivers and 35,578 beneficiaries from community and schools), through 1,895 eye camps and 244 days of at the Vision Centre. Under the project, 86,097 spectacles were distributed and 12,857 referrals were provided for severe cases.

The sixth edition of Travel Safe, starting from February 11, 2019 in Indore, targeted ~1,000 drivers for free eye check-up services under CEAT's Netranjali programme. This edition's prime focus is on the road safety of school children. As a result, CEAT is partnering with local authorities in areas close to schools to create maximum awareness around the initiative.

1,67,328
people screened

1,895
eye camps conducted

86,097
spectacles distributed

Women's Empowerment

We have undertaken several initiatives to empower women with skills and employment opportunities, thereby helping them gain financial independence and enhance their family incomes.

SWAYAM

We imparted driving skills to women and helped them get licences to be employed as drivers in the transport sector. We trained them to drive taxis, school vans and two-wheelers to earn a livelihood. While 1,279 women across locations (728-two-wheeler, 361 – three-wheeler, 250 – four-wheeler) enrolled in the driver's training programme, 600 women completed their training for two-wheeler riding, 258 women completed training for three-wheeler driving and 199 women completed their training for four-wheeler driving. These women are in the process of procuring their permanent driving licences, post which they will receive placement support. The women were trained across Mumbai, Nagpur, Chennai, Delhi, Indore, Bhopal, Jaipur and other cities.



SANJEEVANI

This programme supported the training of 719 less-privileged women in Bed Side Assistant/Patient Care Assistant programmes, providing them with livelihood options in the healthcare sector. 114 candidates were also trained in Halol. This training was supported jointly by the RPG Group of Companies having facilities in Gujarat (CEAT, KEC International and Raychem RPG).



719

women provided with livelihood options in healthcare sector

114

candidates trained in Halol

Education

PEHLAY AKSHAR

The project focuses on primary education, with emphasis on English speaking and reading skills to enhance employability. The initiative reached out to 2,932 students across 26 schools in Mumbai (Worli and Bhandup), Halol and Nashik. We also invested in developing 11 Pehlay Akshar classrooms across Bhandup, Nasik and Halol. The programme also trained 670 teachers from government and municipal schools. This included three training sessions spread across the academic year with weekly group coaching sessions that focused on implementing the 'Magic Classroom' principles in the schools.



2,932

students reached out across Mumbai (Worli and Bhandup), Halol and Nashik

670

teachers from government and municipal schools trained under the programme

Community Development





The Community Development project focuses on holistic improvement in quality of life, by working towards providing clean drinking water, sanitation, overall health and nutrition, and skilling/ employability, among others.

The following initiatives were undertaken as a part of Community Development:

- 880 adolescent children (460 girls and 320 boys) attended sessions on healthcare in the Bhandup area. The programme included meetings with parents too.
- As a part of the Bal Vikas programme, 250 children attended workshops on yoga, art and craft, storytelling, etc. in Bhandup.
- 573 less-privileged youth were enrolled for training in various trades such as mobile repairing, two-wheeler repairing, white goods repairing, etc. across locations.
- Installation of seven water ATMs was initiated in FY 19. Installation of five units in Nashik is complete and installation of two units in Nagpur is ongoing. These installations are expected to impact over 10,500 beneficiaries. In addition, 11 Rainwater Harvesting Systems were supported (Nashik – 3 units complete and 3 ongoing; Bhandup – 5 units ongoing).
- As a part of the government's National Digital Literacy Mission, 1,445 candidates (800 in Ambernath and 645 in Nashik) were imparted basic digital literacy training. Over 2,000 beneficiaries were enrolled and will complete the training by July 2019.
- In Panchmahal district in Gujarat, 2,200 children in schools were provided highly nutritious snacks before the mid-day meal as a proactive effort to reduce malnourishment. As a part of developing alternate livelihoods, this intervention also supported 60 women who were trained to develop these nutritious snacks and supply them to the children. This project was undertaken jointly by all RPG Group of Companies having facilities in Gujarat.

People Practices

Nurturing Talent for a Smarter Organisation

CEAT has always made sincere, substantive and sustained efforts towards building an ecosystem that promotes the development and advancement of all its employees. During the year under review, CEAT was ranked amongst the Top 25 India's Best Workplaces, Manufacturing by 'Great Place To Work' Institute for building a high-trust and high-performance culture.

ATTRACTING AND RETAINING TALENT

We seek to engage and attract bright minds wherever we operate. We also want to enable our employees to develop their skills and potential to take themselves and our business further. We encourage our people to invest in learning throughout their career by providing multiple opportunities and platforms that fit their needs. The aim is to enable our employees to meet their career aspirations and perform successfully.



EMPLOYEE ENGAGEMENT



A motivated workforce is instrumental to business success. By encouraging continuous dialogue with our employees, we gain a better understanding of their expectations. We want our employees to feel that caring for their well-being is an integral part of our relationship with our people. We continually look for ways in which we can help them lead healthy lifestyles. We also make sure that our employees get to spend a lot of time with their families. The policies of five-day work week (for manufacturing), flexi workplace and work hours gives flexibility to the employees to manage their work-life balance.

HEALTH AND SAFETY



The health and safety of our people is paramount. We prepare our people as much as possible for the potential risks in our facilities. This preparation includes adherence to clear standards, education, training, auditing and follow-up to reinforce accountability.


RPG
DUAL COMPOUND TECHNOLOGY
GRIP THAT LASTS.
GRIPP X3
with long lasting grip.
MH.01 DF.0393
CEAT
it helps

Governed by an Able Leadership



1 H. V. Goenka
Chairman

Mr. H. V. Goenka is the Chairman of RPG Enterprises, one of the largest industrial groups in India, active in key business segments such as tyres, infrastructure, information technology and other diversified segments, having an annual turnover of about US $4 Billion. Born in December 1957, Mr. Goenka is a graduate in Economics and MBA from the International Institute of Management Development (IMD), Lausanne, Switzerland and is presently on the Foundation Board of IMD, Lausanne. Mr. Goenka is a past President of the Indian Merchants' Chamber, now known as the IMC Chamber of Commerce and Industry and is a member of the Executive Committee of FICCI. He has been the Chairman of the Board of the Company since 2013.

2 Anant Goenka
Managing Director

Mr. Anant Goenka is the Managing Director of CEAT and a Member of the Management Board at RPG Enterprises. He is also the former Chairman of Automotive Tyre Manufacturers' Association (ATMA). Mr. Anant Goenka has over 15 years of experience during which he has worked in CEAT, KEC International and Hindustan Unilever. Mr. Anant Goenka has been recognised by Forbes as the 'Next Generation Business Leader of the Year' in 2017 and as 'India's 40 under 40 Business Leaders' by Economic Times-Spencer Stuart. He was instrumental in leading CEAT to win the Deming Prize in 2017, one of the most prestigious global quality awards in the world. Mr. Anant Goenka is an MBA from the Kellogg School of Management and a BS (Economics) from the Wharton School, University of Pennsylvania.

3 Arnab Banerjee
Chief Operating Officer

Mr. Arnab Banerjee, currently designated as the Chief Operating Officer of the Company, was re-appointed as its Whole-time Director for 5 years in May 2018. Mr. Banerjee comes with a vast experience and knowledge of FMCG & Paints sector and has more than 25 years of experience having worked in diverse industries at various locations. Prior to joining CEAT Limited, Mr. Banerjee worked with Berger Paints and Marico Limited. He joined CEAT as Vice President-Sales & Marketing in November 2005 and later was elevated as the Whole-time Director of the Company in May 2013. At CEAT Limited, Mr. Banerjee spearheads the Sales, Marketing and Manufacturing functions and is responsible for driving revenue in Domestic, Exports & OE markets. He is also developing CEAT as the most premium, dynamic and robust Brand.

At the same time, he also handles the integrated supply chain of CEAT. He completed his graduation from the Indian Institute of Technology, Kharagpur in Mechanical Engineering in 1985. Further, he did PGDM from Indian Institute of Management, Calcutta in 1987.

4 Atul C. Choksey

Independent Director

Mr. Atul C. Choksey is currently the Chairman of Apcotex Industries Limited. He joined Asian Paints (India) Limited as a Junior Executive in July 1973 and was subsequently appointed as Whole-time Director of Asian Paints with effect from May 1979. He served as the Managing Director of Asian Paints from April 1984 to August 1997. He was the President of the Indian Paint Association and of the Bombay Chamber of Commerce and Industry as well as Deputy President of Associated Chamber of Commerce and Industry of India. Mr. Choksey holds bachelor's degree in Chemical Engineering from Illinois Institute of Technology Chicago and also Management courses in Finance, Personnel, Micro and Macro Economics etc.

5 Haigreve Khaitan

Independent Director

Mr. Haigreve Khaitan is a Senior Partner of Khaitan & Co, a law Firm and heads the Corporate/M&A and Private Equity practice at the Firm. He is an elected member of the National Executive Committee of the Firm which is responsible for the firm's strategic growth and development. He advises companies, boards of directors and financial institutions on a wide range of corporate matters, including corporate governance, corporate restructuring and other securities laws matters. He is on the Boards of various public listed companies and often speaks at various industry events. He ranked amongst top 100 lawyers in India by India Business Law Journal (IBLJ) and is acclaimed by the corporates, industries, world's leading law chambers as an 'Outstanding lawyer' and 'Eminent Practitioner'.

6 Mahesh S. Gupta

Independent Director

Mr. Mahesh S. Gupta is Managing Director at Ashok Piramal Group and oversees all businesses of the Group which comprises real estate, textiles, cutting tools and renewable energy. Mr. Gupta has about four decades of professional experience in business management and in all aspects of Corporate Finance, mergers and acquisitions, strategic planning, etc. He has also worked with the RPG group as Group CFO and Management Board Member. Mr. Gupta has received numerous recognitions for his business acumen. He was awarded the CFO of the Year Award, Special Commendation for Financial Excellence (Mergers & Acquisitions Category) in 2001 by IMA (formerly known as EIU), New Delhi. Mr. Gupta holds Honours Degree in B. Com; L.LB (Gen.) and is Fellow Member of ICAI and ICSI holding Third Rank and a Silver Medal in Company Secretaries Final examination.

7 Paras K. Chowdhary

Independent Director

Mr. Paras K. Chowdhary has over 35 years' experience in senior management positions in tyre industry, including as the Managing Director of the Company for more than 11 years. Prior to joining the Company as the Managing Director, he spearheaded the Telecom Business of RPG Enterprises from July 1997 to December 2000. Earlier he was employed with Apollo Tyres Limited where he started his career from a junior management position and reached the position of President and Whole-time Director within a reasonable time and he was also instrumental in turning around that company. Mr. Chowdhary is one of the few experts of the tyre industry in India.

8 Pierre E. Cohade

Non-Executive Director

Mr. Pierre E. Cohade has lived and worked globally in four continents, building and leading multi-billion dollars businesses, in many cases after turning them around. He is advising some startups and is a Senior Advisor to Centre for Creative Leadership (CCL) China. He serves as Chairman of the IMA CEO forum. Most recently, Mr. Cohade was the CEO of Triangle Tyre, China's largest private tyre manufacturer. Mr. Cohade was also the President of Goodyear Asia Pacific. Under his 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.

9 Punita Lal

Independent Director

Ms. Punita Lal has more than 30 years of experience in Strategy, Marketing and People Management. Ms. Lal's last held role was CEO for NourishCo Beverages – a strategic joint venture between the Tata group and PepsiCo. Earlier, she was Executive Director – Marketing, PepsiCo Beverages and a key member of the Executive Committee of PepsiCo Indian Beverages. Her work experience spans multiple disciplines, geographies and cultures and she has many recognitions to her credit, including being chosen as one of India's top 20 Businesswomen by Business Today and awarded the Corporate Woman of the Year by the FICCI Women's organization. Ms. Lal has done MBA from Indian Institute of Management, Calcutta.

10 Ranjit V. Pandit

Independent Director

Mr. Ranjit Pandit earlier served as Managing Director at General Atlantic LLC - a leading private equity firm. Prior to this, he was Managing Director and Chairman of McKinsey & Company in India. He also served on a variety of governments and regulatory bodies on policy. Mr. Pandit has done MBA from Wharton School, University of Pennsylvania.

11 Vinay Bansal

Independent Director

Mr. Vinay Bansal has experience in Indian Administrative Service (IAS), Maharashtra Cadre from 1969 to 2005. He has been part of Senior Management and Administration in State and Union Governments for over 35 years and retired as the Secretary in the Department of Chemicals in the Government of India. Mr. Bansal is currently associated as a consultant with Reliance Industries Ltd for over 14 years. He has represented Government of India in Joint Commissions to several countries. Mr. Bansal has done Master's in Science and Diploma in French, from Allahabad University, Diploma in Business Management in Mumbai and Petroleum Management from Arthur D'Little, Massachusetts Institute of Development, US.

Management Discussion and Analysis

About CEAT Limited

CEAT, the flagship company of RPG Group, was established in 1958. CEAT is one of the largest tyre manufacturers in terms of revenue and is one of the fastest growing tyre company in India. Recently, CEAT became a $1 Billion Company and was recognised as one of India's Top 25 Workplaces (Manufacturing) by the Great Place to Work® Institute.

CEAT produces best-in-class, high performance tyres for a wide range of vehicles, including tyres for 2/3 Wheelers, Passenger Vehicles and Utility Vehicles, Commercial Vehicles and Off-Highway Vehicles and produces over 37 Million tyres in a year. CEAT also manufactures and markets superior quality tubes and flaps. The Replacement, Original Equipment Manufacturing (OEM) and International Business segments accounted for 59%, 29% and 12% of CEAT's revenue, respectively, in FY19.

Currently, CEAT has footprint in over 100 countries across the world. CEAT has plants in Nashik, Mumbai, Halol, Ambernath and Nagpur. With the upcoming unit in Chennai, CEAT will have six plants in India. Ambernath plant is undertaken by CEAT's wholly owned subsidiary. CEAT also has a manufacturing facility in Sri Lanka through its overseas joint ventures. CEAT is aggressively working on expanding its manufacturing capacities across product; categories for 2-Wheeler tyres in Nagpur, Commercial Vehicles Radial tyre plant in Halol and Off-Highway tyres in Ambernath while also setting up a greenfield facility for Passenger Car tyres in Chennai.

CEAT has over six decades of experience and has led the industry in innovation, product diversity and technology. CEAT has dedicated state-of-the-art R&D centres in Halol, Gujarat and Frankfurt, Germany. Built on the corporate ethos of reliability, dynamism and toughness, CEAT is committed to innovate, rebuild and help millions of vehicles travel safely.



Global Economy

Global economic activity markedly slowed down in the second half of 2018 after strong growth in 2017 and early 2018, mainly on account of factors emanating from advanced economies. After expanding to 4.0% in 2017, global growth remained strong at 3.8% in the first half of 2018, only to significantly drop to 3.2% in the second half. According to the International Monetary Fund (IMF), the global economy grew by 3.6% in 2018. The growth rate was weighed down by multiple factors, including weaker sentiments in financial markets, heightened trade tensions between the US & China, macroeconomic issues in Argentina & Turkey and volatility in crude prices. However, the US economy expanded at its fastest pace on the back of tax reforms. Global corporations in the US scaled their sales and profits, while central banks exercised well-below-normal interest rates.

Outlook

The IMF estimates world output to slow down from 3.6% in 2018 to 3.3% in 2019, before normalising back to 3.6% in 2020. Global growth has been revised downward because of the negative effects of tariff increase endorsed in the US and China, and weaker momentum in Europe in the second half of 2018. A major risk to the global economic growth is the intensification of trade wars in 2019, which is expected to pull down the Gross Domestic Product (GDP) growth further than projected. In addition to the US and China major economies such as Germany and Japan may also be indirectly affected by the trade war.

Global growth

(%)

Particulars	Actual	Projections	
	2018	2019	2020
World Output	3.6	3.3	3.6
Advanced Economies	2.2	1.8	1.7
US	2.9	2.3	1.9
Eurozone	1.8	1.3	1.5
Japan	0.8	1.0	0.5
UK	1.4	1.2	1.4
Other Advanced Economies	2.6	2.2	2.5
Emerging Markets and Developing Economies	4.5	4.4	4.8
China	6.6	6.3	6.1

Source: The International Monetary Fund (IMF)

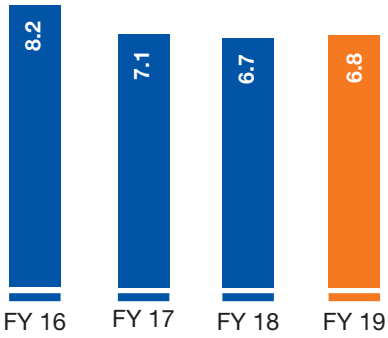
Indian Economy

The Indian economic growth rate for FY 19 recorded a five-year low of 6.8%, on the back of a consumption and investment slowdown. Despite FY 18 being filled with external exposures arising out of rising oil prices, trade wars between major global trading partners and monetary tightening in the US, India outshone as the world's fastest growing major economy.

In the last five years (FY 15 - FY 19), the average GDP growth rate has been at 7.7%. The macro-economic environment has improved significantly. Inflation has been contained, fiscal consolidation has been on the right trail and foreign investment flows have been growing year after year. Both headline Consumer Price Index (CPI) and Wholesale Price Index (WPI) inflation increased to 2.9% and 3.2%, respectively, in March 2019. However, while core CPI inflation fell to 4.7%, core WPI inflation marginally increased to 2.5% during the month. Moreover, during the last few years, the Government has undertaken various reforms and equivalent budgetary allocations for every segment of the population to simplify all-inclusive growth and sustainable development of the economy.

India GDP growth rate

(%)



Source: The Central Statistics Office (CSO)

Outlook

Going ahead, the economy needs to take courageous steps to boost the investment environment and push demand growth to the next level. India's robust GDP growth will continue in FY 19, driven by the services and infrastructure sectors, better demand conditions, settled GST implementation, capacity expansion resulting from the growing investments in infrastructure, continuing positive effects of the reform policies undertaken and improved credit off-take.

India ranked 77th in the World Bank's Ease of Doing Business Index 2018, moving up by 23 places. These positive developments were offset by a formalised tax structure, enhanced focus on infrastructure creation and reduced short-term adverse impact of demonetisation. According to Boston Consulting Group (BCG), domestic consumption in India in the last decade increased 3.5 times from ₹31 Trillion to ₹110 Trillion. BCG estimates that this number will touch ₹335 Trillion by FY 28.

Global Automobile Industry

The global automotive industry has evolved significantly over the past decade. Growth in digital technologies, change in customer sentiment and general improvement in economic health have played a vital role in this evolution. OEMs and other key industry players are taking note of this evolution and investing heavily in the non-commercial business practices of manufacturing vehicles.

The global vehicle market was virtually flat in 2018, with around 94 Million vehicles having been sold. China's car market declined following a combination of regulatory tightening to rein in shadow banking and an increase in trade tensions with the US, which sapped confidence. The euro area economy lost more momentum than was expected due to the lingering effects of the disruption to car production in Germany caused by the introduction of the new Worldwide Harmonised Light Vehicles Test Procedure (WLTP) emission standards. Investment dropped in Italy, threatening the country with recession.

Key Trends in the Global Automotive Industry

Technology-driven trends have been transforming the way in which automotive industry players are reacting to the changing behaviour of consumers and building partnerships. Here are some of the emerging megatrends that are impacting operations in the global automotive industry:

Autonomous Driving

Though self-driving technology is not yet predominant on the streets, it is one of the most exciting prospect for the future. From minimising accidents caused due to lethargy to making personal travel hassle-free, the benefits of this technology are numerous.

Connected Vehicles

Connected vehicles are those that use diverse communication technologies to communicate with the driver, other vehicles on the road [Vehicle-to-Vehicle (V2V)] and the roadside infrastructure. This technology can improve vehicle safety, enhance vehicle efficiency and reduce commute times.

Ride Sharing

There is a significant transformation taking place in people's perception of automobile travel. This could have an impact on ride sharing as well as on the automotive industry and public transport. The global ride sharing market is mainly driven by declining preference to own a vehicle and rather use it as a service. Ride sharing offers the users a sense of owning a vehicle at a much lower cost and hassle. Therefore, consumers are preferring ride-sharing services.

Electric Vehicles

There has been a gradual increase in the number of electric vehicles across the world and more models are expected to be mass produced in the coming years. Several industry experts and professionals have predicted that electric cars will soon be more cost-effective and popular than diesel and petrol models, owing to their eco-friendly nature. Therefore, the global market for electrified transport is starting to pick up speed. The magnitude of government subsidies, expansion of the charging network and falling battery prices (due to technological progress) are the key growth drivers of the electric car market.

Outlook

Positive forecasts in private consumption and corporate investment, fuelled by rising incomes and low interest rates are expected to drive growth in the Passenger Vehicle and Commercial Vehicle segments in most countries. The growth might be encouraged further due to the improving economic and strong financial conditions across all regions. The confluence of various technologies and industries with the automotive space is expanding the global automotive industry and creating numerous opportunities in the market.

Indian Automobile Industry

The industry in the second half of FY 19 was affected as liquidity issues arising out of Non Banking Finance Companies (NBFC) crisis, high fuel prices, poor sentiments and high interest rates hurt demand.

The Indian automobile industry registered a growth of just 6.26% by producing 30.9 Million vehicles in FY 19 as against 29.1 Million in FY 18.

Passenger Vehicles

Passenger Vehicles sales grew by 2.70% in FY 19 over FY 18. Within this segment, the sale of Passenger Vehicles, Utility Vehicles and Vans grew by 2.05%, 2.08% and 13.10%, respectively, in FY 19 over FY 18.

2-Wheelers

2-Wheeler sales registered a growth of 4.86% in FY 19 over FY 18. Within the 2-Wheeler segment, Scooters declined by 0.27%, whereas Motorcycles and Mopeds grew by 7.76% and 2.41%, respectively, in FY 19 over FY1 8.

Commercial Vehicles

The overall Commercial Vehicles segment garnered a growth of 17.55% in FY 19 compared to FY 18. Medium & Heavy Commercial Vehicles (M&HCVs) increased by 14.66% and Light Commercial Vehicles (LCVs) grew by 19.46% in FY 19 compared to FY 18.

Tractors

The Indian tractor industry witnessed a double-digit growth for the third consecutive year in FY 19. However, the pace was the slowest in the last three years. In FY 19, Tractor sales grew by 10.24% at 878,476 units compared to 20.52% in FY 18 and 15.74% in FY 17. Tractor sales, which mirrors rural sentiment, was impacted due to erratic rainfall, coupled with delayed sowing and low production of rabi crops in the last fiscal. (Source: Society of Indian Automobile Manufacturers (SIAM))

Interim Budget 2019-20 highlights

The 2019-20 Interim Budget declared a tax exemption for income up to ₹5 Lacs. Therefore, consumer spending is expected to receive a boost. As middle-income families will now have more access to liquid money, their spending power is expected to increase, thereby benefitting automobile companies.

The Budget also announced a direct benefit transfer scheme for small and marginal farmers, which will assist them with structured income support. Around 72% farmers are in this category and the number is likely to increase to 90% by FY 25. The farm income support of ₹6,000 per annum is positive for the 2-Wheeler and tractor industries as the increased purchasing power in the hands of the poor is likely to benefit automobile companies.

Global Tyre Industry

According to the IMARC Group, the global tyre market reached a volume of 3.1 Billion units in 2018. In value terms, tyre sale is projected to grew by 4.9% this year. Driven by rising population, urbanisation, lifestyle changes and increase in disposable incomes, the purchasing power of consumers worldwide has increased significantly over the last few years.

The Asia-Pacific region is expected to continue as the world's largest and fastest growing tyre market. Three of the world's four largest tyre markets are located in China, India and Japan. By 2023, the Asia-Pacific region will be accountable for more than two-thirds of the global tyre demand gains.

The North American and European markets have registered an outstanding CAGR in the past and continue to enjoy a strong position in the global market, registering a rise in sales and increase in exports. By 2020, it is forecasted that Passenger Vehicle and Light Commercial Vehicle sales would reach 16.9 Million units in Western Europe, about 3.7 Million units in Central Europe and 4.6 Million units in Eastern Europe.

Growth in the number of Electric Vehicles is resulting in demand for advanced tyre performance. Consequently, new material development, especially new synthetic rubber, to minimise trade-off between major tyre functions, such as fuel efficiency, noise, has become more critical.

Passenger Vehicles are expected to hold the largest share of tyre demand due to their increased sales. They are also likely to be accessible owing to the rising income levels in developing nations. These two factors will further enhance tyre sales in the Asia-Pacific markets. Motorcycle tyre sales are largely focused in the fast-growing developing areas in the Asia-Pacific region, where motorcycles are used as low-cost substitutes for passenger vehicles.

According to the TechSci Research report, the US tyre market stood at around $ 52 Billion in 2017 and is forecasted to grow at a CAGR of over 4.80%, crossing $ 68 Billion by 2023. The growth will mainly be attributed to the expanding vehicle fleet and growing construction industry in the country. With various ongoing and planned construction projects, the US is expected to witness infrastructure transformation. This will boost the developmental and construction activities in various sectors across the country, thereby driving the automobile sector in the coming years. Further, the widespread presence of a well-established network of dealers and distributors is expected to propel tyre sales in the domestic market. The imports of tyre and rubber products have been increasing amidst the escalating tariff war between the US and China.

According to the European Tyre & Rubber Manufacturers' Association (ETRMA), the performance of the European tyre industry in 2018 was stable, with a positive growth for truck tyre replacement (9%). While the agricultural tyre sector registered a 4% decrease compared to 2017. The Original Equipment market saw a drop of 4% this year, while the Replacement consumer tyre market witnessed a more positive performance. With the increasing number of automobiles on the European roads, the demand for tyres has also increased. Growing vehicle population, coupled with the emergence of new tyre technologies, is expected to drive tyre demand in Europe. Passenger Vehicle is the dominating segment in European tyre market, and the segment is expected to continue its dominance during the coming years as well.

According to TechSci Research report, the African tyre market is forecasted to grow from $ 5.57 Billion in 2017 to $ 7.50 Billion by 2023, registering a CAGR of 5.53%, owing to the rising Passenger Car and Commercial Vehicle sales in the region. Increasing purchasing power and GDP per capita across major African economies, in addition to the growing replacement tyre market, are likely to lift tyre sales in the region. As the African tyre market is majorly import driven, there is focus on expanding the distributor and dealer network for boosting tyre sales. Moreover, increasing tyre radialisation and the growing demand for Chinese tyres and used cars are expected to drive demand for tyres in Africa in the coming years.

China's automobile market saw slow sales in 2018, with zero growth predicted for the first time in three decades. Slowing economic growth, lack of consumption incentives and tightened car-buying restrictions have hindered the growth of the domestic automobile market in China. However, ongoing development in both urban as well as rural areas and noteworthy improvement in road infrastructure are gradually boosting the expansion of the automobile sector as well as China's tyre market. China's Ministry of Transport has stated that from 2020, all buses in large cities must be 'new energy' (electric or hybrid) designs. This will have a large influence on the style of tyres used on these large fleets, thereby creating market opportunities and increasing demand.

Indian Tyre Industry

The Indian tyre market reached a production volume of 192 Million units in FY 19, making it the fourth largest in the world after China, Europe and the US. Increasing radialisation of tyres, especially in buses and trucks along with a growing consumer base, is currently driving the Indian tyre market. According to ICRA, the India tyre demand is estimated to grow by 7-9% over the next five years (FY 19-23) supported by favourable outlook for the domestic automotive industry. The industry is expected to see a capital expenditure of around ₹20,000 Crore during this period.

During the second half of FY 19, the domestic tyre industry faced financing problems due to the NBFC crisis. The liquidity crunch provided limited financing options for heavy vehicle owners. The growth and profitability of the industry was also affected by increased raw material prices, increased insurance and fuel prices, along with automobile industry slowdown. However, there was a still a robust revenue growth recorded with a nearly 11% growth in revenue on a y-o-y basis to ₹63,000 Crore.

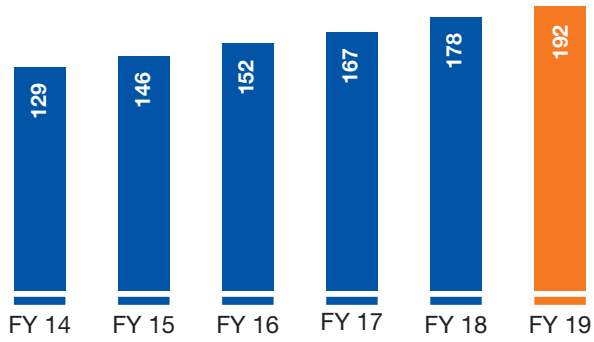
Amidst continued investments towards capacity additions (partly being debt funded) and the liquidity position, capitalisation and coverage indicators of the industry players are expected to remain comfortable, largely supported by the stable earnings and healthy cash reserves available with most of the players. In the coming three years, global automobile brands such as MG Motor, KIA Motors and Citroen will begin setting up a manufacturing base in

India and rolling out more than a dozen models as they seek to capture share in India's Passenger Vehicle market.

Production

In the last few years, the movement in tyre production and sales for the OEM market have been in line with the automobile sales for the period. Both domestic and export demand for tyres is expected to remain robust on the back of strong growth prospects for auto OEMs as well as the stable replacement market.

Tyre Production (Nos. in Million)



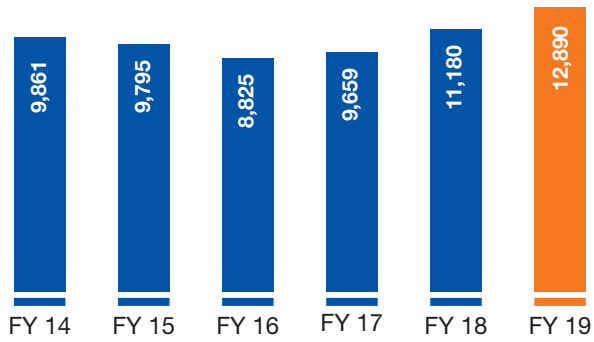
Source: The Automotive Tyre Manufacturer's Association (ATMA)

Exports

According to the Automotive Tyre Manufacturers Association (ATMA), tyre exports from India have been witnessing robust growth in the last three years and crossed ₹12,000 Crore during FY 19 from ₹11,180 Crore in FY 18, ₹9,659 Crore in FY 17 and ₹8,825 Crore in FY 16.

Indian-manufactured tyres are being exported to more than 100 countries in the world, including the US and European countries. The US is the largest export destination for Indian-manufactured tyres, accounting for 13% of the total export turnover, whereas Germany is the second-largest market with more than 7% share. However, according to ATMA, the high import duty of natural rubber and the reduction in the export obligation period against import from 18 months to 6 months are stumbling blocks to tyre exports.

Tyre Export (₹in Crore)

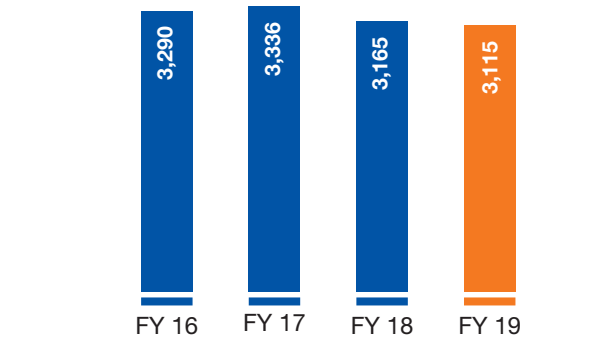


Source: The Automotive Tyre Manufacturer's Association (ATMA)

Imports

The tyre imports had declined in the last one year following the imposition of the Anti-dumping Duty (ADD) on the import of new Chinese Truck and Bus Radial (TBR) tyres for a period of five years, effective from September 18, 2017 and the increase in customs duty on Passenger Vehicle by 500 bps to 15%, effective April 1, 2018. This has benefitted the domestic players as the large capacities added in recent years are now being effectively utilised.

Tyre Import (₹in Crore)



Source: The Automotive Tyre Manufacturer's Association (ATMA)

Raw Material Trends

Natural Rubber

The world consumption of natural rubber is likely to slow down in 2019 on account of estimated lower global economic growth, trade war concerns and geopolitical issues. Emerging economic trends, a strong Bollar and crude oil outlook are also weighing negatively on the commodity.

The world production of natural rubber is likely to grow faster at 6.6% to 14.844 Million MT in 2019 compared to the 4.3% increase preliminarily estimated for 2018. While the overall average annual yield per hectare is expected to remain still due to unfavourable rubber prices and climatic stress, there would be a considerable expansion of the mature area, in varying degrees across countries.

Globally, natural rubber production went up by 1% in 2019 over the previous year, whereas consumption increased by 4%. The International prices have seen an increase in the range of 12-15% in the last few months partially on account of increase in crude oil prices and export restrictions by South-East Asian countries. In India, natural rubber production dipped by 7.5% over FY 18 while consumption increased by 9%. Sentiments over the general health of the Chinese economy and the looming trade war between the US and China kept global rubber prices muted. Price volatility recorded in FY 19 was the lowest in the past five years. Natural rubber prices in India averaged at ₹126 per kg in FY 19 as against ₹130 per kg during FY 18.

Carbon black

Carbon black is an important supporting material and filler in rubber products, both in the tyre and non-tyre segments, constituting 25% of the product by weight.

During FY 19, prices rose mainly due to increase in petroleum crude oil price. Overall availability of carbon black eased out during FY 19 mainly due to weak demand in China. Domestically also, capacity expansions have been planned by all major manufacturers, besides capacities being set up by new players. With this, prices are expected to remain largely stable during FY 20.

Interim Budget 2019-20 highlights

The Interim Budget allotted a sum of ₹19,000 Crore to the Pradhan Mantri Gram Sadak Yojana (PMGSY), under which the construction of rural roads has tripled.

The Budget also focused on improving connectivity and developing infrastructure in the North Eastern states of India. This step will be a boon to the Indian tyre industry as India is highly deficient in natural rubber production and the North East India holds immense potential to meet this shortfall.

Key Announcements

On February 28, 2019, the Union Cabinet approved the second phase of Faster Adoption and Manufacturing of Hybrid & Electric Vehicles (FAME-II) in India and allocated ₹10,000 Crore for its smooth rollout. The three-year scheme will be implemented from April 1 and will support 10 Lac 2-Wheelers, 5 Lac 3-Wheelers, 55,000 4-Wheelers and 7,000 buses.

The Government is thinking of tightening the Corporate Average Fuel Economy (CAFE) norms for FY 22 or FY 23 to compel car and SUV makers to invest more in electric and hybrid vehicle technology.

The Government of India has decided to shift to Bharat Stage VI (is equivalent to Euro-VI) emission standard for various category vehicles by April 1, 2020 directly. With the introduction of the new norms, on-board diagnostics (OBD) become mandatory for all vehicles.

Outlook

The growth outlook for the auto industry continues to remain strong in FY 20. Shortening ownership cycles of new cars, participation of organised players, which is bringing in credibility and consumer confidence and access to financing are fuelling the growth and acceptance of the used car market. As the industry grows and evolves structurally, it is expected to have a positive impact on the tyre sector.

The Government's decision to leapfrog to the BS-VI emission standards from the current BS-IV by 2020 will be a game-changer for both OEMs and tyre manufacturers who need to demonstrate agility in adapting to a volatile market situation. BS-VI compliant vehicles will be more expensive. Diesel vehicles and economy-segment motorcycles will see a sharp increase in price, which may keep buyers away for some time. An overcrowded market, stringent regulations and increased investment in both cost and technological compliance with the new emission standards are likely to pose a major challenge.

Business Review

CEAT is one of the most respected and fastest-growing brands in the Indian tyre market. The Company's strategic focus areas include 2-Wheeler tyre, Passenger Vehicle tyre, Commercial Vehicles tyre segments and Off-Highway tyres business and sales to emerging markets. In the last few years, CEAT has continued to maintain profitability despite a challenging environment. For FY 19, it reported a consolidated net revenue from operations of ₹6,984.51Crore, growing by 8% y-o-y.

CEAT is building its production capacity to cater to the increasing demand through capacity expansion plans. CEAT is working on capacity expansion for a 2-Wheeler tyre plant in Nagpur, Commercial Vehicle Radial tyre plant in Halol, Passenger Vehicle tyre plant in Chennai and Off-Highway tyre plant in Ambernath.

CEAT's key future strategic drivers include 2-Wheeler, Passenger Vehicles and Off-Highway tyre segments. Revenue contribution from these focus areas has increased significantly over the years, from 20% in FY 10 to 48% in FY 18. CEAT has laid a strong emphasis on effective marketing and branding of its products. To position its products competitively, CEAT has developed creative ad campaigns based on extensive research and consumer insights and has also invested in innovative marketing programmes.

CEAT's focus on R&D will help it to close the technology gap with industry leaders. The CEAT R&D centre at Frankfurt, Germany is another milestone achieved on its journey of enriching customer experience through innovation.

During the year, CEAT decided to merge CEAT Specialty Tyres Limited (CSTL) and the scheme was approved by the Board on April 3, 2019.

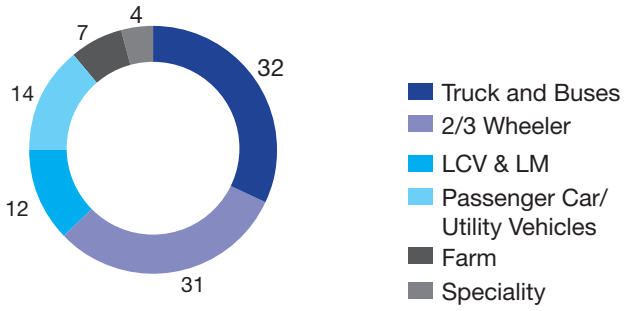


Capacity Expansion

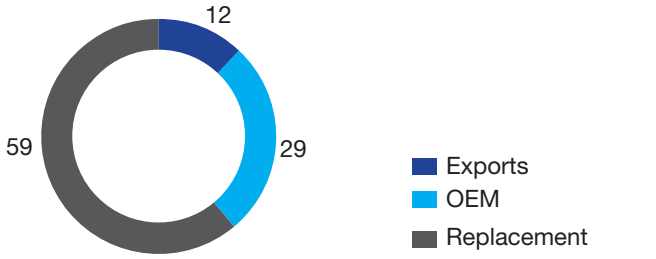
CEAT increased its capacity in the Commercial Radial Tyre category to 9.6 Lacs tyres per annum at Halol. The new Commercial Radial Tyre capacity was commissioned in FY 19. CEAT is also setting up a greenfield Passenger Car Radial tyre plant of 96 Lacs tyres per annum, near Chennai, with an estimated investment of approximately ₹2,000 Crore. CEAT is also increasing its 2-Wheeler tyre capacity at Nagpur by 170 Lacs tyres per annum. Both these projects are expected to be commissioned in FY 20. These projects are expected to be ramped up over 18-24 months.

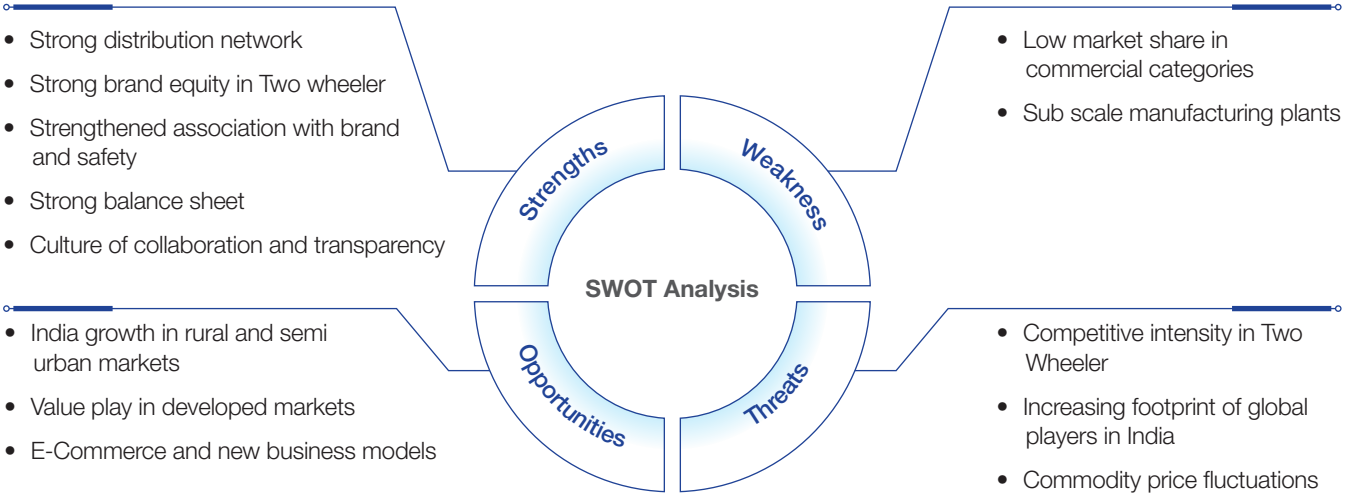
The total investment in capacity expansion is ₹3,500 Crore, including the amount already incurred on the Halol Commercial Radial Tyre expansion, with the remaining amount to be spent over the next 3-4 years. These expansion projects will be funded by a combination of internal accrual and debt. These capacity enhancements, will enable CEAT, increase market share in the key focus category of Commercial Radial, Passenger Car / Utility Vehicle Radial and 2-Wheeler tyre categories.

FY 19 Revenue Breakup by Product (%)



FY 19 Revenue Breakup by Market (%)





International Business

CEAT is one of the major exporters among India's tyre manufacturers, selling its products to over 100 countries across the globe. Geographically, the Company has a stratified export market divided in seven clusters. This division has helped it better understand customer needs and design market-specific products. CEAT has consolidated its position in Bangladesh and Sri Lanka by forming Joint Ventures (JV) with strategic partners.

CEAT's main growth driver categories have been 2-Wheeler, Passenger Car Radial and TBR tyres. CEAT's main focus continues to be European markets where it is expanding its footprints. CEAT has not only increased its depth in several countries but has also entered 9 new countries in FY 19.

CEAT's product series in the Passenger Car Winter, Summer, All-Season, Ultra High Performance (UHP) and Van categories launched in Europe have met the stringent performance requirements of European markets and have been well accepted there. CEAT achieved yet another milestone this year by developing its first 19-inch and 20-inch UHP tyres with high rim diameter and low aspect ratio. With this range of tyres, CEAT's presence in Europe's niche market segments such as Germany will increase. CEAT is therefore poised to become one among the global market leaders with its high-range premium products.

Replacement Business Highlights

3,400+
Dealers

270+
Distributors servicing over 30,000 subdealers

300+
Exclusives (CEAT Shoppes and CEAT Tyre Service Hubs)

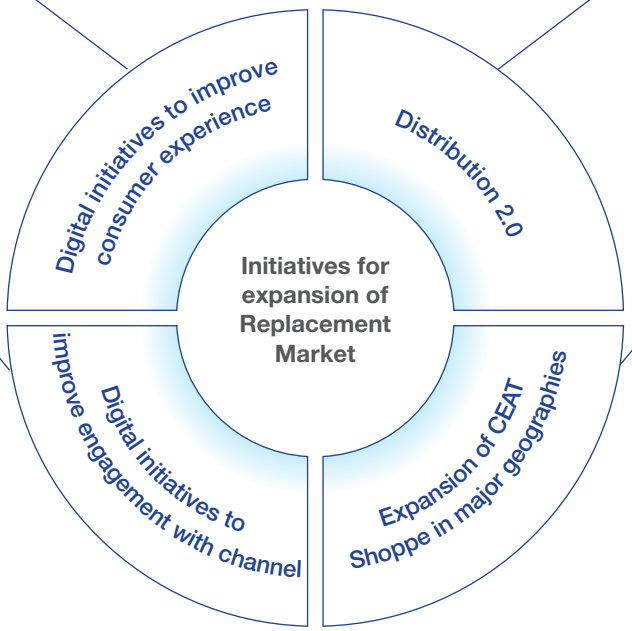
600+
Districts covered

400+
Multi-brand Outlets and shop-in-shop concepts



Online warranty registration and complaint resolution for consumers have been enabled through the dealer portal, resulting in higher level of engagement with end consumers and reducing the time required to service consumer complaints.

CEAT adopted a 360-degree approach to take distribution to the next level. To retain competitive advantage against entry into distribution by competitors, CEAT leveraged technology to monitor and ensure service at the subdealer level.



Adoption of the dealer portal was driven to develop a higher level of engagement with the channel partners. Bulk of the transactions have now shifted to this medium and almost two-thirds of the orders received are online through the dealer portal.

CEAT undertook a focused approach towards improving the footprint of exclusive stores in key geographies that account for a bulk of Passenger Car tyre sales.

Technology and R&D

CEAT has been focusing on new and innovative materials and processing, and breakthrough product development. In addition to its plants in various regions across India, CEAT has a R&D centre at Halol and a newly opened CEAT European Technical Centre (CETC) in Frankfurt, Germany, which plays a key role in meeting the challenging requirements of matured markets such as Europe. In recent years, CEAT has taken several strides in new development projects, adding several domestic and international OEMs to its portfolio and various innovative solutions for which, in the last few years alone, CEAT has filed several patents.

CEAT's R&D way of working is well aligned with its Total Quality Management (TQM) philosophy and activities are carried out based on a five-year rolling roadmap. CEAT aligns its strategies with its vision and develops newer technologies keeping in mind future requirements. New investments in the areas of predictive testing and advanced raw material characterisation have resulted in significant technological edge over competition. Various technologies developed in the last few years in the areas of reducing rolling resistance, reducing noise, and improving grip and tyre life will accelerate the product development for Electric Vehicle, Passenger Car, 2-Wheeler tyres and Commercial Categories, which will be a key focus area for FY 20 development.

Design and Advance Engineering played an important role to ensure CEAT delivers innovative and quality products. The use of digitisation and automation has helped reduce product development time. The use of a semantic approach with an updated pattern bank helped develop new products for OE and replacement markets. We elevated test facilities by installing High Speed Uniformity, Flat Trac and Semi Anechoic Chamber, which have reinforced objective testing and timely development of products to meet customer requirements.

CEAT has proved its technological prowess and developed more than 58 new products across various categories and geographies globally in FY 19. This has significantly contributed to CEAT's profitability and growth, resulting in approx. 20% of CEAT's revenue from new products.

Risk Management

The risk management process at CEAT begins with the identification of risks and an assessment of their impact. The assessment is based on past trends and future projection. Thereafter, ways to mitigate these risks are identified and implemented when necessary. Risks, once identified, are periodically monitored, along with emerging risks.

Risks and their mitigation

- **Competition**

  Rising competition from domestic players and Chinese imports are impacting profitability.

  Mitigation - CEAT is insistent on channel expansion, enhanced after-sales services and superior quality of products and warranty offered on them. CEAT is challenging both domestic and foreign players with its deep domain knowledge, along with technology prowess, branding and reach. Moreover, it has long-standing relations with OEMs, which helps CEAT cut through the competition. CEAT is focusing on sales in profitable segments, developing capacities for new products and entering new markets under premium segments to increase market share.

- **Radialisation in the TBR tyre segment**

  Increase in the TBR tyre segment may impact volumes and result in a degrowth of the bias segment.



Mitigation - CEAT is converting its Truck & Bus bias tyre capacities into non-truck segments that have higher demand. The focus is also on penetrating the overseas markets to fully utilise its bias tyre capacity. CEAT is also increasing its radial capacity through new projects to leverage the increasing radial demand.

- **High investment risk**
  Increase in planned capital expenditure and investments may impact profit margins.

  Mitigation – CEAT is carrying out a sensitivity analysis and periodic review thereof. Investments are being planned in a phased manner.

- **Raw material price volatility**
  Fluctuating raw material prices can affect profit margins considerably.

  Mitigation - CEAT has been strengthening supplier relations to build mutually beneficial long-term associations. Besides, CEAT continues to explore a wider supplier base to reduce dependency on the current ones.

- **Cyber security risk**
  Increase in threat of attacks on CEAT IT systems and data.

  Mitigation – CEAT is periodically doing an assessment of any cyber risks to its system and taking preventive and detective measures to mitigate it. Help from External consultants is also being taken to secure CEAT systems from cyber-attacks.

- **Currency risk**
  Revenues are spread across various international currencies. Therefore, CEAT's net expenses and any future investment or other income may be vulnerable to fluctuations in exchange rates.

  Mitigation – CEAT has established a robust currency hedging strategy to safeguard from fluctuation and is constantly evaluating derivatives to address this concern.

Environment, Occupational Health and Safety

CEAT works towards creating a safe working environment for all its employees. It is committed to reducing worksite accidents and occupational illnesses by following a proactive and systematic approach to identify hazards and risks. CEAT takes appropriate measures by training employees and contractors to follow safety measures. Moreover, it functions on the principle of 'pollution prevention instead of control' and complies with all environmental laws.

Safety

CEAT aims at having 'zero accidents'. This has led to providing safety training to recruits and periodic training sessions for all employees, including contract employees. CEAT has adopted British Safety Council's (BSC) Five Star Occupational Health and Safety Management System as a benchmark to its own systems. CEAT has an agile approach for risk elimination at its worksites with the latest safety measures.

CEAT has implemented British Safety Councils Health and Safety Management System in all manufacturing plants and achieved British Safety Council's 'Sword of Honour' for its Nagpur Plant in FY 19 and Halol plant in FY 18.

All manufacturing plants of CEAT are certified by the ISO 45001:2018 standard.

Occupational Health

CEAT aspires to have 'zero occupational illness cases' and thus, engages in cross-functional efforts to reduce occupational health hazards. CEAT maintains Occupational Health Centres operated by professionals round-the-clock. Further, CEAT provides ambulances and first-aid facilities at all its plants and for its employees, including contract employees who get periodic medical check-ups done. CEAT, as a process has put in place the following occupational health measures:

- Carried out occupational health risk assessment and implemented health risk mitigation plan in all manufacturing plants
- Conducted periodical medical examination for all employees, including contractor employees
- Identified MURI (fatigue) projects and implemented measures for fatigue reduction in all plants
- Arranged health wellbeing programmes across all plants to create health awareness amongst the employees

Environment

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

CEAT was involved in the following environmental protection initiatives:

- Achieved ISO 14001:2015 (Environment Management System) Certification for all manufacturing plants
- Implemented projects to reduce freshwater consumption in manufacturing plants. The Halol, Nashik and Nagpur Plants are 'Zero Liquid Discharge' Plants
- Incorporated projects to reduce hazardous waste generation in manufacturing plants

Human Assets

The CEAT values of C.A.I.R.O. (Challenger, Aspiration Led, Integrity, Result Obsession, Openness) and Quality Based Management define its way of working. CEAT continues its journey of innovation in living the Company Purpose of 'Making Mobility Safer & Smarter. Every Day.'

During the year under review, CEAT was ranked amongst the Top 25 India's Best Workplaces, Manufacturing 2019 by the Great Place To Work® Institute for building a high-trust, high-performance culture. We are committed to leadership

development and set up a robust process for CXO succession planning. A comprehensive leadership development programme called INSPIRE was designed in-house and launched this year, covering leadership teams of sales and manufacturing and eventually all people leaders. Next year, CEAT will be launching a few innovative and powerful initiatives to make CEAT an aspirational employer.

Long-term settlements signed in CEAT's legacy plants this year is the biggest testimony to the trust-based culture of CEAT. Both the settlements happened in historic periods of time, requiring minimum number of meetings and zero production loss.

In its endeavour to work the 'smart' way, CEAT built an Artificially Intelligent Chat-bot called 'Sherlock' to be the one-stop solution for all employee grievances. Sherlock is built to converse like a human and will get smarter with time.

In a changing marketplace, organisations have to be able to make changes quickly to adapt to customer needs and competitor offerings. CEAT is focusing heavily on building a culture of flexibility and agility to prepare for the future, as well as have policies in place that allow for changes. Last year, CEAT introduced flexi-time and virtual workplace policies. It also announced a 5-day week in manufacturing, a first in the industry, based largely on trust and has implemented it successfully in all its plants without additional manpower and zero production loss. CEAT's leave policy also underwent similar changes.

With a firm belief in nurturing its internal talent, this year, CEAT selected and trained interested shop floor associates in Halol and Nagpur plants to take on frontline sales role under its Machine to Market programme, Saamarthya. This programme helps CEAT build a talent pipeline for its frontline sales position, one of the most critical roles for CEAT.

This year, CEAT embarked on the journey of being a truly diverse and inclusive workplace. As a part of this, CEAT is conducting sensitisation sessions on disability with its people and making the necessary infrastructure modifications to suit the needs of People With Disability (PWD) in spirit. CEAT's hiring strategy has been made in line with its purpose of creating a diverse and inclusive workforce.

CEAT believes in providing a work environment that is conducive to the wholesome development of its employees whereby, CEAT tries to unleash employees' potential not just as professionals but also as the individuals that they are beyond work. Last year, CEAT made its annual talent event, CEAT GOT Talent 2.0, bigger and better by inviting employees' family members also to participate. CEAT received overwhelming response, with approximately 300 people giving auditions in different parts of the country.

As at March 31, 2019, permanent employees in the Company were 5,815 out of which 438 were women. 3,918 have been employed on a contract basis.









Internal Control Systems and their Adequacy

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

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

First line

Management control: The line managers are directly responsible for ensuring the design and effective implementation of the Internal Controls Framework in CEAT. The line manager carries out day-to-day operations within the boundaries defined by CEAT through its various policies and procedures, including the following:

1. Employee Code of Conduct
2. Whistle-blower Policy
3. Entity Level, Operating Level and IT General Controls
4. Delegation of Authority Matrix
5. Policies and Standard Operating Procedures

Second line

The second line of defence by the Senior Management of CEAT is achieved through the following:

1. Monthly Operation Reviews (MOR) by respective functional/ business managers
2. Monthly Operating Committee (OpCom) meeting chaired by the Executive Director – Operation
3. Monthly Management Committee (MCM) meeting chaired by the Managing Director

Third line

The third line of defence is 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

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

Discussion on Financial Performance and Key Financial Ratios

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

- Inventory Turnover Ratio
- Debt Equity Ratio
- Price Earning Ratio

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



Cautionary Statements

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

Discussion on Financial Performance and Key Financial Ratios

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 Accounting Standards 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 and intangible assets under development (Net Block) (Note 3 and 4)

Particulars	As at March 31, 2019	As at March 31, 2018	Change	Change %
Property, plant and equipment	2,78,574	2,39,931	38,643	16%
Capital work-in-progress	71,889	15,247	56,642	371%
Intangible assets	6,057	6,544	(487)	(7%)
Intangible assets under development	3,055	939	2,116	225%
Total	**3,59,575**	**2,62,661**	**96,914**	**37%**

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

- During the year, the Company has capitalised Property, plant and equipment of ₹ 56,062 lacs mainly consisting of Halol Phase III and Nagpur Phase I projects.
- Depreciation on Property, plant and equipment for the year is ₹ 16,171 lacs

Capital work in progress mainly includes the project capital expenditure of Halol Phase III, Nagpur and Chennai projects.

Intangible assets under development mainly includes capital expenditure towards softwares.

Investments (Note 5 and 10)

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018	Change	Change %
Non-current investments				
Investments in subsidiaries and associates	31,299	27,999	3,300	12%
Other non-current investments	2	0	2	1029%
Current investments	-	4,006	(4,006)	(100%)

Non-current investments has increased on account of additional investment in subsidiaries viz. CEAT Specialty Tyres Ltd – ₹ 3,000 lacs and investment in associate viz. Tyresnmore Online Pvt Ltd – ₹ 300 lacs

All the current investments have been redeemed during the year which resulted in nil closing balance as at year end

Loans (Note 6 and 14)

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018	Change	Change %
Non-current loans	408	304	104	34%
Current loans	5,800	4,902	898	18%
Total	**6,208**	**5,206**	**1,002**	**19%**

Non-current loans mainly comprises of security deposits given for Warehouse taken on rent.

Current loans have increased on mainly on account of increase in loan to CEAT Specialty Tyres Ltd, a wholly owned subsidiary company.

Other financial assets (Note 7 and 15)

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018	Change	Change %
Other non-current financial assets	181	171	10	6%
Other current financial assets	3,525	1,193	2,332	195%
Total	**3,706**	**1,364**	**2,342**	**172%**

Other current financial assets has increased mainly on account of interest receivable from Income tax authorites ₹ 2,594 lacs.

Other non-financial assets (Note 8 and 16)

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018	Change	Change %
Other non-current non-financial assets	12,520	7,141	5,379	75%
Other current non-financial assets	11,964	10,615	1,349	13%
Total	**24,484**	**17,756**	**6,728**	**38%**

Increase in non-current non-financial assets is mainly due to increase in capital advances given towards the Halol Phase III, Chennai and Nagpur projects.

Other current non-financial assets have increased due to the following offsetting reasons:

- Export Benefit receivable has reduced by ₹ 3,079 lacs due to increased utilization in the current year.
- Advance to vendors has gone up by ₹ 1,970 lacs.
- Prepaid expenses have increased by ₹ 1,961 lacs mainly due to advertisement payments made in advance.

Inventories (Note 9)

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018	Change	Change %
Raw Materials	37,287	35,876	1,411	4%
Work-In-Progress	3,273	2,933	340	12%
Finished Goods (including stock-in-trade)	52,580	33,495	19,085	57%
Stores and Spares	3,375	3,192	183	6%
Total	**96,515**	**75,496**	**21,019**	**28%**

Raw material inventory when compared as a measure of the cost of material consumption for goods sold, it is equivalent to 34 days as at March 31, 2019 against 29 days as at March 31, 2018 increased mainly due to increase in rubber, carbon black and fabric inventory.

As a measure of the goods sold, the finished goods inventory (including traded goods stock) is stated at 31 days as at March 31, 2019 against 27 days for as at March 31, 2018.

Trade Receivables (Note 11)

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018	Change	Change %
Trade receivables	72,646	71,215	1,431	2%

The receivables position for the current year is at 27 days sales as at March 31, 2019 as compared to 35 days sales outstanding as at March 31, 2018.

Cash and cash equivalents (Note 12)

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018	Change	Change %
Cash and cash equivalents	5,426	6,964	(1,538)	(22%)

The amount was higher in the previous year as we had undeposited cheques as last 3 days of the year were bank holidays.

Borrowings (Note 20 and 24)

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018	Change	Change %
Non-current borrowings	1,00,272	27,230	73,042	268%
Current borrowings	21,431	14,364	7,067	49%
Total	**1,21,703**	**41,594**	**80,109**	**193%**

Non-current borrowings have gone up due to the following offsetting reasons:

- Pre-payment of non-convertible debentures ₹ 20,000 lacs
- Repayment of capex buyers credit ₹ 3,894 lacs (excluding current maturities)
- Rupee term loan taken ₹ 97,096 lacs for refinance of existing project loan and drawl for expansion project.

Current borrowings have gone up due to the following offsetting reasons:

- Reduction in cash credit balance by ₹ 5,753 lacs
- Repayment of export packing credit ₹ 1,955 lacs
- Repayment of raw materials buyers credit ₹ 5,277 lacs
- Issuance of commercial paper ₹ 19,852 lacs

Other financial liabilities (Note 21 and 26)

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018	Change	Change %
Other non-current financial liabilities	461	323	138	43%
Other current financial liabilities	58,099	57,001	1,098	2%
Total	**58,560**	**57,324**	**1,236**	**2%**

Other current financial liabilities has gone up due to the following offsetting reasons:

- Increase in unrealised loss on revaluation of hedge contracts ₹ 3,131 lacs
- Repayment of capex buyers credit (current maturities) ₹ 18,082 lacs
- Increase in payables to capital vendors ₹ 13,798 lacs due to expansion projects in process viz. Halol Phase III, Nagpur II and Chennai projects.
- Increase in deposits from dealers ₹ 1,774 lacs

Provisions (Note 22)

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018	Change	Change %
Non current provisions	3,683	3,380	303	9%
Current provisions	9,985	5,014	4,971	99%
Total	**13,668**	**8,394**	**5,274**	**63%**

Increase in current provisions is due to the following reasons:

- Provision made towards differential amount of Goods and Service Tax is attributable to the composite supply of Tyres and Tubes for the period from November 15, 2017 to January 11, 2019, aggregating to ₹ 3,000 lacs.
- Provision for gratuity ₹ 1,032 lacs as at March 31, 2019 as compared to ₹ 366 lacs of fair value of plan assets as at March 31, 2018.

Trade Payables (Note 25)

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018	Change	Change %
Trade payables	1,03,393	84,571	18,822	22%

The trade payables position as at March 31, 2019 is at 59 days which was at 52 days as at March 31, 2018.

Other current liabilities (Note 27)

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018	Change	Change %
Other current liabilities	8,610	9,672	(1,062)	(11%)

Other current liabilities has decreased mainly due to decrease in statutory dues mainly due to decrease in GST liability.

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	2018-19	% of Revenue from operations	2017-18	% of Revenue from operations
Revenue from operations (net of excise duty as applicable)	**6,83,130**	**100%**	**6,21,300**	**100%**
Other income	5,530	1%	5,681	1%
Cost of material consumed	4,27,364	63%	3,65,033	59%
Purchase of stock-in-trade	6,092	1%	5,988	1%
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(19,425)	(3%)	9,332	2%
Employee benefit expense	49,195	7%	41,311	7%
Finance costs	6,452	1%	8,645	1%
Depreciation and amortization expenses	17,430	3%	16,168	3%
Other expenses	1,56,151	23%	1,36,898	22%
Exceptional items	4,424	1%	2,640	0%
Profit before tax	**40,977**	**6%**	**40,966**	**7%**
Tax expense	12,086	2%	13,094	2%
Profit for the year	**28,891**	**4%**	**27,872**	**4%**
Other comprehensive income for the year, net of tax	(2,988)	0%	1,400	0%
Total comprehensive income for the year	**25,903**	**4%**	**29,272**	**5%**

(₹ in lacs)

Particulars	2018-19	2017-18	Change
Gross Margin	2,69,098	2,40,948	28,150
Gross Margin (%)	39.4%	38.8%	0.6%
EBITDA	63,753	62,738	1,015
EBITDA (%)	9.3%	10.1%	(0.8%)

As compared to previous year:

- Revenue from operations has increased by 10% due to favourable volume and strengthening our customer and market approach
- Gross margin has increased by 12% (in absolute terms) and 60 bps (in percentage terms)
- EBITDA has increased by 2% (in absolute terms) and fallen by 80 bps (in percentage terms)

Revenue from operations (Note 28)

(₹ in lacs)

Particulars	2018-19	2017-18	Change	Change %
Sale of goods				
Automotive Tyres	6,10,967	5,41,178	69,789	13%
Tubes and others	64,826	71,525	(6,699)	(9%)
Royalty income	441	419	22	5%
Sale of scrap	2,909	2,195	714	33%
Other revenues	863	4,710	(3,847)	(82%)
Total revenue from contracts with customers	**6,80,006**	**6,20,027**	**59,979**	**10%**
Government grants	3,124	1,273	1,851	145%
Revenue from operations	**6,83,130**	**6,21,300**	**61,830**	**10%**

Sale of goods in value has moved up due to growth in volume and realization.

Fall in other revenues is due to excise credit of ₹ 2,329 lacs included in previous year and lower quantum of sale of semi-finished goods to CEAT Specialty Tyres Ltd, a wholly owned subsidiary by ₹ 1,176 lacs in the current year as compared to previous year.

Increase in government grants is due to increase in the grant incentive on exports.

Other Income (Note 29)

(₹ in lacs)

Particulars	2018-19	2017-18	Change	Change %
Other Income	5,530	5,681	(151)	(3%)

Other income has marginally decreased due to the following offsetting reasons:

- Increase in interest income on Income tax refund by ₹ 1,920 lacs.
- Fall in dividend income from Associated CEAT Holdings Company (Pvt) Limited, a wholly owned subsidiary by ₹ 1,195 lacs.
- Fall in net gain on disposal of investments by ₹ 982 lacs due to lower investments and redemptions done during the year.

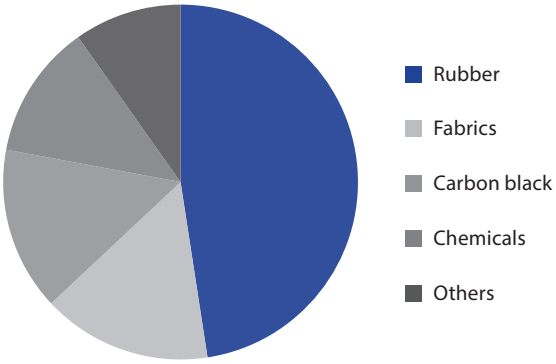
Cost of material consumed/ finished goods consumed analysis (Note 30 and 31)

(₹ in lacs)

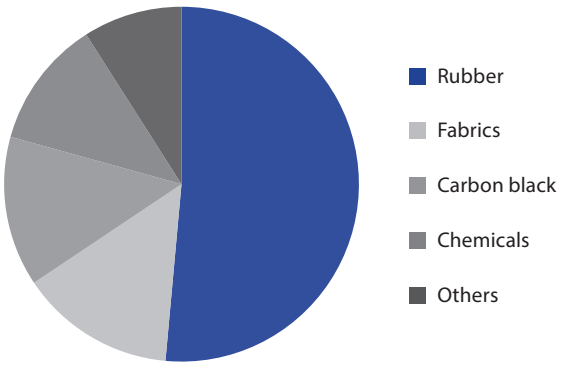
Particulars	2018-19	2017-18	Change	Change %
Cost material consumed	4,27,364	3,65,033	62,331	17%
Purchase of stock-in-trade	6,092	5,988	104	2%
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(19,425)	9,332	(28,757)	(308%)
Total	**4,14,031**	**3,80,353**	**33,678**	**9%**

The raw material prices have increased during the year. As a result, the cost of material consumed as a percentage of sale of products has increased to 63% for the year as compared to 60% for the previous year.

Raw material consumed 2018-19



Raw material consumed 2017-18



Movement of changes in Inventory is mainly on account of increase in finished goods stock as compared to the previous year. Inventory of finished goods is ₹ 51,751 lacs as at March 31, 2019 as compared to ₹ 32,215 lacs as at March 31, 2018.

Employee benefit expense (Note 32)

(₹ in lacs)

Particulars	2018-19	2017-18	Change	Change %
Employee benefit expense	49,195	41,311	7,884	19%

Increase in employee benefit expense is due to normal annual increments apart from increase in annual bonus, incentives. During the year, the Company has hired employees as a part of its expansion plan.

Finance Costs (Note 33)

(₹ in lacs)

Particulars	2018-19	2017-18	Change	Change %
Finance cost	6,452	8,645	(2,193)	(25%)

Fall in finance cost is attributable to increase in capitalization of interest costs by ₹ 2,697 lacs partly offset by increase in interest cost due to additional borrowing of ₹ 97,096 lacs for our expansion plans.

Depreciation and amortization expense (Note 34)

(₹ in lacs)

Particulars	2018-19	2017-18	Change	Change %
Depreciation on property, plant and equipment	16,171	14,959	1,212	8%
Amortization of intangible assets	1,259	1,209	50	4%
Total	**17,430**	**16,168**	**1,262**	**8%**

Depreciation expenses on Property, plant and equipment has increased on account of commissioning of Halol III project.

Other Expenses (Note 35)

Other expenses primarily include the following expenses, constituting 88% (Previous year 88%) thereof:

(₹ in lacs)

Particulars	2018-19	2017-18	Change	Change %
Conversion Charges	40,315	35,468	4,847	14%
Stores and Spares Consumed	5,602	4,696	906	19%
Power and Fuel	21,286	18,815	2,471	13%
Freight and Delivery Charges	32,415	27,724	4,691	17%
Repairs - Machinery	5,603	5,291	312	6%
Travelling and Conveyance	3,489	3,231	258	8%
Advertisement and Sales Promotion Expenses	16,892	14,672	2,220	15%
Professional and Consultancy Charges	3,160	2,747	413	15%
Training and Conference Expenses	1,271	1,151	120	10%
CSR Expenses	1,051	1,071	(20)	(2%)
Sales related obligations	6,261	5,166	1,095	21%
Bank Charges	320	541	(221)	(41%)

- Increase in conversion charges paid to outsourcing vendors during the year was on account of increase in outsourced volume by 10%.
- Increase in power and fuel is an outcome of increase in tariff and higher consumption. The consumption has substantially increased on account of increase in production by 10%.
- Due to increase in diesel prices, there has been increase in freight cost.
- Increase in advertisement and sales promotion expenses is due to increase in various promotional activities.
- Increase in sales related obligations is in line with increase in sale of products.

Exceptional Items (Note 36)

(₹ in lacs)

Particulars	2018-19	2017-18	Change	Change %
Exceptional Items	4,424	2,640	1,784	68%

Exceptional items has increased due to the following reasons:

- The Company had introduced VRS for employees across the Company. During the year, 56 employees (March 31, 2018, 178 employees) opted for the VRS.
- The Company has paid compensation in respect of workmen's seperation.
- Provision for differential amount of Goods and Service Tax is attributable to the composite supply of Tyres and Tubes for the period from November 15, 2017 to January 11, 2019, aggregating to ₹ 3,000 lacs.

Tax expenses (Note 23)

(₹ in lacs)

Particulars	2018-19	2017-18	Change	Change %
Tax expenses	12,086	13,094	(1,008)	(8%)

Effective income tax rate for the year 2018-19 is 29.49% as compared to 31.96% for 2017-18

Cash Flows

(₹ in lacs)

Particulars	2018-19	2017-18	Change	Change %
Net cash flow generated from operating activities	53,275	74,423	(21,148)	(28%)

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

- The cash operating profit before working capital changes has decreased by ₹ 954 lacs.
- Direct tax paid - (Net of refunds) has reduced by ₹ 1,725 lacs.
- Increase in working capital by ₹ 572 lacs in the current year as compared to decrease in working capital by ₹ 21,348 lacs in the previous year which is mainly due to increase in inventories and trade receivables which is partly offset by an increase in trade payables.

(₹ in lacs)

Particulars	2018-19	2017-18	Change	Change %
Net cash used in investing activities	(1,05,208)	(41,982)	(63,226)	151%

Net cash used for investing activities has increased mainly due to increase in capital expenditure towards Halol Phase III, Nagpur and Chennai projects.

(₹ in lacs)

Particulars	2018-19	2017-18	Change	Change %
Net cash flows (used in)/generated from financing activities	50,395	(26,902)	77,297	(287%)

Increase in Net cash flows for financing activities is mainly due to increase in proceeds from long term as well as short term borrowings which is offset by repayments done during the year.

* For details, refer cash flow statement

Ratio Analysis

Debtors turnover ratio (times)

Particulars	2018-19	2017-18
Debtors turnover ratio	9.40	9.40

Debtors turnover ratio in the current year is fairly in line with previous year.

Inventory turnover ratio (times)

Particulars	2018-19	2017-18
Inventory turnover ratio	7.87	11.36

Inventory turnover ratio has decreased in 2018-19 as compared to the previous year mainly on account of increase in inventory.

Interest coverage ratio (times)

Particulars	2018-19	2017-18
Interest coverage ratio	4.94	5.44

Interest coverage ratio has decreased in 2018-19 as compared to the previous year mainly on account of increase in interest costs and marginal decrease in earnings before interest and taxes.

Current ratio (times)

Particulars	As at March 31, 2019	As at March 31, 2018
Current ratio	0.95	1.01

The Company's current ratio is recorded at 0.95 times as at March 31, 2019 as compared to 1.01 times as at March 31, 2018. The marginal decrease in current ratio is primarily due to increase in trade payables days by 4 days.

Debt Equity Ratio (times)

Particulars	As at March 31, 2019	As at March 31, 2018
Debt equity ratio	0.46	0.25

The Company's debt equity ratio is recorded at 0.46 times as at March 31, 2019 as compared to 0.25 times as at March 31, 2018. Increase is mainly due to increase in long term and short term borrowings for capital expansion projects as compared to the previous year.

Operating profit margin (%)

Particulars	2018-19	2017-18
Operating profit margin	9.33%	10.10%

Decrease in operating profit margin is mainly due to higher raw material costs by 17% and marginal increase in other costs which was partly offset by higher price realization.

Net profit margin (%)

Particulars	2018-19	2017-18
Net profit margin	4.23%	4.49%

Net profit margin has decreased marginally because of higher exceptional costs by ₹ 1,785 lacs offset by reduced interest cost by ₹ 2,194 lacs increase in depreciation by ₹ 1,262 lacs.

Return on net worth (%)

Particulars	2018-19	2017-18
Return on net worth	10.50%	10.94%

Return on net worth has reduced due to 4% increase in proft after tax vis a vis 8% increase in net worth in the current year.

Price earning ratio (times)

Particulars	2018-19	2017-18
Price earning ratio	15.74	21.79

Basic Earnings per share stood at ₹ 71.42 for the year ended March 31, 2019 registering an increase by 4% as compared to year ended March 31, 2018 on account of marginal increase in profitability. Closing share price was lower by 25%.

Return on capital employed (%)

Particulars	2018-19	2017-18
Return on capital employed	12.93%	16.39%

Return on capital employed has fallen due to a 26% increase in capital employed wherein net worth has increased by 8% and debt has increased by 97% due to ongoing expansion projects which is offset by a marginal decrease in earnings before interest and tax by 1%.

Board's Report

To,
The Members of CEAT Limited

Your Directors are pleased to present their Sixtieth report, together with the Standalone and Consolidated Audited Financial Statements of the Company for the year ended March 31, 2019.

Financial Highlights

I. Standalone:

(₹ in Lacs)

Particulars	2018-19	2017-18
Total Revenue	6,88,660	6,43,872
Total Expenses (excluding exceptional items)	6,43,259	6,00,266
Profit Before Taxation	40,977	40,966
Tax expense:		
– Current Tax	9,009	10,408
– Deferred Tax	3,077	2,686
Profit for the period	28,891	27,872
Other Comprehensive Income		
Items that will not be reclassified to profit or loss		
– Remeasurement gains/(losses) on defined benefit plans	(798)	1,043
– Income tax relating to above	279	(361)
Items that will be reclassified to profit or loss		
– Net movement in cash flow hedges	(3,792)	1,098
– Income tax effect on net movement in cash flow hedges	1,323	(380)
Total Comprehensive Income for the year	**25,903**	**29,272**

II. Consolidated:

₹ (in Lacs)

Particulars	2018-19	2017-18
Total Revenue	7,02,351	6,48,179
Total Expenses	6,62,272	6,10,352
Profit Before Taxation	37,620	36,732
Tax expense:		
– Current Tax	9,400	10,639
– Deferred Tax	3,112	2,764
– MAT credit entitlement	-	-
Profit after tax, non-controlling interest and share of profit from Joint Venture	25,108	23,329
Other Comprehensive Income		
Items that will not be reclassified to profit or loss		
– Remeasurement gains/(losses) on defined benefit plans	(740)	1,042
– Income tax relating to above	278	(368)
Items that will be reclassified to profit or loss		
– Net movement in cash flow hedges	(4,656)	234
– Income tax effect on net movement in cash flow hedges	1,323	(380)
Total Comprehensive Income for the year	**21,313**	**23,857**

In the preparation of financial statements, no treatment different from that prescribed in the relevant Accounting Standards have been followed.

During the year under review, on standalone basis, your Company recorded net revenue from operations of ₹ 6,83,130 Lacs with an increase of 10% over ₹ 6,21,300 Lacs (net of excise duty) of the last fiscal. The Company recorded a net profit of ₹ 28,891 Lacs with an increase of 4% over net profit of ₹ 27,872 Lacs of the last fiscal.

On consolidated basis your Company recorded net revenue from operations of ₹ 6,98,451 Lacs with a growth of 8% over ₹ 6,45,233 Lacs for the last fiscal. The Company recorded a net profit of ₹ 25,108 Lacs, a growth of 8% over net profit of ₹ 23,329 Lacs of the last fiscal.

State of Company's Affairs

The Company continued its focus on expansion, both in terms of capacities and markets, during the year. There was emphasis on technology upgradation and R&D for the existing as well as new products which besides other measures helped in growing the production levels by 12.7% over the previous year.

During the year, the Company also expanded its horizons by reaching out to the new export markets and in India, sustained its pace of growth in key segments by serving its key consumers with product offerings that catered to market preferences.

During the year under review, the Company introduced 49 new products. With innovation at the core of product launches the last few years have seen a healthy roll-out of new innovative products across categories.

The Company's network extends to more than 4,000 dealers and over 30,000 sub-dealers. The Company currently has 4 (four) manufacturing facilities at Bhandup, Nashik, Nagpur and Halol and is setting up a new facility near Chennai. It has representative offices in Indonesia, Germany and the United Arab Emirates.

While continuing the journey towards the Company's mission of 'Making Mobility Safer & Smarter. Every Day.', the Company seeks to provide safety a priority in its product design and technology platforms.

With the growing importance of lower emission and noise levels and enhanced fuel efficiency in vehicles, besides reducing weight, the Indian tyre industry is embracing new trends in manufacturing processes to meet the changing market dynamics and cater to the latest demands of Original Equipment Manufacturers (OEM).

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 Annual 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 a dividend of ₹ 12 (120%) per equity share of face value ₹ 10 each for the Financial Year ended March 31, 2019.

Dividend Distribution Policy

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'), the Company has adopted a Dividend Distribution Policy which is annexed to this Report and also disclosed on the Company's website at https://www.ceat.com/corporate/investor#corporate-governance.

Transfer to Reserve

As permitted under the Companies Act, 2013 ('the Act'), your Directors propose not to transfer any sum to the General Reserve pertaining to FY 2018-19.

Declaration of Independence

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

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 have occurred between the close of financial year on March 31, 2019 to which the financial statements relate and the date of this Report.

Subsidiary Companies

At the end of the year under review, the Company had the following 4 (four) subsidiaries namely CEAT Specialty Tyres Limited, Mumbai (CSTL), Rado Tyres Limited, Kochi (RTL), Associated CEAT Holdings Company (Private) Limited, Colombo, Sri Lanka, (ACHL), CEAT AKKhan Limited, Dhaka, Bangladesh (CAL).

CEAT Specialty Tyres Limited

CEAT Specialty Tyres Limited (CSTL), a wholly owned subsidiary of the Company, is engaged in manufacturing and sale of tyres for off-the-road vehicles and equipment having application across industries including ports, construction, mining and agriculture. CSTL has set up two overseas subsidiaries viz. CEAT Specialty Tires Inc. in USA and CEAT Specialty Tyres BV in Netherlands.

During the year under review, CSTL registered a revenue of ₹ 36,792 Lacs (Previous year ₹ 26,664 Lacs) and a net loss of ₹ 4,570 Lacs in FY 2018-19 (Previous year ₹ 3,716 Lacs). The loss was largely due slower ramp up of radial capacity resulting in lower sales.

During the year under review, the Board of Directors approved a Scheme of Amalgamation with the wholly owned subsidiary of the Company CSTL with a view to integrate business carried on by both the companies, economies of scale due to synergies of operations, effective coordination and better control over the activities, rationalization and standardization of business processes etc. Since the entire issued, subscribed and paid-up share capital of CSTL is directly or indirectly held by the Company, no shares are required to be issued by the Company to the shareholders of CSTL, pursuant to the Scheme becoming effective.

Rado Tyres Limited

The Company's subsidiary Rado Tyres Limited (RTL) has discontinued its operation after exploring all opportunities to revive /lease out the factory. The Government of Kerala has given their consent to close the factory permanently, vide their letter

dated October 6, 2018. In order to reduce the losses, RTL had offered Voluntary Retirement Scheme (VRS) to all its employees and was successfully implemented in the previous year. This has helped RTL to contain the loss at ₹ 147 Lacs (Previous year ₹ 870 Lacs). Due to cessation of operations, the revenue of RTL for the year under review dropped to ₹ 14 Lacs (Previous year ₹ 31 Lacs).

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

Overseas Subsidiaries

Details of ACHL and CAL are given below under the heads 'Joint Venture in Sri Lanka' and 'Joint Venture in Bangladesh'.

Joint Venture in Sri Lanka

Associated CEAT Holding 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 four manufacturing plants through its wholly owned subsidiaries in Sri Lanka.

During the year under review, ACHL registered a revenue of LKR 56 Lacs (₹ 23 Lacs) lower as compared to LKR 152 Lacs (₹ 64 Lacs) in FY 2017-18. The profit after tax for FY 2018-19 has reduced by 10% to LKR 5,098 Lacs (₹ 2,120 Lacs) as compared to LKR 5,664 Lacs (₹ 2,380 Lacs) in FY 2017-18. ACHL's joint venture continues to enjoy the overall market leadership in all categories of tyres in Sri Lanka.

ACHL has been consistently paying dividends and it has, during the year under review, paid a dividend of ₹ 732 Lacs to the Company.

Joint Venture in Bangladesh

CEAT AKKhan Limited (CAL), is a 70:30 joint venture of the Company in Bangladesh. CAL is setting up a green field facility for manufacture of automotive bias tyres in Bangladesh. CAL is locally selling CEAT branded automotive tyres. For the year under review, the revenue of CAL was BDT 10,118 Lacs (₹ 8,447 Lacs) as compared to BDT 7,630 Lacs (₹ 6,017 Lacs) in FY 2017-18. The net loss for the year under review was BDT 281 Lacs (₹176 Lacs) as compared to the net loss of previous year BDT 422 Lacs (₹ 363 Lacs).

Associate Company

The Committee of the Board of Directors (formed for the limited purpose) at its meeting held on June 23, 2017 had approved a total investment of ₹ 700 Lacs in TNM, in one or more tranches. Accordingly, the Company on June 23, 2017 had acquired approx. 31.93% of the total share capital of Tyresnmore Online Private Limited (TNM) by investing ₹ 400 Lacs through subscription of 50,855 Compulsorily Convertible Preference Shares ('CCPS') of face value of ₹ 1 each and 100 Equity Shares of face value of ₹ 1 each of TNM.

During the year under review, the Company invested a further amount of ₹ 300 Lacs through subscription of 12,741 CCPS of the face value of ₹ 1 each (Rupee One Only) of TNM, and thereby holding 36.96% of the total share capital of TNM.

During the year under review, TNM registered a revenue of ₹ 578 Lacs (Previous year ₹ 104 Lacs) and a net loss of ₹ 254 Lacs in FY 2018-19 (Previous year ₹ 112 Lacs).

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

Consolidated Financial Statements

In accordance with Section 129(3) of the Act, and Regulation 34(2) of the 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 Annual Report. The Consolidated Financial Statements have been prepared in accordance with the applicable Indian Accounting Standards issued by the Institute of Chartered Accountants of India.

Business Risk Management

The Company has constituted a Risk Management Committee in compliance with the requirement of Regulation 21 of the Listing Regulations. The details of this Committee and its terms of reference are set out in the Corporate Governance Report, which forms part of this Annual Report.

The Company has in place an Enterprise Risk Management framework to identify risks and minimize their adverse impact on business 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.

Corporate Social Responsibility

The Board of Directors has formed a Corporate Social Responsibility (CSR) Committee in accordance with the provisions of the Act. During the year under review, Ms. Punita Lal has been appointed as a member of the CSR Committee w.e.f. January 28, 2019 in place of Mr. Hari L. Mundra, consequent to his resignation from the Board w.e.f. January 29, 2019.

Detailed information on the Corporate Social Responsibility Policy developed and implemented by the Company and on 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 through RPG Foundation, its implementing agency are provided in and form part of this Annual Report.

Vigil Mechanism/Whistle Blower Policy

Pursuant to Section 177 of the Act and Regulation 22 of the 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/corporate/investor#corporate-governance.

Related Party Transactions

The Company has formulated a policy on Related Party Transactions for the purpose of 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, 2019 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

The Company had issued and allotted on July 31, 2015, 2,000 (two thousand) Secured Redeemable Non-Convertible Debentures ('NCD') on private placement basis aggregating to ₹ 20,000 Lacs, which were listed on BSE Limited.

During the year under review, the Company redeemed the said 2,000 (two thousand) NCDs of ₹ 10 Lacs each and consequently delisted from BSE.

Accordingly, there are no statutory disclosures applicable pertaining to the Debentures, as specifically described under Chapter V of the Listing Regulations.

Extract of Annual Return

The extract of Annual Return as prescribed under Section 92(3) in the prescribed Form MGT-9 is annexed to this Report.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

A statement giving details of conservation of energy, technology absorption, foreign exchange earnings and outgo, in accordance with Section 134(3)(m) of the Act, read with Rule 8 of The Companies (Accounts) Rules, 2014, is annexed to this Report.

Particulars of Employees

The statements required pursuant to Section 197 read with Rule 5(2) & 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 shareholder on request, as prescribed therein.

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

Fixed Deposits

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

The Company has not accepted any fresh deposits during the year under review which are not in compliance with the requirements of the Act. As on March 31, 2019, 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.

Particulars of Loans,Guarantees or Investments

Details of particulars of Loans, Guarantees and Investments under Section 186 of the Act, are provided in the Financial Statements. The loans given to the employees bear interest at applicable rates.

Directors and Key Managerial Personnel

During year under review, Mr. Pierre E. Cohade, who was appointed as an Additional Director by the Board w.e.f. February 1, 2018, was appointed as Non-Executive Director by the Members at the Annual General Meeting (AGM) of the Company held on July 20, 2018. Mr. Hari L. Mundra (DIN: 00287029), Director of the Company resigned from the Board of Directors of the Company w.e.f. January 29, 2019 due to various personal commitments and pre-occupations. Mr. S. Doreswamy (DIN: 00042897), Director of the Company also resigned w.e.f. March 12, 2019 owing to compelling personal reasons.

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

Mr. Atul C. Choksey (DIN: 00002102), Mr. Haigreve Khaitan (DIN: 00005290), Mr. Mahesh S. Gupta (00046810), Ms. Punita Lal (DIN: 03412604) and Mr. Vinay Bansal (DIN: 00383325) were appointed as Independent Directors of the Company at the 55th AGM held on September 26, 2014 to hold office for a term of 5 (five) consecutive years with effect from the date of the 55th AGM of the Company up to September 25, 2019.

In terms of the provisions of Section 149(10), the aforesaid Directors are eligible for being appointed as Independent Directors, for another term of 5 (five) years, subject to approval of shareholders by way of special resolution.

As recommended by the Nomination and Remuneration Committee, as required under the Act and the Rules made thereunder, the same is now submitted for approval of shareholders at the ensuing Annual General Meeting, for a further term of 5 (five) years from September 26, 2019 to September 25, 2024. In this regard, necessary details have been annexed to the Notice of the meeting in terms of Section 102(1) of the Act and Regulation 36(3) of the Listing Regulations.

Mr. Anant Goenka, Managing Director and Mr. Arnab Banerjee, Chief Operating Officer do not receive any profit related commission from the Company or any of the subsidiaries of the Company as prescribed under Section 197(14) of the Act.

Mr. Arnab Banerjee (DIN: 06559516) who was appointed as ED-Operations in the category of a Whole-time Director of the Company, for a period of 5 (five) years with effect from May 7, 2018 was redesignated as Chief Operating Officer of the Company w.e.f. March 1, 2019.

In view of the resignation of Ms. Shruti Joshi (ACS 19112) as the Company Secretary and Compliance Officer of the Company w.e.f. June 11, 2018, the Board at its meeting held on October 25, 2018 appointed Ms. Vallari Gupte (FCS 5770) as the Company Secretary and Compliance Officer of the Company, upon due recommendations of the Nomination and Remuneration Committee.

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

Nomination and Remuneration Policy

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

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

The Detailed Policy, duly modified in terms of the Listing Regulations, as amended in 2018 is available at https://www.ceat.com/corporate/investor#corporate-governance and is also annexed to this Report.

Evaluation of Board, its Committees and Directors

As required pursuant to 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 2018-19, the Nomination and Remuneration Committee finalized a questionnaire based on the criteria of evaluation and engaged an external agency, to facilitate the process of online confidential survey using the said questionnaire. The results of the survey/feedback were then deliberated and evaluation of the Board, its Committees and the Directors was carried out by the Nomination and Remuneration Committee and the Board at their respective meetings, as prescribed under the law.

Meetings of the Board of Directors

During the year, 5 (five) Board Meetings were convened and held on April 30, 2018, July 20, 2018, October 25, 2018, January 28, 2019 and March 11, 2019. 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 Listing Regulations.

Secretarial Standard

The Institute of Company Secretaries of India has currently mandated compliance with the Secretarial Standards on board meetings and general meetings, as revised w.e.f. October 1, 2017. During the year under review, the Company has complied with the applicable Secretarial Standards.

Board Committees

As required pursuant to the Act and the Listing Regulations, the Company has formed all the statutory committees. In addition, the Company has a Finance and Banking Committee. Detailed information of these Committees and relevant information for the year under review are set out in the Corporate Governance Report.

During the year under review, the Board of Directors closed the 2 (two) non-operational committees of the Company, viz. Special Project/Investment Committee and Committee of Directors, which was formed for a specfic purpose.

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

More details on these Committees, including Audit Committee have been provided under the Corporate Governance Report which forms part of this Annual Report.

Directors' Responsibility Statement

Pursuant to Section 134(3)(c) of the Act, your Directors, to the best of their knowledge and belief, state that:

i) 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.

ii) Such accounting policies have been selected and applied consistently and such judgements 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, 2019 and

the Statement of Profit and Loss for the said financial year ended March 31, 2019.

iii) 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 systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and are operating effectively.

Management Discussion and Analysis and Corporate Governance Report

In compliance with the Regulation 34 of the 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 Annual Report.

Further, the Corporate Governance Report including the general shareholder information, as prescribed under Schedule V to the Listing Regulations, duly approved by the Board of Directors together with the certificate from the Statutory Auditors confirming the compliance with the requirements of the Listing Regulations also forms part of this Annual Report.

Business Responsibility Report

In compliance with the Regulation 34 of the Listing Regulations, a separate Section on Business Responsibility Report, as approved by the Board, which includes principles to assess compliance with environmental, social and governance norms for the year under review forms part of this Annual Report.

Statutory Auditors

The Company at its AGM held on August 8, 2017 appointed Messrs S R B C & CO LLP as the Statutory Auditors for a second term of 5 (five) consecutive years from the conclusion of the 58th AGM to the conclusion of the 63rd AGM subject to ratification of their appointment every year.

However, in terms of the amendment to the provisions of Section 139 of the Act, notified through the Companies (Amendment) Act, 2017, to come into effect from May 7, 2018, there is no requirement for ratification of appointment of Auditors every year.

Accordingly, no such item is being proposed in the Notice of ensuing Annual General Meeting of the Company.

Internal Auditors

As prescribed under Section 138, the Board appointed Messrs KPMG for carrying out internal audit of the Company and Messrs Moore Stephen Singh for carrying out internal audit of locations like CFA/DC/RO/Zone and outsourcing units, for FY 2018-19. The internal audit was completed as per the scope defined by the Audit Committee.

Secretarial Auditors

The Company appointed Messrs Parikh & Associates, Practising Company Secretaries, to conduct the Secretarial Audit for the financial year ended March 31, 2019, as prescribed under Section 204 of the Act and Rules made thereunder. The Secretarial Audit Report in the prescribed Form MR-3 for FY 2018-19 furnished by Messrs Parikh and Associates is annexed to this Report.

Cost Auditors

The Board of Directors appointed Messrs D. C. Dave & Co., Cost Accountants, (Membership No. M7759) as Cost Auditors of the Company for FY 2019-20 and recommends ratification of their remuneration by the Members at the ensuing AGM, pursuant to the provisions of Section 148 of the Act.

Explanation and Comments on Auditors and Secretarial Audit Report

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

Details in respect of frauds reported by Auditors under Section 143(12) of the Act

During FY 2018-19, the Statutory Auditors have not reported any instances of fraud to the Central Government and Audit Committee as per the provisions of 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 impacting the going concern status and Company's operations in future.

Internal Financial Control

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

Human Resources

The Company believes in providing a work environment which is conducive to wholesome development of employees to endeavor to unleash employees' potential not just as professionals but also as individuals that they are beyond work.

During the year under review, the Company ranked amongst the 'Top 25 India's Best Workplaces - Manufacturing, 2019' by Great Place To Work Institute for building a high-trust, high-performance culture and was yet again certified as a Great Place To Work for the second time in a row.

Long-Term Settlements signed during this year is the biggest testimony to the trust-based culture of the Company. Both the settlements happened in historic periods of time requiring minimum number of meetings and zero production loss. Various training programmes were conducted to train people to take on frontline sales role under the programme - Saamarthya, to help build the talent pipeline. A comprehensive leadership development programme called INSPIRE was designed in-house and launched this year covering leadership teams of sales and manufacturing and eventually all people leaders. This year, the Company embarked on the journey of making it a truly diverse and inclusive workplace. As a part of which, sensitization sessions are being done on disability with people and necessary infrastructure modifications are being made to suit the needs of People With Disability (PWD) in spirit.

The Company continues its efforts on offering itself as a Great Place To Work and align with the Group's vision statement – Unleash Talent, Touch Lives, Outperform and ☺.

Disclosure under Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013

In accordance with the provisions of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has put in place a Policy on Prevention of Sexual Harassment at Workplace and 7 (seven) Internal Complaints Committees (ICC) have been set up to redress complaints. During the year under review no complaints were received by ICC.

Acknowledgment

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

On behalf of the Board of Directors

H. V. Goenka
Chairman

Place: Mumbai
Date: May 7, 2019

Annexure to the Board's Report

Dividend Distribution Policy

I. Introduction & Objective:

Regulation 43A of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'), mandates top 500 listed entities, determined on the basis of their market capitalization calculated on March 31 of every financial year to formulate a Dividend Distribution Policy.

In compliance with Regulation 43A of the Listing Regulations, the Company has framed this Dividend Distribution Policy.

This Policy aims to help the investors and Stakeholders in their investing decisions and shall be effective from the date of adoption of the same by the Board of Directors ("the Board").

II Regulatory Framework:

The Dividend, if any, declared by the Company (including Interim Dividend) shall be governed by the provisions of the Companies Act, 2013 read with the Companies (Declaration and Payment of Dividend) Rules, 2014, the Listing Regulations and the provisions of Articles of Association of the Company, as in force time to time (hereinafter collective referred as "Applicable Laws").

III Parameters/factors to be considered for declaration of dividend:

A General:

- The Board shall recommend dividend only if it is of the opinion that it is financially prudent to do so.

B Financial and Internal Parameters:

The Board would consider the following financial parameters before declaring interim dividend or recommending a final dividend to shareholders for declaration:

- Stand-alone net operating profit after tax,
- Working capital requirements,
- Operating expenditure requirements including loan repayments and interest payments,
- Capital expenditure requirements,
- Resources required to fund acquisitions and inorganic growth,
- Cash to be retained for business needs,
- Cash flow required to meet contingencies,
- Outstanding borrowings and total debt equity ratio,
- Past dividend payment trends of the Company and dividend track record,
- Total Cash outflow including tax payments,
- Extra-ordinary income/profits by the Company arising from transactions such as sales of land or undertaking,
- Tax impact of the dividend and the cash outflow post tax.

The Board shall also consider the following internal factors while declaring an interim dividend or recommending a final dividend to the shareholders to:

- Business Strategy of the Company,
- Expansion plans,
- Corporate restructuring,
- Scheme of arrangement or any other item which can have a financial impact on the Company,
- Unforeseen events and contingencies with financial implications.

C External Parameters:

The Board shall also consider *inter alia* the following external factors i.e. factors on which the Management or the Company has no control, while declaring an interim dividend or recommending a final dividend:

- Business Environment,
- Regulatory restrictions, if any or the prevalent statutory requirements,
- Provisions of Tax laws governing dividend,
- Dividend Pay-out ratios of Peers,
- Economic environment and state of the capital markets,
- Change in Government Policy, which can have a financial impact on the Company,
- Commodity price impact on the business,
- Cyclical nature of industry/business,
- Need to maintain competitiveness of the Company and its business.

IV Circumstances under which the shareholders may or may not expect dividend:

The Company has been consistently paying out dividends to its shareholders and can be reasonably expected to continue in future as well, unless the Company is restrained to declare dividend due to insufficient profits or due to any of the external or internal factors listed above.

Further, though the Company endeavors to declare the dividend to the shareholders, the Board may propose not to recommend dividend after analysis of various financial parameters including those listed above, cash flow position and funds required for future growth and capital expenditure or in case of a proposal to utilize excess cash for buy-back of existing share capital.

V Policy as to how the retained earnings shall be utilized:

The profits being retained in the business shall be continued to be deployed in business for meeting the operating expenses, capital expenditure, augmentation of working capital including servicing of term loans, cash outflow for business growth and potential acquisition, if any, thus contributing to the growth of business and operations of the Company.

The Company stands committed to deliver sustainable value to all its stakeholders.

VI Parameters that shall be adopted with regard to various classes of shares:

The holders of the Equity Shares of the Company as per the Issued and Paid-up capital, on the record date, are entitled to receive dividends.

The other classes of shares for e.g. Preference Shares or Shares with differential voting rights will be governed by the terms of issue of such shares.

Any convertible instruments issued by the Company shall be entitled for dividend only upon conversion.

VII Procedure with respect to dividend:

- The Board upon perusing the rational for proposed pay-out, may recommend a final dividend or declare an interim dividend.
- The final dividend recommended by the Board is subject to declaration by the shareholders in the ensuing Annual General Meeting.
- The interim dividend declared by the Board shall be placed for confirmation before the shareholders in the ensuing Annual General Meeting.
- The CFO may in consultation with the MD shall also recommend to the Board transfer of such percentage of profits for that financial year as deemed appropriate to the reserves of the Company and the Board may decide on the same.
- In case of inadequacy of profits for any financial year, the Board may approve declaration of dividend out of accumulated profits of the previous years as per this Policy and the Regulatory Framework.

VIII Disclosure:

The Company shall make appropriate disclosures as required under the SEBI Regulations and the Companies Act, 2013.

IX Amendments:

The Board reserves the right to amend this Policy in whole or in part, at any point of time, as may be deemed necessary.

It is hereby clarified that provisions of the Applicable Laws shall prevail over the provisions of this Policy to the effect necessary amendments in the Applicable Laws have not been carried out in this Policy.

Annexure to the Board's Report

Annual Report on CSR Activities for FY 2018-19

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

As a responsible business corporation, the Company takes pride in taking effective Corporate Social Responsibility (CSR) initiatives which are vital towards fulfilling critical societal needs and gaps, not only in the communities it operates in but also society at large on sustainable basis. Therefore, some CSR initiatives have also been aligned to the Sustainable Development Goals (SDGs) established by the United Nations. The Company's vision is to drive 'holistic empowerment' of the community through implementation of sustainable initiatives and the Company carries out these initiatives through partnerships with individuals, institutions, NGO's and local government bodies by undertaking projects in accordance with its CSR Policy, read with Schedule VII of the Companies Act, 2013. The Board of Directors of the Company has approved the CSR Policy with aim and object to fight hunger, poverty and malnutrition, promote education, employment, health care, gender equality, rural development and sanitation etc. as embodied in Schedule VII to the Companies Act, 2013.

The Company has undertaken activities as CSR activities within the CSR policy of the Company particularly:-

(i) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;

(ii) Promoting education including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;

(iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

(iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water;

(v) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;

The CSR Policy of the Company is available at https://www.ceat.com/corporate/investor#corporate-governance

2. The Composition of the CSR Committee:

Mr. Anant Goenka, Chairman (Managing Director)
Mr. Vinay Bansal, (Independent Director)
Ms. Punita Lal, (Independent Director)

During the year Ms. Punita Lal (Independent Director) was inducted as the Member of CSR Committee w.e.f. January 28, 2019 in place of Mr. Hari L. Mundra, (Non-Executive Non-Independent Director) who resigned w.e.f. January 29, 2019.

3. Average net profit of the Company for last 3 (three) financial years: ₹ 52,544.90 Lacs

₹ (in Lacs)

Sr.	Computation of Profle for CSR	Amount	
1	Net Profit as per Section 198:		
	FY 2015-16	64,353.84	
	FY 2016-17	49,770.53	
	FY 2017-18	43,510.34	1,57,634.71
2	Average Net Profit of last 3 years		52,544.90

4. Prescribed CSR Expenditure (2% of the amount as in item 3 above): ₹ 1,050.90 Lacs

5. Details of CSR spent during the financial year:

a) Total amount to be spent for the financial year ₹ 1,050.90 Lacs
(Amount contributed to RPG Foundation, the Implementing Agency);

b) Amount unspent, if any; Nil
(₹ 413.07 Lacs remained unspent by RPG Foundation, the Implementing Agency)

c) Manner in which the amount spent during the financial year is detailed below:

₹ (in Lacs)

Sr.	CSR project or activity identified	Sector in which the project is covered	Project Location (Area/ District and State)	Amount Outlay (Budget) Project or Programmes Wise	Amount Spent on the project or programme	Cumulative Expenditure upto reporting period	Amount spent: Direct or through implementing agency*
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	Netranjali	Eye Care	Bhandup, Ambernath, Mumbai; Nashik; Nagpur (Maharashtra); Chennai (Tamil Nadu); Halol (Gujarat); 50+ Trucker fleet locations across India	342.00	401.57	401.57	IA
2.	Pehlay Akshar	Primary Education	Worli, Bhandup, Ambernath, Mumbai; Nashik (Maharashtra); Halol (Gujarat)	134.00	124.58	124.58	IA
3.	Community Development	Health, Water and Sanitation, Entrepreneurship and Skill Development	Bhandup, Ambernath, Mumbai; Nashik; Nagpur (Maharashtra); Halol (Gujarat)	386.90	286.01	286.01	IA
4.	Women Empowerment	Helathcare Skilling and Driving Training for women	Bhandup, Ambernath, Mumbai; Thane; Nashik; Nagpur (Maharashtra); Chennai (Tamil Nadu); Halol (Gujarat); Jaipur (Rajasthan); Delhi; Indore, Bhopal (Madhya Pradesh)	188.00	238.74	238.74	IA
	Total			**1,050.90**	**1,050.90**	**1,050.90**	

* IA - Implementing Agency - RPG Foundation, a Public Charitable Trust.

6. Responsibility Statement of the CSR Committee: CSR activities are implemented and monitored in compliance with the CSR objectives and Policy of the Company.

For CEAT Limited

Anant Goenka
Chairman of the CSR Committee
(Managing Director)

Vinay Bansal
Member of the CSR Committee
(Independent Director)

Punita Lal
Member of the CSR Committee
(Independent Director)

Place: Mumbai
Date: May 7, 2019

Annexure to the Board's Report

Form MGT-9

Extract of Annual Return

As on the financial year ended on March 31, 2019

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and Other Details

i.	CIN	L25100MH1958PLC011041
ii.	Registration Date	March 10, 1958
iii.	Category/Sub-Category of the Company	Company having Share Capital
iv.	Address of the Registered office and contact details	463, Dr. Annie Besant Road, Worli, Mumbai 400 030 Tel: 91-22-24930621 Fax: +91-22-25297423 Email: investors@ceat.com Web: www.ceat.com
v.	Whether listed Company	Yes (National Stock Exchange of India Limited and BSE Limited)
vi.	Name Address and Contact details of Registrar and Share Transfer Agents	TSR Darashaw Limited 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011 E mail: csg-unit@tsrdarashaw.com Web: www.tsrdarashaw.com Tel.: 022-66178484; Fax: 022-66568494

II. Principal Business Activities of the Company

All the Business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sr. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the Company
1	Manufacturing and sale of automotive Tyres, tubes and flaps	22111	100%

III. Particulars of Holding, Subsidiary and Associate Companies

Sr. No.	Name and address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of shares held*	Applicable Section
1	Associated CEAT Holdings Company (Private) Limited, Sri Lanka	Foreign Body Corporate	Subsidiary	100%	2(87)
2	CEAT AKKhan Limited, Bangladesh	Foreign Body Corporate	Subsidiary	70%	2(87)
3	CEAT Specialty Tyres Limited	U25199MH2012PLC236623	Subsidiary	100%	2(87)
4	Rado Tyres Limited	U25111KL1986PLC004449	Subsidiary	87.62%	2(87)
5	Tyresnmore Online Private Limited	U25119DL2014PTC267768	Asscociate	36.96%	2(6)

* Includes preference shares held by the Company in the respective subsidiary/associate company.

IV. Share Holding Pattern (Equity Share Breakup as Percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholers		No. of Shares held at the beginning of the year i.e. April 1, 2018				No. of Shares held at the end of the year i.e. March 31, 2019				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	**Promoters**									
(1)	**Indian**									
(a)	Individuals / Hindu Undivided Family	1,48,117	0	1,48,117	0.37	1,48,137	0	1,48,137	0.37	0
(b)	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	1,86,03,273	0	1,86,03,273	45.99	1,87,33,200	0	1,87,33,200	46.31	0.32
(d)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)									
i	Trusts	6	0	6	0	6	0	6	0	0
Sub-Total (A) (1)		**1,87,51,396**	**0**	**1,87,51,396**	**46.36**	**1,88,81,343**	**0**	**1,88,81,343**	**46.68**	**0.32**
(2)	**Foreign**									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Bodies Corporate	17,82,348	0	17,82,348	4.41	17,82,348	0	17,82,348	4.41	0
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)									
Sub-Total (A) (2)		**17,82,348**	**0**	**17,82,348**	**4.41**	**17,82,348**	**0**	**17,82,348**	**4.41**	**0**
Total Shareholding of Promoter and Promoter Group (A)		**2,05,33,744**	**0**	**2,05,33,744**	**50.76**	**2,06,63,691**	**0**	**2,06,63,691**	**51.08**	**0.32**
(B)	**Public Shareholding**									
(1)	**Institutions**									
(a)	Mutual Funds / UTI	36,13,552	9,198	36,22,750	8.96	20,96,459	9,198	21,05,657	5.21	(3.75)
(b)	Financial Institutions / Banks	1,05,403	4,822	1,10,225	0.27	2,08,705	4,822	2,13,527	0.53	0.26
(c)	Cental Government / State Government(s)	0	9,700	9,700	0.02	0	9,700	9,700	0.02	0
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	10,03,117	75	10,03,192	2.48	7,20,140	75	7,20,215	1.78	(0.70)
(f)	Foreign Institutional Investors	67,881	2,436	70,317	0.17	1,38,698	2,436	1,41,134	0.35	0.18
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(h)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(i)	Foreign Portfolio Investors (Corporate)	89,53,923	0	89,53,923	22.14	98,72,015	0	98,72,015	24.41	2.27
(j)	Any Other (specify)									
Sub-Total (B) (1)		**1,37,43,876**	**26,231**	**1,37,70,107**	**34.04**	**1,30,36,017**	**26,231**	**1,30,62,248**	**32.29**	**(1.75)**
(2)	**Non-Institutions**									
(a)	Bodies Corporate									
i	Indian Companies	4,03,056	17,719	4,20,775	1.04	1,28,266	17,372	1,45,638	0.36	(0.68)
ii	Foreign Companies	14,21,375	37	14,21,412	3.51	14,21,375	37	14,21,412	3.51	0
(b)	Individuals -			0				0		
i	Individual shareholders holding nominal share capital upto ₹ 1 lakh	29,93,110	5,28,062	35,21,172	8.70	36,72,763	4,64,146	41,36,909	10.23	1.52
ii	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	28,932	0	28,932	0.07	40,718	0	40,718	0.10	0.03
(c)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(d)	Any Other									
i	Alternate Investment Fund	7,000	0	7,000	0.02	0	0	0	0	(0.02)
ii	Non- Resident Indian NRI	1,32,375	148	1,32,523	0.33	2,18,665	81	2,18,746	0.54	0.21
iii	Trusts	1,736	0	1,736	0	28,252	0	28,252	0.07	0.07
iv	IEPF	2,04,838	0	2,04,838	0.51	2,24,210	0	2,24,210	0.55	0.05
v	HUF	83,086	0	83,086	0.21	1,05,039	0	1,05,039	0.26	0.05
vi	Director and relatives	4,200	7	4,207	0.01	4,207	0	4,207	0.01	0
vii	Clearing Members	2,86,184	0	2,86,184	0.71	3,73,004	0	3,73,004	0.92	0.21
viii	Unclaimed Suspense or Escrow Account	19,351	0	19,351	0.05	15,532	0	15,532	0.04	(0.01)
ix	LLP	12,576	0	12,576	0.03	5,370	0	5,370	0.01	(0.02)
x	Bodies Corporate-NBFC	2,449	0	2,449	0.01	5,116	0	5,116	0.01	0.01
Sub-total (B) (2)		**56,00,268**	**5,45,973**	**61,46,241**	**15.19**	**62,42,517**	**4,81,636**	**67,24,153**	**16.62**	**1.43**

Category of Shareholers	No. of Shares held at the beginning of the year i.e. April 1, 2018				No. of Shares held at the end of the year i.e. March 31, 2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Total Public Shareholding (B) = (B)(1)+(B)(2)	1,93,44,144	5,72,204	1,99,16,348	49.24	1,92,78,534	5,07,867	1,97,86,401	48.92	(0.32)
Total (A)+(B)	3,98,77,888	5,72,204	4,04,50,092	100	3,99,42,225	5,07,867	4,04,50,092	100	0
(C) Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-	-	-	-	-	-
Grand Total (A)+(B)+(C)	3,98,77,888	5,72,204	4,04,50,092	100	3,99,42,225	5,07,867	4,04,50,092	100	0

ii) Shareholding of promoters

Sr. No.	Shareholder's name	Shareholding at the beginning of the year as on April 1, 2018			Shareholding at the end of the year as on March 31, 2019			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	
1	Instant Holdings Limited	1,15,10,812	28.46	0	1,18,16,662	29.22	0	0.76
2	Societe CEAT D Investissementen Asie S A	17,82,348	4.41	0	17,82,348	4.41	0	0
3	STEL Holdings Limited	13,72,835	3.39	0	14,16,757	3.49	0	0.10
4	Summit Securities Limited	9,59,125	2.37	0	10,14,230	2.50	0	0.13
5	Mr. H. V. Goenka	1,33,932	0.33	0	1,33,932	0.33	0	0
6	Mr. Anant Goenka	14,185	0.04	0	14,185	0.04	0	0
7	Ms. Mala Goenka	0	0	0	10	0	0	0
8	Ms. Radha Goenka	0	0	0	10	0	0	0
9	Sudarshan Electronics and TV Limited	1	0	0	1	0	0	0
10	Chattarpati Apartments LLP	2,75,876	0.68	0	876	0	0	(0.68)
11	Swallow Associates LLP	44,84,624	11.09	0	44,84,624	11.09	0	0
12	Atlantus Dwellings & Infrastructure LLP	0	0	0	10	0	0	0
13	Ektara Enterprises LLP	0	0	0	10	0	0	0
14	Malabar Coastal Holdings LLP	0	0	0	10	0	0	0
15	Sofreal Mercantrade Private Limited	0	0	0	10	0	0	0
16	Vayu Udaan Aircraft LLP	0	0	0	10	0	0	0
17	H. V. Goenka (in the Capacity of Trustee of Secura India Trust)	1	0	0	1	0	0	0
18	H. V. Goenka (in the Capacity of Trustee of Stellar Energy Trust)	1	0	0	1	0	0	0
19	H. V. Goenka (in the Capacity of Trustee of Nucleus Life Trust)	1	0	0	1	0	0	0
20	H. V. Goenka (in the Capacity of Trustee of Crystal India Tech Trust)	1	0	0	1	0	0	0
21	H. V. Goenka (in the Capacity of Trustee of Monitor Portfolio Trust)	1	0	0	1	0	0	0
22	H. V. Goenka (in the Capacity Trustee of Prism Estate Trust)	1	0	0	1	0	0	0
		2,05,33,744	**50.76**	**0.00**	**2,06,63,691**	**51.08**	**0.00**	**0.32**

iii) Change in Promoters' Shareholding (Specify if there is no Change)

Sr. No.	Name of the Promoter		Share holding at the beginning of the Year		Cumulative Share holding during the year	
			No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year April 1, 2018			**2,05,33,744**	**50.76**		
Date-wise increase/(decrease)			-			
1	Instant Holdings Limited					
	6.4.2018	Inter-seTransfer	2,75,000	0.68	2,05,64,594	50.84
	7.9.2018	Market Purchase	30,850	0.08	2,05,95,444	50.92
2	Stel Holdings Limited					
	15.3.2018	Market Purchase	39,922	0.10	2,06,35,366	51.01
	22.3.2019	Market Purchase	1,300	0	2,06,36,666	51.02
	29.3.2019	Market Purchase	2,700	0.01	2,06,39,366	
3	Summit Securities Limited					
	31.8.2018	Market Purchase	23,155	0.06	2,06,59,821	51.07
	7.9.2018	Market Purchase	26,150	0.06	2,06,85,971	51.14
	28.9.2018	Market Purchase	5,800	0.01	2,06,91,771	51.15
4	Chattarpati Apartments LLP					
	6.4.2018	Inter-se Transfer	(2,75,000)	(0.68)	2,04,16,771	50.47
5	Radha Anant Goenka					
	13.4.2018	Market Purchase	10	0	2,04,16,781	50.47
6	Ektara Enterprises LLP					
	13.4.2018	Market Purchase	10	0	2,04,16,791	50.47
7	Vayu Udaan Aircraft LLP					
	13.4.2018	Market Purchase	10	0	2,04,16,801	50.47
8	Sofreal Mercantrade Private Limited					
	13.4.2018	Market Purchase	10	0	2,04,16,811	50.47
9	Malabar Coastal Holdings LLP					
	13.4.2018	Market Purchase	10	0	2,04,16,821	50.47
10	Atlantus Dwellings & Infrastructure LLP					
	13.4.2018	Market Purchase	10	0	2,04,16,831	50.47
11	Mala Goenka					
	13.4.2018	Market Purchase	10	0	2,04,16,841	50.47
At the end of the year March 31, 2019					**2,06,63,691**	**51.08**

iv) Shareholding pattern of top ten Shareholders as on March 31, 2019 (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	Name of the promoter		Share holding at the beginning of the Year		Cumulative Share holding during the year	
			No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Jwalamukhi Investment Holdings					
	At the beginning of the year April 1, 2018		**32,53,841**	**8.04**		
	Date-wise Increase/(decrease)					
	13.4.2018	Market Sale	(1,52,849)	(0.38)	31,00,992	7.67
	20.4.2018	Market Sale	(1,20,231)	(0.30)	29,80,761	7.37
	23.10.2018	Market Sale	(29,80,761)	(7.37)	0	0
	26.10.2018	Market Purchase	29,80,761	7.37	29,80,761	7.37
	5.2.2019	Market Sale	(29,80,761)	(7.37)	0	0
	8.2.2019	Market Purchase	29,80,761	7.37	29,80,761	7.37
	27.2.2019	Market Sale	(29,80,761)	(7.37)	0	0
	1.3.2019	Market Purchase	29,53,366	7.30	29,53,366	7.30
	26.3.2019	Market Sale	(29,53,366)	(7.30)	0	0
	29.3.2019	Market Purchase	29,53,366	7.30	29,53,366	7.30
	At the end of the year March 31, 2019				**29,53,366**	**7.30**

Sr. No.	Name of the promoter		Share holding at the beginning of the Year		Cumulative Share holding during the year	
			No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
2	Amansa Holdings Private Limited					
	At the beginning of the year April 1, 2018		**14,02,310**	**3.47**		
	Date-wise Increase/(decrease)					
	4.5.2018	Market Sale	(47,660)	(0.12)	13,54,650	3.35
	23.10.2018	Market Sale	(13,54,650)	(3.35)	0	0
	26.10.2018	Market Purchase	13,54,650	3.35	13,54,650	3.35
	1.2.2019	Market Purchase	2,82,370	0.70	16,37,020	4.05
	5.2.2019	Market Sale	(16,37,020)	(4.05)	0	0
	8.2.2019	Market Purchase	17,54,950	4.34	17,54,950	4.34
	15.2.2019	Market Purchase	4,04,356	1	21,59,306	5.34
	22.2.2019	Market Purchase	1,76,885	0.44	23,36,191	5.78
	27.2.2019	Market Sale	(23,36,191)	(5.78)	0	0
	1.3.2019	Market Purchase	24,05,949	5.95	24,05,949	5.95
	8.3.2019	Market Purchase	3,424	0.01	24,09,373	5.96
	26.3.2019	Market Sale	(24,09,373)	(5.96)	0	0
	29.3.2019	Market Purchase	24,09,373	5.96	24,09,373	5.96
	At the end of the year March 31, 2019				**24,09,373**	**5.96**
3	Westbridge Crossover Fund, Llc					
	At the beginning of the year and		**14,21,375**	**3.51**	**14,21,375**	**3.51**
	at the end of the year – No change					
	during the year ended March 31, 2018					
4	Tata Young Citizens Fund					
	At the beginning of the year April 1, 2018		**4,38,575**	**1.08**		
	Date-wise Increase/(decrease)					
	6.4.2018	Market Purchase	4,000	0.01	4,42,575	1.09
	20.4.2018	Market Purchase	3,000	0.01	4,45,575	1.10
	8.6.2018	Market Purchase	30,000	0.07	4,75,575	1.18
	22.6.2018	Market Purchase	90,000	0.22	5,65,575	1.40
	6.7.2018	Market Purchase	19,000	0.05	5,84,575	1.45
	24.8.2018	Market Sale	(1,000)	0	5,83,575	1.44
	14.9.2018	Market Purchase	30,000	0.07	6,13,575	1.52
	21.9.2018	Market Purchase	20,000	0.05	6,33,575	1.57
	23.10.2018	Market Sale	(6,33,575)	(1.57)	0	0
	26.10.2018	Market Purchase	6,33,575	1.57	6,33,575	1.57
	16.11.2018	Market Purchase	1,35,000	0.33	7,68,575	1.90
	7.12.2018	Market Purchase	1,00,000	0.25	8,68,575	2.15
	14.12.2018	Market Purchase	60,000	0.15	9,28,575	2.30
	21.12.2018	Market Purchase	67,000	0.17	9,95,575	2.46
	4.1.2019	Market Purchase	79,100	0.20	10,74,675	2.66
	11.1.2019	Market Purchase	86,100	0.21	11,60,775	2.87
	5.2.2019	Market Sale	(11,60,775)	(2.87)	0	0
	8.2.2019	Market Purchase	10,94,375	2.71	10,94,375	2.71
	15.2.2019	Market Sale	(14,800)	(0.04)	10,79,575	2.67
	22.2.2019	Market Purchase	81,200	0.20	11,60,775	2.87
	27.2.2019	Market Sale	(11,60,775)	(2.87)	0	0
	1.3.2019	Market Purchase	11,60,775	2.87	11,60,775	2.87
	26.3.2019	Market Sale	(11,60,775)	(2.87)	0	0
	29.3.2019	Market Purchase	11,60,775	2.87	11,60,775	2.87
	At the end of the year March 31, 2019				**11,60,775**	**2.87**

Sr. No.	Name of the promoter		Share holding at the beginning of the Year		Cumulative Share holding during the year	
			No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
5	Mirae Asset Tax Saver Fund					
	At the beginning of the year April 1, 2018		**14,74,391**	**3.64**		
	Date-wise Increase/(decrease)					
	11.3.2018	Market Purchase	1,06,000	0.26	15,80,391	3.91
	18.5.2018	Market Purchase	1,06,558	0.26	16,86,949	4.17
	25.5.2018	Market Purchase	39,000	0.10	17,25,949	4.27
	1.6.2018	Market Purchase	15,000	0.04	17,40,949	4.30
	8.6.2018	Market Purchase	3,000	0.01	17,43,949	4.31
	15.6.2018	Market Purchase	15,000	0.04	17,58,949	4.35
	29.6.2018	Market Purchase	4,000	0.01	17,62,949	4.36
	20.7.2018	Market Purchase	3,000	0.01	17,65,949	4.37
	27.7.2018	Market Purchase	79,351	0.20	18,45,300	4.56
	3.8.2018	Market Purchase	3,000	0.01	18,48,300	4.57
	10.8.2018	Market Purchase	64,229	0.16	19,12,529	4.73
	17.8.2018	Market Purchase	30,023	0.07	19,42,552	4.80
	24.8.2018	Market Purchase	30,000	0.07	19,72,552	4.88
	31.8.2018	Market Purchase	3,000	0.01	19,75,552	4.88
	7.9.2018	Market Purchase	31,500	0.08	20,07,052	4.96
	28.9.2018	Market Purchase	10,000	0.02	20,17,052	4.99
	19.10.2018	Market Purchase	4,500	0.01	20,21,552	5
	19.1.2018	Market Purchase	2,500	0.01	14,53,391	3.59
	23.10.2018	Market Sale	(20,21,552)	(5)	0	0
	26.10.2018	Market Purchase	20,21,552	5	20,21,552	5
	30.11.2018	Market Sale	(1,74,571)	(0.43)	18,46,981	4.57
	14.12.2018	Market Sale	(63,000)	(0.16)	17,83,981	4.41
	21.12.2018	Market Sale	(76,000)	(0.19)	17,07,981	4.22
	5.2.2019	Market Sale	(17,07,981)	(4.22)	0	0
	8.2.2019	Market Purchase	17,07,981	4.22	17,07,981	4.22
	15.2.2019	Market Sale	(5,25,637)	(1.30)	11,82,344	2.92
	27.2.2019	Market Sale	(9,88,026)	(2.44)	1,94,318	0.48
	1.3.2019	Market Purchase	9,60,126	2.37	11,54,444	2.85
	26.3.2019	Market Sale	(9,60,126)	(2.37)	1,94,318	0.48
	29.3.2019	Market Purchase	8,80,126	2.18	10,74,444	2.66
	At the end of the year March 31, 2019				**8,80,126**	**2.18**
6	Mirae Asset India Mid Cap Equity Fund					
	At the beginning of the year April 1, 2018		**3,97,833**	**0.98**		
	Date-wise Increase/(decrease)					
	18.5.2018	Market Purchase	33,475	0.08	4,31,308	1.07
	27.7.2018	Market Purchase	47,831	0.12	4,79,139	1.18
	17.8.2018	Market Purchase	23,515	0.06	5,02,654	1.24
	24.8.2019	Market Purchase	52,058	0.13	5,54,712	1.37
	31.8.2019	Market Purchase	48,721	0.12	6,03,433	1.49
	7.9.2018	Market Purchase	26,805	0.07	6,30,238	1.56
	21.9.2018	Market Purchase	33,631	0.08	6,63,869	1.64
	23.10.2018	Market Sale	(6,63,869)	(1.64)	0	0
	26.10.2018	Market Purchase	6,63,869	1.64	6,63,869	1.64
	14.12.2018	Market Sale	(45,072)	(0.11)	6,18,797	1.53
	5.2.2019	Market Sale	(6,18,797)	(1.53)	0	0
	8.2.2019	Market Purchase	6,18,797	1.53	6,18,797	1.53
	27.2.2019	Market Sale	(6,18,797)	(1.53)	0	0
	1.3.2019	Market Purchase	61,89,797	15.30	6,18,797	1.53
	8.3.2019	Market Sale	(69,188)	(0.17)	5,49,609	1.36
	26.3.2019	Market Purchase	5,49,609	1.36	0	0
	29.3.2019	Market Purchase	5,49,609	1.36	5,49,609	1.36
	At the end of the year March 31, 2019				**5,49,609**	**1.36**

Sr. No.	Name of the promoter		Share holding at the beginning of the Year		Cumulative Share holding during the year	
			No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
7	Dimensional Emerging Markets Value Fund					
	At the beginning of the year April 1, 2018		**2,93,451**	**0.73**		
	Date-wise Increase/(decrease)					
	27.4.2018	Market Sale	(42,066)	(0.10)	2,51,385	0.62
	23.10.2018	Market Sale	(2,51,385)	(0.62)	0	0
	26.10.2018	Market Purchase	2,51,385	0.62	2,51,385	0.62
	1.2.2019	Market Purchase	15,845	0.04	2,67,230	0.66
	5.2.2019	Market Sale	(2,67,230)	(0.66)	0	0
	8.2.2019	Market Purchase	3,01,480	0.75	3,01,480	0.75
	15.2.2019	Market Purchase	14,693	0.04	3,16,173	0.78
	22.2.2019	Market Purchase	4,082	0.01	3,20,255	0.79
	27.2.2019	Market Sale	(3,20,255)	(0.79)	0	0
	1.3.2019	Market Purchase	3,34,759	0.83	3,34,759	0.83
	22.3.2019	Market Purchase	28,194	0.07	3,62,953	0.90
	26.3.2019	Market Sale	(3,62,953)	(0.90)	0	0
	29.3.2019	Market Purchase	3,62,953	0.90	3,62,953	0.90
	At the end of the year March 31, 2019				**3,62,953**	**0.90**
8	Government Pension Fund Global					
	At the beginning of the year April 1, 2018		**609**	**0**		
	Date-wise Increase/(decrease)					
	23.10.2018	Market Sale	(609)	0	0	0
	26.10.2018	Market Purchase	609	0	609	0
	7.12.2018	Market Purchase	54,378	0.13	54,978	0.14
	14.12.2018	Market Purchase	1,12,704	0.28	1,67,691	0.41
	1.2.2019	Market Purchase	1,79,737	0.44	3,47,428	0.86
	5.2.2019	Market Sale	(3,47,428)	(0.86)	0	0
	8.2.2019	Market Purchase	3,47,428	0.86	3,47,428	0.86
	27.2.2019	Market Sale	(3,47,428)	(0.86)	0	0
	1.3.2019	Market Purchase	3,47,428	0.86	3,47,428	0.86
	26.3.2019	Market Sale	(3,47,428)	(0.86)	0	0
	29.3.2019	Market Purchase	3,47,428	0.86	3,47,428	0.86
	At the end of the year March 31, 2019				**3,47,428**	**0.86**
9	Crestwood Capital Master Fund, Ltd.					
	At the beginning of the year April 1, 2018		**0**	**0**		
	Date-wise Increase/(decrease)					
	7.9.2018	Market Purchase	80,000	0.20	80,000	0.20
	14.9.2018	Market Purchase	1,35,000	0.33	2,15,000	0.53
	21.9.2018	Market Purchase	20,000	0.05	2,35,000	0.58
	5.10.2018	Market Purchase	25,000	0.06	2,60,000	0.64
	12.10.2018	Market Purchase	70,000	0.17	3,30,000	0.82
	23.10.2018	Market Sale	(3,30,000)	(0.82)	0	0
	26.10.2018	Market Purchase	3,30,000	0.82	3,30,000	0.82
	14.12.2018	Market Sale	(30,000)	(0.07)	3,00,000	0.74
	21.12.2018	Market Sale	(30,000)	(0.07)	27,000	0.67
	28.12.2018	Market Sale	(35,000)	(0.09)	2,35,000	0.58
	5.2.2019	Market Sale	(2,35,000)	(0.58)	0	0
	8.2.2019	Market Purchase	2,65,000	0.66	2,65,000	0.66
	15.2.2019	Market Purchase	35,000	0.09	3,00,000	0.74
	22.2.2019	Market Purchase	35,000	0.09	3,35,000	0.83
	27.2.2019	Market Sale	(3,35,000)	(0.83)	0	0
	1.3.2019	Market Purchase	3,35,000	0.83	3,35,000	0.83
	26.3.2019	Market Sale	(3,35,000)	(0.83)	0	0
	29.3.2019	Market Purchase	3,35,000	0.83	3,35,000	0.83
	At the end of the year March 31, 2019				**3,35,000**	**0.83**

Sr. No.	Name of the promoter		Share holding at the beginning of the Year		Cumulative Share holding during the year	
			No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
10	General Insurance Corporation of India					
	At the beginning of the year April 1, 2018		**32,038**	**0.08**		
	Date-wise Increase/(decrease)					
	23.10.2018	Market Sale	(32,038)	(0.08)	0	0
	26.10.2018	Market Purchase	3,20,038	0.79	3,20,038	0.79
	5.2.2019	Market Sale	(3,20,038)	(0.79)	0	0
	8.2.2019	Market Purchase	3,20,038	0.79	3,20,038	0.79
	27.2.2019	Market Sale	(3,20,038)	(0.79)	0	0
	1.3.2019	Market Purchase	3,20,038	0.79	3,20,038	0.79
	26.3.2019	Market Sale	(3,20,038)	(0.79)	0	0
	29.3.2019	Market Purchase	3,20,038	0.79	3,20,038	0.79
	At the end of the year March 31, 2019				**3,20,038**	**0.79**

*Note: The shares of the Company are traded on daily basis. Hence the date wise increase/ decrease in the shareholding of the above shareholders are consolidated based on the weekly beneficial position and Permanent Account Number (PAN) of the shareholder.

v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	Name of the promoter	Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	**Mr. H. V. Goenka, Chairman, (Non-Executive Director)**				
	At the beginning of the year	1,33,932	0.33		
	and at the end of the year-No change				
	during the year ended March 31, 2019			1,33,932	0.33
2	**Mr. Anant Goenka, Managing Director**				
	At the beginning of the year	14,185	0.04		
	and at the end of the year-No change				
	during the year ended March 31, 2019			14,185	0,04
3	**Mr. Paras K. Chowdhary, Director**				
	At the beginning of the year	3,000	0.01		
	and at the end of the year-No change				
	during the year ended March 31, 2019			3,000	0.01
4	**Mr. Arnab Banerjee, Director**				
	At the beginning of the year	1,207	0		
	and at the end of the year-No change				
	during the year ended March 31, 2019			1,207	0.00
5	**Mr. Kumar Subbiah, Chief Financial Officer**				
	At the beginning of the year	500	0		
	and at the end of the year-No change				
	during the year ended March 31, 2019			500	0.00
6	**Ms. Vallari Gupte, Company Secretary**				
	At the beginning of the year April 1, 2018				
	Date-wise Increase/(decrease)				
	11.10.2018 - Market Purchase	15	0		
	At the end of the year March 31, 2019			15	0.00

Note:
1. No other Director holds shares in the Company.
2. Shares held above are in individual capacity and do not include shares held as Trustees.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

		Secured Loans excluding deposits	Unsecured loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial year					
i)	Principal Amount	61,057.84	3,030.80	0.20	64,088.84
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	128.70	-	-	128.70
Total (i+ii+iii)		**61,186.53**	**3,030.80**	**0.20**	**64,217.53**
Change in Indebtedness during the Financial year					
–	Addition (Includes only Principal)	97,296.51	19,852.27	-	1,17,148.77
–	Reduction (Includes only Principal)	(54,916.92)	(269.07)	-	(55,185.99)
Net Changes		**42,379.59**	**19,583.20**	**-**	**61,962.78**
Indebtedness at the end of the Financial year					
i)	Principal Amount	1,03,437.42	22,614	0.20	1,26,051.62
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	537.92	-	-	537.92
Total (i +ii +iii)		**1,03,975.34**	**22,614**	**0.20**	**1,26,589.54**

VI. Remuneration of the Directors and Key Managerial Personnel

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

Sr. No.	Particulars of Remuneration	Mr. Anant Goenka, Managing Director	Mr. Arnab Banerjee, Chief Operating Officer (COO)	Total Amount
1	Gross Salary			
	a) Salary as per provision contained in Section 17(1) of Income Tax Act, 1961	4,08,79,657	2,78,88,810	6,87,68,467
	b) Value of perquisite u/s 17(2) of Income Tax Act, 1961	34,27,458	39,600	34,67,058
	c) Profit in lieu of salary under Section u/s 17(3) of Income Tax Act, 1961	-	-	-
2	Stock option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	* As percent of profit	-	-	-
	* Others, Specify	-	-	-
5	Others please specify (retiral benefits)	30,06,160	11,92,903	41,99,063
	Total (A)	**4,73,13,275**	**2,91,21,313**	**7,64,34,588**
	Ceiling as per the Act (Being 10% of Net Profits of the Company calculated as per Section 198 of the Act)			**43,63,73,170**

B. Remuneration to Other Directors

Sr. No.	Particulars of Remuneration	Name of Directors								Total Amount
		Mr. Mahesh S. Gupta	Mr. S. Doreswamy[$]	Mr. Haigreve Khaitan	Mr. Atul C. Choksey	Mr. Vinay Bansal	Mr. Paras K. Chowdhary	Ms. Punita Lal	Mr. Ranjit V. Pandit[#]	
	Independent Directors									
	• Fee for attending board/ committee meetings	8,05,000	8,00,000	4,00,000	4,00,000	7,75,000	6,00,000	5,00,000	-	42,80,000
	• Commission	8,00,000	8,00,000	8,00,000	8,00,000	8,00,000	8,00,000	8,00,000	-	56,00,000
	• Others, please specify									
	Total (1)	**16,05,000**	**16,00,000**	**12,00,000**	**12,00,000**	**15,75,000**	**14,00,000**	**13,00,000**	**-**	**98,80,000**
		Mr. H. V. Goenka	**Mr. Hari L. Mundra[@]**	**Mr. Pierre E. Coahde[**]**						
	Other Non-Executive Directors									
	• Fee for attending board committee meetings	5,30,000	4,70,000	-	-	-	-	-	-	10,00,000
	• Commission	3,75,00,000	6,67,000	-	-	-	-	-	-	3,81,67,000
	• Others, please specify									
	Total (2)	**3,80,30,000**	**11,37,000**	**0**	**0**	**0**	**0**	**0**	**0**	**3,91,67,000**
	Total (B) = (1+2)	**3,96,35,000**	**27,37,000**	**12,00,000**	**12,00,000**	**15,75,000**	**14,00,000**	**13,00,000**	**0**	**4,90,47,000**
	Total Managerial Remuneration									**4,90,47,000**
	Overall Ceiling as per the Act*									**48,00,10,487**

* Sitting Fees have not been considered as a component for reckoning as per the Companies Act, 2013.

** Mr. Pierre E. Cohade was appointed as Director (Non-Executive Director Non Independent Director) w.e.f. July 20, 2018 and is not being paid sitting fees and commission.

Mr. Ranjit V. Pandit has waived off his right to receive remuneration include sitting fees and commission from the Company.

@ Ceased to be a director w.e.f. January 29, 2019

$ Ceased to be a director w.e.f. March 12, 2019

C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WDT

Sr. No.	Particulars of Remuneration	Mr. Kumar Subbiah CFO	Ms. Shruti Joshi (1.4.2018 – 11.6.2018)	Ms. Vallari Gupte CS (25.10.2018 – 31.3.2019)	Total Amount
1	Gross Salary				
	a) Salary as per provision contained in Section 17(1) of Income Tax Act, 1961	1,96,23,005	7,01,535	26,25,788	2,29,50,328
	b) Value of perquisite u/s 17(2) of Income Tax Act, 1961	39,600	8,44,398	0	8,83,998
	c) Profit in lieu of salary under Section u/s 17(3) of Income Tax Act, 1961				
2	Stock option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	* As percent of profit	-	-	-	-
	* Others, Specify	-	-	-	-
5	Others please specify (retiral benefits)	5,14,059	6,72,055	1,80,032	13,66,146
	Total (A)	**2,01,76,664**	**22,17,988**	**28,05,820**	**2,52,00,472**

VII. Penalties/ Punishment/ Compounding of offences:

During FY 2018-19, there were no penalties/ punishment/ compounding of offences under the Companies Act, 2013.

Annexure to the Board's Report

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

[Pursuant to Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014]:-

A. Conservation of Energy

(a) The Company continued to give major emphasis on conservation of energy and the measures taken during the previous years were continued. The efficiency of energy utilization in each manufacturing unit is monitored at the corporate level every quarter, in order to achieve effective conservation of energy. The significant energy conservation measures during the year were:

- Operation optimization of Mixer process at Nagpur Plant (250 KWH/day saving)
- Fix power consumption reduction at Nagpur Plant (800 KWH/day saving)
- Energy Efficient pump fixed in process cooling tower at Halol Plant (180 KWH/day saving)
- Cooling tower FRP blade replacement job at Halol Plant (100 KWH/day saving)
- Stop idle running time of hydraulic motor at Halol Plant (150 KWH/day saving)
- Kirloskar chiller descaling job done at Halol Plant (100 KWH/day saving)
- HVAC cooling tower, cooling process and mixer cooling tower fills replacement at Halol Plant (400 KWH/day saving)
- Supply return interconnection passing valve replacement with new one at Halol Plant (1037 KWH/day saving).
- AHU On/Off set point optimization at Halol Plant (200 KWH/day saving).
- Bead filler extruder electrical heater TCU conversion to steam at Nashik Plant (300 KWH/day saving).
- Conversion of drive system of 84" mill of Ban 4 to uni-drive system at Nashik Plant (275 KWH/day saving).
- Electrical band heaters conversion to heat pump system at Nashik Plant (650 KWH/day saving).
- Banbury Screw compressor with VFD (500 KWH/day saving).
- Banbury Ram conversion from pneumatic to Hydraulic at Nashik Plant (600 KWH/day saving).
- New system for hot water pumps with VFD at Nashik Plant (600 KWH/day saving).
- Banbury 1 conversion with AC drive and 60 rpm at Nashik Plant (3000 KWH/day saving)
- Conversion of pneumatic RAM to hydraulic RAM in banbury at Bhandup Plant and saved 500 CFM air (2000 KWH/Day saving).
- Installed VFD for vacuum pump at Bhandup Plant (200 KWH/day saving).

(b) Additional investments/Proposals for reduction of Consumption of energy.

- Replacement of conventional Tube lights with LED in all Plants.
- VFD for Compressors, blowers, pumps at Bhandup and Nashik Plant
- Energy Efficient Heat Pumps Electrical Band Heaters Conversion to Heat Pump system at Nashik Plant.
- Energy efficient pumps with VFD - New System for hot water system with VFD at Nashik Plant
- Banbury No.1 Conversion with AC drive and 60 rpm at Nashik Plant
- Optimization of Supply recovery pumps operations Nashik Plant
- Use of VFD control for HT motors cooling fans in mixing process at Halol Plant
- Harmonic filter installation for DTR 7 and 9 in electric substation at Halol Plant
- Reduce carbon conveying system pressure by introducing new compressor at Halol Plant
- VFD's for controlling utilities at Bhandup Plant
- Unidrive instead of bull gear assembly at Bhandup Plant
- Replacement of old hot water pumps with energy efficient pumps at Bhandup Plant.
- Energy efficient pumps for Cooling Towers at Bhandup Plant.
- Unidrive for 3 Roll Calendar.
- Replacement of process air dryers (2 nos.) at Bhandup Plant.
- Installation of magnetic level sensor with auto control in condensate tank, BOM cold water tank and Hot water recovery tank at Bhandup Plant.
- Conversion of pneumatic control to PID (I to P) control for deaerator steam, Process air to instrument air control valves at Bhandup Plant.

B. Technology Absorption and Foreign Exchange Earnings and Outgo

Research and Development (R&D)

1. Specific areas in which R&D activities were carried out by the Company

The major focus of R&D has been on new and innovative materials and processing and breakthrough product development. Today, it is 180+ members strong team, HQ in Halol and spread across Bhandup, Nashik, Nagpur and upcoming Chennai plant, and newly opened CETC (CEAT European Technical Centre) in Frankfurt Germany which plays key role in meeting challenging requirement of matured markets such as Europe. In recent few years, R&D has taken several strides in new development projects, adding several domestic and international OEMs to the portfolio and various innovative solutions for which in the last few years alone we have filed several patents.

R&D way of working is well aligned with TQM philosophy of Company and activities are carried out based on a five-year rolling roadmap, aligning with Company's vision which ensured forecast and developed newer technologies keeping in mind future requirements.

At CEAT R&D, the aim is to make innovation a powerful tool that will enable us to affect business breakthroughs. With use of basic research department, we developed new and innovative materials and processing. Within 1 (one) year we have identified several new functional and nano materials for tyre compounds which has helped to meet stringent requirements of grip, RR and noise. New vestments in the areas of predictive testing and advanced raw material characterization resulted in significant technological edge over competition. Last year, multiple advanced research projects and Ph.D. programmes in collaboration with IITs and German Universities were initiated. Aggressive approach in the areas of patent filing and research/special projects has created total 46 patens and 51 design registrations cumulatively.

The Design and Advance Engineering played an important role to ensure the Company delivers innovative and quality products and use of Digitization and automation has helped to reduce product development time. The use of semantic approach with updated pattern bank helped to develop new products for OE and replacement markets. Test facilities were elevated by installing High Speed Uniformity, Flat Trac and Semi Anechoic Chamber which has reinforced objective testing and timely development of products to meet the customer requirements.

2. Benefits derived as a result of the above R&D

With help of above initiatives, the Company has proved its technological provence and developed more than 58 new products across various categories and geographies globally in FY2018-19, which has significantly contributed to company's profitability and growth resulting into 19.4% of the Company's revenue from new products.

In Passenger Car Radials ('PCR') category, today the Company is proud partners of leading Indian and MNC OEMs like Suzuki, Hyundai, KIA Motors, Renault, Mahindra etc. for hatchback, sedan and Compact SUVs. The Company has further strengthened its relationships with key Original Equipment Manufacturers ('OEMs') and received nominations for new projects from Skoda, Nissan, and Peugeot for their premium hatch and SUV programmes. The Company has entered Global Supplier Panel of Volkswagen by Clearing VDA 6.3 process audit and is working on 6 Skoda Projects.

In FY 2018-19, the Company has received approvals from Hyundai QXi, TUV3oo Plus, Hyundai Santro. Further, the Company is working with other global OEMs like Ford, Toyota, Honda, PSA Peugeot etc. and is confident that it will be able to open it's accounts with them in the coming days. In domestic replacement market. Milaze X3 tyres were launched successfully which are designed to provide tyre life upto 1 Lac km.

The Company's product series in PCR Winter, Summer, All season, UHP and Van categories launched in Europe are well accepted in meeting stringent performance requirement of European markets. The Company achieved yet another milestone this year by developing its first 19 & 20-inch UHP tyres with high rim diameter and lowest aspect ratio. With this range of 19 and 20-inch UHP tyres the Company's presence in Europe's niche market segment such as Germany will increase. With this the Company poised to become one among the global market leaders with high range premium products.

In commercial category, new Truck-Bus Radial tyres Win Series was successfully launched for Domestic market and now well accepted in the market. A Super Heavy Load tyre first of its kind Truck Bus tyre was launched to cater to heavy Load Markets. In the Bias segment Premium Rib Tyre for high mileage was developed and New Tyre for Mining segment was launched giving higher retreadability.

In 2/3 Wheeler category, development programmes with OEM's resulted in product approvals and continuous supplies to many leading OEMs including Honda, Suzuki, Yamaha, Bajaj and Royal Enfield premium models upto 650CC. In FY 2018-19, the Company received approvals for Bajaj Platina Low RR, Royal Enfield 350 cc Bike and received approval in Mahindra E Rickshaw. 2/3-Wheeler market undergone a considerable change in the past years including introduction of electric vehicles, ABS /CBS implementation and BS6 vehicle developments. This year the Company launched industry first 'GRIPP X3-Everlasting Grip' the Dual Compound Technology which is first of its kind in India providing lasting Grip to customer. The Company also launched its indigenously developed puncture safe series of tubeless 2 Wheeler tyres, first time in selected markets in India.

3. Awards and Accolades

CEAT CZAR Pattern has been awarded 'INDIA DESIN MARK' in 2014 and 2018 which is highest design recognition from the Indian Government through India Design Council and has been initiated in cooperation with Japan Institute of

Design Promotion (JDP). During FY 2017-18, the Company has been Ranked No. 1 in India for customer satisfaction in passenger car tyre segment, according to the J. D. Power 2018 India Original Equipment Tyre Customer Satisfaction Index (TCSI) study. The Company's R&D has published several research papers and publications in international conferences and journals which will enhance the global footprint.

4. Future plans:

To meet future mobility challenges, the Company is constantly forecasting and exploring technological requirement of future and develop newer technologies. In constant endeavour to improve R&D capability in the areas of fuel efficiency, grip, durability and noise through special focus developing simulation technologies, predictive testing capabilities and use of novel materials and advanced raw material characterization. Automation, Digitization, Design Thinking and Data analytics will help to reduce product development time which will make the development fore efficient and agile.

Post to the successful entry in European market, the Company is now looking to enter into Australia market as a part of global expansion strategy. With strong technological competence, the Company is confident to meet requirements of these new markets and look forward to launch SUV products for Australian market. After successful product launch of Win series in commercial tyres, the Company is now preparing to enter European market for commercial category and projects are progressing well. We are working in the areas of Intelligent truck tyres, TCO Win Fuel (Industry Best Fuel-Efficient Tire with 20% Low RR is under development and will be ready to launch in FY 2019-20) which will further enhance the Company's market presence and technological Provence.

Various technologies developed in last few years in the areas of reducing rolling resistance, reducing noise and improving grip and tyre life will accelerate the product development of Electrical vehicle tyres for Passenger, 2 Wheeler and commercial categories which will be a key focus area for FY 2019-20 development.

5. Expenditure on Research and Development:

(₹ in Lacs)

	2018-19	2017-18
Capital expenditure	2,917	2,964
Revenue expenditure	6,159	6,069
Total	**9,076**	**9,033**

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts, in brief, made towards technology absorption, adaptation and innovation:

- Advanced research projects and Ph.D. programmes in collaboration with IITs and German Universities on identified technologies.
- Strategic partnerships and external research with institutions and global suppliers enabled us to innovate in many emerging areas or R&D and improve product performance and process efficiency.
- Participation in international conferences, seminars for technology exploration and joint projects.
- Partnership and product development with automobile Original Equipment Manufacturer helped in taking-up emerging challenges in the industry and developing technological innovations to meet current and future requirements.
- Sophisticated and modern experimentation methods and simulation techniques helped in trying out many innovative concepts in virtual mode in conceptual and prototyping stages to improve performance and cut-down both cost and development time.
- Joint Contracts and development projects were initiated with consultants and domain experts from Europe and Japan. The area of work included development of new Product Patterns and designs, Advanced Material technology, Process development and simulation capability development.

2. Benefits of the above are:

a) Product Development
b) Product Improvements
c) Process Efficiency
d) Cost reduction
e) Import Substitution
f) New Process Development
g) Intellectual Property generation
h) Sustenance

Foreign Exchange Earnings and Outgo:

(₹ in Lacs)

	2018-19	2017-18
Foreign exchange earned	84,709	76,090
Foreign exchange used	2,00,943	1,38,556

Annexure to the Board's Report

Particulars of Employees pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, for the year ended March 31, 2019.

Particulars		Name of the Director	Ratio of the remuneration of each director to the median remuneration of the employees of the Company	Percentage increase/ decrease in remuneration of each Director
(i)	the ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year;	Mr. H. V. Goenka	129.19:1	1%
		Mr. Anant Goenka	160.72:1	19%
		Mr. Arnab Banerjee	98.92:1	14%
		Mr. Atul C. Choksey	4.08:1	26%
		Mr. Haigreve Khaitan	4.08:1	41%
		Mr. Hari L. Mundra	3.86:1	(2%)
		Mr. Mahesh S. Gupta	5.45:1	18%
		Mr. Paras K. Chwodhary	4.76:1	24%
		Ms. Punita Lal	4.41:1	53%
		Mr. S. Doreswamy	5.44:1	18%
		Mr. Vinay Bansal	5.35:1	35%
(ii)	the percentage increase/decrease in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or manager,if any, in the financial year;	Mr. Kumar Subbiah, CFO		12%
		Ms.Vallari Gupte, CS		N. A.
(iii)	the percentage increase in the median remuneration of employees in the financial year;		(37.1)	
(iv)	the number of permanent employees on the rolls of the Company as on March 31, 2019		5,815	
(v)	average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuenration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuenration;	The average increase in salaries of employees (other than managerial personnel) during FY 2018-19 was 10.83%, whereas the increase in salary of the managerial personnel was 13.43%, in view of the rationalization done to align the salaries with the external benchmarks. Compensation benchmarking process is followed by the Company to evaluate the individual salaries internally and externally and the increment given to each employee is based on the market benchmark, performance and potential of the individual and performance of the Company during the financial year.		
(vi)	affirmation that the remuneration is as per the remuneration policy of the Company;	Remuneration paid during FY 2018-19 was as per the Nomination and Remuneration Policy of the Company.		

Notes:

1. Mr. Hari L. Mundra ceased to be a Director w.e.f. January 29, 2019 due to resignation.
2. Mr. S. Doreswamy ceased to be a Director w.e.f. March 12, 2019 due to resignation.
3. Ms. Vallari Gupte was appointed w.e.f. October 25, 2018 and therefore comparable amount of remuneration was not available for determination of percentage increase/decrease in the remuneration.
4. Median remuneration of the employees is calculated on the basis of remuneration details of employees including the Managing Director.
5. The reduction in median salary of employees for FY 2018-19 over the previous financial year is mainly due to increase in the number of associates at the Company's plants.
6. Directors' remuneration includes commission and sitting fees for FY 2018-19.

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:

i. appointment and remuneration of the Directors, Key Managerial Personnel and Senior Management Personnel;

ii. qualifications, positive attributes and independence for appointment of a Director and assessment of independence of Independent Director;

iii. performance evaluation of all Directors;

iv. core skills/ expertise/ competencies required of the Board of Directors of the Company;

v. achieving the benefits of having a diverse Board.

2. Definitions

i. **"Non-Executive Directors" (NED)** means a member of a Company's Board of Directors who is not in whole-time employment of the Company.

ii. **"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;

iii. **Senior Management Personnel (SMP)** for the purpose of this Policy means officers/personnel who are members of the core management team excluding board of directors and normally comprising of all members of management one level below the chief executive officer/ managing director/ whole-time director/ manager and shall specifically include company secretary and chief financial officer.

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

3. Diversity in the Board of Directors

Diversity refers to the variety of attributes of diverse nature between people and encompasses acceptance, respect and an understanding that everyone is unique. These aspects include age, gender, ethnicity, physical abilities, marital status, ideologies, background, knowledge and skills. With a view to 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 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 meritocracy.

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 Company shall appoint those persons who possess requisite qualifications & experience and positive attributes within overall framework of diversity as described in this Policy.

B. Qualifications & Experience

i. 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. sciences, actuarial sciences, banking, finance, economics, law, management, sales, human resource, marketing, administration, research, corporate governance or technical operations.

ii. 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

i. NRC shall facilitate the Board to undertake evaluation of performance of all Directors on yearly basis.

ii. The Board shall evaluate, every year, its performance along with that of the individual directors including Chairman, Independent Directors (IDs), independence of IDs and of its Committees.

iii. 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. Famliarization 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 Managerial Personnel

A. Appointment of KMP and SMP

i. 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.

ii. 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.

iii. The appointments of SMP shall be approved by MD. Remuneration payable to SMP shall be recommended by the NRC and approved by the Board.

B. Qualifications and Experience

i. Any person to be appointed as KMP or as SMP shall possess relevant educational, professional qualifications, experience and domain knowledge required for performing the job for which they are appointed.

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

C. Positive Attributes

i. KMP and the SMP shall also possess attributes like decision making skills, leadership skills, integrity and proven track record and shall demonstrate commitment to the organization.

ii. KMP and SMP shall meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture for good decision making.

D. Performance Evaluation

i. MD / CEO shall carry out the performance evaluation of all the SMPs and KMPs excluding himself/herself and the WTD.

ii. The evaluation process adopted by the Company shall always consider the appropriate benchmarks set as per industry standards, performance of the Industry, the Company and of the individual KMP / SMP.

iii. Evaluation of performance shall be carried out at least once in a year, in accordance with the existing evaluation process of the Company.

E. 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, KMP's 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.

6. 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.

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 recognized compensation service consultancies.

iv. Total remuneration for the MD and WTD shall be comprised of the following:
   a) Salary (both fixed & variable)
   b) Perquisites
   c) Performance linked Bonus
   d) Retirals benefits

   It shall be ensured that total remuneration payable to MD and WTD's 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.

C. SMPs & 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 & 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 SMP at the time of his/her appointment, shall be recommended by the NRC and approved by the Board.

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/SMP shall be approved by the NRC/ 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 recognized compensation service consultancies.

vi. NRC may consider grant of Stock Options to KMPs & SMPs pursuant to any Stock Option Plan adopted by the Company.

7. Director and Officer Liability Insurance

a) The Company may provide an insurance cover to Directors, KMPS & 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 abeing 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

FORM No. MR-3
Secretarial Audit Report
For The Financial year ended 31st March, 2019

(Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment & 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, the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2019 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 31st March, 2019 according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made thereunder;

(ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time; (Not applicable to the Company during the audit period)

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents)Regulations, 1993 regarding the Companies Act and dealing with client;(Not applicable to the Company during the audit period)

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit period)

(vi) Other laws specifically applicable to the Company namely

a. The Rubber Act, 1947 and the Rubber Rules, 1955.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above.

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, 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 bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

1. In-principle approval of the Board on January 28, 2019 for amalgamation of CEAT Specialty Tyres Limited, wholly owned subsidiary with the Company.

2. Fully Redemption of 2000 (Two Thousand only) Secured, Listed Redeemable Non-Convertible Debentures of face value ₹ 10,00,000/- (Rupees Ten Lakhs only) aggregating to ₹ 200 Crores on July 31, 2018.

For Parikh & Associates
Practising Company Secretaries

Place: Mumbai
Date: May 7, 2019

Signature:
P. N. Parikh
Partner
FCS No: 327 CP No: 1228

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure A

To,
The Members
CEAT Limited

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.

5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Parikh & Associates
Practising Company Secretaries

Place: Mumbai
Date: May 7, 2019

Signature:
P. N. Parikh
Partner
FCS No: 327 CP No: 1228

Corporate Governance Report

Securities and Exchange Board of India ('**SEBI**') vide its notification No. SEBI/LAD-NRO/GN/2018/10 dated May 9, 2018, notified various amendments to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('**the Listing Regulations**'), being implemented with effect from several dates as prescribed therein.

This Corporate Governance Report of CEAT Limited ('**CEAT**' or '**the Company**') for FY 2018-19, thus prepared pursuant to the Listing Regulations, as amended and circulars issued thereunder, forms part of the Board's Report and states compliance as per requirements of the Companies Act, 2013 and Rules made thereunder ('**the Act**') and the Listing Regulations, as divided into the following parts:

I. CEAT's Philosophy on Corporate Governance
II. The Board of Directors ('**the Board**')
III. Committees of the Board
    a) Audit Committee
    b) Nomination and Remuneration Committee
    c) Stakeholders' Relationship Committee
    d) Risk Management Committee
    e) Corporate Social Responsibility Committee
    f) Finance and Banking Committee
IV. Remuneration of Directors
V. General Body Meetings/Postal Ballot
VI. Means of Communication
VII. Other Disclosures
VIII. General Shareholder Information

I. CEAT's Philosophy on Corporate Governance

Corporate Governance is an integral part of CEAT's values, ethics and best business practices followed by CEAT. Corporate Governance is the broad framework which defines the way CEAT functions and interacts with its environment. CEAT follows laws and regulations in each of the markets where it operates, leading to effective management of the organization. Moreover, CEAT in its journey towards sustainability is integrating sustainability practices in its governance system which goes beyond compliance. CEAT is guided by a key set of values for all its internal and external interactions. Simultaneously, in keeping with the best practices, CEAT seeks to execute the practices of Corporate Governance by maintaining strong business fundamentals and by delivering high performance through relentless focus on its core values, which are as following:

- Commitment to excellence and customer satisfaction;
- Maximising long-term shareholders' value;
- Socially valued enterprise; and
- Caring for people and environment

In a nutshell, the philosophy can be described as observing of business practices with the ultimate aim of enhancing long-term shareholders' value and commitment to high standard of business ethics. CEAT has in place a Code of Corporate Ethics and Conduct reiterating its commitment to maintain the highest standards in its interface with stakeholders and clearly laying down the core values and corporate ethics to be practiced by its entire management cadre.

II. The Board of Directors

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

The Board of CEAT plays a vibrant role in deriving its business in an ethical and profitable way to ensure the maximization of its stakeholders' value, in line with its purpose statement 'Making Mobility Safer & Smarter. Every Day.' The Board guides the management to run business as a socially responsible and ethically compliant corporate citizen and in a sustainable way.

The Management endeavours to provide the Board with information ahead of the list as mandated under Regulation 17(7) read with Part A of Schedule II to the Listing Regulations. Through various information being placed or presented at the Board meetings, the Board is kept well informed about the overall functioning of the Company, which enables the Board to contribute to the growth of the Company and helps them to take informed decisions.

The Board periodically reviews the updates on the projects, business performance, risk management, strategies, people, processes, compliance with applicable laws and other key affairs of the Company having impact on the business. The Board is satisfied that plans are in place for orderly succession for appointment to the Board and to senior management.

The adoption of a new digital application has enabled the Company to conduct paperless board meetings, thereby improving governance while simplifying the process of conducting such meetings. This involves conducting the meetings digitally and efficaciously, with the Board being able to access information directly on their digital devices.

The Independent Directors of the Company at their meeting held on March 11, 2019 appreciated the quality, quantity and timeliness of flow of information between the Company Management and the Board, that is necessary for the Board to effectively and reasonably perform their duties.

The Managing Director and Executive Director are responsible for the day-to-day management of the Company, subject to the supervision, direction and control of the Board. The Executive Directors are ably assisted by the Management Committee and Operating Committee for implementing the decisions and strategic policies of the Board for effective execution.

Composition of the Board

The composition of the Board is in conformity with the requirements of the Act and the Listing Regulations. The Board of CEAT has an optimum combination of Executive and Non-Executive Directors with one Women Independent Director and more than half of the Board comprising Independent Directors, satisfying the criteria prescribed under the amended Listing Regulations.

The composition of the Board during the year under review was as under:

Category	As on April 1, 2018		As on March 31, 2019	
	Nos.	% of the Board	Nos.	% of the Board
Executive Directors (1 Promoter and 1 Non-Promoter)	2	15%	2	18%
Non-Executive Non-Independent Directors (1 Promoter, others Non-Promoter)	3	23%	2	18%
Independent Directors (Including a Woman Independent Director)	8	62%	7	64%
Total	**13**	**100%**	**11**	**100%**

Disclosure of relationships between directors *inter se*

Mr. H. V. Goenka, Chairman and Mr. Anant Goenka, Managing Director of the Company are related to each other as father and son. None of the other Directors are related to each other.

Details of changes in the Board during the year

Mr. Pierre E. Cohade who was appointed as an Additional Director w.e.f. February 1, 2018, was appointed as Non-Executive Director of the Company by the Members at the Annual General Meeting held on July 20, 2018.

Mr. Hari L. Mundra, Non-Executive Director of the Company resigned from the Board of the Company w.e.f. January 29, 2019 due to various personal commitments and pre-occupations.

Mr. S. Doreswamy, Independent Director of the Company, who was appointed as an Independent Director for 5 years w.e.f. September 26, 2014 up to September 25, 2019, also resigned w.e.f. March 12, 2019 owing to compelling personal reasons. Mr. S. Doreswamy, has confirmed that there were no other material reasons other than as stated in his resignation letter.

Mr. Arnab Banerjee, Whole-time Director, earlier designated as Executive Director-Operations, was re-designated as Chief Operating Officer of the Company w.e.f. March 1, 2019.

Details of Directors, Board meetings and attendance records of the Board

During the year under review, the Board met 5 (five) times on April 30, 2018, July 20, 2018, October 25, 2018, January 28, 2019 and March 11, 2019 and not more than 120 (one hundred and twenty) days elapsed between the two meetings.

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 July 20, 2018 are as given below:

Name of the Director	Category of Directors	Attendance at board meetings	% of attendance	Attendance at the last AGM
Mr. H. V. Goenka	Non-Executive, Chairman (Promoter)	5/5	100%	Yes
Mr. Anant Goenka	Managing Director (Promoter)	5/5	100%	Yes
Mr. Arnab Banerjee	Whole-time Director	5/5	100%	Yes
Mr. Atul C. Choksey	Independent Director	4/5	80%	No
Mr. Haigreve Khaitan	Independent Director	4/5	80%	Yes
Mr. Hari L. Mundra*	Non-Executive Director	3/4	75%	No
Mr. Mahesh S. Gupta	Independent Director	5/5	100%	Yes
Mr. Paras K. Chowdhary	Independent Director	5/5	100%	No
Mr. Pierre E. Cohade	Non-Executive Director	4/5	80%	Yes
Ms. Punita Lal	Independent Director	5/5	100%	Yes
Mr. Ranjit V. Pandit	Independent Director	5/5	100%	Yes
Mr. S. Doreswamy**	Independent Director	5/5	100%	Yes
Mr. Vinay Bansal	Independent Director	5/5	100%	Yes

* Ceased to be a director w.e.f. January 29, 2019
** Ceased to be a director w.e.f. March 12, 2019

Details of shares held by Non-Executive Directors

As on March 31, 2019, 2 (two) Non-Executive Directors, viz. Mr. H. V. Goenka and Mr. Paras K. Chowdhary held 1,33,932 and 3,000 shares in the Company, respectively and such shares do not include shares held by them in the capacity of Trustee.

Directorship(s) / Committee membership held by Directors

Details of Directorship(s) / Committee membership(s) / Chairmanship(s) held by Directors as on March 31, 2019, are as under:

Name of the Director	Directorships in public companies		Committee position		Name of the listed companies	Category of directorship in listed companies
	Listed	Unlisted	Membership (including chairmanship)	Chairmanship		
Mr. H. V. Goenka	5	2	0	0	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	3	3	0	0	CEAT Limited	Managing Director
					Zensar Technologies Limited	Non-Executive Director
					STEL Holdings Limited	Non-Executive Director
Mr. Arnab Banerjee	1	1	0	0	CEAT Limited	Whole-time Director
Mr. Atul C. Choksey	2	2	0	0	CEAT Limited	Independent Director
					Apcotex Industries Limited	Non-Executive Director
Mr. Haigreve Khaitan	6	3	9	4	CEAT Limited	Independent Director
					JSW Steel Limited	Independent Director
					Inox Leisure Limited	Independent Director
					Ambuja Cements Limited	Independent Director
					Torrent Pharmaceuticals Limited	Independent Director
					Harrisons Malayalam Limited	Independent Director
Mr. Mahesh S. Gupta	4	1	6	2	CEAT Limited	Independent Director
					Peninsula Land Limited	Managing Director
					Morarjee Textiles Limited	Non-Executive Director
					RPG Life Sciences Limited	Independent Director
Mr. Paras K. Chowdhary	2	2	4	1	CEAT Limited	Independent Director
					Phillips Carbon Black Limited	Independent Director
Mr. Pierre E. Cohade	1	0	0	0	CEAT Limited	Non-Executive Director
Ms. Punita Lal	2	1	0	0	CEAT Limited	Independent Director
					Cipla Limited	Independent Director
Mr. Ranjit V. Pandit	2	4	4	1	CEAT Limited	Independent Director
					Reliance Jio Infocomm Limited*	Independent Director
Mr. Vinay Bansal	1	0	2	1	CEAT Limited	Independent Director

* Has its debentures listed on the stock exchange(s)

Notes:

- As required under the amended Regulation 17A, of the Listing Regulations none of the directors holds directorship in more than eight listed companies and as per declarations received, none of the directors serves as an independent director in more than seven listed companies, across the directorships held including that in CEAT Limited. Further, the whole-time directors in the Company do not serve as an independent director of any listed company.
- The amended Regulation 17A of the Listing Regulations provides for inclusion of only equity listed entities reckoning the directorship in listed entity, in view of the said regulation becoming effective from April 1, 2019, directorships in all listed entities have been considered for reporting as above.
- None of the directors was a member in more than ten committees, nor a chairman in more than five committees across all companies in which he was a director, including those held in CEAT Limited.
- 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 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 achieving 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 Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company which are currently available with the Board:

- 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

The Directors are eminent industrialists/professionals and have expertise in their respective functional areas, which bring with them the reputation of independent judgement and experience.

Familiarization Programme for Independent Directors
Pursuant to the Code of Conduct for Independent Directors specified under the Act and requirements of the Listing Regulations, the Company has framed a familiarization programme for all its Independent Directors. The Company follows a structured orientation programme for the Independent Directors to familiarize them to understand the nature of industry the Company operates into its business model, updates on the business and operations of the Company and their roles, rights and responsibilities.

The details of familiarization programme are provided at https://www.ceat.com/corporate/investor/corporate-governance

Confirmation of independence of Independent Directors
The Board at its meeting held on May 7, 2019, 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 fulfill the conditions specified in the Listing Regulations and are independent of the management.

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.

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 meeting, as appropriate.

a) Audit Committee
In accordance with the provisions of Section 177 of the Act and Regulation 18 of the Listing Regulations, the Company has formed its Audit Committee, composition and terms of reference of which are in conformity with the said provisions and are available at https://www.ceat.com/corporate/investor/corporate-governance

The Committee acts as a link between the Management, the Statutory Auditors, Internal Auditors and the Board. The Committee supervises the Company's internal controls, monitors the Company's financial reporting process and *inter alia*, performs the following functions:

- overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and creditable;
- reviewing performance of and examining with the Management, quarterly and annual financial results and the auditors' report thereon before submission to the Board for approval;
- reviewing management discussion and analysis of financial condition and results of operations;
- reviewing, approving or subsequently modifying any Related Party Transactions in accordance with the Related Party Transaction Policy of the Company;
- recommending the appointment, remuneration and terms of appointment of Statutory Auditors of the Company and approval for availing any other services;
- reviewing and monitoring the auditor's independence and performance and effectiveness of audit process; reviewing management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- reviewing with the management, performance of statutory auditors and internal auditor, adequacy of internal control systems; reviewing the adequacy of internal audit function and discussing with Internal Auditors any significant finding and follow-up thereon;
- evaluating internal financial controls and risk management systems, reviewing the functioning of the whistle blower mechanism.

As on March 31, 2019, the Committee consisted of 3 (three) Independent Directors, viz. Mr. Mahesh S. Gupta, as the Chairman and Mr. Vinay Bansal and Mr. Paras K. Chowdhary, as members of the Committee.

In compliance with the Act and Regulation 18(1)(c) of the Listing Regulations, all the three members of the Committee are independent and are financially literate. Moreover, the Committee has members who have relevant experience in financial matters as well as have accounting or related financial management expertise.

During the year under review, the Committee met 5 (five) times on April 30, 2018, July 19, 2018, October 25, 2018, January 28, 2019 and March 11, 2019 and not more than 120 (one hundred and twenty) days elapsed between the two meetings.

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

Name of the Director	Category of Director	Attendance at the Committee meeting	% of attendance
Mr. Mahesh S. Gupta (Chairman)	Independent Director	5/5	100%
Mr. Hari L. Mundra*	Non-Executive Director	3/4	75%
Mr. Paras K. Chowdhary**	Independent Director	1/1	100%
Mr. S. Doreswamy***	Independent Director	5/5	100%
Mr. Vinay Bansal	Independent Director	5/5	100%

* Ceased to be a member w.e.f. January 29, 2019
** Inducted as a member w.e.f. January 28, 2019
*** Ceased to be a member w.e.f. March 12, 2019

The Company Secretary & Compliance Officer functions as the Secretary to the Committee.

The Committee invites the Statutory Auditors and the Internal Auditors for discussions at the meeting. The Cost Auditors are invited as and when required. Managing Director, Chief Financial Officer, Head-Internal Audit 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 under review, there were no instances where recommendation of the Committee was not accepted by the Board.

Mr. Mahesh S. Gupta, Chairman of the Committee was present at the Annual General Meeting of the Company held on July 20, 2018, to answer the queries of the shareholders.

b) Nomination and Remuneration Committee

In accordance with the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations, the Company has formed its Nomination and Remuneration committee, composition and terms of reference of which are in conformity with the said provisions and are available at https://www.ceat.com/corporate/investor/corporate-governance

The Committee *inter alia*, reviews matters relating to appointment/ re-appointment and remuneration of Directors, Key Managerial Personnel, Senior Management Personnel; formulating a criteria for effective evaluation of the performance of the Board, its Committees, Chairperson and individual Directors and devising a policy on diversity of the Board.

As on March 31, 2019, the Committee consisted of 3 (three) Independent Directors, comprising of Mr. Mahesh S. Gupta, as the Chairman and Mr. Vinay Bansal and Mr. Paras K. Chowdhary, as members of the Committee.

During the year under review, the Committee met 5 (five) times on April 30, 2018, July 4, 2018, October 25, 2018, January 28, 2019 and March 11, 2019.

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

Name of the Director	Category of Director	Attendance at the Committee meeting	% of attendance
Mr. Mahesh S. Gupta (Chairman)	Independent Director	5/5	100%
Mr. Paras K. Chowdhary	Independent Director	5/5	100%
Mr. S. Doreswamy*	Independent Director	4/5	80%
Mr. Vinay Bansal**	Independent Director	NA	NA

* Ceased to be a member w.e.f. March 12, 2019
** Inducted as a member w.e.f. March 11, 2019

Mr. Mahesh S. Gupta, the Chairman of the Committee was present at the Annual General Meeting of the Company held on July 20, 2018, 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, there were no instances where recommendation of the Committee was not accepted by the Board.

Performance evaluation criteria for independent directors

Pursuant to the provisions of the Act and Regulation 25(4) of the Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, individual Directors and of its Committees. The Company had appointed external independent agency for carrying out the said evaluation process in a transparent manner by using the questionnaire considered/approved by the Board after taking into account the Guidance Note issued by SEBI vide its circular SEBI/ HO/CFD/CMD/CIR/2017/004 dated January 5, 2017 and the recommendations of the Nomination and Remuneration Committee, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, board culture, execution and performance of specific duties, obligations, compliance and governance, etc.

The performance evaluation of the Independent Directors was carried out by the entire Board excluding the Directors being evaluated. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction over the evaluation process.

c) Stakeholders' Relationship Committee

In accordance with the provisions of Section 178 of the Act and Regulation 20 of the Listing Regulations, the Company has formed its Stakeholders' Relationship Committee, composition and terms of reference of which are in conformity with the said provisions and are available at https://www.ceat.com/corporate/investor/corporate-governance

The Committee *inter alia* reviews the mechanism of redressal of grievances of the securities holders, service level of registrar and transfer agents and deals with other matters concerning securities holder including dividend.

As on March 31, 2019, the Committee consisted of 3 (three) Independent Directors, comprising of Mr. Vinay Bansal, as the Chairman and Mr. Mahesh S Gupta, and Mr. Paras K. Chowdhary, as members of the Committee.

During the year under review, the Committee met 4 (four) times on April 30, 2018, July 20, 2018, October 25, 2018 and March 11, 2019.

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

Name of the Director	Category of Director	Attendance at the Committee meeting	% of attendance
Mr. Vinay Bansal* (Chairman)	Independent Director	NA	NA
Mr. S. Doreswamy**	Independent Director	4/4	100%
Mr. Mahesh S. Gupta	Independent Director	4/4	100%
Mr. Paras K. Chowdhary	Independent Director	4/4	100%

* Inducted as a member & Chairman w.e.f. March 11, 2019
** Ceased to be member w.e.f March 12, 2019

The Company Secretary & Compliance Officer functions as the Secretary to the Committee.

The Minutes of the meetings of the Committee are placed before and noted by the Board. During the year under review, there were no instances where recommendation of the Committee was not accepted by the Board.

Mr. S. Doreswamy, the then Chairman of the Committee was present at the Annual General Meeting of the Company held on July 20, 2018, to answer the queries of the shareholders.

Details of Compliance Officers during the period under review were as under

Name	Designation	Tenure
Ms. Shruti Joshi	Company Secretary and Compliance Officer	September 1, 2016 to June 11, 2018
Mr. Amit Dodani	Interim Compliance Officer	June 12, 2018 to October 24, 2018
Ms. Vallari Gupte	Company Secretary and Compliance Officer	October 25, 2018 onwards

Details of complaints received during the year under review

Particulars	Numbers
Complaints as on April 1, 2018	3
Complaints received during FY 2018-19	17
Complaints disposed-off during FY 2018-19	19
Complaints not solved to the satisfaction of shareholders during FY 2018-19*	-
Complaints remaining pending as on March 31, 2019**	1

* Out of the resolved complaints, the Company has not received any feedback from shareholders regarding dissatisfaction on resolution of their complaint.
** Complaint was received on March 26, 2019 through SCORES and was resolved after March 31, 2019.

d) Risk Management Committee

Pursuant to th e provisions of Regulation 21 of the Listing Regulations, w.e.f. April 1, 2019 top 500 listed entities based on their market capitalization are required to form a Risk Management Committee of the Board, which previously was applicable only for the top 100 such listed entities.

The Company, however, has constituted its Risk Management Committee well before it become applicable to the Company under the aforesaid provisions. Composition and terms of reference of the Committee are in conformity with the said provisions and are available at https://www.ceat.com/corporate/investor/corporate-governance.

The Committee *inter alia* reviews the business risk including strategic, operational, financial, cyber security and compliance risks, approves its mitigation plans and monitors effectiveness thereof.

As on March 31, 2019, the Committee consisted of 3 (three) Independent Directors, comprising of Mr. Mahesh S. Gupta, as the Chairman and Mr. Vinay Bansal and Mr. Paras K. Chowdhary, as members of the Committee.

During the year under review, the Committee met 2 (two) times on July 19, 2018 and January 28, 2019.

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

Name of the Director	Category of Director	Attendance at the Committee meeting	% of attendance
Mr. Mahesh S. Gupta (Chairman)	Independent Director	2/2	100%
Mr. Hari L. Mundra*	Non-Executive Director	2/2	100%
Mr. Paras K. Chowdhary**	Independent Director	NA	NA
Mr. S. Doreswamy***	Independent Director	2/2	100%
Mr. Vinay Bansal	Independent Director	2/2	100%

* Ceased to be a member w.e.f. January 29, 2019
** Inducted as a member w.e.f. January 28, 2019
*** Ceased to be a member w.e.f. March 12, 2019

Managing Director, Chief Financial Officer, Head-Internal Audit 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, there were no instances where recommendation of the Committee was not accepted by the Board.

Disclosure of Risk Management

The Company has in place an Enterprise Risk Management framework to identify risks and minimize 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) Corporate Social Responsibility Committee

In accordance with provisions of Section 135 of the Act, the Board has formed the Corporate Social Responsibility 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

As on March 31, 2019, the Committee consisted of 3 (three) members, Mr. Anant Goenka, as Chairman of the Committee and Mr. Vinay Bansal and Ms. Punita Lal as Members of the Committee.

During the year under review, the Committee met 3 (three) times on April 30, 2017, July 19, 2018 and January 28, 2019.

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

Name of the Director	Category of Director	Attendance at the Committee meeting	% of attendance
Mr. Anant Goenka (Chairman)	Manging Director	2/3	67%
Mr. Hari L. Mundra*	Non-Executive Director	2/3	67%
Mr. Vinay Bansal	Independent Director	3/3	100%
Ms. Punita Lal**	Independent Director	NA	NA

* Ceased to be a member w.e.f. January 29, 2019
** Inducted as a member w.e.f. January 28, 2019

More details about the Committee and details of expenditure made by Company under CSR are described in detail in the 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 ease of 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 authorization 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

During the year under review, Special Investment/Project Committee was dissolved, delegating the power vested with the Committee to the Finance and Banking Committee.

As on March 31, 2019, the Committee consisted of 3 (three) members, Mr. Anant Goenka, as Chairman of the Committee and Mr. H. V. Goenka and Mr. Arnab Banerjee as members of the Committee.

During the year under review, Committee met 7 (seven) times on April 30, 2018, July 4, 2018, July 20, 2018, September 11, 2018, October 25, 2018, December 21, 2018 and January 28, 2019.

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

Name of the Director	Category of Director	Attendance at the Committee meeting	% of attendance
Mr. Anant Goenka (Chairman)	Managing Director	7/7	100%
Mr. Arnab Banerjee	Whole Time Director	7/7	100%
Mr. H. V. Goenka*	Non-Executive Director	6/6	100%
Mr. Paras K. Chowdhary**	Independent Director	1/1	100%

* Inducted as a member w.e.f. April 30, 2018
** Ceased to be a member w.e.f. May 1, 2018

The Minutes of the meetings of the Committee are placed before and noted by the Board. During the year under review, there were no instances where recommendation of the Committee was not accepted by the Board.

IV. Remuneration of Directors

Details of remuneration paid to the directors during FY 2018-19 are provided in Part VI of the extract of Annual Return in the prescribed format MGT -9, which forms part of this Annual Report.

The Members of the Company at the Annual General Meeting of the Company 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 Renumeration 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 and ₹ 5,000 per meeting of other Committees, attended by them.

Managing Director/Whole-time Director compensation

The Members have accorded their approval for payment of remuneration, vide a special resolution passed at the Annual General Meeting of the Company held on August 8, 2017 for Mr. Anant Goenka and held on July 20, 2018 for Mr. Arnab Banerjee. The Company has entered into an agreement with Mr. Anant Goenka dated April 1, 2017 and with Mr. Arnab Banerjee dated April 30, 2018 governing the terms of their appointment including remuneration.The remuneration paid to Managing Director and Whole-time Director is duly recommended by the Nomination and Renumeration Committee and approved by the Board of Directors.

Mr. Anant Goenka, Managing Director and Mr. Arnab Banerjee, Whole-time Director (Chief Operating Officer) do not receive any profit related commission from any of the subsidiary of the Company.

Disclosures as per Schedule V of the Listing Regulations, pertaining to remuneration of Directors:

- All elements of remuneration package of individual Directors are summarized under major groups, such as salary, benefits, bonuses, stock options, pension, fixed component and performance linked incentives etc, are disclosed under Form MGT- 9, which forms part of the Board's Report
- 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/corporate/investor#corporate-governance
- The Company does not have a practice of paying severance fees to any Director
- 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 years along with summary of Special Resolutions passed thereat, as more particularly set out in the respective notices of such Annual General Meetings, as passed by the Members, are as follows:

AGM/EGM	Day, Date, Time and Venue	Particulars of Special Resolution
57th AGM	Tuesday, August 9, 2016 at 3.00 p.m. at Ravindra Natya Mandir, P. L. Deshpande Maharashtra Kala Academy, Sayani Road, Prabhadevi, Mumbai - 400 025	Approval for making offer or invitation to subscribe Non-Convertible Debentures/Bonds or such other debt securities upto ₹ 500 Crores
58th AGM	Tuesday, August 8, 2017 at 3.00 p.m. at Ravindra Natya Mandir, P. L. Deshpande Maharashtra Kala Academy, Sayani Road, Prabhadevi, Mumbai - 400 025	Approval for appointment of Mr. Anant Goenka as Managing Director for further period of 5 years and fixing his remuneration
		Approval for making offer or invitation to subscribe Non-Convertible Debentures/Bonds or such other debt securities upto ₹ 500 Crores
59th AGM	Friday, July 20, 2018 at 3.30 p.m. at The Auditorium, Textile Committee, next to Trade Plaza (TATA Press), P. Balu Road, Prabhadevi Chowk, Prabhadevi, Mumbai - 400 025	Approval for appointment of Mr. Arnab Banerjee as Whole-time Director for further period of 5 years and fixing his remuneration
		Approval for making offer or invitation to subscribe Non-Convertible Debentures/Bonds or such other debt securities upto ₹ 500 Crores
		Approval for payment of remuneration/commission to Non-Executive Directors not exceeding 3% of the net profits of the Company

During the year under review, no resolution was passed by the Company through Postal Ballot and there is no such proposal to pass any resolution through Postal Ballot as on the date of this Report.

VI. Means of Communication

Financial Results

Quarterly financial results are announced within 45 (forty-five) days from the end of the quarter and annual audited results are announced within 60 (sixty) days from the end of the financial year as per the Regulation 33 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 shareholders are usually published in various leading dailies, such as Economic Times, Maharashtra Times, The Free Press Journal and Navshakti. These quarterly financial results are also hosted on the website of the Company.

Annual Report

Annual Report for FY 2017-18 containing *inter alia*, Audited Financial Statements, Boards' Report, Management Discussion and Analysis and Corporate Governance Report etc. was sent to all Members through courier/post, who had not registered their email address and via email to all shareholders who have provided their email addresses. 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 make presentation thereat. Press Releases, Investors presentation 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 section, Investors, disseminates the information as required under the Act and the Listing Regulations.

Exclusive email address for investors

investors@ceat.com is the designated email address exclusively for investors/shareholders servicing.

VII. Other Disclosures

Related Party Transactions

All related party transactions (RPTs) entered 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 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.

A Policy on Related Party Transaction has been formulated by the Board and is available at https://www.ceat.com/corporate/investor/corporate-governance

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 during the last three financial years, there has been no instance of non-compliance and that no penalties, strictures were imposed on the Company by Stock Exchanges or SEBI.

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/corporate/investor/corporate-governance No personnel/employee of the Company has been denied access to the Audit Committee for reporting genuine concerns. During the year under review, no complaint was received 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. The Company has however framed a Policy for determining Material Subsidiaries, as required pursuant to the said Regulation 16, which is available at https://www.ceat.com/corporate/investor#corporate-governance

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.

Certificate of non-disqualification of Directors

Certificate from M/s. 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 at Workplace and formed 7 (seven) 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, no complaints were received by ICC

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) of Sub-Regulation (2) of Regulation 46.

As per Regulation 34 (3) read with schedule V of the Listing Regulations the Company has obtained a certificate from its Statutory Auditors 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:

a. The position of Chairman of the Board and Managing Director are held by separate persons.

b. The Auditors Reports on Standalone and Consolidated Financial Statements for the year ended March 31, 2019 are with unmodified audit opinion.

c. Internal Auditor Reports directly to the Audit Committee in all the functional matters.

Consolidated Fees paid/payable to Statutory Auditors:

Details of total fees paid/payable for all services availed by the Company and its subsidiaries on a consolidated basis, to the Statutory Auditor and all entities in the network firm/network entity of which Statutory Auditor is a part, during the year under review are given below:

Name of Statutory Auditor and network entity	Type of Services	Name of Company or its subsidiaries obtaining the service	Amount (₹ in Lacs)
S R B C & CO LLP	Audit fee, Limited review and Certification	CEAT Limited	84.50
S R B C & CO LLP	Audit fee, Limited review and Certification	CEAT Specialty Tyres Limited	16.50
Qasem & Co. Chartered Accountants (EY Bangladesh)	Consultancy	CEAT Akkhan Limited	0.90*
Ernst & Young Sri Lanka	Internal Audit	Associated CEAT Holdings Company (Pvt) Limited.	5.38**
Total			**107.28**

Note: Above amount does not include reimbursement of out of pocket expenses

* Converted 1 BDT = 0.82538 INR, as on March 31, 2019

** Converted 1 LKR = 0.39492 INR, as on March 31, 2019

Independent Directors Meeting

In compliance with Schedule IV to the Act and Regulation 25(3) of the Listing Regulation, the Independent Directors of the Company held their separate meeting on March 11, 2019, without the attendance of the non-independent directors and members of the Management, *inter alia*:

i. Review the performance of Non-Independent Directors and the Board as a whole;

ii. Review the performance of the Chairperson considering the views of Executive Directors and Non- Executive Directors;

iii. Assessed the quality, quantity and timelines 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 were present at the meeting and Mr. Atul C. Choksey was elected to Chair the meeting.

The Independent Directors deliberated on the above and expressed their satisfaction on each of the matters.

CEO and CFO Certification

The Managing Director (CEO) and the Chief Financial Officer (CFO) have issued a certificate pursuant to the provisions of Regulation 17 (8) of the Listing Regulations certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs.

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/corporate/investor#corporate-governance

All Board Members and Senior Management Personnel have affirmed compliance with the Code for the financial year ended March 31, 2019. A declaration to this effect signed by the Managing Director is annexed to this Report.

Prevention of Insider Trading

The Company has formulated a Code of Fair Disclosure (Including Determination of Legitimate Purpose), Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Designated Person(s) ('the Code') in accordance with provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended to come into effect from April 1, 2019, 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.

VIII. General Shareholder Information

Date, Time and Venue of Annual General Meeting

Thursday, August 1, 2019 at 3.00 p.m. at Ravindra Natya Mandir, P. L. Deshpande Maharashtra Kala Academy, Sayani Road, Prabhadevi, Mumbai - 400 025.

Financial Year

The Company follows April 1 to March 31 as the financial year.

Date of Book Closure

Saturday, July 20, 2019 to Thursday, August 1, 2019 (both day inclusive).

Dividend Payment Date

Dividend on equity shares, if declared at the Annual General Meeting, will be credited/dispatched on or before Friday, August 30, 2019.

a. to all those beneficial owners holding shares in electronic form, as per the beneficial ownership data made available to the Company by National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours on **Friday, July 19, 2019**; and

b. to all those shareholders holding shares in physical form, whose names stand registered in the Company's Register of Members as Members on the end of business day on **Friday, July 19, 2019**.

Listing on Stock Exchanges

The Equity shares of the Company are listed on the following stock exchanges:

Name	Address	Scrip /Stock Code
BSE Limited	Phiroze Jeejeebhoy 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)

Listing fees for FY 2018-19 for both the stock exchanges were duly paid by the Company.

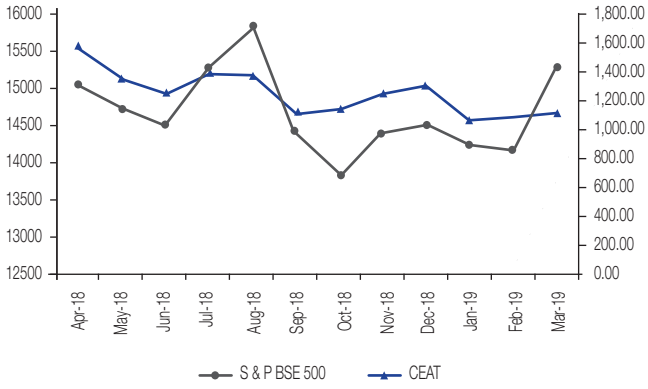
The Company had its Non-Convertible Debentures Listed on the BSE Limited for the part of FY 2018-19. Consequent to the early redemption of the Non-Convertible Debentures on July 31, 2018, the same were delisted from BSE Limited during the year under review.

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

Month	BSE		NSE	
	High Price	Low Price	High Price	Low Price
Apr-18	1,666.00	1,493.00	1,665.90	1,515.00
May-18	1,647.90	1,286.10	1,650.00	1,284.50
Jun-18	1,413.00	1,232.20	1,414.10	1,230.30
Jul-18	1,409.50	1,228.65	1,409.85	1,227.15
Aug-18	1,455.00	1,372.00	1,455.00	1,370.10
Sep-18	1,421.00	1,122.05	1,424.15	1,121.55
Oct-18	1,161.00	983.80	1,159.05	985.85
Nov-18	1,283.00	1,135.05	1,283.85	1,142.10
Dec-18	1,373.00	1,214.70	1,372.85	1,213.80
Jan-19	1,319.45	1,055.45	1,324.65	1,059.05
Feb-19	1,136.40	1,027.00	1,137.85	1,038.00
Mar-19	1,178.00	1,070.80	1,179.00	1,070.05

Share Performance of the Company in comparison to S & P BSE 500

CEAT in Comparison with S & P BSE 500



Registrar and Share Transfer Agents for equity shares

The Company has appointed TSR Darashaw Limited (TSR) as its Registrar and Share 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 dematerialization/ rematerialization are being processed in periodical cycles at TSR offices. The work related to dematerialization/rematerialization is handled by TSR through connectivity with NSDL and CDSL.

TSR Darashaw Limited
6-10, Haji Moosa Patrawala Industrial Estate,
20, Dr. E. Moses Road,
Mahalaxmi, Mumbai – 400 011
Email: csg-unit@tsrdarashaw.com
Web: www.tsrdarashaw.com
Tel.: 022-66178484; Fax: 022-66568494

Registrar for Deposits

During the year under review, the Company did not accept any deposits as defined under the Act. In case of any unclaimed deposits from the previous schemes of the Company, the deposit holder may write to:

Kisu Corporate Services Private Limited
D- 28 – Mezzanine Floor Supariwala Estate,
Prasad Chambers Compound
Near Roxy Cinema Opera House
Mumbai 400004.
Tel. No.: 022-49710146,
Email ID: kisucorporate@gmail.com

Share Transfer System

Pursuant to the amendment to the Listing Regulations, made effective from April 1, 2019, no shares can be transferred unless they are held in dematerialized mode. Members holding shares in physical form are therefore requested to convert their holdings into dematerialized mode to avoid loss of shares and fraudulent transactions and avail better investor servicing.

As such now only cases of valid transmission or transposition may be processed by the TSR, subject to compliance with the guidelines prescribed by SEBI.

During the year under review, all valid requests for transfer of 30,659 equity shares in physical mode received for transfer at the office of the Registrar and Share Transfer Agents or at the Registered Office of the Company were processed and returned within a period of 15 (fifteen) days from the date of receipt of documents complete in all respects.

Dematerialization of shares

The Company has an arrangement with NSDL and CDSL for dematerialization of shares with ISIN No. INE482A01020.

During the year 49,536 shares were dematerialised and 497 shares were rematerialized. As on March 31, 2019, 98.74% of equity share capital corresponding to 3,99,42,225 equity shares were held in dematerialised form.

Distribution of shareholding as at March 31, 2019

No. of Equity Shares	No. of Shareholders		No. of Shares		% of Equity Capital	
	Physical	Demat	Physical	Demat	Physical	Demat
1 to 500	14,172	65,361	3,87,776	28,69,446	0.96	7.09
501 to 1000	51	690	35,129	5,05,872	0.09	1.25
1001 to 2000	28	278	39,124	3,95,457	0.10	0.98
2001 to 3000	7	72	17,751	1,80,172	0.04	0.45
3001 to 4000	2	30	6,900	1,04,803	0.02	0.26
4001 to 5000	1	26	4,530	1,18,040	0.01	0.29
5001 to 10000	2	45	16,657	3,24,286	0.04	0.80
Greater than 10000	0	81	0	3,54,44,149	0.00	87.62
Total	**14,263**	**66,583**	**5,07,867**	**3,99,42,225**	**1.26**	**98.74**

Categories of Shareholding as on March 31, 2019:

Category	Total Holdings	% of Equity Capital
Promoters and Promoter Group	2,06,63,691	51.08
Foreign Portfolio/Institutional Investors	1,00,13,149	24.75
FI, Banks and Insurance Companies	9,33,742	2.31
Mutual Funds	21,05,657	5.21
Resident Individuals	41,81,834	10.34
NRI/OCB	16,40,158	4.05
Bodies Corporate	1,50,754	0.37
Others	7,61,107	1.88
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, 2019.

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 are 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 2018-19.

Plant Locations

Mumbai Plant	:	Village Road, Bhandup, Mumbai - 400 078.
Nashik Plant	:	82, MIDC Industrial Estate, Satpur, Nashik - 422 007.
Halol, Gujarat Plant	:	Village Gate Muvala, Halol, Panchmahal - 389 350.
Nagpur Plant	:	Plot No.SZ-39, Butibori MIDC, Nagpur - 441 108.

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 & Research Private Limited ('Ind-ra'). The rating have 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.

Further the Company has repaid the Non-Convertible Debentures (NCDs) amounting to ₹ 200 Crores fully on July 31, 2018. The rating assigned to the NCDs by CARE since been withdrawn.

Disclosures with respect to unclaimed suspense account
In accordance with Regulation 39(4) of the Listing Regulations (erstwhile Clause 5A of the Listing Agreement), the Company during the year 2013, had sent 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 Regulation, the Company after completing the necessary formalities, has credited 1,40,918 such unclaimed equity shares of the Company pertaining to 4,738 shareholders, to Unclaimed Suspense Account in the year 2013. Voting rights on such shares remain frozen till the rightful owner claims the shares.

As and when the beneficiary of such unclaimed shares approaches the Company, after verifying authenticity of the beneficiary, the Company transfers the shares from Unclaimed Suspense Account to respective beneficiary's demat accounts or issues a share certificate, as the case may be.

The Company, acting as a trustee in respect of the unclaimed shares, follows the modalities for the operation of the said account in the manner set out in Regulation 39(4) read with Schedule VI to the Listing Regulations.

The summary of Unclaimed Suspense Account for FY 2018-19 is as follows:

Sr. No	Particulars	No. of shareholders	Outstanding shares
1	Aggregate no. of shareholders & the outstanding shares lying in the Unclaimed Suspense Account as on April 1, 2018	621	19,351
2	No. of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year 2018-19*	21	932
3	No. of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year 2018-19*	19	901
4	No. of shareholders whose shares were transferred to IEPF Authority during the year 2018-19	123	2,918
5	Aggregate no. of shareholders & the outstanding shares lying in the Unclaimed Suspense Account as on March 31, 2019	479	15,532

*Requests received from two shareholders during March 2019, were processed and transferred to the concerned claimant after the year ended March 31, 2019.

Transfer of Unclaimed / Unpaid amounts and Shares to the Investor Education and Protection Fund
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 ₹ 9,22,634 of FY 2010-11, as required aforesaid, was transferred to the IEPF Authority on October 26, 2018. Unclaimed Dividend of ₹ 20,784 pertaining to 38 cases was retained by the Company on account of court orders.

Further, as provided under the IEPF Rules, the Company on October 29, 2018, after compliance with the due procedure laid down under the said provisions, transferred 19,372 shares of 791 shareholders to the demat account of IEPF Authority, in respect of which dividend had not been claimed for 7 (seven) consecutive years.

As required under the IEPF Rules, 10,392 Shares of 38 cases 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 it's Registrar and Share Transfer Agents.

Member(s) who have not encashed/claimed their dividend of FY 2011-12 or any subsequent financial years are requested to submit their claims to the office of the Registrar and Transfer Agents, on or before August 31, 2019, to avoid any transfer of dividend or shares to the IEPF Authority.

Mandatory Bank details for Payment of dividend
As per Regulation 12 of the Listing Regulations, the Company is providing the facility for payment of dividend through electronic mode permissible by the Reserve Bank of India. The dividend amount will thereby directly be credited to the Member's bank account, maintained with Registrar and Share 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 Darashaw Limited, Registrar and Share Transfer Agents of the Company in case the shares are held in physical form and to your Depository Participant in case shares are held in demat mode.

Annexure 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 of the Company have, for the year ended March 31, 2019, affirmed the compliance with the Code of Conduct laid down in terms of Regulation 17(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For CEAT Limited

Anant Goenka
Managing Director

Place: Mumbai
Date: May 7, 2019

Certificate of Non-Disqualification of Directors

This certificate is issued pursuant to clause 10 (i) of the Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended vide circular dated May 9, 2018 of the Securities Exchange Board of India.

We have examined the compliance of provisions of the aforesaid clause 10 (i) of the Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and to the best of our information and according to the explanations given to us by the Company, and the declarations made by the Directors, we certify that none of the directors of CEAT Limited ("the Company") CIN: L25100MH1958PLC011041 having its registered office at 463, Dr. Annie Besant Road, Worli, Mumbai 400030 have been debarred or disqualified as on 31.03.2019 from being appointed or continuing as directors of the Company by SEBI/ Ministry of Corporate Affairs or any other statutory authority.

For Parikh & Associates
Practising Company Secretaries

P. N. PARIKH
FCS: 327 CP: 1228

Place: Mumbai
Date: May 6, 2019

Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

The Members of CEAT Limited

1. The Corporate Governance Report prepared by CEAT Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2019. This Report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with conditions of Corporate Governance as specified in the Listing Regulations.

5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:

   i. Reading and understanding the information prepared by the Company and included in its Corporate Governance Report;

   ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;

   iii. Obtained and read the Register of Directors as on March 31, 2019 and verified that at least one woman director was on the Board of Directors throughout the year;

   iv. Obtained and read minutes of meetings held during the year of the Board of Directors, and committees including Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Risk Management Committee, Finance and Banking Committee, Corporate Social Responsibility Committee, and also minutes of the general meetings;

   v. Obtained necessary declarations received by the Company from its directors.

   vi. Obtained and read the policy adopted by the Company for related party transactions.

   vii. Obtained the schedule of related party transactions during the year and balances at the year end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been approved by the audit committee.

   viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2019, referred to in paragraph 4 above.

Other matters and Restriction on Use

10. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Vinayak Pujare
Partner
Membership Number: 101143

Place of Signature: Mumbai
Date: May 7, 2019

Business Responsibility Report

Section A: General Information about the Company

1.	Identity Number (CIN) of the Company:	L25100MH1958PLC011041
2.	Corporate Name of the Company:	CEAT Limited
3.	Registered address:	463, Dr. Annie Besant Road, Worli, Mumbai - 400 030
4.	Website:	www.ceat.com
5.	E-mail ID:	investors@ceat.com
6.	Financial Year reported:	2018-19
7.	Sector(s) that the Company is engaged in (industrial activity code-wise):	• 22111- Manufacture of rubber tyres and tubes for motor vehicles, motorcycles, scooters, 3 Wheelers, tractors
8.	List three Key Products/Services that the Company manufactures/provides (as in Balance Sheet):	• Tyres, Tubes and Flaps
9.	Total number of locations where business activity is undertaken by the Company	
	(a) Number of International Locations (Provide details of major 5)	3 (three) Liason offices in Indonesia, United Arab Emirates and Germany;
	(b) Number of National Locations	Registered Office: 463, Dr. Annie Besant Road, Worli, Mumbai 400 030; Factories: 4 (four); Regional Offices: 33 (thirty-three)
10.	Market Served by the Company - Local/ State/ National/ International	India and Internationally at over 100 (hundred) countries

Section B: Financial Details of the Company

Paid up Capital (₹)	40,45,00,920
Total Turnover (₹)	69,84,51,04,134
Total profit after taxes (₹)	2,51,08,07,168
Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	10,50,90,000
	4.19%
List of activities in which expenditure in 4 above has been incurred:-	Please refer to table below

Sr. No.	CSR Project/Programme	Relevant Section of Schedule VII in which the Project is covered	Coverage of Project/ Programme	Amount Spent (₹ in Lacs)	Amount spent Direct/ through Implementing Agency
a.	Pehlay Akshar	(ii)	Local around factories	124.58	Implementing Agency*
b.	Community Development	(ii), (iii)	PAN India	286.01	Implementing Agency*
c.	Netranjali	(i), (x)	PAN India	401.57	Implementing Agency*
d.	Women Empowerment	(i), (x)	Local around factories	238.74	Implementing Agency*

* Through RPG Foundation, a Public Charitable Trust recognized for the purpose of CSR

Relevant Section of Schedule VII in which the Project is covered:

(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation (including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation) and making available safe drinking water;

(ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancements projects;

(iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

(x) Rural development projects;

Section C: Other Details

1. Does the Company have any Subsidiary Company/Companies?	Associated CEAT Holdings Company (Private) Limited, Sri Lanka CEAT AKKhan Limited, Bangladesh CEAT Specialty Tyres Limited, India Rado Tyres Limited, India
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Business Responsibility (BR) initiatives are guided by the Code of Corporate Governance & Ethics. CSR initiatives are undertaken through RPG Foundation, a Public Charitable Trust. The Company encourages its subsidiaries to carry out BR initiatives.
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	The Company encourages responsible and sustainable business practices and supports such initiatives. All entities (e.g. suppliers, distributor etc.) that the Company does business with make an active attempt to participate in the BR initiatives of the Company.

Section D: Business Responsibility (BR) Information

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Directors responsible for implementation of the BR policy/policies

The Board of Directors particularly the Managing Director is responsible for the Business Responsibility initiatives.

Details of BR Head:

No.	Particulars	Details
1.	DIN	02089850
2.	Name	Mr. Anant Goenka
3.	Designation	Managing Director
4.	Telephone number	022-24930621
5.	Email Address	investors@ceat.com

2. Principle-wise (as per NVGs) BR Policy/policies

The purpose of the Company is 'Making Mobility Safer & Smarter. Every Day.', while its CSR vision is to drive "holistic empowerment" of the community, through implementation of sustainable initiatives which will have maximum societal impact by identifying the critical gaps and requirements. Thus, respect and commitment are at the forefront of the business responsibility initiatives of the Company.

The Company drives its business in line with the 9 (nine) principles prescribed under the National Voluntary Guidelines, as listed below and described in detail in this Report:

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

Principle 3: Businesses should promote the well-being of all employees.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

Principle 5: Businesses should respect and promote human rights.

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

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

Principle 8: Businesses should support inclusive growth and equitable development.

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

Details of compliance (Reply in Y/N)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have a policy/ policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national/international standards? If yes, specify? (50 words)	Yes, the policies conform to the principles of NVGs, the Companies Act, 2013 and International Standard ISO14001, OHSAS18001 as applicable to the respective policies								
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Policies have been approved by the Board or under its authority as may be mandated under the applicable laws, or otherwise.								
		Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online	For the detailed Policies please refer to the website of the Company at https://www.ceat.com/corporate/investor#corporate-governance								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

(a) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)-N.A.

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	The Company has not understood the Principles	Not Applicable								
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The Company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

3. Governance related to Business Responsibility (BR)

The Board of Directors reviews the BR initiatives, the Audit Committee reviews the whistle blower policy of the Company, the CSR Committee reviews the CSR policy and the CSR initiatives undertaken by the Company. In addition, since the Company is a part of the RPG Group, the RPG Group has constituted the Corporate Governance and Ethics Committee, which reviews the corporate governance, code of conduct and the sustainability initiatives taken by the Company. The reviews are held on a need basis or quarterly/annually as the case may be.

Section E: Principle wise Performance

Principle 1: Ethics, Transparency and Accountability

A strong corporate governance foundation based on the cornerstones of transparency, fairness and accountability has been laid down by the Company since its inception. The Company believes in an environment of mutual respect, fairness, transparency and integrity and is committed to conduct its business in an ethical and responsible manner.

Towards this goal, the Company has formulated/adopted various policies including the Code for Corporate Governance & Ethics ('the Code') covering principles of business integrity, responsibilities relating to employees, consumers and the environment. The Company periodically cascades the principles under the Code across the organization. Concerns and issues related to this framework are reviewed and dealt with by the Corporate Governance and Ethics Committee.

A dedicated email address ethics@rpg.in is provided for reporting grievances and violations of the said Code. The report of the Corporate Governance and Ethics Committee is placed before the Audit Committee as deemed necessary.

The Company has adopted a Whistle Blower Policy which provides a framework through which the Directors and employees as well as external stakeholders viz. customers, vendors,

suppliers, outsourcing partners, etc. may report their genuine concerns and actual/potential violations to the designated officials of the Company fearlessly.

Additionally, the Company has formulated a Policy on Code of Conduct for Board Members and Senior Management for ethical and transparent behavior to achieve the highest standards of corporate governance.

During FY 2018-19, 1(one) complaint was received by the Ethics Committee as referred to it by the Company and the same was resolved satisfactorily.

Principle 2: Products Lifecycle Sustainability

The Life cycle of the product covers the entire value chain from sourcing of raw materials to product manufacture, distribution, consumer use and disposal. The Company believes that product lifecycle sustainability is an approach to managing the stages of a product existence so as to minimize any negative impact on the environment. The degree of sustainability is largerly determined during the beginning of life stage of the product lifecycle in which the product is designed and developed. On the basis of very same principle, the Company has developed its products that are safe and will contribute to sustainability throughout their lifecycle. While designing its various products, the Company at the very initial stage of product development, have selected such materials and processes that can have significant impact on the product's environment footprint.

With the above objective in mind, the Company is committed to deliver the products which are safe for environmental and sociological aspects. It has developed several new green resources for various types of raw materials which follow international norms and standards like REACH, ELV, CMRT etc. Among its various products, the following 3 (three) products have contributed in reducing environmental hazards:

1. REACH compliance raw materials: Reduction in environmental hazards
2. Low Rolling Resistance Passenger Car Radials Tyres – Fuel smart and EcoDrive series: Reduction in fuel consumption
3. High grip 2 Wheeler tyres: Gripp X3 Series for Safe in riding (social safety)

The Company always promoted local and domestic (local and small-scale industries) resources for their business enrichment and has identified local small-scale industries which have capability/resources and encourage them to come up with the products of international benchmark for mutual benefits.

In the last year, the Company has used approximately 7,514 MT (Metric tons) being 2.5% of the total production of reclaimed rubber of different forms in their products.

Principle 3: Employee Well-being:

The Company encourages its employees to maintain a healthy "work-life balance" and stresses the importance of safety both at the workplace and outside it. The aim is to create a working environment supportive of employee's personal lives while meeting the Company's objectives.

With the above mind, the Company during the year under review, launched revised policies such as 5-day working in Manufacturing (CEAT was the first in the tyre industry to launch this policy), leave policies, sabbatical policy, bereavement policy etc.

During the year under review, the Company has been reconized by Great Place to Work Institute as one of the India's top 25 workplaces in the field of manufacturing.

The Company has embraced diversity as a culture and understands that strength lies in differences and not similarities. Though the Company encourages diversity in all aspects, like ethnicity, culture, nationality, etc., it has a particular focus on gender diversity. In addition, the Company has several inclusivity guidelines/policies such as flexi-timing, work-from-home and better facilities to aid women who have to travel on business matters thus building an organization that celebrates and leverages diversity.

CEAT as a flagship Company of the RPG Enterprises, is part of an initiative by RPG Group that has been launched to bring gender balance in the Company's workforce. The initiative 'WE' aims to reduce the number in gender gap of the workforce and create an exclusive environment and foster women's growth in the organization. The Company was also the first in the tyre industry to have female employees working on the shop floor in factories. Moreover, to champion the cause of inclusivity we are in the process of inducting people with disabilities in our plants.

The Company has in place a Policy of prevention of sexual harassment at workplace which endeavours to provide safe workplace and environment for women not only to work freely with any danger to their person but also express their ideas freely and without fear. The Internal Complaints Committees formed at various factories and locations under the said Policy reviews any complaint or grievance made by the affected person. Various programmers are conducted to raise awareness on the issue of sexual harassment of women at workplace. During the year under review, no complaint was received by the Internal Complaints Committee.

Unleashing talent is the value pillar of the Company and emphasizes on people focus. There is a clearly defined career philosophy which involves job rotation and diversity of experiences at all stages of the individual's career. Training and Organization development is given utmost importance.

The Company has in place an environment, health and safety policy and highest priority is given to the health and safety of all persons working on the Company's premises. The health and safety policies of the Company are regularly reviewed and monitored through a set of key performance indicators.

The Company is a great believer in fair business practices and has an excellent record on industrial relations. The rights of workers to freedom of association and collective bargaining are recognized and respected. During the year, there have been no complaints alleging child labour, forced labour involuntary labour or discriminatory employment.

As on March 31, 2019, the Company had 5,815 permanent employees in the Company including 438 women showing a rise of more than six times of the woman workforce in the previous year. The Company had employed 3,918 people on a contract

basis. Currently, there is 1 employee associations across the Company and 2,173 workmen are its members. The Company does not have any employees with disabilities.

Principle 4: Stakeholder Engagement

The Company believes that businesses should respect the interests of and be responsive towards all stakeholders especially those who are disadvantaged, vulnerable and marginalized. The Company's mission 'Making Mobility Safer & Smarter. Every Day.', is a proof of the Company's stakeholder engagement. Customer-centricity is the core value of the Company. There are various policies for the internal as well external stakeholders of the Company such as Corporate Social Responsibility (CSR) Policy, Policy on Code of Conduct for Board Members and Senior Management, Whistle Blower Policy for External Stakeholders etc. through which the stakeholder's engagement with the Company is encouraged.

The Company constantly seeks to understand what motivates the consumers to consume the Company's products, seeks to provide best in class products and services and to connect and engage with the consumers. This principle is enshrined in the Quality Policy of the Company. The Company has undertaken important initiatives like establishing call centres and creation of helplines to become more customer centric.

The Company constantly endeavours to provide the best of services to its shareholders and investors and to maintain the highest level of corporate governance. For this the Company regularly interacts with the shareholders and investors through investor calls, results announcements, media releases and interactions, Company's website and the quarterly and annual reports. The Investor Relations team also regularly interacts with investors and analysts through quarterly results calls, one-on-one and group meetings participation at investor conferences, road shows and RPG investor meets. The Annual General Meeting is also a forum where the shareholders of the Company engage directly with the Board of Directors and get answers to their queries on Company's business.

All interactions with government, regulators and quasi-judicial bodies are done by duly authorized and trained individuals with honesty, integrity, openness and in compliance of all laws and legislations. The principles and guidelines for these are enshrined in the Code of Corporate Governance & Ethics. All media interactions i.e. print and broadcast to keep the stakeholders updated and informed happen as per principles provided in the aforesaid Code. Any association with trade bodies is done as per the relevant and extent laws and as per the principles embedded in the aforesaid Code.

The Company also recognises its employees as important stakeholders and several initiatives are undertaken to communication, the vision, strategy and way forward to the employees. The employees are kept abreast of all important events, achievements and milestones of the Company. Such communication channels help employees to connect, bond, inspire, motivate and celebrate achievements.

The objective of the Policy on Code of Conduct for Board Members and Senior Management stems from the fiduciary responsibility which the Board Members and the Senior Management have towards the stakeholders in the Company. Therefore, Board Members and Senior Management will act as trustees in the interest of all stakeholders of the Company by balancing conflicting interest, if any, between stakeholders for optimal benefit.

Principle 5: Human Rights

The Company completely believes that businesses should respect and promote human rights. Openness and integrity form the core values of the Company. The Company conducts its operations with honesty, integrity and with respect for human rights.

The Company duly endorses the human rights element of the Constitution of India, various laws and regulations and the contents of the International Human rights. The Company expects and encourages its partners, suppliers and contractors to fully respect human rights and strictly avoid any violation of human rights. All stakeholders including employees impacted by the business have full right and access to the grievance mechanisms introduced by the Company. The Company believes in providing equal employment opportunities based on talent and meritocracy without any discrimination.

The Company upholds the principles of human rights and fair treatment through various policies adopted by it such as Code of Corporate Governance & Ethics, Policy on Prevention of Sexual Harassment at Workplace, CSR Policy, Hospitalization Policy, Voluntary Provident Fund Policy, etc.

During the year, the Company participated in the famous Kumbh Mela being held in India, providing its helping hand to cater towards injuries, crowd control and women's safety. The Company introduced the CEATSafetyBanner, an easy-to-use multipurpose safety device that transforms into a stretcher, a barricade and a changing room.

There were no complaints or grievances received against the Company in this regard.

Principle 6: Environment

The Company fully endorses that businesses should utilize natural and man-made resources in an optimal and responsible manner and ensure sustainability of resources by reducing, reusing, recycling and managing waste. The Company takes efforts to check and prevent pollution. The Company has a Environment Health and Safety Team which functions under the Chief Operating Officer to ensure that the operations of the Company follow in spirit of the laws relating to preservation and restoration of the environment. Several initiatives are undertaken by the Research and Development and the Engineering team for increasing usage of clean technology, alternative sources of energy, cleaner fuels, energy efficiency etc.

The Company has in place an Environment Health and Safety Policy for all its 4 (four) plants at Mumbai, Nashik, Nagpur and Halol with the following objectives:

1. Compliance with all applicable environment, health and safety statutory regulations
2. Ensure zero incidents

3. Highest priority to health and safety of employees
4. Focus on pollution prevention, waste minimization and optimal use of natural resources.

The management also ensures:

1. The maintenance and continuous upgradation of environment, health and safety standards at the plant
2. Deployment of processes at the plant that are safe to people, plant equipment and environment
3. Maintenance of comprehensive on-site emergency plan and related facilities to handle emergencies
4. Information, training, education to employees regarding health and safety to ensure safe conduct of their jobs
5. Planning and conducting risk assessments, safety audits and inspections of plant operations within and around the plant.

The Company has a clearly defined process to identify potential Environmental "RISK" which includes Environmental Aspects and associated Impacts, needs and expectations of relevant Internal and external stakeholders, Environmental Risk and Opportunities relevant to the context of the organization. Based on the RISK identified, objectives and targets are taken, risk managements programmes are developed and implemented. Risk Management Committee carries out periodic reviews for continual improvement. All the manufacturing plants of Company have implemented Occupational Health and Safety Management System (ISO 45001:2018) Certification Standard. During the year under review, the Company's Nagpur plant received prestigious 'Sword of Honour' Award from British Safety Council, UK.

Several initiatives are undertaken by the Research and Development department and the Engineering team for increasing usage of clean technology, alternative sources of energy like solar, cleaner fuels like Natural Gas and so on.

During the year under review, the emissions/waste generated by the Company was within the permissible limits given by Central Pollution Control Board (CPCB)/State Pollution Control Boards (SPCB). During the year, the Company has received 1 (one) show cause/legal notice and has resolved the same to the satisfaction of authorities.

Principle 7: Policy Advocacy

The Company believes that businesses when engaged in influencing public and regulatory policy must do so in a responsible manner. Towards this, the Company has set to make a difference to public issues that matter most to its business such as Safety. By combining its own actions with external advocacy on public matters and jointly working with Corporate Social Responsibility partners, the Company is seeking transformational change. This is reflected in the "Drive Safe, Dad", "No more funny" and Haath Dikhau, Bobblehead campaigns undertaken by the Company which underscore the safe driving and road safety. In addition the Company demonstrated under its #CEATSafetyBanner campaign undertaken in the Kumbha Mela, addressing the issues of injuries, crowd control and women safety. The Company is well represented in industry and trade/ business associations.

Principle 8: Inclusive Growth

The Company believes that inclusive business means social and economic development through employment generation and skill development. The Company is committed to creating a positive impact through its existence on all the stakeholders. Through various initiatives and programmes under its Corporate Social Responsibility (CSR) activities, the Company not only contributes to economic and social development but also work along with underdeveloped communities to improve their lifestyle. The Company undertakes several community development initiatives in the vicinity of its plants. Through its CSR Policy under the aegis of the RPG Foundation, the Company runs several programmes for skill development and upliftment of the community. Most prominent amongst them are Swayam, Netranjali and Saksham.

Through Project Saksham the Company undertakes training and employment generation for youth and women. Project Swayam, encourages women to undertake vehicle driving courses and obtain commercial vehicle licenses which in turn opens new employment opportunities like forklift operators, 2 Wheeler delivery professionals, entrepreneurs etc. Through Project Netranjali, the Company carries out vision/eye check-up camps for niche communities like the truckers community around the plants. All the programmes/projects of the Company have been very well appreciated. The Company is also involved in other projects like Jeevan- providing clean drinking water and sanitation facilities to communities and Pehlay Akshar which aims for 100% English proficiency in children of marginalized communities.

Various projects undertaken by the Company under its CSR initiatives are listed out in detail in the Annual Report on CSR activities, which forms part of this Annual Report.

Principle 9: Customer Value

The Company's business partners i.e. the suppliers, distributors, C&FAs, dealers, fleet operators and customers are very crucial for the Company's operations. The entire eco-system together ensures a well-oiled machinery which enables the Company to produce and market quality products and continuously improve products and services. The Company also has a continuous focus of improvement of the distribution channels to ensure that its products are available in the smallest town/village. The Company constantly re-invents its distribution channels and has launched initiatives like CEAT Shoppes and CEAT Hubs. Another initiative undertaken by the Company is providing the customers the ultimate service experience which goes beyond tyres through Fleet Advisory Services.

The Company has a strong belief in quality and delivers the best in class products and services which is enshrined in the Quality Policy of the Company. The Company has undertaken important initiatives like establishing call centres and creation of helplines to become more customer centric. The Company is committed on creating delightful customer journeys through transparent, convenient and quick way to provide claim replacement to the valuable customers. The Company has reinvented the claim process and launched e-Claim mobile app for On-Spot claim resolution, first of its kind in tyre industry, to resolve the customer claims in less than an hour.

As at March 31, 2019 only 0.49% of the total customer complaints received during the year under review remained pending. These complaints were resolved subsequently.

Independent Auditor's Report

To the Members of CEAT Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of CEAT Limited ("the Company"), which comprise the Balance Sheet as at March 31 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the 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 Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matter described below to be a key audit matter to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matter	Auditor's Response
Significant estimates and judgment relating to litigations, claims and contingencies (refer note 2.25 (accounting policy), note 22 (financial disclosures) and note 41(b) (financial disclosures) to the Ind AS financial statements)	
The Company is involved in legal proceedings including those relating to direct and indirect taxes, contracts, and other regulatory matters relating to conduct of its business. The Company assesses the need to recognize provisions or disclose a contingency on a case-to-case basis considering the underlying facts of each litigation. The aforesaid assessment may result in an incorrect disclosure or provision in the books of account. The evaluation of management's judgments, including those that involve estimations in assessing the likelihood that a pending claim will succeed, or a liability will arise, and the quantification of potential financial settlement have been a matter of most significance during the current year audit. Evaluation of the outcome of legal proceedings and whether the risk of loss is remote, possible or probable, requires significant judgment by management given the complexities involved.	Our audit procedures included the following: • We evaluated the design and tested the operating effectiveness of controls in respect of the identification and evaluation of tax and other demands, proceedings and investigations at different levels in the Company and re-assessment of the related liabilities, provisions and disclosures. • We obtained a list of litigations and claims from the Company's tax and legal head. We identified material litigations from the list and performed inquiries with the said tax and legal head on the management evaluation of these material litigations. • In relation to the material litigations, claims and contingencies we involved our legal / tax specialists to perform an independent assessment of the conclusions reached by management. • We requested independent confirmations from the Company's external lawyers/advisors with respect to the material litigations and demands. • We evaluated management's assumptions, estimates and judgments used in the calculations of provision for litigation, claims and contingencies and disclosures in the financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report and Shareholder's Information but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 22 and Note 41(b) to the standalone Ind AS financial statements;

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 21, 26 and 50 to the standalone Ind AS financial statements;

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Vinayak Pujare
Partner
Membership Number: 101143
Place: Mumbai
Date: May 7, 2019

Annexure 1 referred to in paragraph 1 under the heading "Report on other legal and Regulatory Requirement" of our report of even date

i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties other than self-constructed buildings, included in property, plant and equipment are held in the name of the Company.

ii. The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at March 31, 2019 and no material discrepancies were noticed in respect of such confirmations.

iii. (a) The Company has granted loan to a subsidiary Company covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the Company's interest.

(b) In respect of the loan granted to the subsidiary Company covered in the register maintained under Section 189 of the Companies Act, 2013, the schedule of repayment of principal and payment of interest has been stipulated and these payments are regular. The Company has also granted another loan to the subsidiary Company, which is repayable on demand. We are informed that the amount of interest and principal demanded by the Company has been paid during the year. Thus in respect of these loan, there has been no default on part of the subsidiary Company to which the money was lent.

(c) There are no amounts of loans granted to subsidiary Company listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.

iv. In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.

v. In respect of deposits accepted, in our opinion and according to the information and explanations given to us, directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013, and the rules framed there under, to the extent applicable, have been complied with. We are informed by the management that no order in this regard has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.

vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of rubber tyres, tubes and flaps for all types of vehicles, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

vii. (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

(₹ in lacs)

Name of the Statute	Period to which the amount relates	Commissionerate	Appellate authorities and Tribunal	High Court	Supreme Court	Deposit	Net Amount
Central Excise Tax/ Custom Act (Tax/Interest/Penalty)	1974-2016	1,196	2,904	75	-	78	4,097
Service Tax under Finance Act,1994 (Tax/Interest/Penalty)	2004-2015	78	2,780	51	-	81	2,828
Income Tax Act (Tax/ Interest/Penalty)	1985-2019	3,301	-	160	-	142	3,319
Sales Tax, VAT, CST (Tax/ Interest/Penalty)	1987-2018	3,386	1,959	-	-	626	4,719

Annexure 1

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.

(ix) In our opinion and according to the information and explanations given by the management, the term loans were applied for the purpose for which the loans were obtained.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013, where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and hence, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Vinayak Pujare
Partner
Membership Number: 101143

Place: Mumbai
Date: May 7, 2019

Annexure 2 to the Independent Auditor's report of even date on the standalone Ind AS financial statements of CEAT Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of CEAT Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these Standalone Ind AS Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting with reference to these Standalone Ind AS Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these Standalone Ind AS Financial Statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements.

Meaning of Internal Financial Controls over Financial Reporting With Reference to these Financial Statements

A Company's internal financial control over financial reporting with reference to these Standalone Ind AS Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting with reference to these Standalone Ind AS Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting With Reference to these Standalone Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these Standalone Ind AS Financial Statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Standalone Ind AS Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these Standalone Ind AS Financial Statements and such internal financial controls over financial reporting with reference to these Standalone Ind AS Financial Statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Vinayak Pujare
Partner
Membership Number: 101143

Place: Mumbai
Date: May 7, 2019

Balance Sheet

as at March 31, 2019

(₹ in lacs)

Particulars	Note no.	As at March 31, 2019	As at March 31, 2018
I Assets			
(1) Non-current assets			
(a) Property, plant and equipment	3	2,78,574	2,39,931
(b) Capital work-in-progress	3	71,889	15,247
(c) Intangible assets	4	6,057	6,544
(d) Intangible assets under development	4	3,055	939
(e) Financial assets			
(i) Investments	5	31,301	27,999
(ii) Loans	6	408	304
(iii) Other financial assets	7	181	171
(f) Non-current tax assets (net)	23	5,733	3,915
(g) Other non-current assets	8	12,520	7,141
Total non-current assets		**4,09,718**	**3,02,191**
(2) Current assets			
(a) Inventories	9	96,515	75,496
(b) Financial assets			
(i) Investments	10	-	4,006
(ii) Trade receivables	11	72,646	71,215
(iii) Cash and cash equivalents	12	5,426	6,964
(iv) Bank balances other than cash and cash equivalents	13	548	337
(v) Loans	14	5,800	4,902
(vi) Other financial assets	15	3,525	1,193
(c) Other current assets	16	11,964	10,615
(d) Assets held-for-sale	3	44	-
Total current assets		**1,96,468**	**1,74,728**
Total assets		**6,06,186**	**4,76,919**
II Equity and liabilities			
(1) Equity			
(a) Equity share capital	17	4,045	4,045
(b) Other equity	18	2,71,059	2,50,637
Total equity		**2,75,104**	**2,54,682**
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	20	1,00,272	27,230
(ii) Other financial liabilities	21	461	323
(b) Provisions	22	3,683	3,380
(c) Deferred tax liabilities (net)	23	20,771	17,815
Total non-current liabilities		**1,25,187**	**48,748**
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	24	21,431	14,364
(ii) Trade payables	25		
- Total outstanding dues of micro enterprises and small enterprises		547	360
- Total outstanding dues of creditors other than micro enterprises and small enterprises		1,02,846	84,211
(iii) Other financial liabilities	26	58,099	57,001
(b) Provisions	22	9,985	5,014
(c) Current tax liabilities (net)	23	4,377	2,867
(d) Other current liabilities	27	8,610	9,672
Total current liabilities		**2,05,895**	**1,73,489**
Total equity and liabilities		**6,06,186**	**4,76,919**
Significant accounting policies	2		

The accompanying notes are an integral part of the financial statements

For and on behalf of Board of Directors of CEAT Limited

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No.: 324982E/E300003

per Vinayak Pujare
Partner
Membership Number: 101143
Place: Mumbai
Date: May 7, 2019

Kumar Subbiah
Chief Financial Officer

Vallari Gupte
Company Secretary

Place: Mumbai
Date: May 7, 2019

H. V. Goenka
Chairman

Mahesh S. Gupta
Chairman- Audit Committee

Anant Goenka
Managing Director

Statement of Profit and Loss

for the year ended March 31, 2019

(₹ in lacs)

Particulars		Note no.	2018-19	2017-18
I	**Income**			
	Revenue from operations	28	6,83,130	6,38,191
	Other income	29	5,530	5,681
	Total income		**6,88,660**	**6,43,872**
II	**Expenses**			
	Cost of material consumed	30	4,27,364	3,65,033
	Purchase of stock-in-trade		6,092	5,988
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	31	(19,425)	9,332
	Employee benefit expense	32	49,195	41,311
	Finance costs	33	6,452	8,645
	Depreciation and amortization expenses	34	17,430	16,168
	Excise duty on sale of goods		-	16,891
	Other expenses	35	1,56,151	1,36,898
	Total expenses		**6,43,259**	**6,00,266**
III	**Profit before exceptional items and tax**		45,401	43,606
IV	**Exceptional items**	36	4,424	2,640
V	**Profit before tax**		**40,977**	**40,966**
VI	**Tax expense**	23		
	Current tax		9,009	10,408
	Deferred tax		3,077	2,686
VII	**Profit for the year**		**28,891**	**27,872**
VIII	**Other comprehensive income**			
	(a) Items that will not be reclassified subsequently to the statement of profit and loss			
	(i) Remeasurement gains/(losses) on defined benefit plans		(798)	1,043
	(ii) Income tax relating to above		279	(361)
	(b) Items that will be reclassified subsequently to the statement of profit and loss			
	(i) Net movement on cash flow hedges		(3,792)	1,098
	(ii) Income tax relating to above		1,323	(380)
	Total other comprehensive income for the year		**(2,988)**	**1,400**
IX	**Total Comprehensive income for the year (Comprising profit and other comprehensive income for the year)**		**25,903**	**29,272**
X	**Earnings per equity share (of face value of ₹ 10 each)**	38		
	(a) Basic (in ₹)		71.42	68.90
	(b) Diluted (in ₹)		71.42	68.90
	Significant accounting policies	2		

The accompanying notes are an integral part of the financial statements

For and on behalf of Board of Directors of CEAT Limited

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No.: 324982E/E300003

per Vinayak Pujare
Partner
Membership Number: 101143
Place: Mumbai
Date: May 7, 2019

Kumar Subbiah
Chief Financial Officer

Vallari Gupte
Company Secretary

Place: Mumbai
Date: May 7, 2019

H. V. Goenka
Chairman

Mahesh S. Gupta
Chairman- Audit Committee

Anant Goenka
Managing Director

Statement of Cash Flow

for the year ended March 31, 2019

(₹ in lacs)

Particulars		2018-19	2017-18
I)	**Cash Flow From Operating Activities**		
	Profit before tax	40,977	40,966
	Adjustments to reconcile profit before tax to net cash flows:		
	Depreciation and amortization expenses	17,430	16,168
	Interest income	(3,205)	(1,327)
	Finance costs	6,452	8,645
	Dividend income	(732)	(1,927)
	Provision for obsolescence of stores and spares	74	120
	Allowance for doubtful debts and advances	197	371
	Credit balances written back	(23)	(238)
	Bad debts and advances written off (net)	6	50
	Loss on disposal of property, plant and equipment (net)	480	929
	Unrealised foreign exchange (gain) / loss (net)	109	(57)
	Net gain on disposal of investments	(83)	(1,065)
	Operating profit before working capital changes	**61,682**	**62,635**
	Adjustments for:		
	Decrease / (Increase) in inventory	(21,093)	16,727
	Decrease / (Increase) in trade receivables	(1,689)	(12,090)
	Decrease / (Increase) in current loans, other current assets and other financial assets	(874)	5,766
	Decrease / (Increase) in non-current loans and other non-current assets	(523)	(857)
	(Decrease) / Increase in trade payables	19,122	9,589
	(Decrease) / Increase in current financial liabilites and other current liabilities	713	1,654
	(Decrease) / Increase in non-current financial liabilities	(702)	-
	(Decrease) / Increase in current provisions	4,172	598
	(Decrease) / Increase in non-current provisions	303	(38)
	Cash flow from operating activities	**61,111**	**83,984**
	Direct taxes paid (net of refunds)	(7,836)	(9,561)
	Net cash flow (used in)/generated from operating activities (I)	**53,275**	**74,423**
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)	(1,06,215)	(40,367)
	(Withdrawal) / Investments of margin money deposit with banks	(0)	52
	Changes in other bank balances	(212)	(14)
	Investment in subsidaries and associates	(3,300)	(8,560)
	Purchase of other non current investments	(2)	-
	Proceeds from sale of current investment (net)	4,088	3,486
	Interest received	601	1,394
	Repayment of loan given to subsidiary	18,730	19,800
	Loan given to subsidiary	(19,630)	(19,700)
	Dividend received	732	1,927
	Net cash flow (used in) investing activities (II)	**(1,05,208)**	**(41,982)**

(₹ in lacs)

Particulars		2018-19	2017-18
III)	**Cash flow from financing activities**		
	Interest paid	(6,268)	(8,155)
	Repayment of public deposit	-	(9)
	Change in other short-term borrowings (net)	12,344	3,246
	Proceeds from short-term buyers credit	-	18,660
	Repayment of short-term buyers credit	(5,314)	(13,383)
	Proceeds from long-term borrowings	97,097	13,056
	Repayment of long-term borrowings	(42,201)	(35,037)
	Dividend paid	(4,434)	(4,727)
	Dividend distribution tax paid	(829)	(553)
	Net cash flows (used in)/generated from financing activities (III)	**50,395**	**(26,902)**
	Net increase / (decrease) in cash and cash equivalents (I+II+III)	**(1,538)**	**5,539**
	Cash and cash equivalents at the beginning of the year (refer note 12)	**6,964**	**1,425**
	Cash and cash equivalents at the end of the year (refer note 12)	**5,426**	**6,964**

The accompanying notes are an integral part of the financial statements

For and on behalf of Board of Directors of CEAT Limited

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No.: 324982E/E300003

per Vinayak Pujare
Partner
Membership Number: 101143
Place: Mumbai
Date: May 7, 2019

Kumar Subbiah
Chief Financial Officer

Vallari Gupte
Company Secretary

Place: Mumbai
Date: May 7, 2019

H. V. Goenka
Chairman

Anant Goenka
Managing Director

Mahesh S. Gupta
Chairman- Audit Committee

Statement of Changes in Equity

for the year ended March 31, 2019

(₹ in lacs)

Particulars	Equity share capital	Other equity							Total other equity	Total equity
		Securities premium (refer note 18(a))	Capital reserve (refer note 18(b))	Capital redemption reserve (refer note 18(c))	Debenture redemption reserve (refer note 18(e))	General reserve (refer note 18(f))	Retained earnings (refer note 18(g))	Cash flow hedge reserve (refer note 18(d))		
As at April 1, 2017	4,045	56,703	1,177	390	3,334	20,177	1,45,031	(242)	2,26,570	2,30,615
Profit for the year	-	-	-	-	-	-	27,872	-	27,872	27,872
Other comprehensive income	-	-	-	-	-	-	682	718	1,400	1,400
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**28,554**	**718**	**29,272**	**29,272**
Payment of dividend (refer note 19)	-	-	-	-	-	-	(4,652)	-	(4,652)	(4,652)
Payment of dividend distribution tax (DDT) (refer note 19)	-	-	-	-	-	-	(553)	-	(553)	(553)
Transfer to debenture redemption reserve	-	-	-	-	-	-	(1,667)	-	(1,667)	(1,667)
Transfer from retained earnings	-	-	-	-	1,667	-	-	-	1,667	1,667
As at March 31, 2018	**4,045**	**56,703**	**1,177**	**390**	**5,001**	**20,177**	**1,66,713**	**476**	**2,50,637**	**2,54,682**
Profit for the year	-	-	-	-	-	-	28,891	-	28,891	28,891
Other comprehensive income	-	-	-	-	-	-	(519)	(2,469)	(2,988)	(2,988)
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**28,372**	**(2,469)**	**25,903**	**25,903**
Payment of dividend (refer note 19)	-	-	-	-	-	-	(4,652)	-	(4,652)	(4,652)
Payment of dividend distribution tax (DDT) (refer note 19)	-	-	-	-	-	-	(829)	-	(829)	(829)
Transfer to general reserve (refer note 18(e))	-	-	-	-	(5,001)	-	-	-	(5,001)	(5,001)
Transfer from debenture redemption reserve (refer note 18(f))	-	-	-	-	-	5,001	-	-	5,001	5,001
As at March 31, 2019	**4,045**	**56,703**	**1,177**	**390**	**-**	**25,178**	**1,89,604**	**(1,993)**	**2,71,059**	**2,75,104**

The accompanying notes are an integral part of the financial statements

For and on behalf of Board of Directors of CEAT Limited

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No.: 324982E/E300003

per Vinayak Pujare
Partner
Membership Number: 101143
Place: Mumbai
Date: May 7, 2019

Kumar Subbiah
Chief Financial Officer

Vallari Gupte
Company Secretary

Place: Mumbai
Date: May 7, 2019

H. V. Goenka
Chairman

Mahesh S. Gupta
Chairman- Audit Committee

Anant Goenka
Managing Director

Notes to Financial Statements

for the year ended March 31, 2019

Note 1: Corporate information

CEAT Limited is a public 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's stock are listed on two recognised stock exchanges in India. The registered office of the company is located at RPG House, 463, Dr Annie Besant Road, Worli, Mumbai, Maharashtra 400030. The financial statements were authorised for issue in accordance with a resolution of the directors on May 7, 2019.

Note 2: Basis of preparation and summary of significant accounting policies

2.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III).

These financial statements have been prepared on accrual basis and under historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments and
- Certain financial assets measured at fair value (refer accounting policy regarding financial instruments)

In addition, the carrying values of recognised assets and liabilities designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationships. The Standalone financial statements are presented in ₹ lacs except when otherwise indicated.

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 (Ind AS compliant Schedule III), unless otherwise stated. Wherever the amount represented '0' (zero) construes value less than Rupees fifty thousand.

2.2 Changes in accounting policies

2.2.1 Accounting for Government Grant related to non-monetary assets

The company has chosen to adjust government grant from the carrying value of non-monetary asset pursuant to amendment in Ind AS 20 Accounting for Government Grants and Disclosure. Till the previous year, the company followed the policy recording the non-monetary asset and the grant at carrying amounts and released to profit and loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

Had the Company continued to follow the erstwhile accounting policy the impact of restatement is as below to the financial statements

(₹ in lacs)

Particulars	As at March 31, 2018	As at April 1, 2017
Decrease in property, plant and equipment	(1,050)	(1,132)
Decrease in Non current liabilities	968	1,050
Decrease in current liabilities	82	82

There is no impact on the statement of Profit and Loss.

2.2.2 Ind AS 115 'Revenue from Contracts with Customers'

The Company has adopted Ind AS 115 'Revenue from Contracts with Customers' with a date of initial application of April 1, 2018. As a result, the Company has changed its accounting policy for revenue recognition as detailed below.

The Company has applied Ind AS 115 using the cumulative effect method – i.e. by recognising the cumulative effect of initially applying Ind AS 115 as an adjustment to the opening balance of equity at April 1, 2018. Therefore, the comparative information has not been restated and continues to be reported under Ind AS 18. The details of the significant changes and quantitative impact of the changes are set out below.

Under cumulative effect method, there are no significant adjustments required to the retained earnings as at April 1, 2018. Also, the application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue and related items in the financial statements.

2.3 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.

2.4 Revenue recognition

2.4.1 Revenue from contract with customer

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 principal 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.

Based on the educational material on Ind AS 18 issued by the ICAI, the Company has assumed that recovery of excise duty flows to the company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the company on its own account, revenue includes excise duty.

An entity collects Goods and Services Tax ("GST") collected on behalf of the government and not on its own account. Hence it should be excluded from revenue, i.e. revenue should be net of GST.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 39.

2.4.2 Sale of Goods:

Revenue from sale of goods (Tyres, tubes and flaps) is recognised at a point in time when control of the goods is transferred to customer depending on terms of sales. The normal credit term is 30 to 60 days upon delivery.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties). In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, if any.

2.4.2.1 Variable consideration

The Company offers various forms of discounts 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 recognized will not occur in future on account of refund or discounts.

Variable consideration includes volume discounts, price concessions, incentives, etc. The Company estimates the variable consideration based on an analysis of historical experience and it is adjusted from transaction price.

2.4.2.2 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.

2.4.3 Sales related obligations

The Company normally provides sales related obligations for a period of three years on all its products sold, in line with industry practice. These sales related obligations are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets. See Note 22 for more information. The Company does not provide any extended warranties to its customers.

2.4.4 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 2.17 – Financial Instruments in accounting policies.

2.4.5 Royalty and technology development fees:

The Company also earns sales based royalty income which is recognised as revenue typically on an over time basis. This is because in such arrangements the customer gets a right to access the Company's intellectual property as it exists throughout the license period. The revenue to be recognised is determined based on a specified percentage of the sales made by the customer.

2.4.6 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). 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 effective interest rate, 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.

2.4.7 Dividends:

Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

2.5 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 recognized in the Statement of Profit and Loss.

2.6 Government grants and Export incentives

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

The company has chosen to adjust government grant from the carrying value of non-monetary asset pursuant to amendment in Ind AS 20 Accounting for Government Grants and Disclosure. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

Export Incentive under Merchandise Export from India Scheme (MEIS) is recognized in the Statement of Profit and Loss as a part of other operating revenues.

2.7 Taxes

2.7.1 Current income tax

Current income 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 income tax relating to items recognised outside profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in 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.

2.7.2 Deferred tax

Deferred tax is provided using the liability method on 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 profit and loss is recognised outside profit and loss (either in other comprehensive income 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.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

2.7.3 Sales tax/ value added taxes/GST paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales tax/ value added taxes/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.

2.8 Non-current assets held for sale

The Company classifies Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all of the following criterias are met: (i) decision has been made to sell. (ii) the assets are available for immediate sale in its present condition. (iii) the assets are being actively marketed and (iv) 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.

2.9 Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Capital work in progress is stated at cost. 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 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. Refer to note 39 regarding significant accounting judgements, estimates and assumptions for further information about the recorded decommissioning provision.

Leasehold land – amortised on a straight line basis over the period of the lease of 95 years.

Depreciation is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The Company has used the following useful lives to provide depreciation on its fixed assets. The identified components are depreciated over their useful lives, the remaining asset is depreciated over the life of the principal asset.

Asset Class	Useful life
Buildings	50 years - 60 years
Plant & Machinery	15 years - 20 years
Moulds	6 years
Computers	3 years
Furniture & Fixtures	10 years
Office Equipment	5 years
Motor Vehicles	8 years
Carpeted Roads- RCC	10 years
Computer Servers	6 years
Electrical Installations	20 years
Temporary Structure	3 years
Hand Carts, Trollies	15 years

The management has estimated, supported by independent assessment by professional, the useful lives of the following class of assets.

- Factory buildings - 50 years (Lower than those indicated in Schedule II of the Companies Act, 2013)
- Office buildings- 60 years (Higher than those indicated in Schedule II of the Companies Act, 2013)
- Plant & Machinery – 20 years (Higher than those indicated in Schedule II of the Companies Act, 2013)
- Moulds – 6 years (Lower than those indicated in Schedule II of the Companies Act,2013)
- Electrical Installations – 20 years (Higher than those indicated in Schedule II of the Companies Act,2013)
- Air conditioner having capacity of > 2 tons – 15 years (Higher than those indicated in Schedule II of the Companies Act,2013)
- Serviceable materials like trollies, iron storage tacks skids – 15 years (Higher than those indicated in Schedule II of the Companies Act,2013)

- Batteries used in fork lifts trucks - 5 years (Lower than those indicated in Schedule II of the Companies Act,2013)

The management believes that the depreciation rates fairly reflect its estimation of the useful lives and residual values of the fixed assets.

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 income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.10 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 profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either infinite or finite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation 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. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with infinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The 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 straight line method as under:

- Software expenditure have been amortised over a period of three years.
- Technical Know-how and Brands are amortised over a period of twenty years.

2.10.1 Technical know-how and Brand

The Company has originally generated technical know-how and assistance 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

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 realization. Therefore, the management believes that the Brand will yield significant benefits for a period of at least twenty years.

2.10.2 Research and development costs (Product development)

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

2.11 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 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.

2.12 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

2.12.1 Company as a lessee

2.12.1.1 Finance lease

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

2.12.1.2 Operating lease

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight line basis over the lease term unless payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase.

2.13 Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

- Raw materials, components, stores and spares are valued at lower of cost and net realizable value. However, 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. Cost is determined on a weighted average basis.
- Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing cost. Cost is determined on a weighted average basis.
- Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

Initial cost of inventories includes the transfer of gains and losses on qualifying cash flow hedges, recognised in OCI, in respect of the purchases of raw materials.

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.

2.14 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.

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.

2.15 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, 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.

2.15.1 Provision for 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.

2.15.2 Decommissioning liability

The Company records a provision for decommissioning costs of land taken on lease at one of the manufacturing facility for the production of tyres. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

2.16 Retirement and other employee benefits

2.16.1 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 recognizes contribution payable to the provident fund scheme 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 to the scheme 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 recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

2.16.2 Defined benefit plan

The Company has a defined benefit gratuity plan, which requires contribution to be made to a separately administered fund. The Company's liability towards this benefit is determined on the basis of actuarial valuation using Projected Unit Credit Method at the date of balance sheet.

Remeasurement, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurement is not reclassified to profit and loss in subsequent periods.

Past service costs are recognised in profit and loss on the earlier of:

- The date of the plan amendment or curtailment and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

2.16.3 Compensated absences

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit and this is shown under short term provision in the Balance Sheet. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes and this is shown under long term provisions in the Balance Sheet. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the Statement of Other Comprehensive Income and are not deferred. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where the Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

2.16.4 Termination benefits

The Company recognizes termination benefit as a liability and an expense when the Company has a present obligation as a result of past event, 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. If the termination benefit falls due for more than 12 months after the balance sheet date, they are measured at present value of the future cash flows using the discount rate determined by reference to market yields at the balance sheet date on the government bonds.

2.17 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.

2.17.1 Financial assets

2.17.1.1 Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit and loss, transaction costs that are attributable to the acquisition of the financial asset. Purchase or sale of financial asset that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

2.17.1.2 Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

2.17.1.2.1 Debt instruments at amortised cost

2.17.1.2.2 Debt instruments at fair value through other comprehensive income (FVTOCI)

2.17.1.2.3 Debt instruments, derivatives and equity instruments at fair value through profit and loss (FVTPL)

2.17.1.2.4 Equity instruments measured at fair value through other comprehensive income (FVTOCI)

2.17.1.2.1 Debt instruments at amortised cost

A 'debt instrument' 'other financial assets as well' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) 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 effective interest rate (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 profit and loss. The losses arising from impairment are recognised in the profit and loss. This category generally applies to trade and other receivables, loans and other financial assets.

2.17.1.2.2 Debt instrument at FVTOCI

A 'debt instrument' is classified as at the 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 recognized in the other comprehensive income (OCI). However, the group recognizes 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 statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

2.17.1.2.3 Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at 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 at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

2.17.1.2.4 Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income 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 recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale 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 recognized in the statement of profit and loss.

2.17.1.3 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.

2.17.1.4 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:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Financial assets that are debt instruments and are measured as at FVTOCI

c) Lease receivables under Ind AS 17

d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18

e) Loan commitments which are not measured as at FVTPL

f) Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables
- All lease receivables resulting from transactions within the scope of Ind AS 17

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 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 are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized 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 as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

2.17.2 Financial liabilities

2.17.2.1 Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit and loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

2.17.2.2 Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

2.17.2.2.1 Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit and loss. 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 profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit and loss 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 recognized in OCI. These gains/ loss are not subsequently transferred to 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 fair value through profit and loss.

2.17.2.2.2 Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in 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.

2.17.2.2.3 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.

2.17.2.3 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

2.17.3 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 amortized cost and fair value is recognised in statement of profit and loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
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.
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.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to statement of profit and loss at the reclassification date.

2.17.4 Offsetting of financial instruments

Financial assets and financial liabilities are 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.

2.18 Derivative financial instruments

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 profit and loss.

2.18.1 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 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 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 profit and loss.

2.18.2 Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in Other Comprehensive Income(OCI) in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognised in the statement of profit and loss.

Amounts recognised as OCI are transferred to statement of profit and loss when the hedged transaction affects profit and loss, such as 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.

2.19 Fair value measurement

The Company measures financial instruments, such as, derivatives, foreign denominated borrowings and assets, 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.

2.20 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.21 Dividend distribution to equity holders

The Company recognises a liability to make cash to equity holders 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. A corresponding amount is recognised directly in equity.

2.22 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 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 profit and loss, respectively).

2.23 Earnings Per Share

Basic Earnings Per Share (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.

2.24 Segment Reporting

Based on "Management Approach" as defined in Ind AS 108 -Operating Segments, the Executive Management Committee evaluates the Company's performance and allocates the resources based on an analysis of various performance indicators by business segments.

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

2.25 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 recognized 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 recognized because it cannot be measured reliably. The Company does not recognize 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.

Note 3: Property, plant and equipment and capital work-in-progress

Refer note 2.9 for accounting policy on Property, plant and equipment

(₹ in lacs)

Particulars	Freehold land	Leasehold land (Financial lease)	Buildings (refer foot note 1 & 8)	Plant and equipment (Owned)	Plant and equipment (Leased)	Furniture and fixtures	Vehicles	Office equipments	Capital work in progress	Total
Gross carrying amount										
As at April 1, 2017**	**41,723**	**5,391**	**32,237**	**1,73,105**	**36**	**1,138**	**524**	**1,642**	**4,877**	**2,60,673**
Additions	6,731	-	771	14,882	-	223	86	115	33,178	55,986
Disposals	-	-	(184)	(1,585)	(2)	(11)	(7)	(393)	-	(2,182)
Transfers/ capitalised	-	-	-	-	-	-	-	-	(22,808)	(22,808)
Adjustments during the year*	-	-	-	613	-	13	-	(450)	-	176
As at March 31, 2018	**48,454**	**5,391**	**32,824**	**1,87,015**	**34**	**1,363**	**603**	**914**	**15,247**	**2,91,845**
Additions	1	186	7,731	46,801	-	199	93	277	1,11,930	1,67,218
Disposals	-	-	(71)	(1,091)	-	(2)	(1)	(6)	-	(1,171)
Transfers/ capitalised	-	-	-	-	-	-	-	-	(55,288)	(55,288)
Adjustments during the year*	-	-	(48)	9	(7)	-	-	(2)	-	(48)
As at March 31, 2019	**48,455**	**5,577**	**40,436**	**2,32,734**	**27**	**1,560**	**695**	**1,183**	**71,889**	**4,02,556**
Accumulated depreciation										
As at April 1, 2017**	**-**	**147**	**2,055**	**19,879**	**3**	**208**	**171**	**321**	**-**	**22,784**
Depreciation for the year	-	75	1,241	13,109	-	156	95	283	-	14,959
Disposals	-	-	(77)	(767)	-	(4)	(6)	(389)	-	(1,243)
Adjustments during the year*	-	-	-	285	-	2	-	(120)	-	167
As at March 31, 2018	**-**	**222**	**3,219**	**32,506**	**3**	**362**	**260**	**95**	**-**	**36,667**
Depreciation for the year	-	76	1,340	14,233	-	169	101	252	-	16,171
Disposals	-	-	(59)	(674)	-	(1)	(1)	(5)	-	(740)
Adjustments during the year*	-	-	(4)	2	(1)	-	-	(2)	-	(5)
As at March 31, 2019	**-**	**298**	**4,496**	**46,067**	**2**	**530**	**360**	**340**	**-**	**52,093**
Net book value										
As at March 31, 2018	**48,454**	**5,169**	**29,605**	**1,54,509**	**31**	**1,001**	**343**	**819**	**15,247**	**2,55,178**
As at March 31, 2019	**48,455**	**5,279**	**35,940**	**1,86,667**	**25**	**1,030**	**335**	**843**	**71,889**	**3,50,463**

*Adjustments include regrouping of certain assets into other class of assets (refer note 4)

** Adoption of amendment in Ind AS 20 Accounting for Government grant and disclosures: As per the pre-amendment standard the company had setup a deferred Government grant under other liabilities of ₹ 1,050 as on March 31, 2018 (March 31, 2017: ₹ 1,132 lacs). Pursuant to the amendment, the company has now opted to adjust the deferred Government grant from carrying amount of the asset. (refer note 2.2.1 for changes in accounting policy).

Net book value

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Property, plant and equipment	2,78,574	2,39,931
Capital work in progress	71,889	15,247

Notes:

1. Building includes ₹ 0.10 Lacs as at March 31, 2019 (As at March 31, 2018 ₹ 0.10 Lacs) being value of unquoted fully-paid shares held in various co-operative housing societies.
2. 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 (CWIP) / 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 No.	2018-19	2017-18
Finance cost	33	3,156	459
Professional and consultancy charges	35	238	309
Miscellaneous expenses	35	2,782	66
Employee benefit expenses	32	1,356	468
Travelling and conveyance	35	512	67
Total		**8,044**	**1,369**

3. As a part of ongoing expansion project at Halol-Phase III, during the year the Company has capitalised and commissioned assets of ₹ 33,819 lacs (March 31, 2018 ₹ 79 lacs). This has resulted in the installed capacity as on March 31, 2019 to 35 MT per day (March 31, 2018 Nil). The planned expansion of 208 MT per day is expected to be commissioned, in phases.
4. At the Nagpur plant of the Company has capitalised and commissioned the assets of ₹ 7,409 lacs (March 31, 2018 ₹ 5,067 lacs). This has resulted in the installed capacity as on March 31, 2019 to 114 MT per day (March 31, 2018 91 MT per day). The additional planned expansion of 140 MT per day is under construction and expected to be commissioned, in phases.
5. As a part of ongoing green field project at Chennai, during the year the Company has capitalised and commissioned the assets of ₹ 7,233 lacs (March 31, 2018 ₹ 6,731 lacs). The planned capacity of 252 MT per day is expected to be commissioned in phases.
6. The amount of borrowing cost capitalised during the year ended March 31, 2019 is ₹ 3,156 lacs (March 31, 2018: ₹ 459 lacs). The rates used to determine the amount of borrowing cost eligible for capitalisation was in range of 7.4% to 8.9% (March 31, 2018: 7.79%) which is the effective interest rate of specific borrowings.
7. Refer note 20 and 24 for details on pledges and securities.
8. The Company has classified building having net block of ₹ 44 lacs (March 31, 2018: Nil) as assets held-for-sale (Refer note 2.8 for accounting policy on Non-current assets held for sale)

Note 4: Intangible assets and Intangible assets under development

Refer note 2.10 for accounting policy on Intangible assets

(₹ in lacs)

Particulars	Software	Brand (refer foot note 1)	Technical Knowhow (refer foot note 2)	Product development	Total
Gross carrying amount					
As at April 1, 2017	**2,307**	**4,404**	**704**	**1,032**	**8,447**
Additions	543	-	-	394	937
Disposals	-	-	-	-	-
Adjustments during the year*	(176)	-	-	-	(176)
As at March 31, 2018	**2,674**	**4,404**	**704**	**1,426**	**9,208**
Additions	665	-	-	107	772
Disposals	-	-	-	-	-
As at March 31, 2019	**3,339**	**4,404**	**704**	**1,533**	**9,980**
Accumulated amortization					
As at April 1, 2017	**950**	**529**	**83**	**60**	**1,622**
Amortization during the year	690	265	41	213	1,209
Disposals	-	-	-	-	-
Adjustments during the year*	(167)	-	-	-	(167)
As at March 31, 2018	**1,473**	**794**	**124**	**273**	**2,664**
Amortization during the year	723	265	41	230	1,259
Disposals	-	-	-	-	-
As at March 31, 2019	**2,196**	**1,059**	**165**	**503**	**3,923**
Net book value					
As at March 31, 2018	**1,201**	**3,610**	**580**	**1,153**	**6,544**
As at March 31, 2019	**1,143**	**3,345**	**539**	**1,030**	**6,057**

*Adjustments include regrouping of certain assets into other class of assets (Refer note 3)

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Intangible assets	6,057	6,544
Intangible assets under development	3,055	939

1. In an earlier year, 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 are accessible to the Company. The Company will be in a position to fully exploit the export market resulting in increased volume and price realization. Therefore, the management believes that the Brand will yield significant benefits for a period of at least twenty years.
2. The Company has acquired 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 amortized on a straight line basis over a period of twenty years.

3. During the year, the Company has transfered employee benefit expenses of ₹ 576 Lacs (March 31, 2018: ₹ Nil) which are attributable to the development activity and are included in the cost of intangible assets under development / intangible assets as the case may be. Consequently, expenses disclosed under note 32 are net of such amounts.

Note 5: Investments

Note 5(a): Investments in subsidiaries and associate

Refer note 2.5 for accounting policy on Investments in subsidiaries and associate

(₹ in lacs)

Particulars	Face Value	As at March 31, 2019	As at March 31, 2018
Non-current			
Unquoted equity shares (at cost) (Non trade)			
Investment in subsidiaries			
1,00,00,000 (March 31, 2018: 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, 2018: 10,49,99,994) equity shares of CEAT AKKHAN Limited	10 Taka	3,717	3,717
94,16,350 (March 31, 2018: 94,16,350) equity shares of Rado Tyres Limited	₹ 4	9	9
2,10,50,000 (March 31, 2018: 1,80,50,000) equity shares of CEAT Specialty Tyres Limited (refer note 49 for Events after the reporting period)	₹ 10	21,005	18,005
Investment in associates (at cost)			
100 (March 31, 2018: 100) equity shares of Tyresnmore Online Private Limited	₹ 1	1	1
Unquoted preference shares (Non trade)			
Investment in subsidiaries (at amortised cost)			
15,10,000 (March 31, 2018: 15,10,000) 12.5% cumulative redeemable preference shares of Rado Tyres Limited	₹ 100	1,510	1,510
Investment in associate (at cost classified as equity)			
63,596 (March 31, 2018: 50,855) 0.001% compulsory convertible preference shares of Tyresnmore Online Private Limited	₹ 1	699	399
Total (a)		**31,299**	**27,999**

Note 5(b): Investment in others

Refer note 2.17 for accounting policy on Financial instruments

(₹ in lacs)

Particulars	Face Value	As at March 31, 2019	As at March 31, 2018
Investment in Others (at fair value through profit and loss)			
1,800 (March 31, 2018: 1,800) equity shares of RPG Ventures Limited (formerly known as Maestro Comtrade Private Limited)	₹ 10	0	0
9,75,000 (March 31, 2018: Nil) equity shares of Bhadreshwar Vidyut Private Limited (formerly known as OPGS Power Gujarat Private Limited)	₹ 0.19	2	-
Total (b)		**2**	**0**
Total [(a)+(b)]		**31,301**	**27,999**
Aggregate amount of quoted investments		-	-
Aggregate market value of quoted investments		-	-
Aggregate amount of unquoted investments		**31,301**	**27,999**

Notes:

a) Refer note 47(d) for information about liquidity risk relating to investments

Information about subsidiaries

Name and principal business	Country of Incorporation	Proportion (%) of equity interest	
		As at March 31, 2019	As at March 31, 2018
CEAT Specialty Tyres Limited - Trading & manufacturing of tyres, tubes and flaps	India	100.00	100.00
Associated CEAT Holdings Company (Pvt.) Ltd - Investing in companies engaged in manufacturing of tyres	Sri Lanka	100.00	100.00
CEAT AKKHAN Limited - Trading of tyres, tubes and flaps	Bangladesh	70.00	70.00
Rado Tyres Limited - Manufacturing of tyres	India	58.56	58.56

Information about associate

Name and principal business	Country of Incorporation	Proportion (%) of equity interest	
		As at March 31, 2019	As at March 31, 2018
TYRESNMORE Online Pvt Ltd - Trading of tyres, tubes and flaps	India	36.96*	31.93*

*Includes compulsory convertible preference shares (potential voting right)

Note 6: Loans

Refer note 2.17 for accounting policy on Financial instruments

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Non current (at amortised cost)		
Secured, considered good		
Security deposits	407	298
Unsecured, considered good		
Security deposits	1	6
Unsecured, considered doubtful		
Security deposits	121	128
Less: Allowance for doubtful deposits	(121)	(128)
Total	**408**	**304**

Notes:

a) No loans are due from directors or promoters of the company either severally or jointly with any person

b) Refer note 45 of information about fair value measurement and note 47(d) for information about liquidity risk relating to loans

Note 7: Other financial assets

Refer note 2.17 for accounting policy on Financial instruments

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Non current (at amortised cost)		
Unsecured, considered good		
Margin money deposits (refer foot note a)	181	171
Unsecured, considered doubtful		
Receivables from subsidiaries (refer note 42)	209	209
Less: Allowance for doubtful receivables	(209)	(209)
Total	**181**	**171**

Notes:

a) The margin deposits are for bank guarantees given to statutory authorities.

b) Refer note 45 of information about fair value measurement and note 47(d) for information about liquidity risk relating to other financial assets.

Note 8: Other non-current assets

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
Capital advances (Others)	9,148	5,169
Capital advances (Related parties) (refer note 42)	1,643	476
Security deposits with statutory authorities	1,729	1,496
Unsecured, considered doubtful		
Balances with government authorities and agencies	274	304
Less: Allowance for doubtful balances	(274)	(304)
Total	**12,520**	**7,141**

Note 9: Inventories

(At cost or net realisable value, whichever is lower)

Refer note 2.13 for accounting policy on Inventories

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
a) Raw materials	34,024	27,762
Goods in transit	3,263	8,114
	37,287	**35,876**
b) Work-in-progress	3,273	2,933
c) Finished goods	51,751	32,215
d) Stock in trade	713	1,118
Goods in transit	116	162
	829	**1,280**
e) Stores and spares	3,374	3,142
Goods in transit	1	50
	3,375	**3,192**
Total	**96,515**	**75,496**
Details of finished goods		
Automotive tyres	42,576	26,867
Tubes and others	9,175	5,348
Total	**51,751**	**32,215**

Notes:

1) Cost of inventory recognised as an expense as at March 31, 2019 includes ₹ 1,292 lacs (March 31, 2018 ₹ 808 lacs) of write down in net realisable value with respect to slow moving stock as per Company's policy.
2) Loans are secured by first pari passu charge on stock (includes raw materials, finished goods and work in progress) and book debts (refer note 20 and 24)

Note 10: Investments

Refer note 2.17 for accounting policy on Financial instruments

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Current (at fair value through profit and loss)		
Investment in units of liquid mutual funds (quoted)		
a) Unit of Face value ₹100 each, fully-paid up		
Nil (March 31, 2018: 5,18,176) units of Aditya Birla Sun Life Floating Rate Fund - STP - Dir - Growth	-	1,202
b) Unit of Face value ₹1,000 each, fully-paid up		
Nil (March 31, 2018: 36,767) units of SBI Premier Liquid Fund - Direct - Growth	-	1,002
Nil (March 31, 2018: 29,246) units of HDFC Liquid Fund - Direct - Growth	-	1,001
Nil (March 31, 2018: 3,34,470) units of ICICI Prudential Money Market Fund - Direct - Growth	-	801
Aggregate market value of quoted instruments	**-**	**4,006**
Aggregate amount of quoted investments	-	4,006
Aggregate market value of quoted investments	-	4,006
Aggregate amount of unquoted investments	**-**	**-**

Notes:

a) Refer note 45 of information about fair value measurement and note 47(d) for information about liquidity risk relating to investments.

Note 11: Trade receivables

Refer note 2.17 for accounting policy on Financial instruments

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables from others	64,307	68,755
Trade receivables from related parties (refer note 42)	8,339	2,460
Total	**72,646**	**71,215**

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Break-up for security details		
Secured, considered good (refer foot note a)	23,549	24,819
Unsecured, considered good	49,097	46,396
Doubtful	2,020	2,129
Total	**74,666**	**73,344**
Allowance for doubtful debts	(2,020)	(2,129)
Grant Total	**72,646**	**71,215**

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
The movement in allowance for doubtful debts is as follows:		
Balance as at beginning of the year	2,129	3,291
Change in allowance for doubtful debts during the year	20	335
Trade receivables written off during the year	(129)	(1,497)
Balance as at end of the year	**2,020**	**2,129**

Notes:

a) These debts are secured to the extent of security deposit obtained from the dealers
b) 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 42.
c) For terms and conditions relating to related party receivables, refer note 42.
d) Trade receivables are non-interest bearing within the credit period which is generally 30 to 60 days.
e) Refer note 47(c) for informatiom about credit risk of Trade receivables.
f) The Company has entered into an arrangement to sell it receivable to third parties on without recourse to the Company. The Company has derecognised trade receivables of ₹ 4,894 lacs from the books. The Company has transferred substantially all the risks and rewards of the asset.

Note 12: Cash and cash equivalents

Refer note 2.20 for accounting policy on cash and cash equivalents

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with Banks		
On current accounts	764	260
On remittance in transit	4,661	6,702
Cash on hand	1	2
Cash and cash equivalent as per statement of cash flow	**5,426**	**6,964**

Changes in liabilities arising from financing activities

(₹ in lacs)

Particulars	Current borrowings	Non- current borrowings*
As at April 1, 2017	**5,799**	**71,706**
Cash flows	8,565	(21,987)
Others	-	5
As at March 31, 2018	**14,364**	**49,724**
Cash flows	7,029	54,896
Foreign Exchange Impact	38	-
As at March 31, 2019	**21,431**	**1,04,620**

*including current maturities of non-current borrowings.

Notes:

a) Refer note 47(d) for information about liquidity risk relating to cash and cash equivalents.

Note 13: Bank balances other than cash and cash equivalents

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Balances held for unclaimed public fixed deposit and interest thereon (refer foot note a)	105	112
Balances unclaimed dividend accounts (refer foot note b)	443	225
Total	**548**	**337**

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, 2018 ₹ 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.

c) Refer note 47(d) for information about liquidity risk relating to bank balances other than cash and cash equivalents.

Note 14: Loans

Refer note 2.17 for accounting policy on Financial instruments

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Current (at amortised cost)		
Unsecured, considered good		
Advance receivable in cash	-	2
Loans to related parties (refer note 42)	5,800	4,900
Unsecured, considered doubtful		
Loans, advances and deposits	149	163
Less: Allowance for doubtful advances and deposits	(149)	(163)
Total	**5,800**	**4,902**

Notes:

a) Refer note 47(d) for information about liquidity risk relating to Loans.

Note 15: Other financial assets

Refer note 2.17 for accounting policy on Financial instruments

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Unsecured, considered good		
At amortised cost		
Advance receivable in cash	354	240
Other receivables (refer note b)	50	392
Interest receivable (refer note c)	2,595	1
Receivable from related parties (refer note 42)	420	560
Others	106	-
Total	**3,525**	**1,193**

Notes:

a) Refer note 47(d) for information about liquidity risk relating to Other financial assets.

b) Includes fair value of plan assets for gratuity (net) of Nil (March 31, 2018: ₹ 366 lacs).(refer note 40 for details).

c) Includes interest due on Income tax refunds ₹ 2,594 lacs (March 31, 2018: Nil)

Note 16: Other current assets

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
Advance receivable in kind or for value to be received	4,677	5,795
Balance with government authorities	4,732	4,095
Advance to employees	29	160
Prepaid expense	2,526	565
Unsecured, considered doubtful		
Advance receivable in kind or for value to be received	44	44
Less: Allowance for advance receivable in kind or for value to be received	(44)	(44)
Total	**11,964**	**10,615**

Note 17: Equity share capital

Authorised share capital	Equity shares		Preference Shares		Unclassified Shares	
	Numbers	₹ in lacs	Numbers	₹ in lacs	Numbers	₹ in lacs
At April 1, 2017	4,61,00,000	4,610	39,00,000	390	1,00,00,000	1,000
Increase / (decrease) during the year	-	-	-	-	-	-
At March 31, 2018	4,61,00,000	4,610	39,00,000	390	1,00,00,000	1,000
Increase / (decrease) during the year	-	-	-	-	-	-
At March 31, 2019	**4,61,00,000**	**4,610**	**39,00,000**	**390**	**1,00,00,000**	**1,000**

Issued share capital

Equity shares of ₹ 10 each issued	Numbers	₹ in lacs
At April 1, 2017 (refer foot note a)	4,04,50,780	4,045
Alloted during the year	-	-
At March 31, 2018 (refer foot note a)	4,04,50,780	4,045
Alloted during the year	-	-
At March 31, 2019 (refer foot note a)	**4,04,50,780**	**4,045**

Subscribed and Paid-up share capital

Equity shares of ₹ 10 each subscribed and fully paid	Numbers	₹ in lacs
At April 1, 2017 (refer foot note a)	4,04,50,092	4,045
Alloted during the year	-	-
At March 31, 2018 (refer foot note a)	4,04,50,092	4,045
Alloted during the year	-	-
At March 31, 2019 (refer foot note a)	**4,04,50,092**	**4,045**

Notes:

a) Includes 688 (March 31, 2018- 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**

Name of the shareholders	As at March 31, 2019		As at March 31, 2018	
	Numbers	% holding in the class	Numbers	% holding in the class
Equity shares of ₹ 10 each fully paid				
Instant Holdings Limited	1,18,16,662	29.21%	1,15,10,812	28.46%
Swallow Associates LLP	44,84,624	11.09%	44,84,624	11.09%
Jwalamukhi Investment Holdings	29,53,366	7.30%	32,53,841	8.04%
Amansa Holdings Pvt Limited	24,09,373	5.96%	14,02,310	3.47%

d) As per the records of the Company as at March 31, 2019 no calls remain unpaid by the directors and officers of the company.

e) The Company has not issued any equity shares as bonus for consideration other than cash and has not bought back any shares during the period of 5 years immediately preceeding March 31, 2019.

Note 18: Other equity

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Securities premium (refer foot note a)	56,703	56,703
Capital reserve (refer foot note b)	1,177	1,177
Capital redemption reserve (refer foot note c)	390	390
Cash flow hedge reserve (refer foot note d)	(1,993)	476
Debenture redemption reserve (DRR) (refer foot note e)	-	5,001
General reserve (refer foot note f)	25,178	20,177
Retained earnings (refer foot note g)	1,89,604	1,66,713
Total other equity	**2,71,059**	**2,50,637**

a) Securities premium

Amount received on issue of shares in excess of the par value has been classified as security share premium.

(₹ in lacs)

At April 1, 2017	**56,703**
At March 31, 2018	**56,703**
At March 31, 2019	**56,703**

b) Capital reserve

Capital reserve includes profit on amalgamation of entities.

(₹ in lacs)

At April 1, 2017	**1,177**
At March 31, 2018	**1,177**
At March 31, 2019	**1,177**

c) Capital redemption reserve

Capital redemption reserve represents amount transferred from profit and loss account on redemption of preference shares during FY 1998-99.

(₹ in lacs)

At April 1, 2017	**390**
At March 31, 2018	**390**
At March 31, 2019	**390**

d) Cash flow hedge reserve

It represents mark-to-market valuation of effective hedges as required by Ind AS 109.

(₹ in lacs)

At April 1, 2017	**(242)**
Gain / (Loss) arising during the year	718
At March 31, 2018	**476**
Gain / (Loss) arising during the year	(2,469)
At March 31, 2019	**(1,993)**

e) Debenture redemption reserve (DRR)

Debenture redemption reserve (DRR) is required to be created in accordance with section 71 of the Companies Act, 2013 read with Companies (Share capital and Debenture) Rules, 2014 at equivalent to 25% of the value of the debentures issued.

(₹ in lacs)

At April 1, 2017	3,334
Add: Transfer from retained earnings during the year	1,667
At March 31, 2018	**5,001**
Less: Transferred to general reserves during the year (refer foot note 1)	(5,001)
At March 31, 2019	**-**

f) 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 statement of profit and loss.

	(₹ in lacs)
At April 1, 2017	**20,177**
At March 31, 2018	**20,177**
Add: Transfer from debenture redemption reserve during the year (refer foot note 1)	5,001
At March 31, 2019	**25,178**

g) Retained earnings

	(₹ in lacs)
As at April 1, 2017	**1,45,031**
Profit for the year	27,872
Other comprehensive income	682
Payment of dividend (refer note 19)	(4,652)
Payment of Dividend Distribution Tax (DDT) (refer note 19)	(553)
Transfer to debenture redemption reserve	(1,667)
As at March 31, 2018	**1,66,713**
Profit for the year	28,891
Other comprehensive income	(519)
Payment of dividend (refer note 19)	(4,652)
Payment of Dividend Distribution Tax (DDT) (refer note 19)	(829)
As at March 31, 2019	**1,89,604**

Notes:

1) During the current year, the Company has prepaid its non-convertible debentures amounting to ₹ 20,000 lacs on July 31, 2018 and accordingly, the balance of debenture redemption reserve has been transferred to general reserve.

Note 19: Distribution made and proposed

Particulars	As at March 31, 2019	As at March 31, 2018
		(₹ in lacs)
Cash dividend on equity shares declared and paid		
Final dividend for the year ended on March 31, 2018: ₹ 11.50 per share (March 31, 2017: ₹ 11.50 per share)	4,652	4,652
Dividend Distribution Tax (DDT) on final dividend	829	553
Total	**5,481**	**5,205**

Particulars	As at March 31, 2019	As at March 31, 2018
		(₹ in lacs)
Proposed dividend on equity shares		
Final cash dividend for the year ended on March 31, 2019: ₹ 12 per share (March 31, 2018 ₹ 11.50 per share)	4,854	4,652
Dividend distribution tax (DDT) on proposed dividend	998	956
Total	**5,852**	**5,608**

Proposed dividend on equity shares which are subject to approval at the annual general meeting are not recognised as a liability (including Dividend Distribution Tax thereon) in the year in which it is proposed.

During the year ended March 31, 2019, the Company has paid dividend to its shareholders. This has resulted in payment of Dividend Distribution Tax (DDT) to the taxation authorities. The Company believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence, DDT paid is charged to equity.

Note 20: Borrowings

(At amortised cost)

Refer note 2.17 for accounting policy on Financial instruments

(₹ in lacs)

Particulars	Non-current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Interest bearing loans and borrowings				
I. Secured				
i) Debentures				
a) Non-convertible debentures (refer foot note 1)	-	19,956	-	-
ii) Term loans				
a) Indian rupee loan from banks*				
Citibank N.A. (refer foot note 2)	21,500	-	-	-
Citicorp Finance (India) Limited (refer foot note 3)	8,500	-	-	-
HDFC Bank (refer foot note 4)	17,299	-	-	-
Kotak Mahindra Bank (refer foot note 5)	29,971	-	-	-
Bank of Baroda (refer foot note 6)	19,826	-	-	-
b) Buyer's Credit (refer foot note 7 and 8)	619	4,512	4,143	22,225
II. Unsecured				
i) Public deposits (refer foot note 9)	0	0	-	-
ii) Deferred sales tax incentive (refer foot note 10)	2,557	2,762	205	269
	1,00,272	27,230	4,348	22,494
Less: amount classified under other financial liabilities (refer note 26)	-	-	(4,348)	(22,494)
Total	**1,00,272**	**27,230**	**-**	**-**

Notes to Borrowings:

1 Non-Convertible Debentures (NCD) Nil (March 31, 2018: ₹ 20,000 lacs) allotted on July 31, 2015 on private placement basis was pre-paid in full including interest thereon during the year. It was secured by a first pari passu charge over the movable assets (except current assets) and immovable assets of the Company situated at the Nasik Plant. It carried interest of 8.70% p.a at the time of repayment.

2 Term Loan from Citibank N.A. ₹ 21,500 lacs as on March 31, 2019 (March 31, 2018: Nil) is secured by pari passu charge over the fixed and movable assets. It is payable as under:

Year	Repayment Schedule (In %)	Schedule of Payment
2021 - 22	20.00%	To be repaid in 3 annual installments at the end of 3rd, 4th & 5th year
2022 - 23	30.00%	
2023 - 24	50.00%	

3 Term Loan from Citicorp Finance India Limited ₹ 8,500 lacs as on March 31, 2019 (March 31, 2018: Nil) is secured by pari passu charge over the fixed and movable assets. It is payable as under:

Year	Repayment Schedule (In %)	Schedule of Payment
2021 - 22	20.00%	To be repaid in 3 annual installments at the end of 3rd, 4th & 5th year
2022 - 23	30.00%	
2023 - 24	50.00%	

4 Term Loan from HDFC Bank ₹ 17,300 lacs as on March 31, 2019 (March 31, 2018: Nil) is secured by first pari passu charge over the fixed and movable assets. It is payable in 12 equal quarterly installments payable after 2 years of Moratorium.

5 Term Loan from Kotak Mahindra Bank Limited ₹ 30,000 lacs as on March 31, 2019 (March 31, 2018: Nil) is secured by first pari passu charge over the Company's movable and immovable assets situated at Halol, Nagpur & Chennai Plant. It is payable as under:

Year	Repayment Schedule (In %)	Schedule of Payment
2021 - 22	2.50%	To be repaid in 28 structured quarterly instalments commencing (March 2022) after 3 years of moratorium from first dradown date (December 2018)
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%	

6 Term Loan from Bank of Baroda ₹ 20,000 lacs as on March 31, 2019 (March 31, 2018: Nil) is secured by first pari passu charge over the fixed assets of the Company's movables and immovables situated at Halol, Nagpur & Chennai Plant. It is payable as under:

Year	Repayment Schedule (In %)	Schedule of Payment
2022 - 23	5.00%	To be repaid in 28 structured quarterly instalments commencing (June 2022) after 3 years of moratorium from first dradown date (March 2019)
2023 - 24	5.00%	
2024 - 25	15.00%	
2025 - 26	15.00%	
2026 - 27	20.00%	
2027 - 28	20.00%	
2028 - 29	20.00%	

*Indian rupee loan from Banks, carries floating interest rate ranging from 7.79% p.a. to 9.25% p.a. The Company is in the process of creating security against these loans.

7 Long-term buyer's credit is secured by first pari passu charge on all movable assets (excluding current assets) and immovable assets of the Company situated at Halol plant and second pari passu charge over the current assets of the Company. It is repayable within 3 years from the date of disbursement. The long-term buyer's credit carries interest in the range of 6 months LIBOR plus 52 bps p.a. to 6 months LIBOR plus 125 bps p.a.

8 Long-term buyer's credit is secured by way of first pari passu charge on all movable assets (excluding current assets) and immovable assets of the Company situated at Nagpur plant. It is repayable within 3 years from the date of disbursement. The long-term buyer's credit carries interest in the range of 12 months LIBOR plus 42 bps p.a. to 12 months LIBOR plus 60 bps p.a. and 6 months LIBOR plus 42 bps p.a. to 6 months LIBOR plus 78 bps p.a.

Unsecured long-term borrowings (includes non-current portion and current maturities)

9 Public deposits included under the long-term borrowings were pre-paid in full including interest thereon on September 30, 2016.

10 Interest-free deferred sales tax is repayable in ten equal annual installment commencing from April 26, 2011 and ending on April 30, 2025.

11 Outstanding balances shown in foot notes above, are grossed up to the extent of unamortised transaction cost.

12 Refer note 45 of information about fair value measurement and note 47(d) for information about liquidity risk relating to borrowings.

Note 21: Other financial liabilities

Refer note 2.17 for accounting policy on Financial instruments

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Non current		
At fair value through other comprehensive income		
Derivative financial instrument	315	177
At amortised cost		
Deposits	146	146
Total	**461**	**323**

Notes:

a) Refer note 45 of information about fair value measurement and note 47(d) for information about liquidity risk relating to other financial liabilities.

Note 22: Provisions

Refer note 2.15 for accounting policy on Provisions

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Non-current provisions		
Provision for sales related obligation (refer foot note a)	849	886
Provision for compensated absences (refer foot note b)	2,766	2,433
Provision for decommissioning liability (refer foot note c)	68	61
	3,683	**3,380**
Current provisions		
Provision for sales related obligation (refer foot note a)	3,499	2,843
Provision for gratuity (refer note 40)	1,032	-
Provision for compensated absences (refer foot note b)	537	313
Provision for indirect tax and labour matters (refer foot note d)	4,917	1,858
Total	**9,985**	**5,014**

Notes:

a) Provision for sales related obligation

A provision is recognized for expected sales related obligation on product sold during the last three years, based on past experience of the level of returns and cost of claim. It is expected that significant portion of these costs will be incurred in the next financial year and within three years from the reporting date. Assumptions used to calculate the provision for sales related obligation were based on current sales levels and current information available about returns based on the three years period for all products sold. The table below gives information about movement in provision for sales related obligation.

Movement in provision for sales related obligation	(₹ in lacs)
As at April 1, 2017	**3,386**
Additions during the year	5,166
Utilised during the year	(4,823)
As at March 31, 2018	**3,729**
Additions during the year	6,261
Utilised during the year	(5,642)
As at March 31, 2019	**4,348**

b) Compensated absences

The Company encashes leaves of employees 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 1, 2017	**2,864**
Additions during the year	161
Utilised during the year	(279)
As at March 31, 2018	**2,746**
Additions during the year	1,020
Utilised during the year	(463)
As at March 31, 2019	**3,303**

c) Provision for decommissioning liability

The Company records a provision for decommissioning costs of land taken on lease at Nasik manufacturing facility for the production of tyres.

Movement in provision for decommissioning liability	(₹ in lacs)
As at April 1, 2017	**55**
Additions during the year	6
As at March 31, 2018	**61**
Additions during the year	7
As at March 31, 2019	**68**

d) Indirect tax and labour matters

The Company is party to various lawsuits that are at administrative or judicial level or in their intial stages, involving tax and civil matters. The Company contests all claims in the court / tribunals / appellate authority levels and based on their assessment and that of their legal counsel, records a provision when the risk or loss is considered probable. The outflow is expected on cessations of the respective events.

Movement in provision for indirect tax and labour matters	(₹ in lacs)
As at April 1, 2017	**1,556**
Additions during the year	784
Utilised during the year	(482)
As at March 31, 2018	**1,858**
Additions during the year (refer note 36)	3,106
Utilised during the year	(47)
As at March 31, 2019	**4,917**

Note 23: Income taxes and deferred taxes

Refer note 2.7 for accounting policy on Taxes

Statement of Balance Sheet

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Non current tax assets (net)		
Advance payment of tax (net of provision)	5,733	3,915
Current tax liabilities (net)		
Provision for income tax (Net of advance tax)	4,377	2,867
Deferred tax liabilities (net)	20,771	17,815

Statement of profit and loss

(₹ in lacs)

Particulars	2018-19	2017-18
Tax Expense		
Current tax	9,009	10,408
Deferred tax	3,077	2,686
Income tax expense reported in the statement of profit and loss	**12,086**	**13,094**

Other Comprehensive Income (OCI) section

Deferred tax related to items recognised in OCI during the year

(₹ in lacs)

Particulars	2018-19	2017-18
Income tax effect on actuarial losses for Gratuity	279	(361)
Income tax effect on movement in cash flow hedges	1,323	(380)
Income tax (expense)/income charged to OCI	**1,602**	**(741)**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2019 and March 31, 2018

(₹ in lacs)

Particulars	2018-19	2017-18
Accounting profit before tax from continuing operations	**40,977**	**40,966**
Income tax rate of 34.94% (March 31, 2018: 34.61%)	14,317	14,178
Additional deduction on Research and Development (R&D) expense	(1,281)	(1,168)
Income tax at special rates	(128)	(402)
Effect of exempt incomes	-	(40)
Income Tax Refund for earlier years (Net of provision for tax of earlier years)	(1,505)	-
Others	285	125
Non-deductible expenses for tax purposes		
Depreciation on revaluation	183	187
Corporate Social Responsibility (CSR) expenses	184	185
Other non-deductible expenses	31	29
At the effective income tax rate of 29.49% (March 31, 2018: 31.96%)	**12,086**	**13,094**

Deferred tax
Deferred tax relates to the following

(₹ in lacs)

Particulars	Balance Sheet		Profit and Loss	
	As at March 31, 2019	As at March 31, 2018	2018-19	2017-18
Accelerated depreciation for tax purposes	(34,919)	(30,751)	4,168	3,932
MAT Credit entitlement	5,764	7,245	-	(1,332)
Voluntary Retirement Scheme(VRS)	1,637	1,604	(33)	(652)
Allowance for doubtful debts/advances	2,021	940	(1,081)	390
Others	4,726	3,147	23	348
Deferred tax expense/(income)	**(20,771)**	**(17,815)**	**3,077**	**2,686**
Net deferred tax assets/(liabilities)				

Reflected in the balance sheet as follows

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax assets	14,148	12,936
Deferred tax liabilities	(34,919)	(30,751)
Deferred tax liabilities (net)	**(20,771)**	**(17,815)**

Reconciliation of deferred tax liabilities (net)

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening balance as at April 1	(17,815)	(13,459)
Tax expense during the period recognised in statement of profit and loss	(3,077)	(2,686)
Tax (expense)/income during the period recognised in other comprehensive income	1,602	(741)
MAT credit utilisation	(1,481)	(929)
Closing balance as at March 31	**(20,771)**	**(17,815)**

The Company 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 and the deferred tax assets and deferred tax liabilities related to income taxes levied by the same tax authority.

Note 24: Borrowings

Refer note 2.17 for accounting policy on Financial instruments

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Secured		
Cash credit facilities from banks (repayable on demand) (refer foot note 1)	1,379	7,132
Export packing credit from banks (refer foot note 1)	-	1,955
Buyer's credit from banks (refer foot note 1)	-	5,277
Term loans from banks (refer foot note 1)	200	-
Unsecured		
Commercial paper (refer foot note 2)	19,852	-
Total	**21,431**	**14,364**

Notes:

1 Cash 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, wherever situated and by way of second pari passu charge on the movable assets (except current assets) and immovable assets of the Company situated at Bhandup, Nasik and Halol Plants. All short-term borrowings availed in Indian rupees during the current year carry interest in the range of 7.80% p.a. to 12.30% p.a. and all short-term borrowing availed in foreign currency during the year carry interest in the range of LIBOR plus 70 bps to LIBOR plus 140 bps.(LIBOR is set corresponding to the period of the loan).

2 The Company had issued commercial papers (total available limit ₹ 35,000 lacs) at regular intervals for working capital purposes with interest ranging from 6.90% p.a. to 8.75% p.a. The outstanding as at March 31, 2019 is ₹ 19,852 lacs
(March 31, 2018: Nil)

3 Refer note 47(d) for information about liquidity risk relating to borrowings.

Note 25: Trade payables

Refer note 2.17 for accounting policy on Financial instruments

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Dues to micro and small enterprises (refer foot note a)		
Overdue	-	-
Not due	547	360
Other trade payables	1,00,905	81,789
Trade payables to related parties*	1,941	2,422
Total	**1,03,393**	**84,571**

* For terms and conditions with related parties, refer note 42

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, 2019	As at March 31, 2018
i) The principal amount remaining unpaid to any supplier as at the end of each accounting year	547	360
ii) Interest due thereon remaining unpaid to any supplier as at the end of accounting year	-	-
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	-	12
iv) The amount of interest due and payable for the year	-	-
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 on 60 to 105 days

c) Refer note 47(d) for information about liquidity risk relating to trade payables.

Note 26: Other financial liabilities

Refer note 2.17 for accounting policy on Financial instruments

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
At fair value through other comprehensive income		
Derivative financial instrument	3,136	4
At amortised cost		
Current maturities of long-term borrowings (refer note 20)	4,348	22,494
Interest accrued but not due on borrowings	538	129
Unpaid dividends	443	225
Unpaid matured deposits and interest accrued thereon (refer foot note a)	101	117
Payable to capital vendors	17,383	3,585
Deposits from dealers and others	32,150	30,376
Others	0	71
Total	**58,099**	**57,001**

Notes:

a) Refer foot note (a) below note 13: Bank balances other than cash and cash equivalents.

b) Refer note 45 of information about fair value measurement and note 47(d) for information about liquidity risk relating to other financial liabilities.

Note 27: Other current liabilities

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Statutory dues	7,369	7,935
Advance received from customers*	1,241	1,737
Total	**8,610**	**9,672**

* Balance as at March 31, 2019 represents contract liabilities

Note 28: Revenue from operations

Refer note 2.4 for accounting policy on revenue recognition and 2.6 for government grant and export incentives
Set out below is the disaggregation of the Company's revenue from contracts with customers:

(₹ in lacs)

Particulars	2018-19	2017-18*
Revenue recognised at the point of time		
Automotive tyres (refer foot note a)	6,10,967	5,58,069
Tubes and others (refer foot note a)	64,826	71,525
Other revenues	863	4,710
Sale of scrap	2,909	2,195
Revenue recognised over the period of time		
Royalty income (refer note 42)	441	419
Total revenue from contracts with customers	**6,80,006**	**6,36,918**
Other Operating Income		
Government grants (refer foot note b)	3,124	1,273
Revenue from operations	**6,83,130**	**6,38,191**

Notes:

a) Sale of goods includes excise duty collected from customers of Nil lacs (March 31, 2018: ₹ 16,891 lacs) (refer note 2.4.1).

b) 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.

c) Previous year figure of sales related obligations have been reclassified from 'Revenue from operations' to 'Other expenses' to conform to current year's classification.

(₹ in lacs)

Particulars	2018-19
India	5,96,029
Outside India	83,977
Total revenue from contracts with customers	**6,80,006**

Contract assets and liabilities

The Company has recognised the following revenue-related contract assets and liabilities:

(₹ in lacs)

Particulars	As at March 31, 2019
Trade receivables (refer note 11)	72,646
Contract liabilities (refer note 27)	1,241

Contract liabilities includes payments received in advance of performance under the contract.

Revenue recognised in the period from:	(₹ in lacs)
Amounts included in contract liability at the beginning of the period	1,737
Performance obligations satisfied in previous periods	-

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	2018-19
Revenue as per contracted price	6,99,565
Reductions towards variable consideration components	(19,559)
Revenue from contracts with customers	**6,80,006**

The reduction towards variable consideration comprises of discounts, indexations etc.

Practical expedients

The Company has taken advantage of the following practical exemptions:

- Not to account for significant financing components where the time difference between receiving consideration and transferring control of goods or services to its customer is one year or less;

*The cumulative effect of initially applying Ind AS 115 is recognised at the date of initial application as an adjustment to the opening balance of retained earnings. Therefore, the comparative information was not restated and continues to be reported under Ind AS 18 (refer note 2.2.2 for changes in accounting policy).

Note 29: Other Income

Refer note 2.4 for accounting policy on Revenue recognition

(₹ in lacs)

Particulars	2018-19	2017-18
Interest income on		
Bank deposits	16	24
Other interest income	3,189	1,303
Dividend income from		
Subsidiaries (refer note 42)	732	1,927
Other non-operating income	1,510	1,362
Net gain on disposal of investments*	83	1,065
Total	**5,530**	**5,681**

*Includes fair value gain/ (loss) as at March 31, 2019 amounting to Nil (March 31, 2018 ₹ 6 lacs)

Note 30: Cost of material consumed

(₹ in lacs)

Particulars	2018-19	2017-18
Raw Material		
Opening stock	35,876	42,720
Add: Purchases	4,28,775	3,58,189
	4,64,651	**4,00,909**
Less: Closing stock	(37,287)	(35,876)
Total	**4,27,364**	**3,65,033**

(₹ in lacs)

Details of raw materials consumed	2018-19	2017-18
Rubber	2,03,292	1,87,779
Fabrics	66,000	51,751
Carbon black	63,716	49,944
Chemicals	52,504	42,610
Others	41,852	32,949
Total	**4,27,364**	**3,65,033**

(₹ in lacs)

Details of closing inventories	As at March 31, 2019	As at March 31, 2018
Rubber	23,728	23,599
Fabrics	4,485	3,426
Carbon black	2,946	1,502
Chemicals	3,345	4,023
Others	2,783	3,326
Total (refer note 9(a))	**37,287**	**35,876**

Note 31: Changes in inventories of finished goods, work-in-progress and stock-in-trade

(₹ in lacs)

Particulars	2018-19	2017-18
Opening Stock		
Work-in-progress	2,933	3,149
Finished goods	32,215	40,779
Stock in trade	1,280	2,405
	36,428	**46,333**
Closing Stock		
Work-in-progress	3,273	2,933
Finished goods	51,751	32,215
Stock in trade	829	1,280
	55,853	**36,428**
	(19,425)	9,905
Differential excise duty on opening and closing stock of finished goods	-	(573)
Total change in inventories	**(19,425)**	**9,332**

Note 32: Employee benefit expense

Refer note 2.16 for accounting policy on Retirement and other employee benefits

(₹ in lacs)

Particulars	2018-19	2017-18
Salaries, wages and bonus	41,009	33,739
Contribution to provident and other funds	1,899	1,860
Gratuity expenses (refer note 40)	631	610
Welfare expenses	5,656	5,102
Total	**49,195**	**41,311**

Note 33: Finance costs

Refer note 2.11 for accounting policy on borrowing costs

(₹ in lacs)

Particulars	2018-19	2017-18
Interest on debts and borrowings	5,613	7,883
Other finance charges	408	375
Total interest expense	**6,021**	**8,258**
Unwinding of decommissioning liability	7	6
Unwinding of discount on provision of sales related obligation	424	381
Total	**6,452**	**8,645**

Note 34: Depreciation and amortization expenses

Refer note 2.9 for accounting policy on Property, plant and equipment and 2.10 on Intangible assets

(₹ in lacs)

Particulars	2018-19	2017-18
Depreciation on property, plant and equipment (refer note 3)	16,171	14,959
Amortization of intangible assets (refer note 4)	1,259	1,209
Total	**17,430**	**16,168**

Note 35: Other expenses

(₹ in lacs)

Particulars	2018-19	2017-18
Conversion charges	40,315	35,468
Stores and spares consumed	5,602	4,696
Provision for obsolescence of stores and spares	74	120
Power and fuel	21,286	18,815
Freight and delivery charges	32,415	27,724
Rent for premises	693	584
Lease rent for vehicles	128	137
Rates and taxes	177	273
Insurance	418	410
Repairs and maintenance:		
Machinery	5,603	5,291
Buildings	598	489
Others	50	68
Travelling and conveyance	3,489	3,231
Printing and stationery	225	268
Directors' fees (refer note 42)	53	49
Payment to auditors (refer foot note 1)	89	86
Cost audit fees	3	3
Advertisement and sales promotion expenses	16,892	14,672
Commission on sales	76	193
Communication expenses	653	899
Bad debts and advances written off	135	1,547
Allowance for bad debts written back	(129)	(1,497)
	6	50
Allowance for doubtful debts and advances	197	371
Loss on disposal of property, plant and equipment (net)	480	929
Legal charges	167	146
Foreign exchange fluctuations (net)	338	28
Professional and consultancy charges	3,160	2,747
Commission to directors (refer note 42)	438	421
Training and conference expenses	1,271	1,151
Corporate Social Responsibility (CSR) expenses (refer foot note 2)	1,051	1,071
Bank charges	320	541
Sales related obligations**	6,261	5,166
Miscellaneous expenses	13,623	10,801
Total	**1,56,151**	**1,36,898**

**Previous year figure of sales related obligations have been reclassified from 'Revenue from operations' to 'Other expenses' to conform to current year's classification.

Notes:

1) Payments to the auditor*

(₹ in lacs)

Particulars	2018-19	2017-18
As auditor		
Audit fee	54	54
Limited review	21	21
In other capacity		
Other services (including certification fees)	10	8
Reimbursement of expenses	4	3
Total payment to auditor	**89**	**86**

*Exclusive of service tax/GST

2) Details of Corporate Social Responsibility (CSR) expenditure		(₹ in lacs)
Particulars	**2018-19**	**2017-18**
a) Gross amount required to be spent during the year	**1,051**	**1,071**

Particulars	In cash	Yet to be paid in cash	Total
b) Amount spent during the year ended on March 31, 2019			
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	1,051	-	1,051
Total	**1,051**	**-**	**1,051**

(₹ in lacs)

Particulars	In cash	Yet to be paid in cash	Total
c) Amount spent during the year ended on March 31, 2018			
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	1,071	-	1,071
Total	**1,071**	**-**	**1,071**

Notes:

a) The company does not carry any provisions for Corporate social responsibility expenses for current year and previous year.

Note 36: Exceptional items

(₹ in lacs)

Particulars	2018-19	2017-18
Voluntary retirement scheme (VRS) (refer foot note a)	1,195	2,640
Workmen's seperation expense (refer foot note b)	229	-
Provision for indirect tax matters (refer foot note c)	3,000	-
Total	**4,424**	**2,640**

Notes:

a. The Company had introduced VRS for employees across the Company. During the year, 56 employees (March 31, 2018, 178 employees) opted for the VRS.

b. The Company has paid compensation in respect of workmen's seperation.

c. Provision for differential amount of Goods and Service Tax is attributable to the composite supply of Tyres and Tubes for the period from November 15, 2017 to January 11, 2019, aggregating to ₹ 3,000 lacs and in respect of which the Company is evaluating further legal options.

Note 37: Research and development costs

(₹ in lacs)

Particulars	2018-19	2017-18
Capital expenditure	2,917	2,964
Revenue expenditure	6,159	6,069
Total	**9,076**	**9,033**

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 38: Earnings per share

Refer note 2.23 for accounting policy on Earnings per share

Basic Earnings per share (EPS) amounts are calculated by dividing 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 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.

The following reflects the income and share data used in the basic and diluted EPS computations:

(₹ in lacs)

Particulars	2018-19	2017-18
Profit after tax for calculation of basic and diluted EPS	28,891	27,872
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 (of face value of ₹ 10 each)	71.42	68.90
Diluted earnings per share (of face value of ₹ 10 each)	71.42	68.90

Note 39: Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, 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.

Estimates and assumptions

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.

a) **Taxes**

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. 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. Based on approved plans and budgets, the Company has estimated that the future taxable income will be sufficient to absorb MAT credit entitlement, which management believes is probable. Accordingly, the Company has recognized MAT credit as an asset. Further details on taxes are disclosed in note 23

b) **Defined benefit plans (gratuity benefits)**

The Company's obligation on account of gratuity, compensated absences and present value of gratuity obligation are determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Increase in future salary and gratuity is based on expected future inflation rates.

Further details about gratuity obligations are given in note 40.

c) **Provision for decommissioning liability**

The Company has recognised a provision for decommissioning obligations associated with a land taken on lease at Nasik 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 carrying amount of the provision as at March 31, 2019 was ₹ 68 lacs (March 31, 2018: ₹ 61 lacs). 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%

d) Provision for sales related obligation

The estimated liability for sales related obligation 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. The rate used for discounting provision for sales related obligation is 11.50%.

e) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. (refer note 45 and 46 for further disclosures)

Note 40: Post-retirements benefit plan

Refer note 2.16 for accounting policy on Retirement and other employee benefits

a) Defined Contribution plan

The Company has recognised and included in Note No.32 "Contribution to Provident and other funds" expenses towards the defined contribution plan as under:

(₹ in lacs)

	2018-19	2017-18
Contribution to Provident fund (Government)	1,686	1,648

b) Defined Benefit plan - Gratuity

The Company has a defined benefit gratuity plan which is funded with an Insurance Company in the form of 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 @ 15 days of last drawn salary for each completed year of service. The scheme is funded with an insurance Company in the form of qualifying insurance policy.

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. Such a review includes the asset-liability matching strategy and investment risk management policy. This includes employing the use of annuities and longevity swaps to manage the risks. The Board of Trustees decides its contribution based on the results of this annual review. The Board of trustees have appointed LIC of India, Birla Sun 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.

In case of death, while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the Company gratuity scheme administered by LIC through its gratuity funds.

i) Change in present value of the defined benefit obligation are as follows

(₹ in lacs)

Sr. No.	Particulars	2018-19	2017-18
1	Opening present value of defined benefit obligation	9,301	9,543
2	Current service cost	631	610
3	Interest cost	698	648
4	Benefits paid	(1,058)	(600)
5	Remeasurement (gain) / loss in other comprehensive income		
	- Actuarial changes arising from changes in financial assumption	-	(526)
	- Experience adjustments	709	(424)
6	Adjustment in the Opening Liability	-	50
7	Closing present value of obligation	10,281	9,301

ii) Changes in Fair value of Plan Assets are as follows

(₹ in lacs)

Sr. No.	Particulars	2018-19	2017-18
1	Fair value of plan assets as at April 1	9,667	8,526
2	Expected return on plan assets	724	580
3	Contributions made	5	1,068
4	Benefits paid	(1,058)	(600)
5	Return on plan assets, excluding amount recognised in net interest expense	(89)	93
6	Fair value of plan assets as at March 31	9,249	9,667

iii) Expenses recognised during the period

(₹ in lacs)

Sr. No.	Particulars	2018-19	2017-18
1	In Income Statement	603	678
2	In Other Comprehensive Income	798	(1,043)
3	Total Expenses recognised during the period	1,401	(365)

iv) Expenses recognized in the Income Statement

(₹ in lacs)

Sr. No.	Particulars	2018-19	2017-18
1	Current Service Cost (refer note 32)	631	610
2	Interest Cost on benefit obligation	(28)	68
3	Net benefit expense	603	678

v) Expenses recognized in Other Comprehensive Income (OCI)

(₹ in lacs)

Sr. No.	Particulars	2018-19	2017-18
1	Remeasurement arising from changes in financial assumptions	-	(526)
2	Remeasurement arising from changes in experience variance	709	(424)
3	Return on plan assets, excluding amount recognized in net interest expense	89	(93)
4	Components of defined benefit costs recognized in other comprehensive income	798	(1,043)

vi) Net Assets / (Liability) as at year end

(₹ in lacs)

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
1.	Closing Present value of the defined benefit obligation	10,281	9,301
2.	Closing Fair value of plan Assets	9,249	9,667
3.	Net Assets / (Liability) recognized in the Balance Sheet	(1,032)	366

vii) Actual return on plan assets for the year ended

(₹ in lacs)

Sr. No.	Particulars	2018-19	2017-18
1.	Expected return on plan assets	724	580
2.	Actuarial (loss)/gain on plan assets	(89)	93
3.	Actual return on plan assets	635	673

viii) The major categories of Plan Assets as a percentage of the Fair Value of Plan Assets are as follows

Particulars	As at March 31, 2019	As at March 31, 2018
Investment with Insurer	100%	100%

ix) The principal assumptions used in determining gratuity and leave encashment for the Company's plan are shown below

Description of Risk Exposures

Valuations are performed on certain basic set of predetermined assumptions and other regulatory frame work which may vary over time. Thus, the Company is exposed to various risks in providing the above gratuity benefit which are as follows:

Interest Rate risk

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).

Liquidity Risk

This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non-availability of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Salary Escalation Risk

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.

Demographic Risk

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.

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 in the previous year to ₹ 20 lacs).

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.

Investment Risk

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Particulars	2018-19	2017-18
Discount Rates (per annum)	7.50%	7.50%
Salary growth rate (per annum)	7.00%	7.00%
Mortality rate (% of Indian Assured Lives Mortality (2006-08) Modified Ultimate)	100%	100%
Disability Rate	5% of mortality rate	5% of mortality rate
Withdrawal rates, based on service year: (per annum)		
- Below 5 years	22.70%	22.70%
- Equal and above 5 years	5.67%	5.67%

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority and other relevant factors, such as supply and demand in the employment market.

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, 2019	As at March 31, 2018
Defined Benefit Obligation (Base)	10,281	9,301

A quantitative sensitivity analysis for significant assumption as at March 31, 2019 is as shown below:

(₹ in lacs)

Particulars	2018-19		2017-18	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	11,048	9,603	10,069	8,628
(% change compared to base due to sensitivity)	7.5%	(6.6%)	8.3%	(7.2%)
Salary Growth Rate (- / + 1%)	9,595	11,043	8,620	10,064
(% change compared to base due to sensitivity)	(6.7%)	7.4%	(7.3%)	8.2%
Attrition Rate (- / + 50% of attrition rates)	10,261	10,286	9,267	9,319
(% change compared to base due to sensitivity)	(0.2%)	0.1%	(0.4%)	0.2%
Mortality Rate (- / + 10% of mortality rates)	10,279	10,280	9,300	9,301
(% change compared to base due to sensitivity)	0.0%	0.0%	0.0%	0.0%

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. 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.

The Company's best estimate of contribution during the next year is ₹ 1,655 lacs.

The weighted average duration (based on discounted cash flows) of defined benefit obligation is 7 years.

The following payments are expected contributions to the defined benefit plan in future years:

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Within the next 12 months (next annual reporting period)	1,676	1,128
Between 2 and 5 years	4,210	3,657
Between 6 and 10 years	4,839	4,558
Beyond 10 years	9,241	9,925
Total expected payments	**19,966**	**19,268**

The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity outflows happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in an increase in liability without corresponding increase in the asset).

Note 41: Commitments and contingencies

a. Leases

Refer note 2.12 for accounting policy on Leases

Operating lease commitments — Company as lessee

The Company has entered a lease agreement with the leasing Company for vehicles, resulting in a non-cancellable operating lease. There is no restriction placed upon the Company by entering these leases. The lease term range from one year to five years and are renewable at the option of the Company.

Lease rental on the said lease of ₹ 128 Lacs (March 31, 2018 ₹ 137 Lacs) has been charged to Statement of Profit and Loss.

Future minimum rentals payable under non-cancellable operating leases as at March 31, 2019 are, as follows:

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Within one year	75	62
After one year but not more than five years	151	104
More than five years	-	-

b. Contingent Liabilities

Refer note 2.25 for accounting policy on Contingent liabilities and assets (to the extent not provided for)

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
1. Direct and indirect taxation matters*		
Income tax	911	4,317
Wealth tax	-	7
Excise duty / Service tax	7,083	6,633
Sales tax	5,345	5,193
Bills discounted with banks	10,586	8,052
2. Claims against the Company not acknowledged as debts*		
In respect of labour matters	586	750
Rental disputes	-	180
Customer disputes	446	446
Vendor disputes	294	294
3. Other claims*	3,199	3,204
4. Corporate Guarantee upto ₹ 22,800 lacs to CEAT Specialty Tyres Limited as a collateral security for raising the term loans	22,800	22,451

*in respect of above matters, future cash outflows are determinable only on receipt of judgements pending at various forums / authorities.

c. Commitments

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advance payments)	1,22,572	94,137

d. Others

1. The Company has availed the Sales Tax Deferral Loan and Octroi refund from the Directorate of Industries for Nasik 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 Nasik 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.

2. There are numerous interpretative issues relating to the Supreme Court (SC) judgement on Provident Fund (PF) dated February 28, 2019. The Company is in the process of receiving further clarity on the subject.

e. Material demands and disputes considered as "Remote" by the Company

1. 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 ₹ 27,421 Lacs i.e., the amount of duty already paid on the basis of transaction value and duty payable on the basis of MRP under Section 4A, for the period from April-2011 to March-2017. The Company believes that Set of TT / TTF (Tyre and Tube / Tyre, Tube and Flap) is not pre-packaged commodity in terms of provisions of Legal Metrology Act, 2009. The Company has a strong case on the ground that, the said issue has been clarified by the Controller of the Legal Metrology Department vide its letter dated May 1, 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.

2. The Competition Commission of India (CCI) had, while considering the representation of the All India Tyres Dealers Federation (AITDF) made a prima facie finding that the major players of tyre industry (including the Company) had some understanding amongst themselves, especially in the replacement market, as they did not pass the benefit of corresponding reduction in prices of major raw material inputs for the period subsequent to the year 2011-12. CCI had, vide its order passed on June 24, 2014 under Section 26(1) of the Act, directed the Office of the Director General (DG) to investigate the said alleged violation of the Act.

   DG submitted its investigation report to CCI in December 2015, based on which CCI directed the said tyre manufacturers to file their suggestions/objections by May 5, 2016. Objections were filed as directed and the CCI had also heard the tyre manufacturers in detail.

Aggrieved by the conduct of the Investigation by the DG, one of the other tyre manufacturer filed Writ Petition in the Madras High Court, challenging the legality of the investigation conducted by the Director General. The Madras High Court had initially admitted the Writ Petition and directed the CCI to not pass any Orders till the disposal of the Petition. Subsequently, the Writ Petition was dismissed on March 6, 2018. Aggrieved by the decision of the Single Judge of the Madras High Court, the above said tyre manufacturer filed Appeal before the Division Bench on March 7, 2018. On hearing the Appeal, the Division Bench on March 8, 2018 directed the CCI to keep its Orders in sealed cover till the disposal of the Appeal. The Appeal is still pending.

Meanwhile, few other tyre manufactures having been aggrieved by the decision of the Single Judge of the Madras High Court, have filed Special Leave Petition before the Supreme Court. The Supreme Court has admitted the Special Leave Petition and the same is now pending for hearing. In light of the above pending Petitions before the Madras High Court and the Supreme Court, the CCI has not passed any Orders till date. The Company's decision to change the price is purely a business decision which depends upon many factors like cost of production, brand value perception, profit margin of each product, quality perception of each product in the market, demand and supply situation of each product category and market potential and market shares targets of various product categories etc. In view of the above, Company believes that it has a strong case hence, considered as remote."

Note 42: 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 Tyres Limited ("CSTL") (Subsidiary Company)
- CEAT Specialty Tires Inc. (Subsidiary of CSTL)
- CEAT Specialty Tyres B.V (Subsidiary of CSTL)

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)
- Asian Tyres (Pvt.) Limited ("ATPL") (Subsidiary of CKITL)
- CEAT Specialty Tyres Limited ("CSTL") (Subsidiary Company)
- 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)
- Vinar Systems Pvt. Limited ("Vinar") (Directors, KMP or their relatives are interested) upto May 31, 2018
- B.N. Elias & Co. LLP ("B.N. Elias") (Directors, KMP or their relatives are interested)
- Atlantus Dwellings & Infrastructure LLP ("Atlantus") (Directors, KMP or their relatives are interested)
- Chattarpati Apartments LLP ("Chattarpati") (Directors, KMP or their relatives are interested)
- Allwin Apartments LLP ("Allwin") (Directors, KMP or their relatives are interested)
- Amber Apartments LLP ("Amber") (Directors, KMP or their relatives are interested)
- Khaitan & Co. ("Khaitan") (Directors, KMP or their relatives are interested)
- CEAT AKKHAN Limited (Subsidiary Company)
- Rado Tyres Limited("Rado") (Subsidiary Company)
- Associated CEAT Holdings Company (Pvt.) Limited ("ACHL") (Subsidiary Company)
- Artemis ventures Limited ("Artemis") (Directors, KMP or their relatives are interested)
- Key Management Personnel (KMP):
  - i) Mr. H. V. Goenka, Chairman
  - ii) Mr. Anant Goenka, Managing Director
  - iii) Mr. Arnab Banerjee, Whole-time Director
  - iv) Mr Kumar Subbiah, Chief Financial Officer
  - v) Ms. Shruti Joshi, Company Secretary upto June 11, 2018
  - vi) Ms. Vallari Gupte, Company Secretary w.e.f. October 25, 2018
  - vii) Mr. Paras K. Chowdhary, Independent Director
  - viii) Mr. Vinay Bansal, Independent Director
  - ix) Mr. Hari L. Mundra, Non-Executive - Non Independent Director up to January 29, 2019

x) Mr. Atul C. Choksey, Independent Director

xi) Mr. Mahesh S. Gupta, Independent Director

xii) Mr. Haigreve Khaitan, Independent Director

xiii) Ms. Punita Lal, Independent Director

xiv) Mr. S. Doreswamy, Independent Director up to March 12, 2019

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	2018-19	2017-18
Reimbursement / (recovery) of expenses (net)	ACPL	(28)	(25)
	CKITL	(28)	(23)
	Raychem	(2)	(8)
	Rado	(2)	-
	KEC	(56)	(51)
	Amber	2	2
	Zensar	9	9
	RPGE	129	231
	CSTL	(42)	(41)
	Vinar	-	0
	RPGLS	(20)	(16)
	Total	**(38)**	**78**
Dividend income	ACHL	732	1,927
Royalty income	ACPL	84	110
	CKITL	137	113
	ATPL	82	70
	CKRL	138	126
	Total	**441**	**419**
Purchase of Traded goods	ACPL	4,064	3,927
	CKITL	767	502
	ATPL	-	24
	CKRL	-	24
	CSTL	276	-
	Total	**5,107**	**4,477**
Purchase of MEIS License	CSTL	116	-
Sales	CKITL	551	246
	TNM	403	26
	ACPL	45	131
	KEC	1	-
	CEAT AKKHAN Limited	5,482	3,948
	CSTL	23,398	21,565
	Total	**29,880**	**25,916**
Conversion charges paid	Rado	-	17
Loan given	CSTL	19,630	19,700
Repayment of loan given	CSTL	18,730	19,800
Interest income on loan	CSTL	405	377
Investments (including share application money) made during the year	TNM	300	400
	CSTL	3,000	7,000
	Rado	-	1,160
	Total	**3,300**	**8,560**
Technical development fees received	ATPL	65	-
Rent paid on residential premises / guest house	Allwin	16	15
	KEC	1	9
	Amber	16	15
	Atlantus	19	18
	Chattarpati	45	43
	B N Elias	21	12
	Total	**118**	**112**

(₹ in lacs)

Transactions	Related Party	2018-19	2017-18
Building maintenance recovery	Raychem	95	95
	KEC	496	474
	CSTL	29	26
	RPGE	96	70
	RPGLS	103	101
	Total	**819**	**766**
Rent recovery on residential premises	KEC	25	24
	Raychem	13	12
	RPGE	8	9
	Total	**46**	**45**
Purchase of capex/spares	Raychem	110	95
	KEC	4,972	1,228
	Vinar	2	86
	zensar	130	-
	Total	**5,214**	**1,409**
Consultancy fees paid	Artemis	48	-
Legal fees paid	Khaitan & Co.	45	28
License fees paid	RPGE	662	630
Sale of capex/spares	CKITL	-	75
	Total	**-**	**75**
Facililty agreement recovery	CSTL	2,071	1,657
Corporate guarantee commission	CSTL	181	182

c) Balance outstanding at the year end

(₹ in lacs)

Transactions	Related Party	As at March 31, 2019	As at March 31, 2018
Advances recoverable in cash or kind	ACPL	11	11
	CEAT AKKHAN Limited	209	209
	CKITL	27	45
	KEC	15	6
	CSTL	163	287
	Total	**425**	**558**
Royalty receivable	ACPL	43	55
	CKITL	60	57
	CKRL	66	64
	ATPL	35	35
	Total	**204**	**211**
Trade payables	ACPL	780	1,662
	Raychem	116	9
	Rado	1	3
	CEAT AKKHAN Limited	62	19
	CKITL	132	247
	KEC	-	0
	Zensar	18	18
	Vinar	-	26
	RPGE	1	17
	CSTL	393	-
	Total	**1,503**	**2,001**

(₹ in lacs)

Transactions	Related Party	As at March 31, 2019	As at March 31, 2018
Trade receivables	CKITL	231	88
	CEAT AKKHAN Limited	596	357
	CSTL	7,418	1,959
	CKRL	0	-
	ACPL	26	38
	RPGE	2	-
	RPGLS	1	-
	TNM	65	18
	Total	**8,339**	**2,460**
Loans given	CSTL	5,800	4,900
	Total	**5,800**	**4,900**
Capital advance net of capital creditors	KEC	1,643	476

d) Transactions with key management personnel and their relatives

(₹ in lacs)

Sr. No.	Related Party	2018-19	2017-18
1)	Mr. H. V. Goenka		
	Commission*	373	373
	Director sitting fees	5	5
	Dividend	15	15
	Total	**393**	**393**
2)	Mr. Anant Goenka		
	Salaries	313	286
	Allowances and perquisites	34	9
	Performance bonus*	96	77
	Contribution to provident & superannuation fund	30	26
	Dividend	2	2
	Leave encashment	0	0
	Total	**475**	**400**
3)	Mr. Arnab Banerjee		
	Salaries	212	192
	Allowances and perquisites	0	2
	Performance bonus*	67	51
	Contribution to provident & superannuation fund	12	11
	Leave encashment	0	0
	Dividend	0	0
	Total	**291**	**256**
4)	Mr. Kumar Subbiah		
	Salaries	150	138
	Allowances and perquisites	0	3
	Performance bonus*	46	35
	Contribution to provident & superannuation fund	5	5
	Leave encashment	0	0
	Total	**201**	**181**
5)	Ms. Vallari Gupte		
	Salaries	26	-
	Contribution to provident & superannuation fund	2	-
	Total	**28**	**-**
6)	Ms Shruti Joshi		
	Salaries	7	35
	Performance bonus*	8	7
	Contribution to provident & superannuation fund	6	2
	Leave Encashment	1	0
	Total	**22**	**44**

(₹ in lacs)

Sr. No.	Related Party	2018-19	2017-18
7)	Mr. Paras K. Chowdhary		
	Commission*	6	6
	Director sitting fees	6	6
	Dividend	0	0
	Total	**12**	**12**
8)	Mr. Hari L. Mundra		
	Commission*	6	6
	Director sitting fees	5	6
	Total	**11**	**12**
9)	Mr. Vinay Bansal		
	Commission*	6	6
	Director sitting fees	8	6
	Total	**14**	**12**
10)	Mr. Atul C. Choksey		
	Commission*	6	6
	Director sitting fees	4	4
	Total	**10**	**10**
11)	Mr. Mahesh S. Gupta		
	Commission*	6	6
	Director sitting fees	8	8
	Total	**14**	**14**
12)	Mr. Haigreve Khaitan		
	Commission*	6	6
	Director sitting fees	4	3
	Total	**10**	**9**
13)	Ms. Punita Lal		
	Commission*	6	6
	Director sitting fees	5	3
	Total	**11**	**9**
14)	Mr. S. Doreswamy		
	Commission*	6	6
	Director sitting fees	8	8
	Total	**14**	**14**
	Grand Total	**1,506**	**1,366**

* Represents amount paid during the year.

e) Balance outstanding at the year end for KMP

(₹ in lacs)

Transaction	Related Party	As at March 31, 2019	As at March 31, 2018
Commission Payable	Mr. H. V. Goenka	375	373
	Mr. Paras K. Chowdhary	8	6
	Mr. Hari L. Mundra	7	6
	Mr. Vinay Bansal	8	6
	Mr. Atul C. Choksey	8	6
	Mr. Mahesh S. Gupta	8	6
	Mr. Haigreve Khaitan	8	6
	Ms. Punita Lal	8	6
	Mr. S. Doreswamy	8	6
	Total	**438**	**421**

Terms and conditions of transactions with related parties

The sales to and purchases and others from 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.

Loan and guarantee to subsidiary

Following are the details of loans and guarantee given to subsidiary companies in which directors are interested, as required under Schedule V read with Regulation 34 (3) and 53 (f) of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 and disclosure required under section 186 (4) of the Companies Act, 2013.

i. The loan granted to CEAT Specialty Tyres limited is intended to finance their working capital requirements. The loan has been granted via two facilities i.e. Revolving Credit Facility and Short Term Bridge Finance. Both loans are unsecured. Loan given during the year was ₹ 19,630 lacs (March 31, 2018: ₹ 19,700 lacs). Loan repaid during the year ₹ 18,730 lacs (March 31, 2018: ₹ 19,800 lacs). The loan has been utilized for the purpose for which it was granted. Terms of both the facilities are as follows:

Facility	Outstanding as on March 31, 2019	Terms of repayment	Interest rate
Short term bridge finance	3,400	Outstanding loan to be repaid at the end of 1 year from the first date of drawal	April 1, 2018 to July 31, 2018 - 8.50% p.a.
			August 1, 2018 to March 31, 2019 - 8.80%p.a
Revolving credit facility	2,400	On demand	April 1, 2018 to July 31, 2018 - 10.20% p.a.
			August 1, 2018 to March 31, 2019 - 10.40%p.a

Maximum outstanding during the year as loan to CSTL was ₹ 5,900 lacs (March 31, 2018: ₹ 5,900 lacs).

ii. CEAT has given a corporate guarantee up to ₹22,800 lacs to CEAT Specialty Tyres Limited as collateral security for raising the term loans. The outstanding guarantee as on March 31, 2019 is ₹22,800 lacs (March 31, 2018 ₹ 22,451 lacs).

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, 2019	As at March 31, 2018
KEC	4,258	2,326
Raychem	-	0

Note 43: Segment information

Refer note 2.24 for accounting policy on Segment reporting

The Company is primarily engaged in business of manufacturing and sales of Automotive Tyres, Tubes & Flaps.

Information about products

(₹ in lacs)

Particulars	2018-19			2017-18		
	Automotive Tyres	Tubes and others	Total	Automotive Tyres	Tubes and others	Total
Revenue from contracts with customers	6,10,967	69,039	6,80,006	5,58,069	78,849	6,36,918

Information about geographical areas

(₹ in lacs)

Particulars	2018-19			2017-18		
	In India	Outside India	Total	In India	Outside India	Total
Revenue from contracts with customers	5,96,029	83,977	6,80,006	5,62,755	74,163	6,36,918
Non-current assets	4,09,718	-	4,09,718	3,02,191	-	3,02,191

During the year 2018-19 and 2017-18, no single external customer has generated revenue of 10% or more of the Company's total revenue.

During the year 2018-19 and 2017-18, no single country outside India has given revenue of more than 10% of total revenue.

Note 44: 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. It also uses cross currency interest rate swaps (CCIRS), Range Forwards, and Coupon only Swap (COS) 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 recognized purchase payables, committed future purchases, recognized sales receivables, forecast sales and Foreign Currency loan (Buyer's Credit) in US dollar and Euro.

Cross currency Interest Rate Swaps (CCIRS) measured at fair value through OCI are designated as hedging instruments in cash flow hedges for Foreign currency loan (Buyer's Credit) in US Dollar.

Derivative options like Range Forwards, COS measured at Fair value through OCI are designated as hedging instruments in cash flow hedges for Foreign currency loan (Buyer's Credit) in US Dollar.

The foreign exchange forward contract balances vary with the level of expected foreign currency sales and purchases and changes in foreign exchange forward rates. CCIRS has been designated as effective hedging instrument from April 1, 2016 onwards.

(Amount in Foreign currency and ₹ in lacs)

Derivative	Currency	As at March 31,2019		As at March 31,2018		Purpose
		FC	₹	FC	₹	
Forward Contract to sell Foreign Currency (FC)	USD	121	8,390	48	3,122	Hedge of Foreign Currency sales
	EUR	12	970	9	711	
	USD	140	9,650	141	9,195	Hedge of Foreign Currency High probable sales
Forward Contract to buy foreign Currency	USD	82	5,668	88	5,748	Hedge of foreign currency purchase
	EURO	64	4,968	0	15	
	USD	-	-	116	7,531	Hedge of Foreign Currency Buyer's Credit
	USD	694	47,991	600	39,127	Hedge of Foreign Currency Firm Commitment – PO based hedging
	EUR	472	36,675	437	35,113	
	GBP	0	9	-	-	
	JPY	5,847	3,650	4,365	2,670	
Cross Currency Interest Rate Swap	USD	70	4,846	342	22,292	Hedge of Foreign Currency Buyer's Credit
	EURO	-	-	28	2,249	
Range forward to buy Foreign Currency (FC)	USD	-	-	6	374	Hedge of Foreign Currency Buyer's Credit

(Amount in foreign currency in lacs)

Unhedged foreign currency Exposure*	Currency	2018-19	2017-18
Short Term borrowing	USD	-	30
Trade payables and other financial liabilities	USD	28	16
	EURO	11	3
	JPY	614	165
	GBP	0	0
	AED	26	-
Trade Receivables	USD	10	41
	EURO	3	3
Advances Recoverable in cash or kind	USD	7	4
	EUR	-	0
	AED	-	0

* 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 statement of profit and loss.

The cash flow hedges as at March 31, 2019 were assessed to be highly effective and a net unrealised loss of ₹ 3,792 lacs, with a deferred tax asset of ₹ 1,323 lacs relating to the hedging instruments, is included in OCI. Comparatively, the cash flow hedges as at March 31, 2018 were assessed to be highly effective and a net unrealised gain of ₹ 1,098 lacs, with a deferred tax liability of ₹ 380 lacs relating to the hedging instruments, was included in OCI.

Note 45: 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)

	As at March 31, 2019		As at March 31, 2018	
	Carrying values	Fair values	Carrying values	Fair values
Financial assets				
At amortised cost				
Loans (Non-current)	408	408	304	304
Other financial assets (Non-current)	181	181	171	171
At fair value through profit and loss				
Current investment	-	-	4,006	4,006
Total	**589**	**589**	**4,481**	**4,481**
Financial liabilities				
At amortized cost				
Borrowings (Non-current)	1,00,272	99,662	27,230	26,294
Other financial liabilities (Non-current)	146	86	146	68
At fair value through other comprehensive income				
Other financial liabilities (Non-current)	315	315	177	177
Other financial liabilities (Current)	3,136	3,136	4	4
Total	**1,03,869**	**1,03,199**	**27,557**	**26,543**

The management assessed that fair values of cash and cash equivalents, trade receivables, trade payables, loans, bank overdrafts and 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 fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The foreign exchange forward contracts used for hedging the recognized import trade payables / export trade receivables have been valued based on the Closing spot value. The following methods and assumptions were used to estimate the fair values:

- The fair value of quoted mutual funds are based on price quotations at the reporting date.
- The Company enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. The foreign exchange forward contracts used for the expected future sales/expected future purchase have been valued using forward pricing, based on present value calculations. These values are the realisable values which could be exchanged with the counterparty. The foreign exchange forward contracts used for the recognized export receivables/recognized import payables have been measured using the closing currency pair spot. The forward premium is separately amortized over the period of the forward. These values are close estimations of the fair values which could be realised on immediate winding up of the deals. The swap contracts and the option contracts have been valued at the market realisable values obtained from the counterparty and the same have been valued using the swap valuation / option valuation, based on present value calculations
- The fair values of the Company's interest-bearing borrowings and loans are determined by using DCF method using discount rate which is the highest incremental borrowing rate for the year 2018-19.

Note 46: Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for Assets / Liabilities as at March 31, 2019

(₹ in lacs)

		Fair Value measurement using		
	Total	Quoted prices in Active markets (Level 1)	Significant Observable inputs (Level 2)	Significant Unobservable inputs (Level 3)*
Financial assets				
At amortised cost				
Loans (Non-current)	408	-	408	-
Other financial assets (Non-current)	181	-	181	-
At fair value through profit and loss				
Investment (Current)				
-Investment in quoted mutual fund	-	-	-	-
Financial liabilities				
At amortized cost				
Borrowings (Non-current)	99,662	-	97,715	1,947
Other financial liabilities (Non-current)	86	-	-	86
At fair value through other comprehensive income				
Other financial liabilities (Non-current)	315	-	315	-
Other financial liabilities (Current)				
-Derivative financial instrument	3,136	-	3,136	-

There have been no transfers between Level 1 and Level 2 during the period

Quantitative disclosures fair value measurement hierarchy for Assets / Liabilities as at March 31, 2018

(₹ in lacs)

		Fair Value measurement using		
	Total	Quoted prices in Active markets (Level 1)	Significant Observable inputs (Level 2)	Significant Unobservable inputs (Level 3)*
Financial assets				
At amortised cost				
Loans (Non-current)	304	-	304	-
Other financial assets (Non-current)	171	-	171	-
At fair value through profit and loss				
Investment (Current)				
- Investment in quoted mutual fund	4,006	4,006	-	-
Financial liabilities				
At amortized cost				
Borrowings (Non-current)	26,294	19,956	4,512	1,826
Other financial liabilities (Non-current)	68	-	-	68
At fair value through other comprehensive income				
Other financial liabilities (Non-current)	177	-	177	-
Other financial liabilities (Current)				
- Derivative financial instrument	4	-	4	-

There have been no transfers between Level 1 and Level 2 during the period.

*For valuation under Level 3 following assumptions were made:

a. All repayments of borrowings will happen at end of financial year and not during the year.

b. For valuation purpose we have taken rate of 9.25% which represents additional borrowing rate.

Note 47: 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, mutual fund investments, 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

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at March 31, 2019 and March 31, 2018.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place at March 31, 2019.

The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations and provisions.

The following assumptions have been made in calculating the sensitivity analysis:

- 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, 2019 and March 31, 2018 including the effect of hedge accounting
- The sensitivity of equity is calculated by considering the effect of any associated cash flow hedges and hedges of a net investment in a foreign subsidiary at March 31 2019 for the effects of the assumed changes of the underlying risk

i. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. To manage this, 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. At March 31, 2019, after taking into account the effect of interest rate swaps, approximately 22% of the Company's total borrowings are at a fixed rate of interest (March 31, 2018: 46%).

The following table provides a break-up of Company's fixed and floating rate borrowing

(₹ in lacs)

Related Party	As at March 31, 2019	As at March 31, 2018
Fixed rate borrowings	27,377	29,768
Floating rate borrowings	98,674	34,320
Total borrowings	1,26,051	64,088

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:

(₹ in lacs)

Particulars	Increase/ decrease in basis points	Effect on profit before tax
March 31, 2019		
₹ 98,674 lacs	+/- 100 bps	-986.74 / +986.74
March 31, 2018		
₹ 34,320 lacs	+/- 100 bps	-343.2 / +343.2

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

ii. **Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and the Company's net investments in foreign subsidiaries.

The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 6 month period for the foreign currency denominated trade payables and trade receivables. The foreign currency risk on the foreign currency loans are mitigated by entering into Cross Currency Swaps. 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.

At March 31, 2019, the Company hedged 100% (March 31, 2018: 94%), of its foreign currency loans. This foreign currency risk is hedged by using foreign currency forward contracts. At March 31, 2019, the Company hedged 88% (March 31, 2018: 95%) 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 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.

(₹ in lacs)

Particulars	Change in currency	Effect on profit before tax
March 31, 2019		
Recognized net payables – USD 1.10 Mio	₹ +1/- 1	-11 / +11
Recognized net payable – EUR 0.8 Mio	₹ +1/- 1	-8 / +8
March 31, 2018		
Recognized net payables – USD 0.11 Mio	₹ +1/- 1	-1.10 / +1.10
Recognized net receivable – EUR 0.04 Mio	₹ +1/- 1	+ 0.36 / - 0.36

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**

The Company invests its surplus funds in various debt instruments and debt mutual funds. These comprise of mainly liquid schemes of mutual funds (liquid investments) and fixed deposits.

Mutual fund investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments. However due to the very short tenor of the underlying portfolio in the liquid schemes, these do not pose any significant price risk.

There is no material equity risk relating to the Company's equity investments which are detailed in note 5. The Company equity investments majorly comprises of strategic investments rather than trading purposes.

b. **Commodity price risk**

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase of rubber and carbon black and therefore require a continuous supply of rubber and carbon black. Due to the significantly increased volatility of the price of the rubber and carbon black, the Company also entered into various purchase contracts for rubber and carbon black (for which there is an active market).

The Company's Board of Directors has developed and enacted 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.

(₹ 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, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Natural rubber	5,500	5,400	(5,500)	(5,400)
Synthetic rubber	4,700	4,000	(4,700)	(4,000)
Carbon black	3,400	2,500	(3,400)	(2,500)

c. Credit 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. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables

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 30 days to 60 days credit term. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored. Credit risk on receivables is also mitigated by securing the same against security deposit, letter of credit and advance payment.

An impairment analysis is performed at each reporting date on an individual basis for major clients. 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.

(₹ in lacs)

Particulars	As at March 31, 2019			As at March 31, 2018		
Ageing	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%	50.00%	100.00%
Gross carrying amount	72,561	170	1,935	70,983	465	1,896
Loss allowance provision	-	85	1,935	-	233	1,896

Export customers 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 ₹32,150 lacs (March 31, 2018: ₹ 30,376 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.

Other financial assets and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval as per the Investment policy. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2019 and March 31, 2018 is the carrying amounts as illustrated in note 6 and note 11 except for derivative financial instruments. The Company's maximum exposure relating to financial derivative instruments is noted in note 21 and 26.

d. 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 liquid mutual funds. 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 assets 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 as at March 31, 2019

(₹ in lacs)

Particulars	< 1 year	1-5 years	>5 years	Total
Financial assets				
Non-current investments	-	-	31,301	31,301
Current investments	-	-	-	-
Loans	5,800	408	-	6,208
Trade receivables	72,646	-	-	72,646
Cash and cash equivalents	5,426	-	-	5,426
Bank balances other than cash and cash equivalents	548	-	-	548
Other financial assets	3,525	181	-	3,706
Total financial assets	**87,945**	**589**	**31,301**	**1,19,835**
Non current borrowings*	-	59,538	40,935	1,00,473
Current borrowings	21,431	-	-	21,431
Other Financial Liabilities	58,099	315	146	58,560
Trade and Other payables	1,03,393	-	-	1,03,393
Total financial liabilities	**1,82,923**	**59,853**	**41,081**	**2,83,857**

* Non-current borrowings are before netting off of processing fees

Liquidity exposure as at March 31, 2018

(₹ in lacs)

Particulars	< 1 year	1-5 years	>5 years	Total
Financial assets				
Non-current investments	-	-	27,999	27,999
Current investments	4,006	-	-	4,006
Loans	4,902	304	-	5,206
Trade receivables	71,215	-	-	71,215
Cash and cash equivalents	6,964	-	-	6,964
Bank balances other than cash and cash equivalents	337	-	-	337
Other financial assets	1,193	171	-	1,364
Total financial assets	**88,617**	**475**	**27,999**	**1,17,091**
Non current borrowings*	-	16,180	11,112	27,292
Current borrowings	14,364	-	-	14,364
Other Financial Liabilities	57,001	177	146	57,324
Trade and Other payables	84,571	-	-	84,571
Total financial liabilities	**1,55,936**	**16,357**	**11,258**	**1,83,551**

* Non-current borrowings are before netting off of processing fees

e. Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Selective hedging is used within the Company to manage risk concentrations at both the relationship and industry levels.

Collateral

The Company has hypothecated the movable, immovable properties and entire current assets to its consortium of bankers as detailed in note 20 and 24.

Note 48: Capital management

For the purpose of the Company capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings less cash and cash equivalents.

(₹ in lacs)

	March 31, 2019	March 31, 2018
Borrowings *(Note 20, 24 and 26)	1,26,051	64,088
Less: cash and cash equivalents (Note 12)	(5,426)	(6,964)
Net debt	1,20,625	57,124
Equity (Note 17 and 18)	2,75,104	2,54,682
Equity and net debt	3,95,729	3,11,806
Gearing ratio	30%	18%

*Includes current maturities of long term borrowings

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, 2019 and March 31, 2018.

Note 49: Events after the reporting period

a. The board has recommended dividend of ₹ 12 per equity share (March 31, 2018 ₹ 11.50 per equity share) of face value ₹ 10 each for financial year 2018-19.

b. On April 3, 2019, the Board of Directors of the Company has approved a Scheme of Amalgamation between the Company and its wholly owned subsidiary CEAT Specialty Tyres Limited (CSTL), subject to obtaining requisite approvals from statutory authorities and shareholders. The Scheme of Amalgamation has been filed with National Company Law Tribunal (NCLT) on April 22, 2019. The process of sanction of the Scheme by the Hon'ble NCLT is in progress.

Note 50: 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 51: Standards issued but not yet effective

The amendments to standards that are issued but not yet effective up to the date of issue of the financial statements are discussed below:

Ind AS 116 - Leases

Ind AS 116 Leases was notified by MCA on March 30, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to re-measure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company intends to adopt these standards from April 1, 2019. The Company continues to evaluate the available transition methods and its contractual arrangements. The Company has established an implementation team to implement Ind AS 116 and it continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary. The Company is currently evaluating the effect of this potential impact of Ind AS 116 on its financial statements.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases,unused tax losses, unused tax credits and

tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which should be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives. The Company is currently evaluating the effect of this amendment on the financial statements.

Amendment to Ind AS 12 – Income taxes
On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement
On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and

- to recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

Amendments to Ind AS 109: Prepayment Features with Negative Compensation
On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 109. The amendment clarifies that a financial asset passes the SPPI (Solely Payments of Principal & Interest) criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract. The Company is currently evaluating the effect of this amendment on the financial statements.

Amendments to Ind AS 23: Borrowing Costs
On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 23. The amendments clarifies that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete. An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

The accompanying notes are an integral part of the financial statements

For and on behalf of Board of Directors of CEAT Limited

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No.: 324982E/E300003

per Vinayak Pujare
Partner
Membership Number: 101143
Place: Mumbai
Date: May 7, 2019

Kumar Subbiah
Chief Financial Officer

Vallari Gupte
Company Secretary

Place: Mumbai
Date: May 7, 2019

H. V. Goenka
Chairman

Mahesh S. Gupta
Chairman- Audit Committee

Anant Goenka
Managing Director

Form AOC-1

Annexure-I
Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014) Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹ lacs)

1	Sl No.	1	2	3	4	5	6
2	Name of the subsidiary	Associated CEAT Holdings Company (Pvt.) Limited	CEAT AKKhan Limited	CEAT Specialty Tyres Limited	Rado Tyres Limited (RTL)	CEAT Specialty Tyres Inc. (Subsidiary of CSTL)	CEAT Specialty Tyres B.V (Subsidiary of CSTL)
3	The date since when subsidiary was acquired (Date of remittance of funds)	27.10.2009	30.05.2012	8.12.2014	27.09.2013	11.07.2017	24.07.2018
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	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 = ₹ 0.3941	1 BDT = ₹ 0.8291	₹ Not Applicable	₹ Not Applicable	1 USD = ₹ 69.12	1 EUR = ₹ 77.63
6	Share capital	394	12,437	2,105	643	26	40
7	Reserves & surplus	18	(3,179)	7,987	(1,605)	55	18
8	Total assets	418	12,046	51,370	558	85	99
9	Total Liabilities	6	2,789	41,278	1,520	4	41
10	Investments	394	-	66	-	-	-
11	Turnover	628	8,446	36,856	2	509	299
12	Profit before taxation	649	192	(4,620)	(147)	32	18
13	Provision for taxation	(6)	(368)	-	-	0	-
14	Profit after taxation	643	(176)	(4,620)	(147)	32	18
15	Proposed Dividend	-	-	-	-	-	-
16	% of shareholding	100%	70%	100%	58.56%	CSTL holding is 100%	CSTL holding is 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 and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/Joint Ventures	Tyresnmore Online Private Limited	CEAT Kelani Holdings Company (Pvt.) Limited
1. Latest audited Balance sheet Date	March 31, 2019	March 31, 2019
2. Date on which the Associate or Joint Venture was associated or acquired	21.08.2017	27.10.2009
3. Shares of Associate/Joint Ventures held by the company on the year end		
No.	100 Equity shares of ₹ 1 each 63,596 0.001% compulsory convertible preference shares of Tyresnmore Online Private Limited of ₹ 1 each	1,00,00,000 Shares
Amount of Investment in Associates/Joint Venture	₹ 700 lacs	₹ 4,357.46 lacs (Investment through the Company'swholly owned subsidiary Associated CEAT Holdings Company (Pvt) Limited)
Extent of holding %	36.96%	50%
4. Description of how there is a significant influence	By holding more than 20% share	By holding more than 20% share
5. Reason why the associate/joint venture is not consolidated	Not Applicable	Not Applicable
6. Networth attributable to Shareholding as per latest audited Balance Sheet	₹ 136 lacs	₹ 17,385 lacs
7. Profit / Loss for the year		
i. Considered in Consolidation	₹ (88) lacs	₹ 2,108 lacs
ii. Not Considered in Consolidation	₹ (254) lacs	₹ 2,108 lacs

1. Names of associates or joint ventures which are yet to commence operations. - Not Applicable

2. Names of associates or joint ventures which have been liquidated or sold during the year. - Not Applicable

For and on behalf of Board of Directors of CEAT Limited

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No.: 324982E/E300003

per Vinayak Pujare
Partner
Membership Number: 101143
Place: Mumbai
Date: May 7, 2019

Kumar Subbiah
Chief Financial Officer

Vallari Gupte
Company Secretary

Place: Mumbai
Date: May 7, 2019

H. V. Goenka
Chairman

Mahesh S. Gupta
Chairman- Audit Committee

Anant Goenka
Managing Director

Independent Auditor's Report

To the Members of CEAT Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of CEAT Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associate and jointly controlled entities comprising of the consolidated Balance sheet as at March 31 2019, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, associate and jointly controlled entities, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate and jointly controlled entities as at March 31, 2019, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matter described below to be a key audit matter to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us, including those procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matter	Auditor's Response
Significant estimates and judgment relating to litigations, claims and contingencies (refer note 2.27 (accounting policy), note 24 (financial disclosures) and note 47(b) (financial disclosures) to the Ind AS financial statements)	
The Group is involved in legal proceedings including those relating to direct and indirect taxes, contracts, and other regulatory matters relating to conduct of its business. The Group assesses the need to recognize provisions or disclose a contingency on a case-to-case basis considering the underlying facts of each litigation. The aforesaid assessment may result in an incorrect disclosure or provision in the books of accounts. The evaluation of management's judgments, including those that involve estimations in assessing the likelihood that a pending claim will succeed, or a liability will arise, and the quantification of potential financial settlement have been a matter of most significance during the current year audit. Evaluation of the outcome of legal proceedings and whether the risk of loss is remote, possible or probable, requires significant judgment by management given the complexities involved.	Our audit procedures included the following: • We evaluated the design and tested the operating effectiveness of controls in respect of the identification and evaluation of tax and other demands, proceedings and investigations at different levels in the Group and re-assessment of the related liabilities, provisions and disclosures. • We obtained a list of litigations and claims from the respective Company's tax and legal head. We identified material litigations from the list and performed inquiries with the said tax and legal head on the management evaluation of these material litigations. • In relation to the material litigations, claims and contingencies we involved our legal / tax specialists to perform an independent assessment of the conclusions reached by management. • We requested independent confirmations from the Company's external lawyers/advisors with respect to the material litigations and demands. • We evaluated management's assumptions, estimates and judgments used in the calculations of provision for litigation, claims and contingencies and disclosures in the financial statements.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report and Shareholder's Information, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associate and jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associate and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associate and jointly controlled entities and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associate and jointly controlled entities are responsible for assessing the ability of the Group and of its associate and jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associate and jointly controlled entities are also responsible for overseeing the financial reporting process of the Group and its associate and jointly controlled entities.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate and jointly controlled entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's

report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate and jointly controlled entities to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019 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

We did not audit the financial statements and other financial information, in respect of three subsidiaries, whose Ind AS financial statements include total assets of Rs 26,487 lacs as at March 31, 2019, and total revenues of Rs 8,380 lacs and net cash inflows of Rs 66 lacs for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net profit of ₹ 2020 lacs for the year ended March 31, 2019, as considered in the consolidated Ind AS financial statements, in respect of one associate and five jointly controlled entities, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associate and jointly controlled entities, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, associate and jointly controlled entities, is based solely on the reports of such other auditors.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, associate and jointly controlled entities as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and associate, none of the directors of the Group's companies and its associate incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company, its subsidiary companies incorporated in India, refer to our separate Report in "Annexure 1" to this report;

(g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, incorporated in India, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Holding Company and its subsidiaries incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associate and jointly controlled entities as noted in the 'Other matter' paragraph:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, associate and jointly controlled entities in its consolidated Ind AS financial statements – Refer Note 24 and Note 47(b) to the consolidated Ind AS financial statements;

ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 23, 28 and 56 to the consolidated Ind AS financial statements in respect of such items as it relates to the Group, its associate and jointly controlled entities;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and associate incorporated in India during the year ended March 31, 2019.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Vinayak Pujare
Partner
Membership Number: 101143
Place: Mumbai
Date: May 7, 2019

Annexure 1 to the Independent Auditor's Report of even date on the Consolidated Ind AS Financial Statements of CEAT Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of CEAT Limited as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of CEAT Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements.

Meaning of Internal Financial Controls over Financial Reporting with Reference to these Consolidated Ind AS financial statements

A Company's internal financial control over financial reporting with reference to these consolidated Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting with reference to these consolidated Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Ind AS financial statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31,2019, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our report under Section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company, insofar as it relates to one subsidiary Company, which is a company incorporated in India, is based on the corresponding reports of the auditors of such subsidiary incorporated in India.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Vinayak Pujare
Partner
Membership Number: 101143
Place: Mumbai
Date: May 7, 2019

Consolidated Balance Sheet

as at March 31, 2019

(₹ in lacs)

Particulars	Note no.	As at March 31, 2019	As at March 31, 2018
Assets			
(1) Non-current assets			
(a) Property, plant and equipment	3	3,10,250	2,62,906
(b) Capital work-in-progress	3	80,159	30,935
(c) Intangible assets	4	7,703	8,018
(d) Intangible assets under development	4	3,132	61
(e) Investments accounted using equity method	5	18,140	17,346
(f) Financial assets			
(i) Investments	6	2	0
(ii) Loans	7	408	314
(iii) Other financial assets	8	195	202
(g) Non-current tax assets (net)	25	5,739	3,944
(h) Deferred tax assets (net)	25	60	-
(i) Other non-current assets	9	14,638	9,457
Total non-current assets		**4,40,426**	**3,33,183**
(2) Current assets			
(a) Inventories	10	1,00,560	78,461
(b) Financial assets			
(i) Investments	11	-	4,006
(ii) Trade receivables	12	70,638	74,723
(iii) Cash and cash equivalents	13	6,755	8,218
(iv) Bank balances other than cash and cash equivalent	14	599	407
(v) Loans	15	75	36
(vi) Other financial assets	16	3,222	956
(c) Other current assets	17	17,699	14,654
(d) Assets held-for-sale	18	519	-
Total current assets		**2,00,067**	**1,81,461**
Total assets		**6,40,493**	**5,14,644**
Equity and liabilities			
(1) Equity			
(a) Equity share capital	19	4,045	4,045
(b) Other equity	20	2,72,566	2,56,564
Equity attributable to equity holders of parent		**2,76,611**	**2,60,609**
(c) Non-controlling interest		2,379	2,337
Total equity		**2,78,990**	**2,62,946**
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	1,22,264	45,116
(ii) Other financial liabilities	23	461	323
(b) Provisions	24	3,840	3,438
(c) Deferred tax liabilities (net)	25	21,978	18,929
Total non-current liabilities		**1,48,543**	**67,806**
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	26	22,425	19,557
(ii) Trade payables	27	1,05,287	87,051
(iii) Other financial liabilities	28	61,462	59,428
(b) Provisions	24	10,053	5,038
(c) Current tax liabilities (net)	25	4,732	3,098
(d) Other current liabilities	29	9,001	9,720
Total current liabilities		**2,12,960**	**1,83,892**
Total equity and liabilities		**6,40,493**	**5,14,644**
Significant accounting policies	2		

The accompanying notes are an integral part of the financial statements

For and on behalf of Board of Directors of CEAT Limited

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No.:324982E/E300003

per Vinayak Pujare
Partner
Membership Number: 101143
Place: Mumbai
Date: May 7, 2019

Kumar Subbiah
Chief Financial Officer

Vallari Gupte
Company Secretary

Place: Mumbai
Date: May 7, 2019

H.V. Goenka
Chairman

Mahesh S. Gupta
Chairman- Audit Committee

Anant Goenka
Managing Director

Consolidated Statement of Profit and Loss

for the year ended March 31, 2019

(₹ in lacs)

	Particulars	Note no.	2018-19	2017-18
I	**Income**			
	Revenue from operations	30	6,98,451	6,45,233
	Other income	31	3,900	2,946
	Total income		**7,02,351**	**6,48,179**
II	**Expenses**			
	Cost of material consumed	32	4,30,549	3,65,214
	Purchase of stock-in-trade		7,579	7,112
	Changes in inventories of finished goods, work-in-progress and stock-in trade	33	(19,947)	8,674
	Employee benefit expense	34	53,006	43,827
	Finance costs	35	8,804	9,735
	Depreciation and amortization expenses	36	19,271	16,861
	Excise duty on sale of goods		-	16,891
	Other expenses	37	1,63,010	1,42,038
	Total expenses		**6,62,272**	**6,10,352**
III	**Profit before share of profit / (loss) of associate and joint venture, exceptional items and tax**		**40,079**	**37,827**
IV	**Share of profit / (loss) of associate and joint venture**	44, 45	2,020	2,301
V	**Profit before exceptional items and tax**		**42,099**	**40,128**
VI	**Exceptional items**	38	4,479	3,396
VII	**Profit before tax**		**37,620**	**36,732**
VIII	**Tax expense**	25		
	Current tax		9,400	10,639
	Deferred tax		3,112	2,764
IX	**Profit for the year**		**25,108**	**23,329**
	Attributable to			
	(a) Non-controlling interest		(114)	(469)
	(b) Equity holders of the parent		25,222	23,798
X	**Other comprehensive income (OCI)**			
	(a) Items that will not be reclassified subsequently to the statement of profit and loss			
	(i) Remeasurement gains/(losses) on defined benefit plans		(740)	1,042
	(ii) Income tax relating to above		278	(368)
	(b) Items that will be reclassified subsequently to the statement of profit and loss			
	(i) Net movement on cash flow hedges		(4,134)	646
	(ii) Income tax relating to above		1,323	(380)
	(iii) Net movement in foreign exchange fluctuation reserve		(522)	(412)
	Total other comprehensive income for the year (net of tax)		**(3,795)**	**528**
XI	**Total comprehensive income for the year (Comprising profit and other comprehensive income for the year)**		**21,313**	**23,857**
	Attributable to			
	(a) Non-controlling interest		(114)	(475)
	(b) Equity holders of the parent		21,427	24,332
XII	**Earnings per equity share (Face value of ₹10 each)**	40		
	(a) Basic (in ₹)		62.35	58.83
	(b) Diluted (in ₹)		62.35	58.83
	Significant accounting policies	2		

The accompanying notes are an integral part of the financial statements

For and on behalf of Board of Directors of CEAT Limited

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No.:324982E/E300003

per Vinayak Pujare
Partner
Membership Number: 101143
Place: Mumbai
Date: May 7, 2019

Kumar Subbiah
Chief Financial Officer

Vallari Gupte
Company Secretary

Place: Mumbai
Date: May 7, 2019

H.V. Goenka
Chairman

Mahesh S. Gupta
Chairman- Audit Committee

Anant Goenka
Managing Director

Consolidated Statement of Cash Flow

for the year ended March 31, 2019

(₹ in lacs)

Particulars		2018-19	2017-18
I)	**Cash flow from operating activities**		
	Profit before tax and share of profit / (loss) of associate and joint venture	**35,600**	**34,431**
	Adjustments to reconcile profit before tax to net cash flows:		
	Depreciation and amortization expenses	19,271	16,861
	Interest income	(2,942)	(1,085)
	Finance costs	8,804	9,735
	Dividend income	-	(2)
	Provision for obsolescence of stores and spares	107	120
	Allowances for doubtful debts and advances	197	371
	Credit balances written back	(23)	(248)
	Bad debts and advances written off (net)	7	50
	Net gain on disposal of investments	(83)	(1,065)
	Loss on disposal of property, plant and equipment (net)	481	929
	Unrealised foreign exchange (gain) / loss (net)	106	(42)
	Foreign currency translation reserve on consolidation	(522)	(412)
	Operating profit before working capital changes	**61,003**	**59,643**
	Adjustments for:		
	Decrease / (Increase) in inventory	(22,205)	15,770
	Decrease / (Increase) in trade receivables	3,811	(13,424)
	Decrease / (Increase) in other current assets	(3,173)	2,352
	Decrease / (Increase) in current loans and other financial assets	392	330
	Decrease / (Increase) in non-current loans and other financial assets	(94)	(131)
	Decrease / (Increase) in other non current asset	(248)	2,547
	(Decrease) / Increase in trade payables	18,873	11,204
	(Decrease) / Increase in current financial liabilites and other current liabilities	1,016	(1,322)
	(Decrease) / Increase in non-current financial liabilities and deferred revenue	(702)	(446)
	(Decrease) / Increase in current provisions	5,015	(343)
	(Decrease) / Increase in non-current provisions	(338)	846
	Cash flow from operating activities	**63,350**	**77,026**
	Direct taxes paid (net of refunds)	(8,083)	(9,787)
	Net cash flow (used in) / genreated from operating activities (I)	**55,267**	**67,239**
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)	(1,10,732)	(48,385)
	(Withdrawal)/ Investment in bank deposits	20	798
	(Withdrawal)/ Investment in margin money deposit with banks	17	99
	Changes in other bank balances	(212)	(14)
	Purchase of non current investments	(717)	(613)
	Proceeds from sales of current investment (net)	4,089	3,486
	Interest received	341	1,151
	Share of profit from joint venture	2,020	2,301
	Dividend received	-	2
	Net cash flow (used in) / genreated from investing activities (II)	**(1,05,174)**	**(41,175)**

(₹ in lacs)

Particulars	2018-19	2017-18
III) CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(8,889)	(9,725)
Repayment of public deposit	-	(9)
Change in other short-term borrowings (net)	13,315	3,267
Proceeds from short-term buyers credit	-	29,013
Repayment of short-term buyers credit	(10,484)	(18,522)
Proceeds from long-term borrowings	1,05,404	28,104
Repayment of long-term borrowings	(45,639)	(47,095)
Dividend paid	(4,434)	(4,727)
Dividend distribution tax paid	(829)	(553)
Net cash flows (used in)/generated from financing activities (III)	**48,444**	**(20,247)**
Net increase / (decrease) in cash and cash equivalents (I+II+III)	**(1,463)**	**5,817**
Cash and cash equivalents at the beginning of the year (refer note 13)	**8,218**	**2,401**
Cash and cash equivalents at the end of the year (refer note 13)	**6,755**	**8,218**

The accompanying notes are an integral part of the financial statements

For and on behalf of Board of Directors of CEAT Limited

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No.:324982E/E300003

per Vinayak Pujare
Partner
Membership Number: 101143
Place: Mumbai
Date: May 7, 2019

Kumar Subbiah
Chief Financial Officer

Vallari Gupte
Company Secretary

Place: Mumbai
Date: May 7, 2019

H.V. Goenka
Chairman

Mahesh S. Gupta
Chairman- Audit Committee

Anant Goenka
Managing Director

Consolidated Statement of Changes in Equity

for the year ended March 31, 2019

(₹ in lacs)

Particulars	Equity share capital (refer note 19)	Other equity										
		Securities premium (refer note 20(a))	Capital reserve (refer note 20(b))	Capital redemption reserve (refer note 20(c))	Debenture redemption reserve (refer note 20(e))	General reserve (refer note 20(g))	Retained earnings (refer note 20(h))	Items of other comprehensive income		Total other equity	Non-controlling interest	Total equity
								Cash flow hedge reserve (refer note 20(d))	Foreign currency translation reserve (refer note 20(f))			
As at April 1, 2017	4,045	56,703	1,391	390	3,334	20,165	1,55,213	208	46	2,37,450	2,915	2,44,410
Profit for the year	-	-	-	-	-	-	23,798	-	-	23,798	(469)	23,329
Other comprehensive income	-	-	-	-	-	-	680	266	(412)	534	(6)	528
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**24,478**	**266**	**(412)**	**24,332**	**(475)**	**23,857**
Payment of dividend (refer note 21)	-	-	-	-	-	-	(4,652)	-	-	(4,652)	-	(4,652)
Payment of dividend distribution tax (DDT) (refer note 21)	-	-	-	-	-	-	(553)	-	-	(553)	-	(553)
Transfer to debenture redemption reserve	-	-	-	-	-	-	(1,667)	-	-	(1,667)	-	(1,667)
Transfer from retained earnings	-	-	-	-	1,667	-	-	-	-	1,667	-	1,667
Decrease in capital reserve	-	-	(13)	-	-	-	-	-	-	(13)	-	(13)
Forex gain /(loss) on restatement of non-controlling interest	-	-	-	-	-	-	-	-	-	-	(103)	(103)
As at March 31, 2018	**4,045**	**56,703**	**1,378**	**390**	**5,001**	**20,165**	**1,72,819**	**474**	**(366)**	**2,56,564**	**2,337**	**2,62,946**
Profit for the year	-	-	-	-	-	-	25,222	-	-	25,222	(114)	25,108
Other comprehensive income	-	-	-	-	-	-	(462)	(2,811)	(522)	(3,795)	-	(3,795)
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**24,760**	**(2,811)**	**(522)**	**21,427**	**(114)**	**21,313**
Payment of dividend (refer note 21)	-	-	-	-	-	-	(4,652)	-	-	(4,652)	-	(4,652)
Payment of dividend distribution tax (DDT) (refer note 21)	-	-	-	-	-	-	(829)	-	-	(829)	-	(829)
Transfer from debenture redemption reserve (refer note 20(e))	-	-	-	-	-	5,001	-	-	-	5,001	-	5,001
Transfer to general reserve (refer note 20((g))	-	-	-	-	(5,001)	-	-	-	-	(5,001)	-	(5,001)
Increase in capital reserve	-	-	19	-	-	-	-	-	-	19	-	19
Forex gain /(loss) on restatement of non-controlling interest	-	-	-	-	-	-	-	-	-	-	156	156
Others	-	-	-	-	-	-	37	-	-	37	-	37
As at March 31, 2019	**4,045**	**56,703**	**1,397**	**390**	**-**	**25,166**	**1,92,135**	**(2,337)**	**(888)**	**2,72,566**	**2,379**	**2,78,990**

The accompanying notes are an integral part of the financial statements

For and on behalf of Board of Directors of CEAT Limited

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No.:324982E/E300003

per Vinayak Pujare
Partner
Membership Number: 101143
Place: Mumbai
Date: May 7, 2019

Kumar Subbiah
Chief Financial Officer

Vallari Gupte
Company Secretary

Place: Mumbai
Date: May 7, 2019

H.V. Goenka
Chairman

Mahesh S. Gupta
Chairman- Audit Committee

Anant Goenka
Managing Director

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

Note 1: Corporate information

The consolidated financial statements comprise financial statements of CEAT Limited ("the Company") and its subsidiaries (collectively, "the Group"), associate and jointly controlled entities for the year ended March 31, 2019. The Company is a public 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 (refer note 42). 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's shares are listed on two recognised stock exchanges in India. The registered office of company is located at RPG House, 463 Dr. Annie Beasant Road, Worli Mumbai 400030. The financial statements were authorised for issue in accordance with a resolution of the directors on May 7, 2019.

The following subsidiaries, associate and Jointly controlled entities have been considered in the consolidated financial statements

a) Subsidiaries

Name	Principal activities	Country of incorporation	% of equity interest	
			March 31, 2019	March 31, 2018
CEAT Specialty Tyres Limited	Trading & manufacturing of tyres, tubes and flaps	India	100.00%	100.00%
CEAT Specialty Tyres Inc. (Subsidiary CEAT Specialty Tyres Limited)	Marketing Support Services	United States of America	100.00%	100.00%
CEAT Specialty Tyres B.V (Subsidiary CEAT Specialty Tyres Limited)	Marketing Support Services	Netherlands	100.00%	100.00%
Associated CEAT Holdings Company (Pvt.) Ltd.	Investing in companies engaged in manufacturing of tyres	Sri Lanka	100.00%	100.00%
CEAT AKKHAN Limited	Trading of tyres, tubes and flaps	Bangladesh	70.00%	70.00%
Rado Tyres Limited	Manufacturing of tyres	India	58.56%	58.56%

b) Joint venture

Name	Principal activities	Country of incorporation	% of equity interest	
			March 31, 2019	March 31, 2018
CEAT Kelani Holding (Pvt) Limited	Manufacturing of tyres	Sri Lanka	50%	50%
TYRESNMORE Online Pvt Ltd	Trading of tyres, tubes and flaps	India	*36.96%	*31.93%

*Includes compulsory convertible preference shares (potential voting right)

Note 2: Basis of preparation and summary of significant accounting policies

2.1 Basis of accounting and preparation of financial statements

The financial statements of the group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III).

These financial statements have been prepared on accrual basis and under historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments and
- Certain financial assets measured at fair value (refer accounting policy regarding financial instruments)

In addition, the carrying values of recognised assets and liabilities designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationships. The consolidated financial statements are presented in ₹ except when otherwise indicated.

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirements of Schedule III of the Companies Act, 2013 (Ind AS compliant Schedule III), unless otherwise stated. Wherever the amount represented '0' (zero) construes value less than Rupees fifty thousand

2.2 Changes in accounting policies

2.2.1 Accounting for Government Grant related to non-monetary assets

The Group has chosen to adjust government grant from the carrying value of non-monetary asset pursuant to amendment in Ind AS 20 Accounting for Government Grants and Disclosure. Previously, the Group followed the policy recording the non-monetary asset and the grant at carrying amounts and released to profit and loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

Had the Group continued to follow the erstwhile accounting policy the impact of restatement is as below to the financial statements

(₹ in lacs)

Particulars	As at March 31, 2018	As at April 1, 2017
Decrease in property, plant and equipment	(1,455)	(1,547)
Decrease in Non current liabilities	1,352	1,465
Decrease in current liabilities	103	82

There is no impact on the statement of Profit and Loss.

2.2.2 Ind AS 115 'Revenue from Contracts with Customers'

The Group has adopted Ind AS 115 'Revenue from Contracts with Customers' with a date of initial application of April 1, 2018. As a result, the Group has changed its accounting policy for revenue recognition as detailed below.

The Group has applied Ind AS 115 using the cumulative effect method – i.e. by recognising the cumulative effect of initially applying Ind AS 115 as an adjustment to the opening balance of equity at April 1, 2018. Therefore, the comparative information has not been restated and continues to be reported under Ind AS 18. The details of the significant changes and quantitative impact of the changes are set out below.

Under cumulative effect method, there are no significant adjustments required to the retained earnings as at April 1, 2018. Also, the application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue and related items in the financial statements

2.3 Current versus non-current classification

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2019. The Group's investment in jointly controlled entites 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 to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

a. Combine like items 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.

b. 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.

c. 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. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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

2.4 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.

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.

2.5 Investment in joint ventures 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 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.

The aggregate of the Group's share of profit or loss of a joint venture and associate is shown on the face of the 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.

2.6 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.

2.7 Revenue recognition

2.7.1 Revenue from contract with customer

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 principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

An entity collects Sales tax/ Value added tax (VAT)/ Goods and Services Tax ("GST") collected on behalf of the government and not on its own account. Hence it should be excluded from revenue, i.e. revenue should be net of GST.

Based on the Educational Material on Ind AS 18 issued by the ICAI, the Group has assumed that recovery of excise duty flows to the group on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the group on its own account, revenue includes excise duty.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 41.

2.7.2 Sale of goods:

Revenue from sale of goods (Tyres, tubes and flaps) is recognised at a point in time when control of the goods is transferred to customer depending on terms of sales.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties). In determining the transaction price for the sale of goods, the Group considers the effects

of variable consideration, the existence of significant financing components, if any.

2.7.2.1 Variable consideration

The Group offers various forms of discounts 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 recognized will not occur in future on account of refund or discounts.

Variable consideration includes volume discounts, price concessions, incentives, etc. The Group estimates the variable consideration based on an analysis of historical experience and it is adjusted from transaction price.

2.7.2.2 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.

2.7.3 Sales related obligations

The Group normally provides for sales related obligations for a period of three years on all its products sold, in line with industry practice. These sales related obligations are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets. See Note 24 for more information. The Group does not have any extended sales related obligations.

2.7.4 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 2.19 on financial instruments in accounting policies.

2.7.5 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). 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 effective interest rate, 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 statement of profit and loss.

2.7.6 Dividends:

Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

2.7.7 Royalty and Technology Development fees:

The Group also earns sales based royalty income which is recognised as revenue typically on an over time basis. This is because in such arrangements the customer gets a right to access the Group's intellectual property as it exists throughout the license period. The revenue to be recognised is determined based on a specified percentage of the sales made by the customer.

2.8 Government grants and Export incentives

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

The Group has chosen to adjust government grant from the carrying value of non-monetary asset pursuant to amendment in Ind AS 20 Accounting for Government Grants and Disclosure. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

Export Incentives under Merchandise Export from India Scheme (MEIS) is recognised in the Statement of Profit and Loss as a part of other operating revenues.

2.9 Taxes

2.9.1 Current income tax

Current income 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 the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in P&L 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.

2.9.2 Deferred tax:

Deferred tax is provided using the liability method on 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 or 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 or 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 profit or loss is recognised outside profit or loss (either in other comprehensive income 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.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the concerned company recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The concerned company reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

2.9.3 Sales tax/ value added taxes/GST paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales tax/ value added taxes/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.

2.10 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 criterias are met: (i) decision has been made to sell. (ii) the assets are available for immediate sale in its present condition. (iii) the assets are being actively marketed and (iv) 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.

2.11 Property, plant and equipment

Capital work in progress, 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 profit or 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. Refer to note 41 regarding significant accounting judgements, estimates and assumptions and provisions for further information about the recorded decommissioning provision.

Leasehold land – amortised on a straight line basis over the period of the lease ranging from 95 to 99 years.

Depreciation is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The Group has used the following useful lives to provide depreciation on its fixed assets. The identified components are depreciated over their useful lives, the remaining asset is depreciated over the life of the principal asset.

Asset Class	Useful life
Buildings	50 years - 60 years
Plant & Machinery	15 years - 20 years
Moulds	6-15 years
Computers	3 years
Furniture & Fixtures	10 years
Office Equipment	5 years
Motor Vehicles	8 years
Carpeted Roads- RCC	10 years
Computer Servers	6 years
Electrical Installations	20 years
Temporary structure	3 years
Hand Carts, Trollies	15 years

The management has estimated, supported by independent assessment by professional, the useful lives of the following class of assets.

- Factory buildings - 50 years (Higher than those indicated in Schedule II of the Companies Act, 2013)
- Plant & Machinery – 20 years (Higher than those indicated in Schedule II of the Companies Act, 2013)
- Moulds – 6 years (Lower than those indicated in Schedule II of the Companies Act, 2013)
- Electrical Installations – 20 years (Higher than those indicated in Schedule II of the Companies Act, 2013)
- Air conditioner having capacity of > 2 tons – 15 years (Higher than those indicated in Schedule II of the Companies Act, 2013)
- Serviceable materials like trollies, iron storage tacks skids – 15 years (Higher than those indicated in Schedule II of the Companies Act, 2013)
- Batteries used in fork lifts trucks - 5 years (Lower than those indicated in Schedule II of the Companies Act, 2013)

The management believes that the depreciation rates fairly reflect its estimation of the useful lives and residual values of the fixed assets.

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 income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.12 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 profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or infinite.

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 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. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with infinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The 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 infinite 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 or loss when the asset is derecognised.

Intangible assets are amortised on straight line method as under:

- Software expenditure have been amortised over a period of three years.
- Technical Know-how and Brands are amortised over a period of twenty years.

2.12.1 Technical know-how and Brand:

The Group has originally generated technical know-how and assistance 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.

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 realization. Therefore, the management believes that the Brand will yield significant benefits for a period of at least twenty years.

2.12.2 Research and development costs:

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

2.13 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 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.

2.14 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

2.14.1 Group as a lessee:

2.14.1.1 Finance lease

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the fair value of the leased property at the inception date or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the

Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

2.14.1.2 Operating lease

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight line basis over the lease term unless payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase.

2.14.2 Group as a lessor:

2.14.2.1 Finance lease

There are no finance leases where the Group is a lessor.

2.14.2.2 Operating lease

Rental income from operating lease is recognised on a straight line basis over the lease term unless payments to the Group are structured to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increase. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.15 Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

- Raw materials, components, stores and spares are valued at lower of cost and net realizable value. However, 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. Cost is determined on a weighted average basis.
- Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity, but excluding borrowing costs. Cost is determined on a weighted average basis.
- Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

Initial cost of inventories includes the transfer of gains and losses on qualifying cash flow hedges, recognised in other comprehensive income, in respect of the purchases of raw materials.

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.

2.16 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 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 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 statement of profit and loss.

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 statement of profit and loss.

2.17 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, 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 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.

2.17.1 Provisions for Sales related obligation

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.

2.17.2 Decommissioning liability

Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

2.18 Retirement and other employee benefits

2.18.1 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 these funds/schemes. The Group recognizes contribution payable to these funds/schemes as expenditure, when an employee renders the related service. If the contribution payable to these funds/schemes for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to these funds/schemes 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 recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

2.18.2 Defined benefit plan

The Group has a defined benefit gratuity plan, which requires contribution to be made to a separately administered fund. The Group's liability towards this benefit is determined on the basis of actuarial valuation using Projected Unit Credit Method at the date of balance sheet.

Remeasurement, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurement is not reclassified to the statement of profit and loss in subsequent periods.

Past service costs are recognised in the statement of profit and loss on the earlier of:

- The date of the plan amendment or curtailment and
- The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

2.18.3 Compensated absences

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit and this is shown under short term provision in the Balance Sheet. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes and this is shown under long term provisions in the Balance Sheet. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred. The Group presents the leave as a

current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where the Group has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

2.18.4 Termination benefits

The Group recognizes termination benefit as a liability and an expense when the Group has a present obligation as a result of past event, 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. If the termination benefit falls due for more than 12 months after the balance sheet date, they are measured at present value of the future cash flows using the discount rate determined by reference to market yields at the balance sheet date on the government bonds.

2.19 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.

2.19.1 Financial assets

2.19.1.1 Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

2.19.1.2 Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

2.19.1.2.1 Debt instruments at amortised cost

2.19.1.2.2 Debt instruments at fair value through other comprehensive income (FVTOCI)

2.19.1.2.3 Debt instruments, derivatives and equity instruments at fair value through profit and loss (FVTPL)

2.19.1.2.4 Equity instruments measured at fair value through other comprehensive income (FVTOCI)

2.19.1.2.1 Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) 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 effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables, loans and other financial assets.

2.19.1.2.2 Debt instrument at FVTOCI

A 'debt instrument' is classified as at the 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 recognized in the other comprehensive income (OCI). However, the group recognizes 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 Effective Interest Rate (EIR) method.

2.19.1.2.3 Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at 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 at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

2.19.1.2.4 Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present subsequent changes in the fair value in other comprehensive income. 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 recognized in the other comprehensive income. There is no recycling of the amounts from other comprehensive income to the statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

2.19.1.3 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.

2.19.1.4 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:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Financial assets that are debt instruments and are measured as at FVTOCI

c) Lease receivables under Ind AS 17

d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

e) Loan commitments which are not measured as at FVTPL

f) Financial guarantee contracts which are not measured as at FVTPL

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables
- All lease receivables resulting from transactions within the scope of Ind AS 17

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 and risk exposure, the group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). 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 as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.
- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value.

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.

The Group does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

2.19.2 Financial liabilities

2.19.2.1 Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit and loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

2.19.2.2 Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

2.19.2.2.1 Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit and loss. 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 statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit and loss 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 recognized in other comprehensive income. These gains/ loss are not subsequently transferred to the 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 statement of profit and loss. The Group has not designated any financial liability as at fair value through profit and loss.

2.19.2.2.2 Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or 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.

2.19.2.3 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

2.19.3 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 followng 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 amortized cost and fair value is recognised in the statement of profit and loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. Effective Interest Rate (EIR) is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in other comprehensive income. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in other comprehensive income is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in other comprehensive income is reclassified to the statement of profit and loss at the reclassification date.

2.19.4 Offsetting of financial instruments

Financial assets and financial liabilities are 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.

2.20 Derivative financial instruments:

The Group uses derivative financial instruments, such as forward currency contracts, to manage its foreign currency risks. These derivative instruments are not 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.

2.20.1 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 profit or loss over the remaining term of the hedge using the EIR method. EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in the statement of profit and loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in the statement of profit and loss.

2.20.2 Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income (OCI) in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognised in other income/ other expenses.

Amounts recognised as OCI are transferred to the statement of profit and loss when the hedged transaction affects profit or loss, such as 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.

2.21 Fair value measurement

The Group measures financial instruments, such as, derivatives, foreign denominated borrowings and assets, 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 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 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 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 Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.22 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

2.23 Dividend distribution to equity holders

The Group recognises a liability to make cash distributions to equity holders 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. A corresponding amount is recognised directly in equity.

2.24 Foreign currencies

The Group's financial statements are presented in ₹, which is also the Group's functional currency.

Transactions in foreign currencies are initially recorded by the Group at ₹ spot rate at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the 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 other comprehensive income (OCI) or the statement of profit and loss are also recognised in OCI or the statement of profit and loss, respectively).

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses a weighted average weekly rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified in statement of profit and loss.

2.25 Earnings Per Share

Basic Earnings per share (EPS) amounts are calculated by dividing the profit for the year attributable to equity holders 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 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.

2.26 Segment reporting

Based on "Management Approach" as defined in Ind AS 108 -Operating Segments, the Executive Management Committee evaluates the Group's performance and allocates the resources based on an analysis of various performance indicators by business segments.

Segment Policies:

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

2.27 Contingent liability and contingent assets

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 recognized 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 recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements. A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements. Contingent liabilities and contingent assets are reviewed at each balance sheet date.

Note 3: Property, plant and equipment and capital work-in-progress

Refer note 2.11 for accounting policy on Property, plant and equipment

(₹ in lacs)

Particulars	Freehold land	Leasehold land (Financial lease)	Buildings (refer foot note 1)	Plant and equipment (Owned)	Plant and equipment (Leased)	Furniture and fixtures	Vehicles	Office equipments	Capital work in progress	Total
Gross carrying amount										
As at April 1, 2017**	**41,815**	**9,088**	**32,388**	**1,73,165**	**36**	**1,160**	**524**	**1,659**	**31,928**	**2,91,763**
Additions	6,731	1,550	5,148	28,528	-	224	146	115	41,635	84,077
Disposals	-	-	(184)	(1,586)	(2)	(11)	(7)	(393)	-	(2,183)
Transfers/ capitalised	-	-	-	-	-	-	-	-	(42,379)	(42,379)
Adjustments during the year*	-	-	-	614	-	12	-	(450)	-	176
Foreign exchange adjusment	-	-	-	(1)	-	(1)	-	(1)	(249)	(252)
As at March 31, 2018	**48,546**	**10,638**	**37,352**	**2,00,720**	**34**	**1,384**	**663**	**930**	**30,935**	**3,31,202**
Additions	1	186	10,706	54,426	-	199	93	277	1,14,717	1,80,605
Disposals	-	-	(71)	(1,117)	-	(2)	(1)	(6)	-	(1,197)
Transfers/ capitalised	-	-	-	-	-	-	-	-	(65,888)	(65,888)
Adjustments during the year*	(92)	-	(199)	(393)	(7)	-	-	(2)	-	(693)
Foreign exchange adjusment	-	-	-	2	-	1	-	1	395	399
As at March 31, 2019	**48,455**	**10,824**	**47,788**	**2,53,638**	**27**	**1,582**	**755**	**1,200**	**80,159**	**4,44,428**
Accumulated depreciation:										
As at April 1, 2017**	**-**	**221**	**2,067**	**19,956**	**3**	**213**	**171**	**329**	**-**	**22,960**
Depreciation for the year#	-	136	1,288	13,506	-	158	102	287	-	15,477
On disposals	-	-	(75)	(768)	-	(4)	(6)	(389)	-	(1,242)
Adjustments during the year*	-	-	-	285	-	2	-	(120)	-	167
Foreign exchange adjusment	-	-	-	(1)	-	-	-	-	-	(1)
As at March 31, 2018	**-**	**357**	**3,280**	**32,978**	**3**	**369**	**267**	**107**	**-**	**37,361**
Depreciation for the year#	-	145	1,480	15,405	-	171	101	255	-	17,557
On disposals	-	-	(59)	(660)	-	(1)	(1)	(5)	-	(726)
Adjustments during the year*	-	-	(21)	(151)	(1)	-	-	(2)	-	(175)
Foreign exchange adjusment	-	-	-	1	-	-	-	1	-	2
As at March 31, 2019	**-**	**502**	**4,680**	**47,573**	**2**	**539**	**367**	**356**	**-**	**54,019**
Net book value:										
As at March 31, 2018	**48,546**	**10,281**	**34,072**	**1,67,742**	**31**	**1,015**	**396**	**823**	**30,935**	**2,93,841**
As at March 31, 2019	**48,455**	**10,322**	**43,108**	**2,06,065**	**25**	**1,043**	**388**	**844**	**80,159**	**3,90,409**

*Adjustments include regrouping of certain assets into other class of assets (refer note 4)

** Adoption of amendment in Ind AS 20 Accounting for Government grant and disclosures: as per the pre-amendment standard the Group had setup a deferred Government grant under other liabilities of ₹1,455 as on March 31, 2018 (March 31, 2017: ₹ 1,547 lacs). Persuant to the amendment, the Group has now opted to adjust the Government grant from carrying amount of the asset. (refer note 2.2.1).

The depreciation for the period includes Nil (March 31, 2018 ₹ 26 lacs) on account of leasehold land of CEAT Specialty Tyres Limited which has been included in capital work in progress.

Net book value

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Property, plant and equipment	3,10,250	2,62,906
Capital work in progress	80,159	30,935

Notes:

1. Building includes ₹ 0.10 Lacs as at March 31, 2019 (As at March 31, 2018 ₹ 0.10 Lacs) being value of unquoted fully-paid shares held in various co-operative housing societies.
2. 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 (CWIP) / Fixed assets as the case may be. Consequently, expenses disclosed under the respective notes are net of such amounts.

(₹ in lacs)

Particulars	Note no.	2018-19	2017-18
Finance cost	35	3,224	1,360
Professional and consultancy charges	37	315	623
Miscellaneous expenses	37	2,785	485
Employee benefit expenses	34	1,448	960
Travelling and conveyance	37	512	67
Total		**8,284**	**3,495**

3. As a part of ongoing expansion project at Halol-Phase III, during the year the Group has capitalised and commissioned assets of ₹ 33,819 lacs (March 31, 2018 ₹ 79 lacs). This has resulted in the installed capacity as on March 31, 2019 to 35 MT per day (March 31, 2018 Nil). The planned expansion of 208 MT per day is expected to be commissioned, in phase.
4. At the Nagpur plant of the Group has capitalised and commissioned the assets of ₹ 7,409 lacs (March 31, 2018 ₹ 5,067 lacs). This has resulted in the installed capacity as on March 31, 2019 to 114 MT per day (March 31, 2018 91 MT per day). The additonal planned expansion of 140 MT per day is under construction and expected to be commissioned, in phase.
5. As a part of ongoing green field project at Chennai, during the year the Group has capitalised and commissioned the assets of ₹7,233 lacs (March 31, 2018 ₹ 6,731 lacs). The planned capacity of 252 MT per day is expected to be commissioned in phases.
6. The amount of borrowing cost capitalised during the year ended March 31, 2019 is ₹ 3,224 lacs (March 31, 2018: ₹ 459 lacs). The rates used to determine the amount of borrowing cost eligible for capitalisation was in range of 7.4% to 8.9% (March 31, 2018: 7.79%) which is the effective interest rate of specific borrowings.
7. Refer note 22 and 26 for details on pledges and securities.

Note 4: Intangible assets and Intangible assets under development

Refer note 2.12 for accounting policy on Intangible assets

(₹ in lacs)

Particulars	Software	Brand (refer foot note 1)	Technical knowhow (refer foot note 2)	Product development	Total
Cost					
As at April 1, 2017	**2,485**	**4,404**	**704**	**1,032**	**8,625**
Additions	2,119	-	-	394	2,513
Disposals	-	-	-	-	-
Adjustments during the year*	(176)	-	-	-	(176)
Foreign exchange adjustments	(1)	-	-	-	(1)
As at March 31, 2018	**4,427**	**4,404**	**704**	**1,426**	**10,961**
Additions	700	-	-	699	1,399
Disposals	(0)	-	-	-	(0)
Foreign exchange adjustments	1	-	-	-	1
As at March 31, 2019	**5,128**	**4,404**	**704**	**2,125**	**12,361**
Accumulated amortization					
As at April 1, 2017	**1,029**	**529**	**82**	**61**	**1,701**
Amortization for the year	891	265	41	213	1,410
Disposals	-	-	-	-	-
Adjustments during the year*	(167)	-	-	-	(167)
Foreign exchange adjustments	(1)	-	-	-	(1)
As at March 31, 2018	**1,752**	**794**	**123**	**274**	**2,943**
Amortization for the year	792	265	41	616	1,714
Disposals	0	-	-	-	0
Foreign exchange adjustments	1	-	-	-	1
As at March 31, 2019	**2,545**	**1,059**	**164**	**890**	**4,658**
Net book value					
As at March 31, 2018	**2,675**	**3,610**	**581**	**1,152**	**8,018**
As at March 31, 2019	**2,583**	**3,345**	**540**	**1,235**	**7,703**

*Adjustments include regrouping of certain assets into other class of assets (refer note 3)

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Intangible assets	7,703	8,018
Intangible assets under development	3,132	61

1. In an earlier year, 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 are accessible to the Group. The Group will be in a position to fully exploit the export market resulting in increased volume and price realization. Therefore, the management believes that the Brand will yield significant benefits for a period of at least twenty years.

2. The Group has acquired technical know-how and assistance from International Tire Engineering Resources LLC, for setting up for Halol radial plant. Considering the life of the underlying plant / facility, this technical know-how, is amortized on a straight line basis over a period of twenty years.
3. During the year, the Group has transfered employee benefit expenses of ₹ 937 Lacs (March 31, 2018 ₹ Nil) and Professional and consultancy charges of ₹ 3 Lacs (March 31, 2018 ₹ Nil) which are attributable to the development activity and are included in the cost of intangible under development / intangible assets as the case may be. Consequently, expenses disclosed under note 34 are net of such amounts.

Note 5: Investments accounted using equity method

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Investment in Joint venture (refer note 44)		
CEAT Kelani Holding Company (Pvt.) Limited	17,556	16,975
Investment in Associate (refer note 45)		
Tyresnmore Online Private Limited	584	371
Total	**18,140**	**17,346**

Notes:

a) Refer note 53(g) for information about liquidity risk relating to investments

Note 6: Investments

(₹ in lacs)

Particulars	Face Value	As at March 31, 2019	As at March 31, 2018
Unquoted equity shares (at cost) (non trade)			
1,800 (as at March 31, 2018: 1,800) equity shares of RPG Ventures limited (formerly known as Maestro Comtrade Private Limited)	₹ 10	0	0
9,75,000 (as at March 31, 2018: Nil) equity shares of Bhadreshwar Vidyut Private Limited (formerly known as OPGS Power Gujarat private limited)	₹ 0.19	2	-
Investment in others (at amortised cost)			
National Saving Certificates VIII issue (refer foot note a)		0	0
Rado Employees Co-operative Society	₹ 10	0	0
Aggregate value of unquoted investments		2	0
Aggregate amount of quoted investments		-	-
Aggregate Market value of quoted investments		-	-
Aggregate amount of unquoted investments		2	0

Notes:

a) Pledged as security for sales tax purpose

b) Refer note 53(g) for information about liquidity risk relating to investments

Note 7: Loans

Refer note 2.19 for acccounting policy on financial instruments

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Non current (at amortised cost)		
Secured, considered good		
Security deposits	407	298
Unsecured, considered good		
Security deposits	1	16
Unsecured, considered doubtful		
Security deposits	121	128
Less: Allowance for doubtful deposits	(121)	(128)
Total	**408**	**314**

Notes:

a) No loans are Due from directors or promoters of the holding company either severally or jointly with any person

b) Refer note 51 for information about fair value measurement and note 53(g) for information about liquidity risk relating to loans

Note 8: Other financial assets

Refer note 2.19 for accounting policy on financial instruments

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Non current (at amortised cost)		
Unsecured, considered good		
Margin money deposits (refer foot note b)	195	202
Total	**195**	**202**

Notes:

a) Refer note 51 for information about fair value measurement and note 53 (g) for information about liquidity risk relating to other financial assets

b) The margin deposit are for bank guarantees given to statutory authorities.

Note 9: Other non-current assets

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
Capital advances (others)	11,018	7,252
Capital advances (related parties) (refer note 48)	1,643	476
Security deposits with statutory authorities	1,969	1,723
Others	8	6
Unsecured, considered doubtful		
Balances with government authorities and agencies	274	304
Less: Allowance for doubtful balances	(274)	(304)
Total	**14,638**	**9,457**

Note 10: Inventories

(At cost or net realisable value, whichever is lower)

Refer note 2.15 for accounting policy on inventories

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
a) Raw materials	34,644	28,053
Goods in transit	3,399	8,114
	38,043	**36,167**
b) Work-in-progress	3,342	3,095
c) Finished goods (refer note (a))	51,878	32,416
d) Stock in trade	3,167	2,739
Goods in transit	604	793
	3,771	**3,532**
e) Stores and spares	3,525	3,205
Goods in transit	1	46
	3,526	**3,251**
Total	**1,00,560**	**78,461**
Details of finished goods		
Automotive tyres	42,702	27,042
Tubes and others	9,176	5,374
Total	**51,878**	**32,416**

Notes:

a) Cost of inventory recognised as an expense as at March 31, 2019 includes ₹ 1,319 lacs (March 31, 2018 ₹ 808 lacs) in respect of write down due to net realisable value with respect to slow moving stock as per group policy.

b) Loans are secured by first pari passu charge on stock (includes raw materials, finished goods and work in progress) (refer note 22 and 26)

Note 11: Investments

Refer note 2.19 for accounting policy on financial instruments

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Current (at fair value through profit and loss)		
Investment in units of liquid mutual funds (quoted)		
a) Unit of Face value ₹100 each, fully-paid up		
Nil (March 31, 2018: 5,18,176) units of Aditya Birla Sun Life Floating Rate Fund - STP - Dir - Growth	-	1,202
b) Unit of Face value ₹1,000 each, fully-paid up		
Nil (March 31, 2018: 36,767) units of SBI Premier Liquid Fund - Direct - Growth	-	1,002
Nil (March 31, 2018: 29,246) units of HDFC Liquid Fund - Direct - Growth	-	1,001
Nil (March 31, 2018: 3,34,470) units of ICICI Prudential Money Market Fund - Direct - Growth	-	801
Total	**-**	**4,006**
Aggregate amount of quoted investments	-	4,006
Aggregate market value of quoted investments	-	4,006
Aggregate amount of unquoted investments	**-**	**-**

Notes:

a) Refer note 51 for information about fair value measurement and note 53(g) for information about liquidity risk relating to investments

Note 12: Trade receivables

Refer note 2.19 for acccounting policy on financial instruments

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables from others	70,313	74,579
Trade receivables from related parties (refer note 48)	325	144
Total	**70,638**	**74,723**

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Break-up for security details		
Secured, considered good (refer foot noot a)	24,493	25,314
Unsecured, considered good	46,145	49,409
Doubtful	2,080	2,146
Total	**72,718**	**76,869**
Allowance for doubtful debts	(2,080)	(2,146)
Grant total	**70,638**	**74,723**

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
The movement in allowance for doubtful debts is as follows:		
Balance as at beginning of the year	2,146	3,291
Change in allowance for doubtful debts during the year	63	352
Trade receivables written off during the year	(129)	(1,497)
Balance as at end of the year	**2,080**	**2,146**

Notes:

a) These debts are secured to the extent of security deposit obtained from the dealers.

b) No trade or other 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 no 48.

c) Trade receivables are non-interest bearing within the credit period which is generally 30 to 60 days.

d) For terms and conditions with related parties, refer to note 48

e) Refer note 53(f) for information about credit risk relating to trade receivables

f) The Group has entered into an arrangement to sell it receivable to third parties on without recourse to the Group. The Group has derecognised trade receivables of ₹ 4,894 lacs from the books. The Group has transferred substantially all the risks and rewards of the asset.

Note 13: Cash and cash equivalents

Refer note 2.22 for accounting policy on cash and cash equivalents

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with Banks		
On current accounts	2,087	1,509
On remittance in transit	4,661	6,702
Cash on hand	7	7
Cash and cash equivalent as per statement of cash flow	**6,755**	**8,218**

Notes:

a) Refer note 53(g) for information about liquidity risk relating to cash and cash equivalents

Changes in liabilities arising from financing activities

(₹ in lacs)

Particulars	Current borrowings	Non- current borrowings
As at April 1, 2017	**5,799**	**86,601**
Cash flows	13,758	(18,991)
Others	-	-
As at March 31, 2018	**19,557**	**67,610**
Cash flows	2,830	59,767
Foreign Exchange Impact	38	-
As at March 31, 2019	**22,425**	**1,27,377**

Note 14: Bank balances other than cash and cash equivalents

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Deposits with original maturity of more than 3 months but remaing maturity of less than 12 months	51	71
Balances held for unclaimed public deposits and interest thereon (refer foot note a)	105	111
Balances held for unpaid/unclaimed dividend accounts (refer foot note b)	443	225
Total	**599**	**407**

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, 2018 ₹ 0.20 lacs) outstanding for a period exceeding seven years, in respect of which a Government agency has directed to the Group to hold.

b) These balances are available for use only towards settlement of corresponding unpaid dividend liabilities.

c) Refer note 53(g) for information about liquidity risk relating to bank balances other than cash and cash equivalents

Note 15: Loans

Refer note 2.19 for accounting policy on financial instruments

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Current (at amortised cost)		
Unsecured, considered good		
Advance receivable in cash	70	36
Security deposits	5	-
Unsecured, considered doubtful		
Loans advances and deposits	149	163
Less: Allowance for doubtful advances and deposits	(149)	(163)
Total	**75**	**36**

Notes:

a) Refer note 53(g) for information about liquidity risk relating to Loans.

Note 16: Other financial assets

Refer note 2.19 for accounting policy on financial instruments

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Current (at amortised cost)		
Unsecured, considered good		
Advance receivable in cash	161	200
Other receivables (refer foot note b)	96	473
Interest receivable (refer foot note c)	2,601	10
Receivable from group companies and joint ventures (refer note 48)	258	273
Others	106	-
Total	**3,222**	**956**

Notes:

a) Refer note 53(g) for information about liquidity risk relating to Other financial assets.

b) Includes fair value of plan assets for gratuity (net) of Nil (March 31, 2018: ₹ 368 lacs).(refer note 46 for details).

c) Includes interest due on income tax refunds.

Note 17: Other current assets

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
Advance receivable in kind or for value to be received	4,916	6,102
Balance with government authorities	10,147	7,689
Advance to employees	52	184
Prepaid expense	2,584	679
Unsecured, considered doubtful		
Advance receivable in kind or for value to be received	44	44
Less: Allowance for advance receivable in kind or for value to be received	(44)	(44)
Total	**17,699**	**14,654**

Note 18: Assets held-for-sale

Refer note 2.10 for accounting policy on Assets held-for-sale

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Free hold land and building (refer foot note a and b)	270	-
Plant and equipment (refer foot note b)	249	-
Total	**519**	**-**

Notes:

a) Free hold land and building includes building of ₹ 44 Lacs classified as assets held for sale by the holding company

b) During this year the wholly owned subsidiary - RADO Tyres limited (RADO) has 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 such other assets located at its factory near Kothamangalam. The process to obtain quotation have also been initiated by the RADO's Board and they expect the sale to be concluded in the financial year 2019-20 after obtaining the approval of Shareholders.
Given these circumstances the RADO's Board has considered prudent to reclassify the above assets to the head assets held for sale.

Note 19: Equity share capital

Authorised share capital	Equity Shares		Preference Shares		Unclassified Shares	
	Numbers	₹ in lacs	Numbers	₹ in lacs	Numbers	₹ in lacs
At April 1, 2017	4,61,00,000	4,610	39,00,000	390	1,00,00,000	1,000
Increase / (decrease) during the year	-	-	-	-	-	-
At March 31, 2018	4,61,00,000	4,610	39,00,000	390	1,00,00,000	1,000
Increase / (decrease) during the year	-	-	-	-	-	-
At March 31, 2019	**4,61,00,000**	**4,610**	**39,00,000**	**390**	**1,00,00,000**	**1,000**

Issued share capital

Equity shares of ₹ 10 each issued	Numbers	₹ in lacs
At April 1, 2017 (refer foot note a)	4,04,50,780	4,045
Alloted during the year	-	-
At March 31, 2018 (refer foot note a)	4,04,50,780	4,045
Alloted during the year	-	-
At March 31, 2019 (refer foot note a)	**4,04,50,780**	**4,045**

Subscribed and Paid-up share capital

Equity shares of ₹ 10 each subscribed and fully paid	Numbers	₹ in lacs
At April 1, 2017 (refer foot note a)	4,04,50,092	4,045
Alloted during the year	-	-
At March 31, 2018 (refer foot note a)	4,04,50,092	4,045
Alloted during the year	-	-
At March 31, 2019 (refer foot note a)	**4,04,50,092**	**4,045**

Notes:

a) Includes 688 (March 31, 2018- 688) equity shares offered on right basis and kept in abeyance.

b) Terms/ rights attached to equity shares

The Group 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 Group.

In the event of winding-up, the holders of equity shares shall be entitled to receive remaining assets of the Group 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

Name of the shareholders	As at March 31, 2019		As at March 31, 2018	
	Numbers	% holding in the class	Numbers	% holding in the class
Equity shares of ₹ 10 each fully paid				
Instant Holdings Limited	1,18,16,662	29.21%	1,15,10,812	28.46%
Swallow Associates LLP	44,84,624	11.09%	44,84,624	11.09%
Jwalamukhi Investment Holdings	29,53,366	7.30%	32,53,841	8.04%
Amansa Holdings Pvt Limited	24,09,373	5.96%	14,02,310	3.47%

d) As per the records of the Company as at March 31, 2019 no calls remain unpaid by the directors and officers of the company.

e) The Company has not issued any equity shares as bonus for consideration other than cash and has not bought back any shares during the period of 5 years immediately preceeding March 31, 2019.

Note 20: Other equity

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Securities premium (refer note a)	56,703	56,703
Capital reserve (refer note b)	1,397	1,378
Capital redemption reserve (refer note c)	390	390
Cash flow hedge reserve (refer note d)	(2,337)	474
Debenture redemption reserve (DRR) (refer note e)	-	5,001
Foreign currency translation reserve (refer note f)	(888)	(366)
General reserve (refer note g)	25,166	20,165
Retained earnings (refer note h)	1,92,135	1,72,819
Total other equity	**2,72,566**	**2,56,564**

a) Securities premium

Amount received on issue of shares in excess of the par value has been classified as security share premium.

	(₹ in lacs)
At April 1, 2017	**56,703**
At March 31, 2018	**56,703**
At March 31, 2019	**56,703**

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 (FY 2013-14)

	(₹ in lacs)
At April 1, 2017	**1,391**
Add: Foreign Exchange fluctuation on restatement of capital reserve	(13)
At March 31, 2018	**1,378**
Add: Foreign Exchange fluctuation on restatement of capital reserve	19
At March 31, 2019	**1,397**

c) Capital redemption reserve

Capital redemption reserve represents amount transferred from profit and loss account on redemption of preference shares during FY 1998-99.

	(₹ in lacs)
At April 1, 2017	**390**
At March 31, 2018	**390**
At March 31, 2019	**390**

d) Cash flow hedge reserve

It represents mark-to-market valuation of effective hedges as required by Ind AS 109.

	(₹ in lacs)
At April 1, 2017	**208**
Gain / (Loss) arising during the year	266
At March 31, 2018	**474**
Gain / (Loss) arising during the year	(2,811)
At March 31, 2019	**(2,337)**

e) Debenture redemption reserve (DRR)

Debenture redemption reserve (DRR) is required to be created in accordance with section 71 of the Companies Act, 2013 read with Companies (Share capital and Debenture) Rules, 2014 at equivalent to 25% of the value of the debentures issued.

	(₹ in lacs)
At April 1, 2017	**3,334**
Add: Transfer from retained earnings during the year	1,667
At March 31, 2018	**5,001**
Add: Transfer from retained earnings during the year (refer foot note i)	(5,001)
At March 31, 2019	**-**

Notes:

i) During the current year, the group has prepaid its Non Convertible debentures ammounting to ₹ 20,000 lacs on July 31, 2018 and accordingly the balance in DRR has been transferred to general reserve.

f) Foreign currency translation reserve

It represents aggregate exchange difference arising on consolidation of our 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.

	(₹ in lacs)
At April 1, 2017	**46**
Gain / (Loss) arising during the year	(412)
At March 31, 2018	**(366)**
Gain / (Loss) arising during the year	(522)
At March 31, 2019	**(888)**

g) 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 statement of profit and loss.

	(₹ in lacs)
At April 1, 2017	**20,165**
At March 31, 2018	**20,165**
Add: Transfer from debenture redemption reserve during the year (refer foot note i)	5,001
At March 31, 2019	**25,166**

Notes:

i) During the current year, the group has prepaid its Non convertible debentures ammounting to ₹ 20,000 lacs on July 31, 2018 and accordingly the balance in DRR has been transferred to general reserve

h) Retained earnings

	(₹ in lacs)
At April 1, 2017	**1,55,213**
Profit for the year	23,798
Other comprehensive income	680
Transfer to debenture redemption reserve (DRR)	(1,667)
Payment of dividend (refer note 21)	(4,652)
Payment of dividend distribution tax (DDT) (refer note 21)	(553)
At March 31, 2018	**1,72,819**
Profit for the year	25,222
Other comprehensive income	(462)
Payment of dividend (refer note 21)	(4,652)
Payment of dividend distribution Tax (DDT) (refer note 21)	(829)
Others	37
At March 31, 2019	**1,92,135**

Note 21: Distribution made and proposed

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Cash dividend on equity shares declared and paid		
Final dividend for the year ended on March 31, 2018: ₹ 11.50 per share (March 31, 2017: ₹ 11.50 per share)	4,652	4,652
Dividend distribution tax (DDT) on final dividend	829	553
Total	**5,481**	**5,205**

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Proposed dividend on equity shares		
Final cash dividend for the year ended on March 31, 2019: ₹ 12 per share (March 31, 2018 ₹ 11.50 per share)	4,854	4,652
Dividend distribution tax (DDT) on proposed dividend	998	956
Total	**5,852**	**5,608**

Proposed dividend on equity shares which are subject to approval at the annual general meeting are not recognised as a liability (including Dividend distribution tax thereon) in the year in which it is proposed.

During the year ended March 31, 2019, the company has paid dividend to its shareholders. This has resulted in payment of Dividend distribution tax (DDT) to the taxation authorities. The Group believes that DDT (Dividend distribution tax) represents additional payment to taxation authority on behalf of the shareholders. Hence, DDT paid is charged to equity.

Note 22: Borrowings (at amortised cost)

Refer note 2.19 for acccounting policy on financial instruments

(₹ in lacs)

Particulars	Non-current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Interest bearing loans and borrowings				
I. Secured				
i) Debentures				
a) Non-convertible debentures (refer foot note 1)	-	19,956	-	-
ii) Term loans				
a) Indian rupee loan from banks*				
Citibank N.A. (refer foot note 2)	21,500	-	-	-
Citicorp Finance (India) Limited (refer foot note 3)	8,500	-	-	-
HDFC Bank (refer foot note 4)	17,299	-	-	-
Kotak Mahindra Bank (refer foot note 5)	29,971	-	-	-
Bank of Baroda (refer foot note 6)	19,826	-	-	-
SVC Bank (refer foot note 7) #	7,410	-	-	-
YES Bank Ltd. (refer foot note 8)	-	3,436	-	-
ICICI Bank Ltd. (refer foot note 9)	14,582	14,450	765	-
b) Buyer's Credit (refer foot note 10 & 11)	619	4,512	4,143	22,225
II. Unsecured				
i) Public deposits (refer foot note 12)	0	0	-	-
ii) Deferred sales tax incentive (refer foot note 13)	2,557	2,762	205	269
	1,22,264	**45,116**	**5,113**	**22,494**
Less: amount classified under other current financial liabilities (refer note 28)	-	-	(5,113)	(22,494)
Total	**1,22,264**	**45,116**	**-**	**-**

Notes:

1 Non-Convertible Debentures (NCD) ₹20,000 lacs (March 31, 2018: ₹ 20,000 lacs) allotted on July 31, 2015 on private placement basis was pre-paid in full including interest thereon during the year. It was secured by a first pari passu charge over the movable assets (except current assets) and immovable assets of the holding company situated at the Nasik Plant. It carried interest of 8.70% p.a at the time of repayment.

2 Term Loan from Citibank N.A. ₹ 21,500 lacs as on March 31, 2019 (March 31, 2018: NIL) is secured by pari passu charge over the fixed and movable assets. It is payable as under:

Year	Repayment Schedule (In %)	Schedule of repayment
2021 - 22	20%	To be repaid in 3 annual installment at the end of 3rd, 4th & 5th year
2022 - 23	30%	
2023 - 24	50%	

3 Term Loan from Citicorp Finance India Limited ₹ 8,500 lacs as on March 31, 2019 (March 31, 2018: NIL) is secured by pari passu charge over the fixed and movable assets. It is payable as under:

Year	Repayment Schedule (In %)	Schedule of repayment
2021 - 22	20%	To be repaid in 3 annual installments at the end of 3rd, 4th & 5th year
2022 - 23	30%	
2023 - 24	50%	

4 Term Loan from HDFC Bank ₹ 17,300 lacs as on March 31, 2019 (March 31, 2018: NIL)is secured by first pari passu charge over the fixed and movable assets. It is payable in 12 equal quarterly installments payable after 2 years of Moratorium.

5 Term Loan from Kotak Mahindra Bank Limited ₹ 30,000 lacs as on March 31, 2019 (March 31, 2018: NIL) is secured by first pari passu charge over the holding Company's movable and immovable assets situated at Halol, Nagpur & Chennai Plant. It is payable as under:

Year	Repayment Schedule (In %)	Schedule of repayment
2021 - 22	2.5%	To be repaid in 28 structured quarterly instalments commencing (March 2022) after 3 years of moratorium from first dradown date (December 2018)
2022 - 23	10%	
2023 - 24	11.5%	
2024 - 25	16%	
2025 - 26	16%	
2026 - 27	16%	
2027 - 28	16%	
2028 - 29	12%	

6 Term Loan from Bank of Baroda ₹ 20,000 lacs as on March 31, 2019 (March 31, 2018: NIL)is secured by first pari passu charge over the fixed assets of the holding company's movables and immovables situated at Halol, Nagpur & Chennai Plant. It is payable as under:

Year	Repayment Schedule (In %)	Schedule of repayment
2022 - 23	5%	To be repaid in 28 structured quarterly instalments commencing (June 2022) after 3 years of moratorium from first dradown date (March 2019)
2023 - 24	5%	
2024 - 25	15%	
2025 - 26	15%	
2026 - 27	20%	
2027 - 28	20%	
2028 - 29	20%	

7 Term Loan from SVC Bank of ₹ 7,800 lacs (March 31, 2018: Nil) is secured by first pari passu charge over the all movable and immovable fixed assets of the borrower and second pari-passu, charge by way of hypothecation on all current assets of the CEAT Specialty Tyres Limited. The loan is guaranteed by corporate guarantee from the Holding Company. It is repayable as under:

Year	Repayment Schedule (In %)	Schedule of repayment
2019-20	5%	To be repaid in 28 structured quarterly installment, commencing December 2019
2020-21	10%	
2021-22	12.5%	
2022-23	15%	
2023-24	15%	
2024-25	16.25%	
2025-26	17.5%	
2026-27	8.75%	

8 Term Loan from YES Bank of ₹ Nil (March 31, 2018: ₹3,500 lacs) was pre-paid in full including interest thereon during the year. It was secured by first pari passu charge over all the movable and immovable fixed assets of the borrower situated at Ambernath and second pari-passu, charge by way of hypothecation on all the current assets of the borrower.

9 Term Loan from ICICI Bank of ₹ 15,000 lacs (March 31, 2018:₹ 14,500 lacs) is secured by first pari passu charge over the all movable and immovable fixed assets of the CEAT Specialty Tyres Limited and second pari-passu, charge by way of hypothecation on all current assets of the Borrower.The loan is guaranteed by corporate guarantee from the holding company. It is repayable as under

Year	Repayment Schedule (In %)	Schedule of repayment
2019-20	2.50%	To be repaid in 28 structured quarterly installment,commencing March 2020
2020-21	10.00%	
2021-22	11.25%	
2022-23	15.00%	
2023-24	15.00%	
2024-25	15.63%	
2025-26	17.50%	
2026-27	13.12%	

* Indian rupee term loan from banks, carries floating interest rate ranging from 7.79% p.a. to 9.25% p.a.

The subsidiary company is in process of creating security against the loan availed from SVC Bank.

10 Long-term buyer's credit is secured by first pari passu charge on all movable assets (excluding current assets) and immovable assets of the holding company situated at Halol plant and second pari passu charge over the current assets of the holding company. It is repayable within 3 years from the date of disbursement. The long-term buyer's credit carries interest in the range of 6 months LIBOR plus 52 bps p.a. to 6 months LIBOR plus 125 bps p.a.

11 Long-term buyer's credit is secured by way of first pari passu charge on all movable assets (excluding current assets) and immovable assets of the holding Company situated at Nagpur plant. It is repayable within 3 years from the date of disbursement. The long-term buyer's credit carries interest in the range of 12 months LIBOR plus 42 bps p.a. to 12 months LIBOR plus 60 bps p.a. and 6 months LIBOR plus 42 bps p.a. to 6 months LIBOR plus 78 bps p.a.

Unsecured long-term borrowings (includes non-current portion and current maturities)

12 Public deposits included under the long-term borrowings were pre-paid in full including interest thereon on September 30, 2016.

13 Interest-free deferred sales tax is repayable in ten equal annual instalment commencing from April 26, 2011 and ending on April 30, 2025.

14 Outstanding balances shown in foot notes above, are grossed up to the extent of unamortised transaction cost.

15 Refer note 51 for information about fair value measurement and note 53(g) for information about liquidity risk relating to Borrowings

Note 23: Other financial liabilities

Refer note 2.19 for accounting policy on financial instruments

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Non current		
At fair value through other comprehensive income		
Derivative financial instrument	315	177
At amortised cost		
Security deposits	146	146
Total	**461**	**323**

Notes:

a) Refer note 51 of information about fair value measurement and note 53(g) for information about liquidity risk relating to other financial liabilities.

Note 24: Provisions

Refer note 2.17 for accounting policy on Provisions

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Non-current provisions		
Provision for sales related obligations (refer note a)	959	886
Provision for gratuity (refer note 46)	-	10
Provision for compensated absences (refer foot note b)	2,813	2,481
Provision for decommissioning liability (refer note c)	68	61
	3,840	**3,438**
Current provisions		
Provision for sales related obligations (refer note a)	3,503	2,862
Provision for gratuity (refer note 46)	1,032	-
Provision for compensated absences (refer foot note b)	547	318
Provision for indirect tax and labour matters (refer foot note d)	4,971	1,858
Total	**10,053**	**5,038**

Notes:

a) Provision for sales related obligation

A provision is recognized for expected sales related obligations 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 obligations were based on current sales levels and current information available about returns based on the three years period for all products sold. The table below gives information about movement in provision for sales related obligations.

Movement in provision for sales related obligation	(₹ in lacs)
As at March 31, 2017	**3,302**
Additions during the year	5,265
Utilised during the year	(4,819)
As at March 31, 2018	**3,748**
Additions during the year	6,406
Utilised during the year	(5,692)
As at March 31, 2019	**4,462**

b) Provision for compensated absences

The Group encashes leaves of employees 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 March 31, 2017	**2,919**
Additions during the year	158
Utilised during the year	(278)
As at March 31, 2018	**2,799**
Additions during the year	1,031
Utilised during the year	(470)
As at March 31, 2019	**3,360**

c) Provision for decommissioning liability

The Group records a provision for decommissioning costs of land taken on lease at Nasik manufacturing facility for the production of tyres.

Movement in provision for decommissioning liability	(₹ in lacs)
As at March 31, 2017	**55**
Additions during the year	6
Utilised during the year	-
As at March 31, 2018	**61**
Additions during the year	7
Utilised during the year	-
As at March 31, 2019	**68**

d) Provision for indirect tax and labour matters

The Group is party to various lawsuits that are at administrative or judicial level or in their intial 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.

Movement in provision for tax and labour matters	(₹ in lacs)
As at March 31, 2017	**1,556**
Additions during the year	783
Utilised during the year	(481)
As at March 31, 2018	**1,858**
Additions during the year	3,161
Utilised during the year	(48)
As at March 31, 2019	**4,971**

Note 25: Income taxes and deferred taxes

Refer note 2.9 for accounting policy on Taxes

Statement of Balance Sheet

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Non current tax assets		
Advance income tax (net of provisions)	5,739	3,944
Current tax liabilities		
Provision for income tax (net of advance tax)	4,732	3,098
Deferred tax liabilities (net)	21,978	18,929
Deferred tax assets (net)	60	-

Statement of profit and loss

(₹ in lacs)

Particulars	2018-19	2017-18
Current tax	9,400	10,639
Deferred tax	3,112	2,764
Income tax expense reported in the statement of profit and loss	**12,512**	**13,403**

Other Comprehensive Income (OCI) section

Deferred tax related to items recognised in OCI during the year

(₹ in lacs)

Particulars	2018-19	2017-18
Income tax effect on remeasurement of post employment benefit obligation	278	(368)
Income tax effect on movement in cash flow hedges	1,323	(380)
Income tax expense charged/(credited) to OCI	**1,601**	**(748)**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2018 and March 31, 2019

(₹ in lacs)

Particulars	2018-19	2017-18
Accounting profit before tax from continuing operations	**37,620**	**36,732**
Income tax rate of 34.94% (March 31, 2018: 34.61%)	13,145	12,712
Additional deduction on research and development (R&D) expense	(1,281)	(1,168)
Income taxable at special rates	(128)	(402)
Effect of exempt incomes	-	(40)
Impact of share of profit from joint venture	(736)	(806)
Income Tax Refund for earlier years (Net of provision for tax of earlier years)	(1,505)	-
Others	287	125
Non-deductible expenses for tax purposes		
Depreciation on revaluation	183	187
Corporate social responsibility (CSR) Expenses	184	185
Other non-deductible expenses	32	29
Impact of subsidiaries with no tax on account of losses	1,873	2,280
Impact of associate with no tax on account of losses	31	10
Difference in tax rates for certain entities of the group	367	238
Other Ind AS adjustments	60	53
At the effective income tax rate of 33.26% (March 31, 2018: 36.49%)	**12,512**	**13,403**

Deferred tax
Deferred tax relates to the following

(₹ in lacs)

Particulars	Balance Sheet		Profit and Loss	
	As at March 31, 2019	As at March 31, 2018	2018-19	2017-18
Accelerated depreciation for tax purposes	(34,903)	(30,751)	4,152	3,932
MAT Credit entitlement (refer foot note a)	5,764	7,245	1,481	(1,332)
Voluntary retirement scheme	1,637	1,604	(33)	(652)
Provision for doubtful debts	2,023	946	(1,077)	326
Undistributed profit of subsidiary (refer foot note c & d)	(1,483)	(1,349)	134	48
Others	5,044	3,376	(1,545)	442
Deferred tax expense/(income) **Net deferred tax assets/(liabilities) (refer foot note a)**	**(21,918)**	**(18,929)**	**3,112**	**2,764**

Reflected in the balance sheet as follows

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax assets	14,468	13,171
Deferred tax liabilities	(36,386)	(32,100)
Deferred tax liabilities (net)	**(21,918)**	**(18,929)**

Reconciliation of deferred tax liabilities (net)

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening balance as of April 1	(18,929)	(14,492)
Tax income/(expense) during the period recognised in the statement of profit and loss	(3,112)	(2,764)
Tax income/(expense) during the period recognised in other comprehensive income	1,601	(748)
MAT credit utilisation	(1,481)	(929)
Others	3	4
Closing balance as at March 31	**(21,918)**	**(18,929)**

Notes:

a) This figure includes deferred tax asset of ₹ 60 lacs of CEAT Akkhan limited

b) 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 and the deferred tax assets and deferred tax liabilities related to income taxes levied by the same tax authority.

c) At March 31, 2019, there was unrecognised deferred tax liability to the extent of ₹ 524 lacs (March 31, 2018: NIL) for taxes that would be payable on the unremitted earnings of the Group's subsidiaries. The Group has determined that the portion of undistributed profits on which deferred tax liability is not recognised of its subsidiary will not be distributed in the foreseeable future.

Note 26: Borrowings

Refer note 2.19 for accounting policy on financial instruments

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Secured		
Cash credit facilities from banks (repayable on demand) (refer foot note a)	2,373	7,156
Export packing credit from banks (refer foot note a)	-	1,955
Buyer's credit from banks (refer foot note a)	-	10,446
Term loans from banks (refer foot note a)	200	-
Unsecured		
Commercial paper (refer foot note b)	19,852	-
Total	**22,425**	**19,557**

Notes:

a) Cash 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, wherever situated and by way of second pari passu charge on the movable assets (except current assets) and immovable assets of the Group situated at Bhandup, Nasik and Halol Plants. All short-term borrowings availed in Indian rupees during the current year carry interest in the range of 7.80% p.a. to 12.30% p.a. and all short-term borrowing availed in foreign currency during the year carry interest in the range of LIBOR plus 20 bps to LIBOR plus 140 bps. (LIBOR is set corresponding to the period of the loan).

b) The Group had issued Commercial papers (total available limit ₹ 35,000 lacs) at regular intervals for working capital purposes with interest ranging from 6.90% p.a. to 8.75% p.a. The outstanding as at March 31, 2019 is ₹ 19,852 lacs (March 31, 2018: Nil)

c) Refer note 53(g) for information about liquidity risk relating to Borrowings

Note 27: Trade payables

Refer note 2.19 for accounting policy on financial instruments

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Dues to micro and small enterprises (refer foot note a)		
Overdue	11	-
Not due	565	360
Other trade payables	1,03,226	84,291
Trade payables to related parties (refer note 48)	1,485	2,400
Total	**1,05,287**	**87,051**

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, 2019	As at March 31, 2018
i) The principal amount remaining unpaid to any supplier as at the end of each accounting year	577	360
ii) Interest due thereon remaining unpaid to any supplier as at the end of accounting year	7	-
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	7	12
iv) The amount of interest due and payable for the year	-	-
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 non interest bearing and normally settled on 30 to 105 days

c) Refer note 53(g) for information about liquidity risk relating to trade payables.

Note 28: Other financial liabilities

Refer note 2.19 for accounting policy on Financial instruments

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
At fair value through other comprehensive income		
Derivative financial instrument	3,473	23
At amortised cost		
Current maturities of long-term borrowings (refer note 22)	5,113	22,494
Interest accrued but not due on borrowings	542	214
Interest accrued but not due on security deposit	13	13
Unpaid dividends	443	225
Unpaid matured deposits and interest accrued thereon (refer foot note a)	101	117
Payable to capital vendors	18,531	4,759
Deposits from dealers	33,246	31,512
Others	-	71
Total	**61,462**	**59,428**

Notes:

a) Refer foot note a) of note 14: Bank balances other than cash and cash equivalents.

b) Refer note 51 of information about fair value measurement and note 53(g) for information about liquidity risk relating to other financial liabilities.

Note 29: Other current liabilities

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Statutory dues	7,640	7,914
Advance received from customers*	1,359	1,804
Other payables	2	2
Total	**9,001**	**9,720**

* Balance as at March 31, 2019 represents contract liabilities

Note 30: Revenue from operations

Refer note 2.7 for accounting policy on Revenue recognition and 2.8 for government grant and export incentives

Set out below is the disaggregation of the Group's revenue from contracts with customers:

(₹ in lacs)

Particulars	2018-19	2017-18
Revenue recognised at the point of time		
Automotive Tyres (refer foot note a)	6,11,425	5,66,350
Tubes and others (refer foot note a)	79,912	71,999
Sale of scrap	3,012	2,234
Other revenues	146	2,837
Revenue recognised over the period of time		
Royalty income (refer note 48)	441	419
Total revenue from contracts with customers	**6,94,936**	**6,43,839**
Other operating income		
Government grants (refer foot note b)	3,515	1,394
Revenue from operations	**6,98,451**	**6,45,233**

Notes:

a) Sale of goods includes excise duty collected from customers of Nil lacs (March 31, 2018: ₹ 16,891 lacs) (refer note 2.7.1).

b) 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.

c) Previous year figure of sales related obligations have been reclassified from 'Revenue from operations' to 'Other expenses' to conform to current year's classification.

(₹ in lacs)

Particulars	2018-19
India	5,92,078
Outside India	1,02,858
Total revenue from contracts with customers	**6,94,936**

Contract assets and liabilities

The Group has recognised the following revenue-related contract assets and liabilities:

(₹ in lacs)

Particulars	As at March 31, 2019
Trade receivables (refer note 12)	70,638
Contract liabilities (refer note 29)	1,359

Contract liabilities includes payments received in advance of performance under the contract.

(₹ in lacs)

Particulars	2018-19
Revenue recognised in the period from	
Amounts included in contract liability at the beginning of the period	1,804
Performance obligations satisfied in previous periods	-

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 statement of profit and loss with the contracted price:

(₹ in lacs)

Particulars	2018-19
Revenue as per contracted price	6,97,733
Reductions towards variable consideration components	(2,797)
Revenue from contracts with customers	**6,94,936**

The reduction towards variable consideration comprises of discounts, indexations etc.

Practical expedients

The Group has taken advantage of the following practical exemptions:

- Not to account for significant financing components where the time difference between receiving consideration and transferring control of goods or services to its customer is one year or less;

*The cumulative effect of initially applying Ind AS 115 is recognised at the date of initial application as an adjustment to the opening balance of retained earnings. Therefore, the comparative information was not restated and continues to be reported under Ind AS 18 (refer note 2.2.2).

Note 31: Other Income

Refer note 2.7 for accounting policy on revenue recognition

(₹ in lacs)

Particulars	2018-19	2017-18
Interest income on		
Bank deposits	96	158
Other interest income	2,846	927
Dividend income on current investment	-	2
Other non-operating income	875	794
Net gain on disposal of investments (refer foot note a)	83	1,065
Total	**3,900**	**2,946**

Notes:

a) Includes fair value gain/ (loss) as at March 31, 2019 amounting to Nil (March 31, 2018 ₹ 6 lacs)

Note 32: Cost of material consumed

(₹ in lacs)

Particulars	2018-19	2017-18
Raw Material		
Opening stock of raw material	36,167	42,720
Add: Purchases	4,32,425	3,58,661
	4,68,592	**4,01,381**
Less: Closing stock	(38,043)	(36,167)
Total	**4,30,549**	**3,65,214**

(₹ in lacs)

Details of raw materials consumed	2018-19	2017-18
Rubber	2,04,407	1,87,779
Fabrics	66,106	51,933
Carbon black	64,506	49,944
Chemicals	53,054	42,610
Others	42,476	32,948
Total	**4,30,549**	**3,65,214**

(₹ in lacs)

Details of closing inventories	As at March 31, 2019	As at March 31, 2018
Rubber	24,182	23,678
Fabrics	4,557	3,513
Carbon black	3,040	1,513
Chemicals	3,443	4,031
Others	2,821	3,432
Total (refer note 10(a))	**38,043**	**36,167**

Note 33: Changes in inventories of finished goods, work-in-progress and stock-in-trade

(₹ in lacs)

Particulars	2018-19	2017-18
Opening Stock		
Work-in-progress	3,095	3,149
Finished goods	32,416	40,779
Stock in trade	3,532	4,366
	39,043	**48,294**
Closing Stock		
Work-in-progress	3,342	3,095
Finished goods	51,878	32,416
Stock in trade	3,770	3,532
	58,990	**39,043**
	(19,947)	9,251
Differential excise duty on opening and closing stock of finished goods	-	(577)
Total	**(19,947)**	**8,674**

Note 34: Employee benefit expense

Refer note 2.18 for accounting policy on Retirement and other employee benefits

(₹ in lacs)

Particulars	2018-19	2017-18
Salaries, wages and bonus	44,168	35,824
Contribution to provident and other funds	2,024	1,932
Gratuity expenses (refer note 46)	667	627
Staff welfare expenses	6,147	5,444
Total	**53,006**	**43,827**

Note 35: Finance costs

Refer note 2.13 for acccounting policy on borrowing cost

(₹ in lacs)

Particulars	2018-19	2017-18
Interest on debts and borrowings	7,842	8,811
Other	531	537
	8,373	**9,348**
Unwinding of decommissioning liability	7	6
Unwinding of discount on provision of sales related obligation	424	381
Total	**8,804**	**9,735**

Note 36: Depreciation and amortization expenses

Refer note 2.11 for accounting policy on Property, plant and equipment and 2.12 on intangible assets

(₹ in lacs)

Particulars	2018-19	2017-18
Depreciation on property, plant and equipment (refer note 3)	17,557	15,451
Amortization of intangible assets (refer note 4)	1,714	1,410
Total	**19,271**	**16,861**

Note 37: Other expenses

(₹ in lacs)

Particulars	2018-19	2017-18
Conversion charges	40,315	35,481
Stores and spares consumed	5,786	4,752
Provision for obsolescence of stores and spares	107	120
Power and fuel	22,079	19,100
Freight and delivery charges	34,419	29,364
Rent for premises	944	801
Lease rent-vehicles	133	144
Rates and taxes	179	283
Insurance	511	469
Repairs - Machinery	5,717	4,951
- Buildings	610	489
- Others	62	77
Travelling and conveyance	4,010	3,755
Printing and stationery	246	279
Directors' fees (refer note 48)	53	49
Payment to auditors (refer foot note a)	112	109
Cost audit fees	3	3
Advertisement and sales promotion expenses	17,937	15,508
Rebates and discounts	0	94
Commission on sales	76	212
Communication expenses	801	982
Bad debts and advances written off	136	1,547
Allowance for doubtful debts written back	(129)	(1,497)
	7	**50**
Allowance for doubtful debts and advances	197	371
Net loss on disposal of property, plant and equipment(net)	481	929
Legal charges	214	260
Foreign exchange fluctuations (net)	357	69
Professional and consultancy charges	3,406	3,058
Commission to directors (refer foot note 48)	438	421
Training and conference expenses	1,365	1,202
Miscellaneous expenses	14,505	11,692
Bank charges	483	628
Sales related obligations*	6,406	5,265
Corporate social responsibility (CSR) expenses (refer foot note b)	1,051	1,071
Total	**1,63,010**	**1,42,038**

*Previous year figure of sales related obligations have been reclassified from 'Revenue from operations' to 'Other expenses' to conform to current year's classification.

Notes:

a) Payments to the auditor (₹ in lacs)

Particulars	2018-19	2017-18
As auditor		
Audit fee*	68	68
Limited review	27	28
In other capacity		
Other services (including certification fees)	12	10
Reimbursement of expenses	5	3
Total	**112**	**109**

*Exclusive of service tax/GST

b) Details of Corporate social responsibility (CSR) expenditure (₹ in lacs)

Particulars	2018-19	2017-18
I) Gross amount required to be spent during the year	**1,051**	**1,071**

(₹ in lacs)

	In cash	Yet to be paid in cash	Total
II) Amount spent during the year ended on March 31, 2019			
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	1,051	-	1,051
Total	**1,051**	**-**	**1,051**

(₹ in lacs)

	In cash	Yet to be paid in cash	Total
III) Amount spent during the year ended on March 31, 2018			
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	1,071	-	1,071
Total	**1,071**	**-**	**1,071**

Notes:

a) The Group does not carry any provision for corporate social responsibility expenses for current year and previous year

Note 38: Exceptional items

(₹ in lacs)

Particulars	2018-19	2017-18
Voluntary retirement scheme (VRS) (refer foot note a)	1,195	3,396
Workmen's seperation expense (refer foot note b)	229	-
Provision for indirect tax matters (refer foot note c)	3,055	-
Total	**4,479**	**3,396**

Notes:

a. The Group had introduced VRS for employees across the Group. During the year, 56 employees (March 31, 2018, 298 employees) opted for the VRS.

b. The Group has paid compensation in respect of workmen's seperation.

c. Provision for differential amount of Goods and Service Tax is attributable to the composite supply of Tyres and Tubes for the period from November 15, 2017 to January 11, 2019, aggregating to ₹ 3,055 lacs and in respect of which the Group is evaluating further legal options.

Note 39: Research and development costs

(₹ in lacs)

Particulars	2018-19	2017-18
Capital expenditure	3,281	3,540
Revenue expenditure	6,599	6,540
Total	**9,880**	**10,080**

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 40: Earnings per share

Refer note 2.25 for accounting policy on earnings per share

Basic earnings per share (EPS) amounts are calculated by dividing profit for the year attributable to equity holders of the Parent 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 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.

The following reflects the income and share data used in the basic and diluted EPS computations:

(₹ in lacs)

Particulars	2018-19	2017-18
Profit after tax for calculation of basic and diluted EPS	25,222	23,798
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)	62.35	58.83
Diluted earnings per share (Face value of ₹ 10 each)	62.35	58.83

Note 41: Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, 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.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements.

Estimates and assumptions

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 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.

a) **Taxes**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

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 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. Based on the approved plans and budgets, the concerned company has estimated that the future taxable income will be sufficient to absorb MAT credit entitlement which management believes is probable, accordingly The Group has recognised MAT credit as an asset. Further details on taxes are disclosed in note 25.

b) **Defined benefit plans (gratuity benefits)**

The Group's obligation on account of present value (PV) of gratuity and compensated absences are determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Increase in future salary and gratuity is based on expected future inflation rates.

Further details about gratuity obligations are given in note 46.

c) Provision for decommissioning liability

The Group has recognised a provision for decommissioning obligations associated with a land taken on lease at Nasik 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 carrying amount of the provision as at March 31, 2019 was ₹ 68 lacs (March 31, 2018: ₹ 61 lacs). 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%

d) Provision for sales related obligation

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. The rate used for discounting provisions for sales related obligation is 11.50%.

e) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets except revaluation of hedging and current investment which are shown at fair value as per quoted market price, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments (refer note 51 and 52 for further disclosures).

f) Classification of Joint arrangement:

Associated CEAT Holdings Company (Pvt.) Ltd. (100% owned 'subsidiary') has a 50% interest in a joint arrangement called the CEAT Kelani Holding Company Pvt. Limited which was set up as a venture with Kelani Tyres Limited. The principal place of business of the joint operation is in Sri Lank

The Group considers that such arrangement is a joint venture, as the agreement in relation to the CEAT Kelani Holding Company Pvt. Limited requires unanimous consent from both parties for all relevant activities. The two partners have direct rights to the assets of the partnership and are jointly and severally liable for the liabilities incurred by the partnership. This entity is therefore classified as a joint venture and is consolidated using the equity method.

Note 42: Group information

The consolidated financial statements of the Group include subsidiaries listed in the table below:

Name	Principal activities	Country of incorporation	% of equity interest	
			March 31, 2019	March 31, 2018
CEAT Specialty Tyres Limited	Trading & manufacturing of tyres, tubes and flaps	India	100.00%	100.00%
CEAT Specialty Tyres Inc. (Subsidiary of CEAT Specialty Tyres Limited)	Marketing Support Services	United States of America	100.00%	100.00%
CEAT Specialty Tyres B.V (Subsidiary of CEAT Specialty Tyres Limited)	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%

Note 43: Material partly owned subsidiaries

Financial information of subsidiaries that have material non-controlling interests is provided below:

Proportion of equity interest held by non-controlling interests

Name	Country of incorporation	% of equity interest	
		March 31, 2019	March 31, 2018
Rado Tyres Limited	India	41.44%	41.44%
CEAT AKKHAN Limited	Bangladesh	30.00%	30.00%

Information regarding non-controlling interest

Particulars	2018-19	2017-18
Accumulated balances of material non-controlling interest:		
Rado Tyres Limited	(398)	(337)
CEAT AKKHAN Limited	2,777	2,674
Total comprehensive income allocated to material non-controlling interest:		
Rado Tyres Limited	(61)	(366)
CEAT AKKHAN Limited	(53)	(109)

The summarized financial information of these subsidiaries is provided below. This information is based on amounts before inter-company eliminations:

Summarised statement of profit and loss for the year ended March 31, 2019

(₹ in lacs)

Particulars	Rado Tyres Limited	CEAT AKKHAN Limited
Revenue	14	8,447
Profit/(Loss) for the year	(147)	(176)
Other comprehensive income	-	-
Total comprehensive income	**(147)**	**(176)**
Attributable to:		
Equity holders of parent	(86)	(123)
Non-controlling interest	(61)	(53)

Summarised statement of profit and loss for the year ended March 31, 2018

(₹ in lacs)

Particulars	Rado Tyres Limited	CEAT AKKHAN Limited
Revenue	31	6,017
Profit/(Loss) for the year	(870)	(363)
Other comprehensive income	(13)	-
Total comprehensive income	**(883)**	**(363)**
Attributable to:		
Equity holders of parent	(517)	(254)
Non-controlling interest	(366)	(109)

Summarised balance sheet as at March 31, 2019

(₹ in lacs)

Particulars	Rado Tyres Limited	CEAT AKKHAN Limited
Non current assets	513	7,832
Current assets	46	4,214
Non current liabilities	1,510	19
Current liabilities	10	2,770
Total equity	**(961)**	**9,257**
Attributable to:		
Equity holders of parent	(563)	6,480
Non-controlling interest	(398)	2,777

Summarised balance sheet as at March 31, 2018

(₹ in lacs)

Particulars	Rado Tyres Limited	CEAT AKKHAN Limited
Non current assets	585	7,347
Current assets	126	3,202
Non current liabilities	1,510	-
Current liabilities	16	1,635
Total equity	**(815)**	**8,914**
Attributable to:		
Equity holders of parent	(478)	6,240
Non-controlling interest	(337)	2,674

Summarised cash flow information as at March 31, 2019

(₹ in lacs)

Particulars	Rado Tyres Limited	CEAT AKKHAN Limited
Operating	(20)	(712)
Investing	12	(25)
Financing	-	809
Net increase / (decrease) in cash and cash equivalents	**(8)**	**72**

Summarised cash flow information as at March 31, 2018

(₹ in lacs)

Particulars	Rado Tyres Limited	CEAT AKKHAN Limited
Operating	(1,148)	(388)
Investing	-	(27)
Financing	1,160	181
Net increase / (decrease) in cash and cash equivalents	**12**	**(234)**

Note 44: 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 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.

Details of interest held by Group

Name	Principal activities	Country of incorporation	% of equity interest	
			March 31, 2019	March 31, 2018
CEAT Kelani Holding (Pvt) Limited	Manufacturing of tyres	Sri Lanka	50%	50%

Summarised balance sheet

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Non Current Assets	21,635	19,720
Current Assets	23,252	20,993
Non Current Liabilities	(4,722)	(4,034)
Current Liabilities	(8,986)	(6,541)
Foreign currency translation diffrences	3,590	3,448
Net Assets	**34,769**	**33,586**
Percentage of the Group's ownership	50%	50%
Group's share in Net worth	**17,385**	**16,793**
Goodwill on Consolidation	1,982	2,106
Revaluation reserve	(1,811)	(1,924)
Carrying amount of investments	**17,556**	**16,975**

Summarised statement of profit and loss

(₹ in lacs)

Particulars	2018-19	2017-18
Revenue	41,384	43,636
Finance Costs	(212)	(92)
Depreciation and amortization	(1,375)	(1,284)
Profit before tax	**5,466**	**5,902**
Income tax expenses	(1,251)	(1,243)
Profit after tax (A)	**4,215**	**4,659**
Other comprehensive income	6	44
Total other comprehensive income	**4,221**	**4,703**
Percentage of the Group's ownership (B)	50%	50%
Profit considered for consolidation [A x B]	**2,108**	**2,330**

The Group has no contingent liabilities or capital commitments relating to its interest in CEAT Kelani Holding (Pvt) Limited as at March 31, 2019 and March 31, 2018. The joint venture has no contingent liabilities or capital commitments as at March 31, 2019 and March 31, 2018.

Note 45: Interest in Associate

During the year, the Group made additional investment of ₹ 300 lacs in TYRESNMORE Online Pvt Ltd. The group interest in TYRESNMORE Online Pvt Ltd is accounted for using the equity method in the consolidated financial statements. Summarized financial information of an associate for the year ended March 31, 2019 is based on its financial statements are set out below.

Details of interest held by Group

Name	Principal activities	Country of incorporation	% of equity interest	
			March 31, 2019	March 31, 2018
TYRESNMORE Online Pvt Ltd	Trading of tyres, tubes and flaps	India	*36.96%	*31.93%

*Includes compulsory convertible preference shares (potential voting right)

Summarized statement of profit and loss

(₹ in lacs)

Particulars	2018-19	2017-18
Revenue	578	104
Finance costs	6	3
Depreciation and amortization	15	3
Profit/(Loss) for the period	(254)	(112)
Other comprehensive income	-	-
Total comprehensive income	**(254)**	**(112)**
Profit/(Loss) considered for consolidation	(254)	*(91)
Percentage of the Group's ownership	36.96%	31.93%
Profit/(Loss) considered for consolidation#	(88)	(29)

31.93% profit is considered for consolidation for period up to October 31, 2018.

*Loss of associate up to the date of acquistion of shares is not considered for consolidation

The Group has no contingent liabilities or capital commitments relating to its interest in TYRESNMORE Online Pvt Ltd as at March 31, 2019 and March 31, 2018. The joint venture has no contingent liabilities or capital commitments as at March 31, 2019 and March 31, 2018.

Summarised balance sheet

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Non Current Assets	132	59
Current Assets	338	299
Non Current Liabilities	3	0
Current Liabilities	98	38
Total equity	**369**	**320**
Percentage of the Group's ownership	36.96%	31.93%
Group's share in Net worth	**136**	**102**
Goodwill on Consolidation	448	269
Carrying amount of investments	**584**	**371**

Note 46: Post-retirements benefit plan

Refer note 2.18 for accounting policy on retirement and other employee benefits

a) Defined contribution plan

The Group has recognised and included in Note No. 34 "Contribution to Provident and other funds" expenses towards the defined contribution plan as under:

(₹ in lacs)

	2018-19	2017-18
Contribution to Provident fund	1,797	1,720

b) Defined Benefit plan - Gratuity

The Group has a defined benefit gratuity plan which is funded with an Insurance Company in the form of 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 @ 15 days of last drawn salary for each completed year of service. The scheme is funded with an insurance Company in the form of qualifying insurance policy.

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. Such a review includes the asset-liability matching strategy and investment risk management policy. This includes employing the use of annuities and longevity swaps to manage the risks. The Board of Trustees decides its contribution based on the results of this annual review. The Board of trustees have appointed LIC of India, Birla Sun 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.

In case of death, while in service, the gratuity is payable irrespective of vesting. The Group makes annual contribution to the Group gratuity scheme administered by LIC through its gratuity funds.

i) Change in present value of the defined benefit obligation are as follows

(₹ in lacs)

Sr. No.	Particulars	2018-19	2017-18
1	**Opening present value of defined benefit obligation**	9,407	9,790
2	Current service cost (refer note 34)	667	627
3	Interest cost	706	671
4	Benefits paid	(1,079)	(810)
5	Remeasurement (Gain) / Loss in other comprehensive income		
	- Actuarial changes arising from changes in demographic assumptions	(11)	-
	- Actuarial changes arising from changes in financial assumption	3	(520)
6	Experience adjustments	658	(401)
7	Adjustment in the Opening Liability	-	50
8	**Closing present value of obligation**	10,351	9,407

ii) Changes in Fair value of Plan Assets are as follows

(₹ in lacs)

Sr. No.	Particulars	2018-19	2017-18
1	**Fair value of plan assets as at April 1**	9,765	8,607
2	Expected return on plan assets	730	586
3	Contributions made	15	1,103
4	Benefits paid	(1,078)	(624)
5	Return on plan assets, excluding amount recognised in net interest expense	(93)	93
6	**Fair value of plan assets as at March 31**	**9,339**	**9,765**

iii) Expenses/(Income) recognised during the period

(₹ in lacs)

Sr. No.	Particulars	2018-19	2017-18
1	In income statement	641	712
2	In other comprehensive income	740	(1042)
3	**Total Expenses/(Income) recognised during the period**	**1,381**	**(330)**

iv) Expenses recognized in the income statement

(₹ in lacs)

Sr. No.	Particulars	2018-19	2017-18
1	Current service cost (refer note 34)	667	627
2	Interest cost on benefit obligation	(19)	85
3	Expected return on plan assets	(7)	-
4	**Net benefit expense**	**641**	**712**

v) Expenses recognized in other comprehensive income (OCI)

(₹ in lacs)

Sr. No.	Particulars	2018-19	2017-18
1	Remeasurement arising from changes in demographic assumptions	(12)	-
2	Remeasurement arising from changes in financial assumptions	2	(563)
3	Remeasurement arising from changes in experience variance	658	(386)
4	Return on plan assets, excluding amount recognized in net interest expense	92	(93)
5	**Components of defined benefit costs recognized in other comprehensive income**	**740**	**(1,042)**

vi) Net Assets / (Liability)

(₹ in lacs)

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
1.	Closing present value of the defined benefit obligation	10,351	9,407
2.	Closing fair value of plan assets	9,339	9,765
3.	**Net assets / (liability) recognized in the Balance Sheet**	**(1,012)***	**358**

* Refer note 16 & 24

vii) Actual return on plan assets

(₹ in lacs)

Sr. No.	Particulars	2018-19	2017-18
1.	Expected return on plan assets	730	586
2.	Actuarial (loss)/gain on plan assets	(93)	93
3.	**Actual return on plan assets**	**637**	**679**

viii) The major categories of plan assets as a percentage of the fair value of plan assets are as follows

Particulars	As at March 31, 2019	As at March 31, 2018
Investment with insurer	100%	100%

ix) The principal assumptions used in determining gratuity and leave encashment for the Group's plan are shown below

Description of Risk Exposures

Valuations are performed on certain basic set of predetermined assumptions and other regulatory frame work which may vary over time. Thus, the Group is exposed to various risks in providing the above gratuity benefit which are as follows:

Interest Rate risk

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).

Liquidity Risk

This is the risk that the Group is not able to meet the short-term gratuity payouts. This may arise due to non availability of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Salary Escalation Risk

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.

Demographic Risk

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.

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 in the previous year of ₹ 20 lacs).

Asset Liability Mismatching or Market Risk

The duration of the liability is longer compared to duration of assets, exposing the Group to market risk for volatilities/fall in interest rate.

a) CEAT Limited

Investment Risk

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Particulars	2018-19	2017-18
Discount rates (per annum)	7.50%	7.50%
Salary growth rate (per annum)	7.00%	7.00%
Mortality rate (% of indian assured lives mortality (2006-08) modified ultimate)	100%	100%
Disability Rate	5% of mortality rate	5% of mortality rate
Withdrawal rates, based on service year: (per annum)		
- Below 5 years	22.70%	22.70%
- Equal and above 5 years	5.67%	5.67%

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority and other relevant factors, such as supply and demand in the employment market.

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, 2019	As at March 31, 2018
Defined Benefit Obligation (Base)	10,280	9,301

A quantitative sensitivity analysis for significant assumption as at March 31, 2019 is as shown below:

(₹ in lacs)

Particulars	2018-19		2017-18	
	Decrease	Increase	Decrease	Increase
Discount rate (- / + 1%)	11,048	9,603	10,069	8,628
(% change compared to base due to sensitivity)	7.5%	(6.6%)	8.3%	(7.2%)
Salary growth rate (- / + 1%)	9,595	11,043	8,620	10,064
(% change compared to base due to sensitivity)	(6.7%)	7.4%	(7.3%)	8.2%
Attrition rate (- / + 50% of attrition rates)	10,261	10,286	9,267	9,319
(% change compared to base due to sensitivity)	(0.2%)	0.1%	(0.4%)	0.2%
Mortality rate (- / + 10% of mortality rates)	10,279	10,280	9,300	9,301
(% change compared to base due to sensitivity)	0.00%	0.00%	0.00%	0.00%

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. 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.

The Company's best estimate of contribution during the next year is ₹ 1,655 lacs.

The weighted average duration (based on discounted cash flow) of defined benefit obligation is 7 years.

The following payments are expected contributions to the defined benefit plan in future years:

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Within the next 12 months (next annual reporting period)	1,676	1,128
Between 2 and 5 years	4,210	3,657
Between 6 and 10 years	4,839	4,558
Beyond 10 years	9,241	9,925
Total expected payments	**19,966**	**19,268**

The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity outflows happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in an increase in liability without corresponding increase in the asset).

b) CSTL

Investment Risk

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Particulars	2018-19	2017-18
Discount rates (per annum)	7.60%	7.60%
Salary growth rate (per annum)	7.00%	7.00%
Mortality rate (% of indian assured lives mortality (2006-08) modified ultimate)	100%	100%
Disability rate	5% of mortality rate	5% of mortality rate
Withdrawal rates, based on service year (per annum)	15.00%	6.00%
Retirement age	58 years	58 years

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority and other relevant factors, such as supply and demand in the employment market.

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, 2019	As at March 31, 2018
Defined Benefit Obligation (Base)	71	106

A quantitative sensitivity analysis for significant assumption as at March 31, 2019 is as shown below

(₹ in lacs)

Particulars	2018-19		2017-18	
	Decrease	Increase	Decrease	Increase
Discount rate (- / + 1%)	76	67	118	97
(% change compared to base due to sensitivity)	6.8%	(6.1%)	10.47%	(8.93%)
Salary growth rate (- / + 1%)	67	76	97	118
(% change compared to base due to sensitivity)	(6.2%)	6.8%	(8.84%)	10.17%
Attrition rate (- / + 1% of attrition rates)	72	70	107	106
(% change compared to base due to sensitivity)	1.6%	(1.6%)	0.62%	(0.66%)
Mortality rate (- / + 10% of mortality rates)	71	71	107	107
(% change compared to base due to sensitivity)	0	0	0	0

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. 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.

The Company's best estimate of contribution during the next year is NIL

The weighted average duration (based on discounted cash flow) of defined benefit obligation is 6 years.

The following payments are expected contributions to the defined benefit plan in future years:

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Within the next 12 months (next annual reporting period)	5	4
Between 2 and 5 years	38	58
Between 5 and 10 years	39	148
Total expected payments	**82**	**210**

The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity outflows happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in an increase in liability without corresponding increase in the asset).

Note 47: Commitments and contingencies

Refer note 2.14 for accounting policy on lease

a) Leases

Operating lease commitments — Group as lessee

The Group has entered a lease agreement with the leasing Group for vehicles, resulting in a non-cancellable operating lease. There is no restriction placed upon the Group by entering these leases. The lease term range from one year to five years and are renewable at the option of the Group.

Lease rental on the said lease of ₹ 133 Lacs (March 31, 2018 ₹ 144 Lacs) has been charged to Statement of profit and loss.

Future minimum rentals payable under non-cancellable operating leases as at March 31, 2019 are, as follows:

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Within one year	81	70
After one year but not more than five years	169	133
More than five years	-	-

b) Contingent Liabilities

(to the extent not provided for)

Refer note 2.27 for accounting policy on contingent liability and asset

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
1. Direct and indirect taxation matters (refer note a)		
Income tax	911	4,317
Wealth tax	-	7
Excise duty / Service tax	7,083	6,633
Sales tax / VAT	5,360	5,205
Bills discounted with banks	10,586	8,052
2. Claims against the Group not acknowledged as debts (refer note a)		
In respect of labour matters	586	750
Rental disputes	-	180
Customer disputes	446	446
Vendor disputes	294	294
3. Other claims (refer note a)	3,199	3,204

Notes:

a) in respect of above matters, future cash outflows are determinable only on receipt of judgements pending at various forums / authorities.

c) Commitments

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advance payments)	1,31,648	96,328

d) Others

1. The Group has availed the Sales Tax Deferral Loan and Octroi refund from the Directorate of Industries for Nasik 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 Nasik 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.

2. There are numerous interpretative issues relating to the Supreme Court (SC) judgement on Provident Fund (PF) dated February 28, 2019. The Group is in the process of receiving further clarity on the subject.

e) Material demands and disputes considered as "Remote" by the Group

1. 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 ₹ 27,421 Lacs i.e., the amount of duty already paid on the basis of transaction value and duty payable on the basis of MRP under Section 4A, for the period from April-2011 to March-2017. The Group believes that Set of TT / TTF (Tyre and Tube / Tyre, Tube and Flap) is not pre-packaged commodity in terms of provisions of Legal Metrology Act, 2009. The 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 1, 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.

2. The Competition Commission of India (CCI) had, while considering the representation of the All India Tyres Dealers Federation (AITDF) made a prima facie finding that the major players of tyre industry (including the Group) had some understanding amongst themselves, especially in the replacement market, as they did not pass the benefit of corresponding reduction in prices of major raw material inputs for the period subsequent to the year 2011-12. CCI had, vide its order passed on June 24, 2014 under Section 26(1) of the Act, directed the Office of the Director General (DG) to investigate the said alleged violation of the Act. DG submitted its investigation report to CCI in December 2015, based on which CCI directed the said tyre manufacturers to file their suggestions/objections by May 5, 2016. Objections were filed as directed and the CCI had also heard the tyre manufacturers in detail.

   Aggrieved by the conduct of the Investigation by the DG, one of the other tyre manufacturer filed Writ Petition in the Madras High Court, challenging the legality of the investigation conducted by the Director General. The Madras High Court had initially admitted the Writ Petition and directed the CCI to not pass any Orders till the disposal of the Petition. Subsequently, the Writ Petition was dismissed on March 6, 2018. Aggrieved by the decision of the Single Judge of the Madras High Court, the above said tyre manufacturer filed Appeal before the Division Bench on March 7, 2018. On hearing the Appeal, the Division Bench on March 08, 2018 directed the CCI to keep its Orders in sealed cover till the disposal of the Appeal. The Appeal is still pending.

   Meanwhile, few other tyre manufactures having been aggrieved by the decision of the Single Judge of the Madras High Court, have filed Special Leave Petition before the Supreme Court. The Supreme Court has admitted the Special Leave Petition and the same is now pending for hearing. In light of the above pending Petitions before the Madras High Court and the Supreme Court, the CCI has not passed any Orders till date. The Group's decision to change the price is purely a business decision which depends upon many factors like cost of production, brand value perception, profit margin of each product, quality perception of each product in the market, demand and supply situation of each product category and market potential and market shares targets of various product categories etc. In view of the above, Group believes that it has a strong case hence, considered as remote.

Note 48: 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)
- Asian Tyres (Pvt.) Limited ("ATPL") (Subsidiary of CKITL)
- 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)

- Vinar Systems Pvt. Limited ("Vinar") (Directors, KMP or their relatives are interested) upto May 31, 201
- B. N. Elias & Co. LLP ("B. N. Elias") (Directors, KMP or their relatives are interested)
- Atlantus Dwellings & Infrastructure LLP ("Atlantus") (Directors, KMP or their relatives are interested)
- Chattarpati Apartments LLP ("Chattarpati") (Directors, KMP or their relatives are interested)
- Allwin Apartments LLP ("Allwin") (Directors, KMP or their relatives are interested)
- Amber Apartments LLP ("Amber") (Directors, KMP or their relatives are interested)
- Khaitan & Co. ("Khaitan") (Directors, KMP or their relatives are interested)
- Artemis ventures Limited ("Artemis") (Directors, KMP or their relatives are interested)
- Mr. Kunal Mundra (relative of director) (up to February 28, 2018)
- Key Management Personnel (KMP):
  - i) Mr. H. V. Goenka, Chairman
  - ii) Mr. Anant Goenka, Managing Director
  - iii) Mr. Arnab Banerjee, Whole-time Director
  - iv) Mr Kumar Subbiah, Chief Financial Officer
  - v) Ms. Shruti Joshi, Company Secretary upto June 11, 2018
  - vi) Ms. Vallari Gupte, Company Secretary w.e.f. October 25, 2018
  - vii) Mr. Paras K. Chowdhary, Independent Director
  - viii) Mr. Vinay Bansal, Independent Director
  - ix) Mr. Hari L Mundra, Non-Executive - Non Independent Director up to January 29, 2019
  - x) Mr. Atul C. Choksey, Independent Director
  - xi) Mr. Mahesh S. Gupta, Independent Director
  - xii) Mr. Haigreve Khaitan, Independent Director
  - xiii) Ms. Punita Lal, Independent Director
  - xiv) Mr. S. Doreswamy, Independent Director up to March 12, 2019

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	2018-19	2017-18
Reimbursement / (recovery) of expenses (net)	ACPL	(28)	(25)
	CKITL	(28)	(23)
	Raychem	(2)	(8)
	KEC	(56)	(51)
	Amber	2	2
	Zensar	9	9
	RPGE	129	231
	Vinar	-	0
	RPGLS	(20)	(16)
	Total	**6**	**119**
Royalty income	ACPL	84	110
	CKITL	137	113
	ATPL	82	70
	CKRL	138	126
	Total	**441**	**419**
Purchase of traded goods	ACPL	4,064	3,927
	CKITL	767	502
	ATPL	-	24
	CKRL	-	24
	Total	**4,831**	**4,477**

(₹ in lacs)

Transactions	Related Party	2018-19	2017-18
Sales	CKITL	551	246
	TNM	403	26
	ACPL	45	131
	KEC	1	-
	Total	**1,000**	**403**
Investments (including share application money) made during the year	TNM	300	400
Technical development fees received	ATPL	65	-
Rent paid on residential premises / guest house	Allwin	16	15
	KEC	1	9
	Amber	16	15
	Atlantus	19	18
	Chattarpati	45	43
	B N Elias	21	12
	Total	**118**	**112**
Building maintenance recovery	Raychem	95	95
	KEC	496	474
	RPGE	96	70
	RPGLS	103	101
	Total	**790**	**740**
Rent recovery on residential premises	KEC	25	24
	Raychem	13	12
	RPGE	8	9
	Total	**46**	**45**
Purchase of capex/spares	Raychem	110	95
	KEC	4,972	1,228
	Vinar	2	86
	zensar	130	-
	Total	**5,214**	**1,409**
Consultancy fees paid	Artemis	48	-
Legal fees paid	Khaitan & Co.	45	28
License fees paid	RPGE	662	630
Sale of capex/spares	CKITL	-	75
	RPGLS	103	101
	Total	**819**	**766**

c) Balance outstanding at the year end

(₹ in lacs)

Transactions	Related Party	As at March 31, 2019	As at March 31, 2018
Advances recoverable in cash or kind	ACPL	11	11
	CKITL	27	45
	KEC	15	6
	Total	**53**	**62**
Royalty receivable	ACPL	43	55
	CKITL	61	57
	CKRL	66	64
	ATPL	35	35
	Total	**205**	**211**
Trade payables	ACPL	780	1,662
	Raychem	116	9
	CKITL	132	247
	KEC	-	0
	Zensar	18	18
	Vinar	-	26
	RPGE	1	17
	Total	**1,047**	**1,979**

(₹ in lacs)

Transactions	Related Party	As at March 31, 2019	As at March 31, 2018
Trade receivables	CKITL	231	88
	CKRL	0	-
	ACPL	26	38
	RPGE	2	-
	RPGLS	1	-
	TNM	65	18
	Total	**325**	**144**
Capital advance net of capital creditors	KEC	1,643	476

d) Transactions with key management personnel and their relatives

(₹ in lacs)

Sr. No.	Related Party	2018-19	2017-18
1)	Mr. H. V. Goenka		
	Commission*	373	373
	Director sitting fees	5	5
	Dividend	15	15
	Total	**393**	**393**
2)	Mr. Anant Goenka		
	Salaries	313	286
	Allowances and perquisites	34	9
	Performance bonus*	96	77
	Contribution to provident & superannuation fund	30	26
	Dividend	2	2
	Leave encashment	0	0
	Total	**475**	**400**
3)	Mr. Arnab Banerjee		
	Salaries	212	192
	Allowances and perquisites	0	2
	Performance bonus*	67	51
	Contribution to provident & superannuation fund	12	11
	Leave encashment	0	0
	Dividend	0	0
	Total	**291**	**256**
4)	Mr. Kumar Subbiah		
	Salaries	150	138
	Allowances and perquisites	0	3
	Performance bonus*	46	35
	Contribution to provident & superannuation fund	5	5
	Leave encashment	0	0
	Total	**201**	**181**
5)	Ms. Vallari Gupte		
	Salaries	26	-
	Contribution to provident & superannuation fund	2	-
	Total	**28**	**-**
6)	Ms Shruti Joshi		
	Salaries	7	35
	Allowances and perquisites	0	-
	Performance bonus*	8	7
	Contribution to provident & superannuation fund	6	2
	Leave Encashment	1	0
	Total	**22**	**44**
7)	Mr. Paras K. Chowdhary		
	Commission*	6	6
	Director sitting fees	6	6
	Dividend	0	0
	Total	**12**	**12**

(₹ in lacs)

Sr. No.	Related Party	2018-19	2017-18
8)	Mr. Hari L. Mundra		
	Commission*	6	6
	Director sitting fees	5	6
	Total	**11**	**12**
9)	Mr. Vinay Bansal		
	Commission*	6	6
	Director sitting fees	8	6
	Total	**14**	**12**
10)	Mr. Atul C. Choksey		
	Commission*	6	6
	Director sitting fees	4	4
	Total	**10**	**10**
11)	Mr. Mahesh S. Gupta		
	Commission*	6	6
	Director sitting fees	8	8
	Total	**14**	**14**
12)	Mr. Haigreve Khaitan		
	Commission*	6	6
	Director sitting fees	4	3
	Total	**10**	**9**
13)	Ms. Punita Lal		
	Commission*	6	6
	Director sitting fees	5	3
	Total	**11**	**9**
14)	Mr. S. Doreswamy		
	Commission*	6	6
	Director sitting fees	8	8
	Total	**14**	**14**
15)	Mr. Kunal Mundra**		
	Salaries	-	91
	Allowances and perquisites	-	0
	Leave encashment	-	1
	Performance bonus	-	31
	Contribution to provident & superannuation fund	-	4
	Total	**-**	**127**
	Grand Total	**1,506**	**1,493**

*Represents amount paid during the year.

** Salary received from the company's Subsidiary CEAT Specialty Tyres Limited in the capacity of Managing Director.

e) Balance outstanding at the year end for KMP

(₹ in lacs)

Transaction	Related Party	As at March 31, 2019	As at March 31, 2018
Commission Payable	Mr. H. V. Goenka	375	373
	Mr. Paras K. Chowdhary	8	6
	Mr. Hari L. Mundra	7	6
	Mr. Vinay Bansal	8	6
	Mr. Atul C. Choksey	8	6
	Mr. Mahesh S. Gupta	8	6
	Mr. Haigreve Khaitan	8	6
	Ms. Punita Lal	8	6
	Mr. S. Doreswamy	8	6
	Total	**438**	**421**

f) Terms and conditions of transactions with related parties

The sales to and purchases and others from 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.

g) Capital and other commitments with related parties

i. 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, 2019	As at March 31, 2018
KEC	4,258	2,326
Raychem	-	0

Note 49: Segment information

Refer note 2.26 for accounting policy on Segment reporting

For management purpose, the Group comprise of only one reportable segment – Automotive Tyres, Tubes & Flaps.

Information about products

(₹ in lacs)

Particulars	2018-19			2017-18		
	Automotive Tyres	Tubes and others	Total	Automotive Tyres	Tubes and others	Total
Revenue from contracts with customers	6,11,425	83,511	**6,94,936**	5,66,350	77,489	**6,43,839**

Information about geographical areas

(₹ in lacs)

Particulars	2018-19			2017-18		
	In India	Outside India	Total	In India	Outside India	Total
Revenue from contracts with customers	5,92,078	1,02,858	**6,94,936**	5,60,654	83,185	**6,43,839**
Non-current assets	4,18,735	21,691	**4,40,426**	3,12,605	20,578	**3,33,183**

During the year 2018-19 and 2017-18, no single external customer has generated revenue of 10% or more of the Group's total revenue.

During the year 2018-19 and 2017-18, no single country outside India has given revenue of more than 10% of total revenue.

Note 50: 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), Range Forwards, and Coupon only Swap (COS) 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 recognized purchase payables, committed future purchases, recognized sales receivables, forecast sales and Foreign Currency loan (Buyer's Credit) in US dollar and Euro.

Cross currency Interest Rate Swaps (CCIRS) measured at fair value through OCI are designated as hedging instruments in cash flow hedges for Foreign currency loan (Buyer's Credit) in US Dollar.

Derivative options like Range Forwards, COS measured at Fair value through OCI are designated as hedging instruments in cash flow hedges for Foreign currency loan (Buyer's Credit) in US Dollar.

The foreign exchange forward contract balances vary with the level of expected foreign currency sales and purchases and changes in foreign exchange forward rates. CCIRS has been designated as effective hedging instrument from April 1, 2016 onwards.

(Amount in foreign currency (FC) and ₹ in lacs)

Derivative	Currency	As at March 31,2019		As at March 31,2018		Purpose
		FC	₹	FC	₹	
Forward contract to sell foreign currency (FC)	USD	121	8,985	61	4,049	Hedge of foreign currency sales
	EUR	17	1,299	9	711	
	USD	140	9,648	141	9,195	Hedge of foreign currency high probable sales
Forward contract to buy foreign currency	USD	101	7,001	88	5,748	Hedge of foreign currency purchase
	EUR	109	8,448	-	15	
	USD	-	-	190	12,336	Hedge of foreign currency buyer's credit
	USD	695	48,071	600	39,695	Hedge of foreign currency firm commitment – po based hedging
	EUR	471	36,558	437	35,114	
	JPY	5,847	3,649	4,365	2,670	
Cross currency interest rate swap	USD	71	4,914	342	22,292	Hedge of foreign currency buyer's credit
	EUR	-	-	28	2,249	
Range forward contract to buy foreign currency	USD	-	-	6	374	Hedge of foreign currency buyer's credit

(Amount in foreign currency in lacs)

Unhedged foreign currency Exposure*	Currency	2018-19	2017-18
Short Term borrowing	USD	-	30
Trade payables and other financial liabilities	USD	39	21
	EUR	5	5
	JPY	602	165
	GBP	0	1
	AED	-	0
	CHF	-	0
Trade Receivables	USD	22	43
	EUR	7	4
Advances Recoverable in cash or kind	CNY	-	0
	USD	7	4

* 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 statement of profit and loss.

The cash flow hedges as at March 31, 2019 were assessed to be highly effective and a net unrealised loss of ₹ 4,134 lacs, with a deferred tax asset of ₹ 1,323 lacs relating to the hedging instruments, is included in OCI. Comparatively, the cash flow hedges as at March 31, 2018 were assessed to be highly effective and an unrealised gain of ₹ 646 lacs, with a deferred tax liability of ₹ 380 lacs was included in OCI.

Note 51: 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)

	As at March 31, 2019		As at March 31, 2018	
	Carrying values	Fair values	Carrying values	Fair values
Financial assets				
At amortised cost				
Loans (Non-current)	408	408	314	314
Other financial assets (Non-current)	195	195	202	202
At fair value through profit and loss				
Current investment	-	-	4,006	4,006
Total	**603**	**603**	**4,522**	**4,522**
Financial liabilities				
At amortized cost				
Borrowings (Non-current)	1,22,264	1,21,539	45,116	44,180
Other financial liabilities (Non-current)	146	76	146	68
At fair value through other comprehensive income				
Other financial liabilities (Non-current)	315	315	177	177
Other financial liabilities (Current)	3,473	3,473	23	23
Total	**1,26,198**	**1,25,403**	**45,462**	**44,448**

The management assessed that fair values of cash and cash equivalents, trade receivables, trade payables, loans, bank overdrafts and 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 fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The foreign exchange forward contracts used for hedging the recognized import trade payables / export trade receivables have been valued based on the Closing spot value. The following methods and assumptions were used to estimate the fair values:

- The fair value of quoted mutual funds are based on price quotations at the reporting date.
- The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. The foreign exchange forward contracts used for the expected future sales/expected future purchase have been valued using forward pricing, based on present value calculations. These values are the realisable values which could be exchanged with the counterparty. The foreign exchange forward contracts used for the recognized export receivables/recognized import payables have been measured using the closing currency pair spot. The forward premium is separately amortized over the period of the forward. These values are close estimations of the fair values which could be realised on immediate winding up of the deals. The swap contracts and the option contracts have been valued at the market realisable values obtained from the counterparty and the same have been valued using the swap valuation / option valuation, based on present value calculations
- The fair values of the holding company's interest-bearing borrowings and loans are determined by using DCF method using discount rate which is the highest incremental borrowing rate for the year 2018-19.

Note 52: Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for Assets / Liabilities as at March 31, 2019

(₹ in lacs)

		Fair Value measurement using		
	Total	Quoted prices in Active markets (Level 1)	Significant Observable inputs (Level 2)	Significant Unobservable inputs (Level 3)*
Financial assets				
At amortised cost				
Loans (Non-current)	408	-	408	-
Other financial assets (Non-current)	195	-	195	-
At fair value through profit and loss				
Investment (Current)				
- Investment in quoted mutual fund	-	-	-	-
Financial liabilities				
At amortized cost				
Borrowings (Non-current)	1,21,539	-	1,19,706	1,833
Other financial liabilities (Non-current)	76	-	-	76
At fair value through other comprehensive income				
Other financial liabilities (Non-current)	315	-	315	-
Other financial liabilities (Current)				
-Derivative financial instrument	3,473	-	3,473	-

There have been no transfers between Level 1 and Level 2 during the period

Quantitative disclosures fair value measurement hierarchy for Assets / Liabilities as at March 31, 2018

(₹ in lacs)

		Fair Value measurement using		
	Total	Quoted prices in Active markets (Level 1)	Significant Observable inputs (Level 2)	Significant Unobservable inputs (Level 3)*
Financial assets				
At amortised cost				
Loans (Non-current)	314	-	314	-
Other financial assets (Non-current)	202	-	202	-
At fair value through profit and loss				
Investment (Current)				
-Investment in quoted mutual fund	4,006	4,006	-	-
Financial liabilities				
At amortized cost				
Borrowings (Non-current)	44,180	19,956	22,398	1,826
Other financial liabilities (Non-current)	68	-	-	68
At fair value through other comprehensive income				
Other financial liabilities (Non-current)	177	-	177	-
Other financial liabilities (Current)				
- Derivative financial instrument	23	-	23	-

There have been no transfers between Level 1 and Level 2 during the period.

*For valuation under Level 3 following assumptions were made:

a. All repayments of borrowings will happen at end of financial year and not during the year.

b. For valuation purpose we have taken rate of 9.25% which represents additional borrowing rate.

Note 53: 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, mutual fund investments, 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 summarised below.

a. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at March 31, 2019 and March 31, 2018.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place at March 31, 2019.

The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations and provisions.

The following assumptions have been made in calculating the sensitivity analysis:

- 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, 2019 and March 31, 2018 including the effect of hedge accounting

- The sensitivity of equity is calculated by considering the effect of any associated cash flow hedges and hedges of a net investment in a foreign subsidiary at March 31 2019 for the effects of the assumed changes of the underlying risk

b. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk 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 by having a balanced portfolio of fixed and variable rate loans and borrowings. To manage this, 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. At March 31, 2019, after taking into account the effect of interest rate swaps, approximately 18% of the Group's total borrowings are at a fixed rate of interest (March 31, 2018: 34%).

The following table provides a break-up of Group's fixed and floating rate borrowing

(₹ in lacs)

Related Party	As at March 31, 2019	As at March 31, 2018
Fixed rate borrowings	27,377	29,768
Floating rate borrowings	1,22,425	57,399
Total borrowings	**1,49,802**	**87,167**

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

(₹ in lacs)

Particulars	Increase/ decrease in basis points	Effect on profit before tax
March 31, 2019		
₹1,22,425 lacs	+/- 100 bps	-1,224.25 / +1,224.25
March 31, 2018		
₹57,399 lacs	+/- 100 bps	-573.99 / +573.99

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

c. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency) and the Group's net investments in foreign subsidiaries.

The Group manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 6 month period for the foreign currency denominated trade payables and trade receivables. The foreign currency risk on the foreign currency loans are mitigated by entering into Cross Currency Swaps. When a derivative is entered into for the purpose of being a hedge, the Group 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.

At March 31, 2019, the Group hedged 100% (March 31, 2018: 94%,) of its foreign currency loans. This foreign currency risk is hedged by using foreign currency forward contracts. At March 31, 2019, the Group hedged 88% (March 31, 2018: 93%) of its foreign currency receivables/payables.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and EURO rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

(₹ in lacs)

Particulars	Change in currency	Effect on profit before tax
March 31, 2019		
Recognized net payable – USD 1.40 Mio	₹ +/- 1	-14 / +14
Recognized net payable – EUR 1.22 Mio	₹ +/- 1	-12.2 / +12.2
March 31, 2018		
Recognized net payable – USD 0.39 Mio	₹ +/- 1	- 3.92 / + 3.92
Recognized net receivable – EUR 0.19 Mio	₹ +/- 1	+ 1.9 / -1.9

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.

d. Commodity price risk

The Group is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase of rubber and carbon black and therefore require a continuous supply of rubber and carbon black. Due to the significantly increased volatility of the price of the rubber and carbon black, the Group also entered into various purchase contracts for rubber and carbon black (for which there is an active market).

The Group's Board of Directors has developed and enacted 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.

(₹ 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, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Natural rubber	5,566	5,400	(5,566)	(5,400)
Synthetic rubber	4,747	4,000	(4,747)	(4,000)
Carbon black	3,444	2,500	(3,444)	(2,500)

e. Equity price risk

The Group invests its surplus funds in various debt instruments and debt mutual funds. These comprise of mainly liquid schemes of mutual funds (liquid investments) and fixed deposits.

Mutual fund investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments. However due to the very short tenor of the underlying portfolio in the liquid schemes, these do not pose any significant price risk.

There is no material equity risk relating to the Group's equity investments which are detailed in note 5. The Group equity investments majorly comprises of strategic investments rather than trading purposes.

f. Credit 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. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables

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 30 days to 90 days credit term. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored. Credit risk on receivables is also mitigated by securing the same against security deposit, letter of credit and advance payment.

An impairment analysis is performed at each reporting date on an individual basis for major clients. 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.

(₹ in lacs)

Particulars	As at March 31, 2019			As at March 31, 2018		
Ageing	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%	44.32%	99%	0.00%	50.51%	100%
Gross carrying amount	70,511	194	2,013	74,483	485	1,901
Loss allowance provision	-	86	1,994	-	245	1,901

Export customers 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 ₹ 33,246 lacs (March 31, 2018: ₹ 31,512 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.

Other financial assets and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be

updated throughout the year subject to approval as per the Investment policy. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Group's maximum exposure to credit risk for the components of the balance sheet at March 31, 2019 and March 31, 2018 is the carrying amounts as illustrated in note 7 and note 12 except for derivative financial instruments. The Group's maximum exposure relating to financial derivative instruments is noted in note 23 and 28.

g. 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 liquid mutual funds. 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 assets 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.

Liquidity exposure as at March 31, 2019

(₹ in lacs)

Particulars	< 1 year	1-5 years	>5 years	Total
Financial assets				
Current investments	-	-	-	-
Loans	75	408	-	483
Trade receivables	70,638	-	-	70,638
Cash and cash equivalents	6,755	-	-	6,755
Bank balances other than cash and cash equivalents	599	-	-	599
Other financial assets	3,222	195	-	3,417
Total financial assets	**81,289**	**603**	**-**	**81,892**
Non current borrowings	-	68,481	49,878	1,18,359
Current borrowings	22,425	-	-	22,425
Other Financial Liabilities	61,461	315	146	61,922
Trade and Other payables	1,05,287	-	-	1,05,287
Total financial liabilities	**1,89,173**	**68,796**	**50,024**	**3,07,993**

Liquidity exposure as at March 31, 2018

(₹ in lacs)

Particulars	< 1 year	1-5 years	>5 years	Total
Financial assets				
Current investments	4,006	-	-	4,006
Loans	36	314	-	350
Trade receivables	74,723	-	-	74,723
Cash and cash equivalents	8,218	-	-	8,218
Bank balances other than cash and cash equivalents	407	-	-	407
Other financial assets	956	202	-	1,158
Total financial assets	**88,346**	**516**	**-**	**88,862**
Non current borrowings	-	23,286	22,006	45,292
Current borrowings	19,557	-	-	19,557
Other Financial Liabilities	59,428	177	146	59,751
Trade and Other payables	87,051	-	-	87,051
Total financial liabilities	**1,66,036**	**23,463**	**22,152**	**2,11,651**

h. Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Selective hedging is used within the Group to manage risk concentrations at both the relationship and industry levels.

Collateral

The Group has hypothecated the movable, immovable properties and entire current assets to its consortium of bankers as detailed in note 22 and 26.

Note 54: 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, less cash and cash equivalents.

(₹ in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Borrowings *(Note 22, 26 & 28)	1,49,802	87,167
Less: cash and cash equivalents (Note 13)	(6,755)	(8,218)
Net debt	**1,43,047**	**78,949**
Equity attributable to equity holders of parent (refer note 19 and 20)	2,76,611	2,60,609
Capital and net debt	**4,19,658**	**3,39,558**
Gearing ratio	34%	23%

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, 2019 and March 31, 2018.

Note 55: Events after the reporting period

a. The board of directors of the company has recommended dividend of ₹ 12 per equity share of face value of ₹10 each (March 31, 2018 ₹ 11.50) for financial year 2018-19.

b. On April 3, 2019, the Board of Directors of the CEAT Limited has approved a Scheme of Amalgamation between the CEAT Limited and its wholly owned subsidiary CEAT Specialty Tyres Limited (CSTL), subject to obtaining requisite approvals from statutory authorities and shareholders. The Scheme of Amalgamation has been filed with National Company Law Tribunal (NCLT) on April 22, 2019. The process of sanction of the Scheme by the Hon'ble NCLT is in progress.

Note 56: 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 57: Standards issued but not yet effective

The amendments to standards that are issued but not yet effective up to the date of issue of the financial statements are discussed below:

Ind AS 116 - Leases

Ind AS 116 Leases was notified by MCA on March 30, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to re-measure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Group intends to adopt these standards from April 1, 2019. The Group continues to evaluate the available transition methods and its contractual arrangements. The Group has established an implementation team to implement Ind AS 116 and it continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary. The Group is currently evaluating the effect of this potential impact of Ind AS 116 on its financial statements.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases,unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which should be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Group will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives. The Group is currently evaluating the effect of this amendment on the financial statements.

Amendment to Ind AS 12 – Income taxes

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Group is currently evaluating the effect of this amendment on the financial statements.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and

- to recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Group is currently evaluating the effect of this amendment on the financial statements.

Amendments to Ind AS 109: Prepayment Features with Negative Compensation

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 109. The amendment clarifies that a financial asset passes the SPPI (Solely Payments of Principal & Interest) criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract. The Group is currently evaluating the effect of this amendment on the financial statements.

Amendments to Ind AS 23: Borrowing Costs

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 23. The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete. An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after April 1, 2019. The Group is currently evaluating the effect of this amendment on the financial statements.

Note 58: Information required for consolidated financial statement pursuant to Schedule III of the Companies Act, 2013

(₹ in lacs)

Name of Entity	Relationship	FY 2018-19						FY 2017-18					
		Net assets i.e. total assets minus total liabilities		Share in profit or loss				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 profit or loss (after OCI)	₹ in lacs	As % of consolidated net assets	₹ in Lacs	As % of consolidated profit or loss (before OCI)	₹ in Lacs	As % of consolidated profit or loss (after OCI)	₹ in lacs
CEAT Limited	Parent	86%	2,36,899	111%	27,922	115%	24,412	84%	2,18,127	111%	25,959	113%	26,947
Rado Tyres Limited	Indian subsidiary	0%	947	0%	(86)	(0%)	(86)	0%	958	(2%)	(510)	(2%)	(517)
CEAT Specialty Tyres Limited	Indian subsidiary	5%	14,507	(19%)	(4,647)	(23%)	(4,935)	7%	17,982	(16%)	(3,785)	(18%)	(4,254)
CEAT AKKHAN Limited	Foreign subsidiary	2%	6,106	(1%)	(139)	(1%)	(139)	2%	6,150	(1%)	(211)	(1%)	(211)
Associated CEAT Holding Pvt Limited (ACHL)	Foreign subsidiary	0%	13	1%	152	1%	155	0%	46	0%	44	0%	44
CEAT Kelani Holding Pvt Limited (Joint venture of ACHL)(As per Equity Method)	Joint venture	6%	17,556	8%	2,108	10%	2,108	6%	16,975	10%	2330	10%	2,352
Tyresnmore Online Private Limited	Associate	0%	584	(0%)	(88)	(0%)	(88)	0%	371	(0%)	(29)	(0%)	(29)
Minority Interest in all subsidiaries													
Rado Tyres Limited	Indian subsidiary	(0%)	(398)	(0%)	(61)	(0%)	(61)	(0%)	(337)	(2%)	(360)	(2%)	(366)
CEAT AKKHAN Limited	Foreign subsidiary	1%	2,777	(0%)	(53)	(0%)	(53)	1%	2,674	(0%)	(109)	(0%)	(109)
Total		**100%**	**2,78,991**	**100%**	**25,108**	**100%**	**21,313**	**100%**	**2,62,946**	**100%**	**23,329**	**100%**	**23,857**

For and on behalf of Board of Directors of CEAT Limited

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No.:324982E/E300003

per Vinayak Pujare
Partner
Membership Number: 101143
Place: Mumbai
Date: May 7, 2019

Kumar Subbiah
Chief Financial Officer

Vallari Gupte
Company Secretary

Place: Mumbai
Date: May 7, 2019

H.V. Goenka
Chairman

Mahesh S. Gupta
Chairman- Audit Committee

Anant Goenka
Managing Director

Notice

NOTICE is hereby given that the Sixtieth Annual General Meeting of CEAT Limited will be held on **Thursday, August 1, 2019** at **3.00 p.m.** at Ravindra Natya Mandir, P. L. Deshpande Maharashtra Kala Academy, Sayani Road, Prabhadevi, Mumbai 400 025 to transact the following business:

Ordinary Business

1. To receive, consider and adopt:

   a. the Audited Financial Statements of the Company for the financial year ended March 31, 2019, together with the Reports of the Board of Directors and the Auditors thereon; and

   b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2019, together with the Report of the Auditors thereon.

2. To declare dividend on equity shares for the financial year ended March 31, 2019.

3. To appoint a Director in place of Mr. H. V. Goenka (DIN: 00026726), who retires by rotation in terms of section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

Special Business

4. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 143(8) and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (hereinafter referred to as 'the Act'), the Board of Directors, be and is hereby authorized to appoint Branch Auditor(s) for any Branch of the Company (either existing or coming into existence hereafter outside India), in consultation with the Company's Auditors, any person(s) qualified to act as Branch Auditor in terms of the provisions of Section 143(8) of the Act to audit the accounts of any of the Company's Branches, on such terms and conditions and on such remuneration as may be mutually decided by the Board of Directors of the Company and the Branch Auditors."

5. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to Section 148 of the Companies Act, 2013 and the Rules made thereunder, the remuneration of ₹ 3,00,000 (Rupees Three Lacs only) and reimbursement of out-of-pocket expenses at actual plus applicable taxes, as approved by the Board of Directors of the Company, to be paid to Messrs D. C. Dave & Co., Cost Accountants (Firm Registration No. 000611), for conducting the audit of the cost records of the Company for the financial year 2019-20, be and is hereby ratified and confirmed."

6. To consider and if thought fit, to pass the following resolution as a Special Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 ('the Act') and the Rules made thereunder read with Schedule IV to the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') and as recommended by the Nomination and Remuneration Committee, Mr. Atul C. Choksey (DIN:00002102), currently holding the position as a Non-Executive Independent Director of the Company up to September 25, 2019, having qualified the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the Listing Regulations and in respect of whom a notice in writing pursuant to Section 160 of the Act, as amended, has been received in the prescribed manner, be and is hereby re-appointed as a Non-Executive Independent Director of the Company to hold office for a second term of five consecutive years with effect from September 26, 2019 up to September 25, 2024, who shall not be liable to retire by rotation.

   RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 197 and any other applicable provisions of the Act and Rules made thereunder, Mr. Atul C. Choksey be paid such fees and commission as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time."

7. To consider and if thought fit, to pass the following resolution as a Special Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 ('the Act') and the Rules made thereunder read with Schedule IV to the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') and as recommended by the Nomination and Remuneration Committee, Mr. Haigreve Khaitan (DIN: 00005290), currently holding the position as a Non-Executive Independent Director of the Company up to September 25, 2019, having qualified the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the Listing Regulations and in respect of whom a notice in writing pursuant to Section 160 of the Act, as amended, has been received in the prescribed manner, be and is hereby re-appointed as a Non-Executive Independent Director of the Company to hold office for a second term of five consecutive years with effect from September 26, 2019 up to September 25, 2024, who shall not be liable to retire by rotation.

   RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 197 and any other applicable provisions of the Act and Rules made thereunder, Mr. Haigreve Khaitan be paid such fees and commission as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time."

8. To consider and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 ('the Act') and the Rules made thereunder read with Schedule IV to the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') and as recommended by the Nomination and Remuneration Committee, Mr. Mahesh S. Gupta (DIN: 00046810), currently holding the position as a Non-Executive Independent Director of the Company up to September 25, 2019, having qualified the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the Listing Regulations and in respect of whom a notice in writing pursuant to section 160 of the Act, as amended, has been received in the prescribed manner, be and is hereby re-appointed as a Non-Executive Independent Director of the Company to hold office for a second term of five consecutive years with effect from September 26, 2019 up to September 25, 2024, who shall not be liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 197 and any other applicable provisions of the Act and Rules made thereunder, Mr. Mahesh S. Gupta be paid such fees and commission as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time."

9. To consider and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 ('the Act') and the Rules made thereunder read with Schedule IV to the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') and as recommended by the Nomination and Remuneration Committee, Ms. Punita Lal (DIN: 03412604), currently holding the position as a Non-Executive Independent Director of the Company up to September 25, 2019, having qualified the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the Listing Regulations and in respect of whom a notice in writing pursuant to Section 160 of the Act, as amended, has been received in the prescribed manner, be and is hereby re-appointed as a Non-Executive Independent Director of the Company to hold office for a second term of five consecutive years with effect from September 26, 2019 up to September 25, 2024, who shall not be liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 197 and any other applicable provisions of the Act and Rules made thereunder, Ms. Punita Lal be paid such fees and commission as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time."

10. To consider and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 ('the Act') and the Rules made thereunder read with Schedule IV to the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') and as recommended by the Nomination and Remuneration Committee, Mr. Vinay Bansal (DIN: 00383325), currently holding the position as a Non-Executive Independent Director of the Company up to September 25, 2019, having qualified the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the Listing Regulations and in respect of whom a notice in writing pursuant to section 160 of the Act, as amended, has been received in the prescribed manner, be and is hereby re-appointed as Non-Executive Independent Director of the Company to hold office for a second term of five consecutive years with effect from September 26, 2019 up to September 25, 2024, who shall not be liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to the Listing Regulations, as amended, the Act and such other applicable laws, rules, regulations, guidelines, approval of the Members be and is hereby accorded for continuation of directorship of Mr. Vinay Bansal (DIN: 00383325), as Non-Executive Independent Director of the Company after he attains the age of 75 (Seventy five) years during the aforesaid tenure of his directorship, i.e. up to September 25, 2024, with the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 197 and any other applicable provisions of the Act and Rules made thereunder, Mr. Bansal be paid such fees and commission as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time."

11. To consider and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Regulation 17(6)(ca) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and subject to the applicable provisions of the Companies Act, 2013 and the Articles of Association of the Company, approval of the Members be and is hereby accorded for payment of annual remuneration of ₹ 3,80,30,000/- for the FY 2018-19 to Mr. H. V. Goenka (Non-Executive Director), Chairman of the Company, being an amount exceeding fifty percent of the total annual remuneration payable to all the Non-Executive Directors of the Company."

12. To consider and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT in supersession of the Special Resolution passed at the Annual General Meeting of the

Company on September 26, 2014 and pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 ('the Act'), for the time being in force and subject to the provisions of the Memorandum and Articles of Association of the Company and all other enabling provisions, if any, of the Act, consent of the Members be and is hereby accorded to the Board of Directors (hereinafter referred to as the Board which expression shall include any Committee thereof for the time being exercising the powers conferred on the Board by this resolution) of the Company for borrowing for and on behalf of the Company, from time to time, any sum or sums of money in any manner without prejudice to the generality thereof, by way of any kind of loans, advances, credits, acceptance of deposits, issue of debentures or otherwise from any bank or banks or any financial institution or any company or companies or persons and whether secured or unsecured and if secured, whether by way of mortgage, charge, hypothecation, pledge or otherwise in any way whatsoever on, over or in respect of all or any of the Company's assets, effects and properties including uncalled capital (if any), stock-in-trade (including raw materials, stores, parts and components in stock or in transit), book debts and receivables, notwithstanding that the monies so borrowed together with the monies, if any, already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount outstanding at any time shall not exceed the limit of ₹ 2,000 Crores (Rupees Two Thousand Crores only) in excess of the aggregate of the paid-up capital of the Company and its free reserves, as aforesaid from time to time.'

RESOLVED FURTHER THAT for the purpose of giving effect to the said resolution, the Board be and is hereby authorized to take all such actions and to do all such deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question or doubt that may arise in this regard."

13. To consider and if thought fit, to pass the following resolution as a Special Resolution:

"RESOVED THAT in supersession of the Special Resolution passed at the Annual General Meeting of the Company held on September 26, 2014 and pursuant to the provisions of Section 180(1)(a) and other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force) ('the Act'), the consent of the Company be and is hereby accorded to the Board of Directors (herein after referred to as the Board which expression shall include any Committee thereof for the time being exercising the powers conferred on the Board by this resolution) of the Company to create mortgage and/or charge and/or hypothecation, in addition to the existing charges, mortgages and hypothecations created by the Company, on any of its movable and/or immovable properties wherever situated, whether present or future and to create a mortgage and/or charge on such terms and conditions at such times and in such form and manner and with such ranking as to priority as the Board in its absolute discretion thinks fit on the whole or substantially the whole of any one of the Company's undertaking or all of the Company's undertakings in favour of any bank(s), or financial institution(s) or body(ies) corporate or persons or trustees for the holders of debenture(s)/bond(s) whether shareholder or not, for securing any loan(s), borrowing(s) including working capital facilities whether fund based or non-fund based, foreign currency loan(s), debenture(s), bond(s) or other financial instrument(s) availed or as may be availed from time to time together with interest, costs, charges, expenses and any other monies payable thereon.

RESOLVED FURTHER THAT for the purpose of giving effect to the said resolution, the Board be and is hereby authorized to take all such actions and to do all such deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question or doubt that may arise in this regard."

14. To consider and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Sections 23, 42, 71 and any other applicable provisions of the Companies Act, 2013 ('the Act') and the Rules made thereunder and applicable provisions of any other laws, rules, regulations, guidelines, circulars, if any, prescribed by the Government of India, Reserve Bank of India, 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 ₹ 500 Crores (Rupees Five Hundred Crores only) at such price or on such terms and conditions as the Board may from time to time determine and consider proper and beneficial to the Company including listing of such debt securities with Stock Exchange(s), size and time of issue, issue price, tenure, interest rate, premium/ discount, consideration, utilization of the issue proceeds and all matters connected with or incidental thereto.

RESOLVED FURTHER THAT for the purpose of giving effect to the said resolution, the Board be and is hereby authorized to take all such actions and to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question or doubt that may arise in this regard."

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY PROVIDED THE INSTRUMENT APPOINTING THE PROXY IS DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

2. A person can act as proxy on behalf of the members not exceeding 50 (fifty) and holding in aggregate not more than 10% of the total share capital of the Company. In case, a proxy is appointed by a member holding more than 10% of the total share capital carrying voting rights, such proxy shall not act as proxy for any other person or member.

3. During the business hours of the Company, proxies are open for inspection for the period beginning before 24 (twenty-four) hours from the commencement of the Meeting and ending with the conclusion of the Meeting provided that an advance notice of not less than 3 (three) days is given to the Company.

4. Proxy in prescribed Form No. MGT-11 is enclosed herewith. Proxy shall not have a right to speak at the Meeting.

5. The Company at its AGM held on August 8, 2017 appointed Messrs S R B C & CO LLP as the Statutory Auditors for a second term of 5 (five) consecutive years from the conclusion of the 58th AGM to the conclusion of the 63rd AGM to be held in the year 2022 subject to ratification of their appointment every year, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away with by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the 60th AGM.

6. Brief details of the directors, who are seeking appointment/ re-appointment, are annexed hereto as per requirement of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

7. The explanatory statement setting out material facts, pursuant to Section 102 of the Companies Act, 2013, ('the Act') which sets out details relating to the special business at the AGM is annexed hereto.

8. Corporate members are requested to bring along with them a duly certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend the AGM.

9. Securities and Exchange Board of India (SEBI) has, through a circular, directed all the companies to pay dividend through electronic mode. Accordingly, all the Members holding shares in dematerialized form are requested to kindly update their complete bank account details viz. their core Banking A/c no, MICR and IFSC codes with their respective Depository Participant (DP). Members holding shares in physical form are requested to kindly inform their bank account details to the Company and/ or TSR Darashaw Limited ('the Registrar and Share Transfer Agents')

10. Pursuant to the provisions of Section 91 of the Act, the register of members and the share transfer books of the Company will remain closed from **Saturday, July 20, 2019 to Thursday, August 1, 2019** (both days inclusive).

11. 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 **Friday, August 30, 2019** as under:

    a. to all those beneficial owners holding shares in electronic form, as per the beneficial ownership data made available to the Company by National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours on **Friday, July 19, 2019**; and

    b. to all those shareholders holding shares in physical form, whose names stand registered in the Company's Register of Members as Members on the end of business day on **Friday, July 19, 2019**.

12. As per 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.

13. To avoid fraudulent transactions, the identity/signature of the Members holding shares in electronic form is verified with the specimen signatures furnished by NSDL/CDSL and that of members holding shares in physical form is verified as per the record of the Registrar and Share Transfer Agents of the Company. Members are requested to keep the same updated.

14. In case of any query relating to Financial Statements, Members are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the AGM.

15. For the convenience of the Members and for the proper conduct of the Meeting, the Members are required to deposit the Attendance Slip duly signed at the counter at entry place of the Meeting. Proxies kindly bring their identity proof to the Meeting for the purpose of identification.

16. 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 Registrar and Share Transfer Agents. In respect of shares held in electronic form, the Members may please contact their respective depository participant.

17. The Members holding shares in the same name or in the same order of names, under different folios are requested to notify the relevant details of the said holdings to TSR Darashaw Limited at 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011 for consolidation of their shareholding into single folio to help us serve you better.

18. **To ensure timely credit of dividend through the approved electronic mechanism or dividend warrant/ payment instruments, Members are requested to notify change of address, or particulars of their bank account, if changed, along with the 9 digit MICR Code/relevant details to the respective depository participant in case of shares held in demat mode or Registrar and Share Transfer Agents of the Company in case shares held in physical mode, on or before Friday, July 19, 2019.**

19. In view of the Regulation 40 of Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. Members holding shares in physical form are therefore requested to convert their holdings into dematerialized mode to avoid loss of shares and fraudulent transactions and better investor servicing.

20. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, email address, contact numbers, etc. to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrar and Share Transfer Agents to provide efficient and better services.

21. Members holding shares in physical form are requested to intimate such changes to the Company's Registrar and Share Transfer Agents.

22. 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 DP with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Share Transfer Agents.

23. In terms of Section 124(5) of the Act, dividend amount for the year ended March 31, 2012, remaining unclaimed for a period of 7 (seven) years shall become due for transfer in October 2019 to the Investor Education and Protection Fund (IEPF) established by the Central Government.

    Further in terms of Section 124(6) of the Act, in case of such shareholders whose dividends are unpaid for a continuous period of 7 (seven) years, the corresponding shares shall be transferred to the IEPF demat account.

    Shareholders who have not claimed dividends in respect of the financial years from 2011-12 onwards are requested to approach the Company/Company's Registrar and Share Transfer Agents for claiming the same as early as possible, to avoid the transfer of the relevant shares to the IEPF demat account.

24. 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 depository participants or with the Registrar and Share Transfer Agents of the Company. Members who need a physical copy need to make a request on the email id csg-unit@tsrdarashaw.com or investors@ceat.com.

25. To receive Members' communications through electronic means, including annual reports and notices, Members are requested to kindly register/update their email address with their respective DP, where shares are held in electronic form. If, however, shares are held in physical form, Members are advised to register their email address with the Registrar and Share Transfer Agents of the Company viz. TSR Darashaw Limited.

26. Members may also note that the Notice of the 60th AGM and the Annual Report for FY 2018-19 will also be available on the Company's website i.e. www.ceat.com under the tab 'Investors' for download by the Members.

27. Relevant documents referred to in this Notice are open for inspection at the Registered Office of the Company on all working days between 11:00 a.m. and 1:00 p.m. up to the date of the ensuing AGM.

28. The Company has been maintaining, *inter alia*, the following statutory registers at its registered office, which are open for inspection in terms of the applicable provisions of the Act on all working days between 11:00 a.m. and 1:00 p.m., by the Members and others, as specified below:

    i. Register of Contracts or Arrangements in which Directors are interested under Section 189 of the Act. The said register shall also be produced at the commencement of the AGM of the Company and shall remain open and accessible during the continuance of the meeting to any person having the right to attend the meeting.

    ii. Register of Directors and Key Managerial Personnel and their shareholding under Section 170 of the Act. The said register shall be kept open for inspection at the AGM of the Company and shall be made accessible to any person attending the meeting.

29. The route map showing directions to reach the venue of the 60th AGM is annexed.

30. For more details on shareholder's matter, please refer to the General Shareholder Information Section included in the Corporate Governance Report.

31. Voting on resolutions:

Pursuant to Section 108 of the Act, read with the Rules made thereunder and Regulation 44 of the Listing Regulations, the Company is pleased to provide the facility to Members to exercise their right to vote through electronic means (Remote e-voting), on all the resolutions set forth in this Notice. The e-voting period will commence at 9.00 a.m. on **Monday, July 29, 2019** and will end at 5.00 p.m. on **Wednesday, July 31, 2019**. The Company has signed an agreement with Central Depository Services (India) Limited (CDSL) for facilitating remote e-voting. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date i.e. **Thursday, July 25, 2019**. A person whose name is recorded in the register of Members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting, as well as voting at the meeting.

Any person who acquires shares of the Company and becomes a member of the Company after dispatch of the notice and holding shares as on the cut-off date, may obtain the login id and password by sending request to the Company and/or TSR Darashaw Limited and thereafter follow the same procedure as mentioned below for e-voting.

I. Remote e-voting

The instructions for Members for voting electronically are as under:

i. The voting period begins on 9.00 a.m. on **Monday, July 29, 2019** and will end at 5.00 p.m. on **Wednesday, July 31, 2019**. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **Thursday, July 25, 2019** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

ii. The Members should log on to the e-voting website www.evotingindia.com.

iii. Click on Shareholders.

iv. Now Enter your User ID

(a) For CDSL: 16 digits beneficiary ID,

(b) For National Securities Depository Limited (NSDL): 8 Character DP ID followed by 8 Digits Client ID,

(c) Members holding shares in Physical Form should enter Folio Number registered with the Company.

v. Next enter the Image Verification as displayed and Click on Login.

vi. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

vii. If you are a first-time user follow the steps given below

	For Members holding shares in Demat Form and Physical Form
PAN	• Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat Members as well as physical Members) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. • In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. e.g. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
Dividend Bank Details **OR** Date of Birth (DOB)	• Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. • If both the details are not recorded with the depository or Company please enter the number of shares held by you as on the cut-off date in the Dividend Bank details field.

viii. After entering these details appropriately, click on 'SUBMIT' tab.

ix. Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

xi. Click on the EVSN for the relevant CEAT Limited on which you choose to vote.

Electronic Voting Sequence Number (EVSN): 190618003

xii. On the voting page, you will see 'RESOLUTION DESCRIPTION' and against the same the option 'YES/NO' for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xiii. Click on the 'RESOLUTIONS FILE LINK' if you wish to view the entire Resolution details.

xiv. After selecting the resolution, you have decided to vote on, click on 'SUBMIT'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'OK', else to change your vote, click on 'CANCEL' and accordingly modify your vote.

xv. Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.

xvi. You can also take a print of the votes cast by clicking on 'Click here to print' option on the Voting page.

xvii. If a demat account holder has forgotten the login password, then enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.

xviii. Members can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

xix. Note for Non – Individual Members and Custodians

- Non-Individual Members (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

xx. In case you have any queries or issues regarding the remote e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or contact Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N. M. Joshi Marg, Lower Parel (East), Mumbai 400 013 or send an email to helpdesk.evoting@cdslindia.com or call 1800225533.

II. Voting facility at the AGM

i. In addition to the remote e-voting facility as described above, the Company shall make a voting facility available at the venue of the AGM, through electronic voting system or physical ballot paper and Members attending the meeting, who have not already cast their votes by remote e-voting shall be able to exercise their right at the Meeting.

ii. Members who have cast their votes by remote e-voting prior to the Meeting may attend the Meeting but shall not be entitled to cast their vote again. However, in case Members cast their vote both via remote e-voting and electronic voting system or physical ballot paper at AGM, then remote e-voting shall prevail and voting done through the electronic voting system or physical ballot paper at the AGM shall be treated as invalid.

III. General Instructions

i. The Company has appointed Mr. P. N. Parikh (FCS 327, CP 1228), or failing him Mr. Mitesh Dhabliwala (FCS 8331, CP 9511) of Messrs Parikh & Associates, Practising Company Secretaries, to act as the Scrutinizer, to scrutinize the voting at the AGM and remote e-voting process in a fair and transparent manner.

ii. The Scrutinizer shall immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least 2 (two) witnesses not in the employment of the Company and make not later than 48 hours of conclusion of the meeting, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman and/ or Managing Director or a Director or a person authorized by him in writing who shall countersign the same.

iii. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.ceat.com and on the website of CDSL e-voting and communicated to the Stock Exchanges where the shares of the Company are listed. The results shall also be displayed on the Notice Board at the registered office of the Company.

Under the Authority of the Board of Directors

Vallari Gupte
Company Secretary

Place: Mumbai
Date: May 7, 2019

CEAT Limited
CIN: L25100MH1958PLC011041
Registered Office: 463, Dr. Annie Besant Road, Worli, Mumbai 400 030
Telephone no.:022-24930621 Fax: 022-25297423
Email Address: investors@ceat.com;
Website: www.ceat.com

Annexure to the Notice

Item No. 3 of the Notice:

Mr. H. V. Goenka (DIN: 00026726)
As regards re-appointment of Mr. H. V. Goenka referred to in Item no. 3 of the Notice, following necessary disclosures are made for the information of the Members.

Mr. H. V. Goenka, 61, is the Chairman of RPG Enterprises, one of the largest industrial groups in India, active in key business segments such as tyres, infrastructure, information technology and other diversified segments having an annual turnover of about US $ 4 billion. Born in December 1957, Mr. Goenka is a graduate in Economics and MBA from the International Institute of Management Development (IMD), Lausanne, Switzerland and is presently on the Foundation Board of IMD, Lausanne. Mr. Goenka is a past President of the Indian Merchants' Chamber, now known as the IMC Chamber of Commerce and Industry and is a member of the Executive Committee of FICCI. He has been the Chairman of the Board of the Company since 2013.

Other details as required pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') and the Secretarial Standards - 2 on General Meetings, as applicable is provided as an annexure to the Notice. More details are available in the Corporate Governance Report.

Mr. Goenka is not disqualified from being appointed as a Director in terms of section 164 of the Companies Act, 2013 and is eligible for payment of sitting fees and commission, as payable to Non-Executive directors of the Company.

None of the Directors, Key Managerial Personnel of the Company or their relatives except Mr. H. V. Goenka himself and Mr. Anant Goenka, Managing Director is, in any way, concerned or interested 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 14 of the accompanying Notice:

Item No. 4 of the Notice:
For the expansion of business and markets, the Company may propose to set up Branch Offices outside India. For carrying out the audit of the accounts of such branches, it is necessary to appoint Branch Auditors. Members are requested to authorize the Board of Directors of the Company to appoint Branch Auditors in consultation with the Statutory Auditors of the Company and to fix their remuneration.

None of the Directors, Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the resolution set out in Item no. 4 of the Notice.

The Board recommends the Ordinary Resolution as set out in Item No. 4 of the Notice for approval of the Members.

Item No. 5 of the Notice:

The Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, mandate audit of the cost accounting records of the Company in respect of certain products. Accordingly, the Board of Directors, based on the recommendation of the Audit Committee, at its meeting held on May 7, 2019, appointed Messrs D. C. Dave & Co., Cost Accountants (Firm Registration No. 000611), as the Cost Auditor of the Company for the financial year ending March 31, 2020 at a remuneration of ₹ 3,00,000/- (Rupees Three Lacs Only) plus applicable taxes and out-of-pocket expenses at actuals, 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 2019-20, as stated above.

None of the Directors, Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the resolution set out in Item no. 5 of the Notice.

The Board recommends the Ordinary Resolution as set out in Item No. 5 of the Notice for approval of the Members.

Item No. 6 to 10 of the Notice:

Pursuant to Section 149 of the Companies Act, 2013 ('the Act') and erstwhile Clause 49 of the Listing Agreement, Mr. Atul C. Choksey, Mr. Haigreve Khaitan, Mr. Mahesh S. Gupta, Ms. Punita Lal and Mr. Vinay Bansal, Directors of the Company qualifying to be 'Independent Directors' were appointed as Independent Directors of the Company for a term of 5 (Five) consecutive years with effect from the date of the 55th Annual General Meeting of the Company (AGM), i.e. from September 26, 2014 to September 25, 2019.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of up to 5 (Five) consecutive years on the Board of a Company but shall be eligible for re-appointment for another term of up to 5 (Five) consecutive years on passing a special resolution by the Company.

Based on their performance evaluation and recommendation of the Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 152 read with Schedule IV and any other applicable provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('the Listing Regulations') Mr. Atul C. Choksey, Mr. Haigreve Khaitan, Mr. Mahesh S. Gupta, Ms. Punita Lal and Mr. Vinay Bansal, being eligible for re-appointment as Independent Directors have offered themselves for re-appointment, are proposed to be re-appointed as Independent Directors for another term of 5 (Five) consecutive years with effect from September 26, 2019 to September 25, 2024, who shall not be liable to retire by rotation.

In respect of the appointment of the aforesaid Directors, notices in writing in the prescribed manner as required by Section 160 of the Act as amended and Rules made thereunder have been received by the Company, regarding their candidature for the office of the Director. The said Directors have also submitted their declaration of independence, as required pursuant to section 149(7) of the Act stating that they meet the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations.

Copies of the draft Letters of Appointment of the Independent Directors setting out the terms and conditions of their appointments are available for inspection by Members at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all working days except Saturdays, Sundays and Public Holidays up to the date of this AGM and shall also be available for inspection at the venue of the proposed meeting of Members till the conclusion of the said meeting.

In terms of Regulation 17(1A) of the Listing Regulations as amended and as duly recommended by the Nomination and Remuneration Committee, the re-appointment of Mr. Vinay Bansal, who is currently at the age of 74 (seventy-four) years is proposed by the Board of Directors seeking Members' approval by way of Special Resolution for his continuation as a Non-Executive Independent Director, even after attaining age of 75 (seventy-five) years.

Accordingly, the Nomination and Remuneration Committee at its meeting held on May 7, 2019, formed a view that his expertise and valuable guidance are immensely beneficial to the Company, in its pursuit of growth and hence recommended to the Board to approve continuation of his directorship on the Board of the Company up to September 25, 2024.

The Board at its meeting held on May 7, 2019, *inter alia,* upon the recommendation of Nomination and Remuneration Committee, approved continuation of Mr. Vinay Bansal's directorship on the Board, after attaining age of 75 (seventy-five) years and further proposed to seek the approval of Members, in terms of the provisions of the Listing Regulations, as amended and such other rules, regulations, provisions as may be applicable, for continuation of directorship of Mr. Vinay Bansal, as an Independent Director, not liable to retire by rotation, till expiry of his extant term to September 25, 2024.

The Board is of the opinion that the above-mentioned Independent Directors possess requisite skills, experience and knowledge relevant to the Company's business and it would be in the interest of the Company to have their association with the Company as Independent Directors.

In the opinion of the Board, the aforesaid Directors fulfill the conditions specified in the Act read with the Rules made thereunder and the Listing Regulations for being appointed as Independent Directors of the Company and are independent of the management.

Details as required pursuant to Regulation 36(3) of the Listing Regulations and the Secretarial Standards - 2 on General

Meetings, as applicable are provided as an annexure to the Notice.

Mr. Atul C. Choksey, Mr. Haigreve Khaitan, Mr. Mahesh S. Gupta, Ms. Punita Lal and Mr. Vinay Bansal are not disqualified from being appointed as Directors in terms of Section 164 of the Act and are eligible for payment of sitting fees and commission, as payable to Non-Executive directors of the Company.

None of the Directors, Key Managerial Personnel of the Company or their relatives except Mr. Atul C. Choksey, Mr. Haigreve Khaitan, Mr. Mahesh S. Gupta, Ms. Punita Lal and Mr. Vinay Bansal is, in any way, concerned with or interested in the respective resolutions at set out in Item No. 6 to Item No. 10 of the notice, in so far as it concerns their respective appointment and payment of remuneration as a Non-Executive director.

The Board recommends the resolutions set out in Item No. 6 to Item No. 10 of the Notice before the Members for their approval by way of Special Resolution.

Item No.11 of the Notice:

Pursuant to Sections 197, 198 and all other applicable provisions of the Companies Act, 2013 read with Rules made thereunder, including any statutory modification or re-enactment thereof, for the time being in force (hereinafter referred to as 'the Act'), approval of the Members was granted at the 59th Annual General Meeting ('AGM') of the Company for payment of remuneration/ commission to the Director(s) of the Company who is/are neither in the whole-time employment with the Company nor Managing Director(s) of the Company, in such manner and up to such extent as the Board of Directors of the Company may so determine from time to time upon recommendation of the Nomination and Remuneration Committee, but not exceeding 3 (Three) percent of the net profits calculated pursuant to Section 198 of the Act and such payments shall be made in respect of profits of the Company for each financial year.

On the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on May 7, 2019 approved a remuneration of ₹ 3,80,30,000/- (Rupees Three Crores Eighty Lacs Thirty Thousand only) payable to Mr. H. V. Goenka, Non-Executive Director, Chairman of the Company for FY 2018-19, including sitting fees payable for the meetings attended during the year.

Mr. H. V. Goenka is a promoter of the Company and has about four decades of experience with the tyre sector during which he has also served as the Managing Director of the Company. Mr. Goenka's extensive experience in the tyre industry has been instrumental in helping guide the Company towards both short term growth as well as long term sustainability. As Chairman of the Board, Mr. Goenka provides vision and thought leadership which has seen the Company achieve high standards of corporate governance, innovation, brand visibility and growth-oriented project investments. Mr. Goenka invests considerable time reviewing the operations and performance of the Company and his interactions with the senior leaders and his role in building a talent pool in the Company has been significant in maximizing stakeholder value. The Board deems it appropriate to recognize his contribution and compensate such amount as remuneration as it deems fair. Pursuant to the terms of Regulation 17 (6)(ca) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, as amended vide Amendment notification issued by SEBI on May 9, 2018, necessitating Members' approval for paying remuneration in excess of 50% of the total remuneration payable to the Non-Executive Directors.

None of the Directors, Key Managerial Personnel of the Company or their relatives except Mr. H. V. Goenka himself and Mr. Anant Goenka, Managing Director is, in any way, concerned or interested in the resolution set out in Item no. 11 of the Notice.

The Board recommends the Special Resolution as set out in Item No. 11 of the Notice for approval of the Members.

Item No 12 of the Notice:

The Members of the Company had, by way of a Special Resolution passed under Section 180(1)(c) of the Companies Act, 2013 at the Annual General Meeting ('AGM') held on September 26, 2014, accorded consent to the Board of Directors to borrow money where the money to be borrowed, together with the money already borrowed by the Company exceed aggregate of its paid-up capital and free reserves apart from temporary loans obtained from the Company's bankers in the ordinary course of business, such that the outstanding at any time, would not exceed the limit of ₹ 1,000 Crores (Rupees One Thousand Crores only) in excess of the aggregate of the paid-up capital of the Company and its free reserves.

Considering the business plans and the growing fund requirements of the Company, as the Company has currently embarked upon certain projects and may also need funds for carrying out any unforeseen capital expenditure in the future, it is proposed to increase the existing borrowing limit of the Company.

Approval of the Members is therefore sought by way of a Special Resolution pursuant to Section 180 (1) (c) of the Companies Act, 2013 for grant of power to the Board of Directors for borrowing money such that the total amount outstanding at any time shall not exceed the limit of ₹ 2,000 Crores (Rupees Two Thousand Crores only) in excess of the aggregate of the paid-up capital of the Company and its free reserves, as aforesaid from time to time.

None of the Directors, Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the resolution set out in Item no. 12 of the Notice.

The Board recommends the Special Resolution as set out in Item No. 12 of the Notice for approval of the Members.

Item No 13 of the Notice:

The Members of the Company had, by way of Special Resolution passed under Section 180(1)(a) of the Companies Act, 2013, at the Annual General Meeting held on September 26, 2014, accorded the consent to the Members for creating a charge or mortgage or hypothecation on its movable or immovable properties. Consequent to increase in the borrowing limits of the Company, it would be necessary to revise the approval for

creation of charge on properties of the Company given by the Members in their General Meeting held on September 26, 2014.

It is therefore necessary for the Members to pass a Special Resolution under Section 180(1)(a) and other applicable provisions of the Act, as set out in Item No. 13 of the accompanying Notice to enable the Board of Directors to create any charge, hypothecation or mortgage on the movable or immovable properties of the Company.

None of the Directors, Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the resolution set out in Item no. 13 of the Notice.

The Board recommends the Special Resolution as set out in Item No. 13 of the Notice for approval of the Members.

Item No 14 of the Notice:

Pursuant to Sections 23, 42, 71 and other applicable provisions of the Companies Act, 2013 ('the Act') 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 the previous approval of its Members by means of a Special Resolution for making any offer or invitation to subscribe to non-convertible debentures 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 ongoing 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 invitation for 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 ₹ 500 Crores (Rupees Five Hundred Crores only).

The Members of the Company had by passing a special resolution at the Annual General Meeting held on July 20, 2018, granted approval to the Board to offer and issue Non-Convertible Debentures on private placement basis for an aggregate amount up to ₹ 500 Crores (Rupees Five Hundred Crores only) in one or more tranches, which is valid until July 20, 2019.

None of the Directors, Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the resolution set out in Item no. 14 of the Notice.

The Board recommends the Special Resolution as set out in Item No. 14 of the Notice for approval of the Members.

Under the Authority of the Board of Directors

Vallari Gupte
Company Secretary

Place: Mumbai
Date: May 7, 2019

CEAT Limited
CIN: L25100MH1958PLC011041
Registered Office: 463, Dr. Annie Besant Road, Worli, Mumbai 400 030
Telephone no.:022-24930621 Fax: 022-25297423
Email Address: investors@ceat.com;
Website: www.ceat.com

Details of Directors seeking Re-appoitnment at the Annual General meeting pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) of The Institute of Company Secretaries of India

Details of Directors seeking appointment/re-appointment at Annual General Meting

Particulars	H. V. Goenka	Atul C. Choksey	Haigreve Khaitan	Mahesh S. Gupta	Punita Lal	Vinay Bansal
Date of current appointment on the Board	October 16, 1981	September 26, 2014	September 26, 2014	September 26, 2014	September 26, 2014	September 26, 2014
Age	61	67	49	63	56	74
Qualifications	Graduate in Economics and MBA from IMD	Bachelor in Chemical Engineering from Illinois Institute of Technology Chicago	LLB	Honours Degree in B.Com; LLB (Gen.), Fellow Member of ICAI and ICSI (Third Rank and a Silver Medal in Company Secretaries Final examination).	BA (Hons.) in Economics and MBA from Indian Institute of Management, Calcutta	Master's degree in Science, Diploma in Business Management, Petroleum Management from Arthur D' Little, Massachusetts Institute of Development, US and Diplomas in French.
Directorship held in other public companies (Excluding foreign companies and Section 8 companies) as on May 7, 2019	• CEAT Limited • Bajaj Electricals Limited • Breach Candy Hospital Trust • Raychem RPG Private Limited • RPG Enterprises Limited • Zensar Technologies Limited • Spencer International Hotels Limited • KEC International Limited • RPG Life Sciences Limited	• CEAT Limited • Apcotex Industries Limited • Mazda Colours Limited • Shyamal Fin-vest (India) Limited	• CEAT Limited • Harrison Malayalam Limited • Inox Leisure Limited • Torrent Pharamaceuticals Limited • AVTEC Limited • Aditya Birla Sun Life Insurance Company Limited • Mahindra Holdings Limited • JSW Steel Limited • Gujarat Borosil Limited	• CEAT Limited • Peninsula Land Limited • RPG Life Sciences Limited • Peninsula Investment Management Company Limited • Morarjee Textiles Limited	• CEAT Limited • CIPLA Limited • Airtel Payments Bank Limited	• CEAT Limited

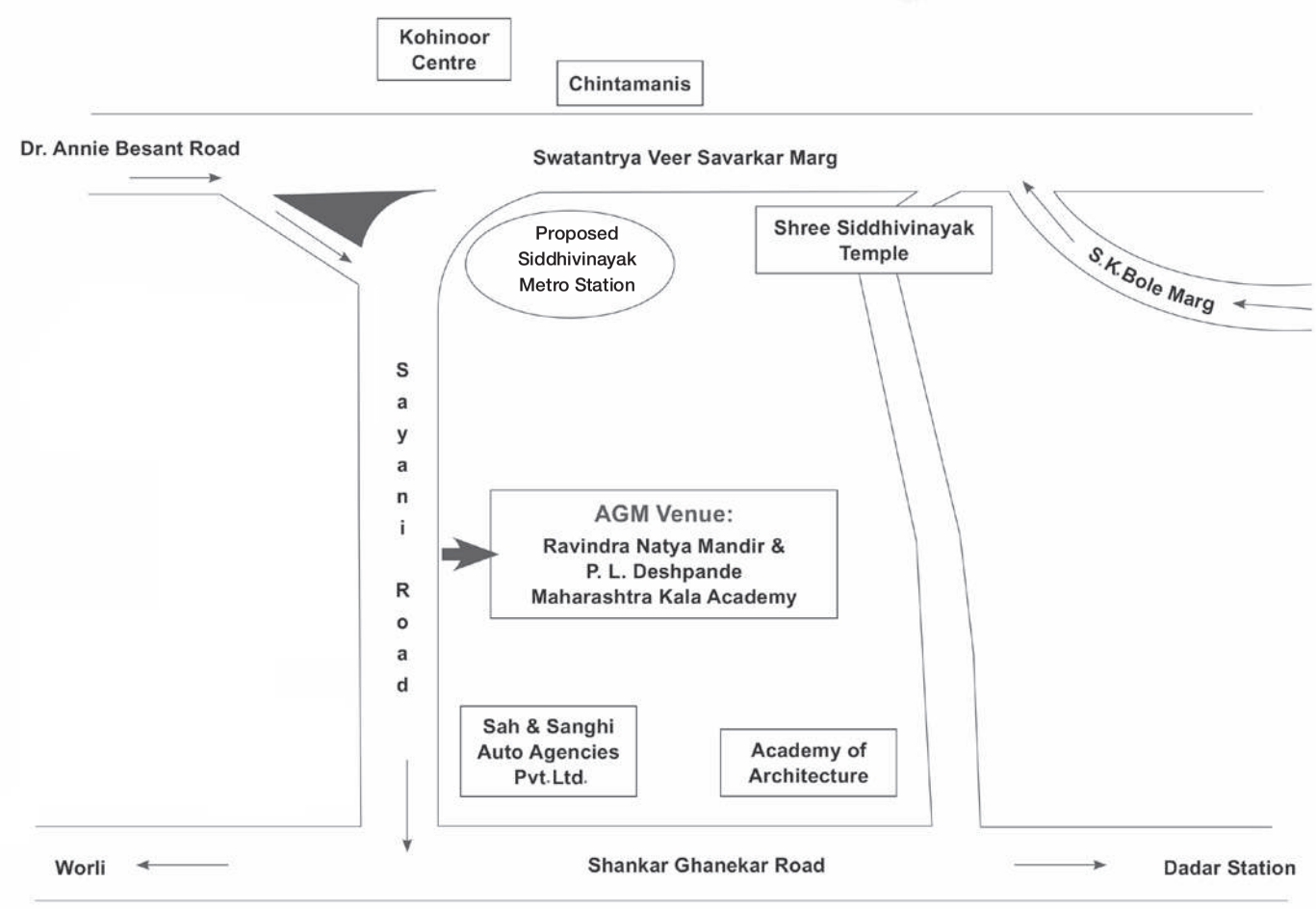
Details of Directors seeking appointment/re-appointment at Annual General Meting

Particulars	H. V. Goenka	Atul C. Choksey	Haigreve Khaitan	Mahesh S. Gupta	Punita Lal	Vinay Bansal
Membership / Chairmanships of committees of all public companies - only statutory committees, as required under the Companies Act, 2013 and Listing Regulations, viz. **AC** - Audit Committee, **SRC** - Stakeholders' Relationship Committee, **NRC** - Nomination and Remuneration Committee, **RMC** - Risk Management Committee, **CSR** - Corporate Social Responsibility Committee		**Apcotex Industries Limited** • CSR* • NRC	**Harrisons Malyalam Limited** • RMC • NRC* • AC* **Aditya Birla Sun Life Insurance Company Ltd** • RMC • AC* **AVTEC Ltd** • NRC • AC **Mahindra Holdings Limited** • NRC • AC **Inox Leisure Limited** • AC* **JSW Steel Limited** • AC **Torrent Pharamaceuticals Limited** • AC • SRC*	**CEAT Limited** • AC* • SRC • NRC* • RMC* **Morarjee Textiles Limited** • SRC • RMC **Peninsula Land Limited** • SRC • NRC **RPG Life Sciences Limited** • SRC* • RMC • AC **Peninsula Investment Management Company Limited** • NRC	**CEAT Limited** • CSR **CIPLA Limited** • NRC* • CSR **Airtel Payments Bank Limited** • NRC*	**CEAT Limited** • AC • SRC* • NRC • RMC
Number of shares held in the Company	1,33,932**	Nil	Nil	Nil	Nil	Nil
Relationships between directors inter-se and with Key Managerial Personnel	Mr. H. V. Goenka, Chairman is father of Mr. Anant Goenka, Managing Director of the Company	None	None	None	None	None
Brief resume, expertise in specific functional and other details	Brief profile of the Directors are provided under Corporate Overview section of the Annual Report. Other details such as number of meetings of the board attended during the year, remuneration drawn, etc., are available in the Corporate Governance Report.					

* Positions held as Chairman of the Committee

**Excluding shares held in the capacity of Trustee

Route Map for the 60th Annual General Meeting Venue



AGM Venue: Ravindra Natya Mandir, P. L. Deshpande Maharashtra Kala Academy, Sayani Road, Prabhadevi, Mumbai 400 025.
Landmark: Shree Siddhivinayak Temple

CEAT LIMITED

Regd. Office: 463, Dr. Annie Besant Road, Worli, Mumbai 400 030.
Corporate Identification Number (CIN): L25100MH1958PLC011041
Tel: +91-22-24930621(B)+91-22-25297423 (F) website:www.ceat.com. E-mail: investors@ceat.com

ATTENDANCE SLIP

(To be presented at the entrance of the meeting hall duly signed)

Registered Folio No./ DP ID/Client ID	
Name and address of the Member(s)	
No. of Share(s)	
Name of the Proxy/ Authorized Representative (In Block letters)	
Signature of the Member(s)/ Proxy/ Authorized Representative	

I hereby record my presence at the Sixtieth Annual General Meeting of the Company on **Thursday, August 1, 2019** at **3.00 p.m.** at Ravindra Natya Mandir, P. L. Deshpande Maharashtra Kala Academy, Sayani Road, Prabhadevi, Mumbai 400 025.

Note: Individual members/Proxy may kindly bring identity proof at the meeting venue. Authorized Representatives of the corporate members may please bring copy of the board resolution/Power of Attorney duly authorizing them to attend the meeting.

CEAT LIMITED

Regd. Office: 463, Dr. Annie Besant Road, Worli, Mumbai 400 030.
CIN: L25100MH1958PLC011041
Tel: +91-22-24930621(B) +91-22-25297423(F) website: www.ceat.com. E-mail: investors@ceat.com

FORM NO. MGT-11
PROXY FORM

[Pursuant to Section 105 (6) of the Companies Act, 2013 and Rule 105(6) and 19(3) of the Companies (Management and Administration) Rules, 2014]

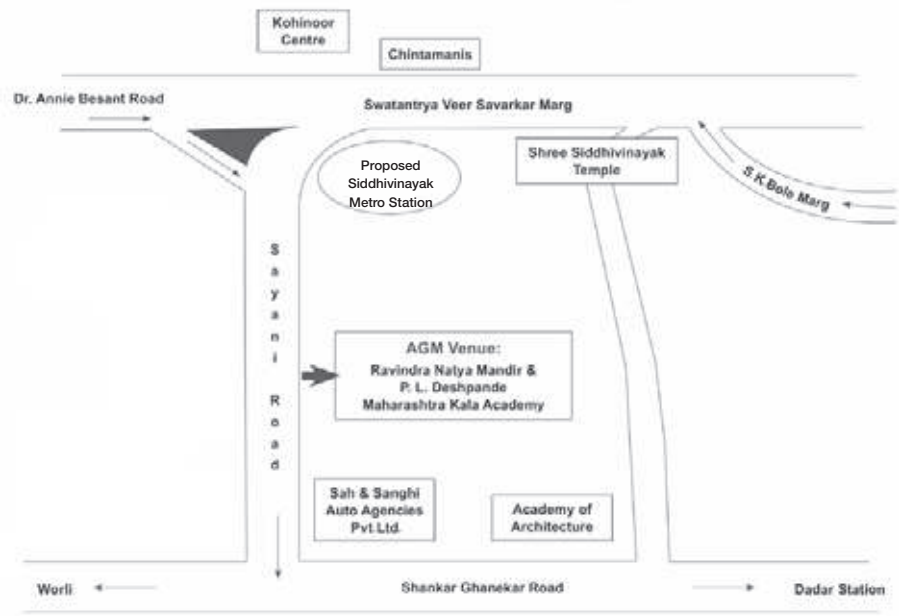
CIN: L25100MH1958PLC011041
Name of the Company: CEAT Limited
Registered Office: 463, Dr. Annie Besant Road, Worli, Mumbai 400 030

Name of the Member(s):	
Registered Address:	
Email Address:	
Folio No.:	
DP ID/Client ID:	

I/ We, being the Member(s) of ..... share(s) of the above named Company, hereby appoint;

1. Name: .....
   Address: .....
   Email Address: .....
   Signature: ..... or failing him/ her
2. Name: .....
   Address: .....
   Email Address: .....
   Signature: ..... or failing him/ her
3. Name: .....
   Address: .....
   Email Address: .....
   Signature: ..... or failing him/ her

Route Map for the 60th Annual General Meeting Venue



AGM Venue: Ravindra Natya Mandir, P. L. Deshpande Maharashtra Kala Academy, ayani Road, Prabhadevi, Mumbai 400 025.
Landmark: Shree Siddhivinayak Temple

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the Sixtieth Annual General Meeting of the Company on **Thursday, August 1, 2019** at **3.00 p.m.** at Ravindra Natya Mandir, P. L. Deshpande Maharashtra Kala Academy, Sayani Road, Prabhadevi, Mumbai 400 025 and at any adjournment thereof in respect of such resolutions as are indicated below:

Item. No.	Description	For	Against
1	Adoption of: a. Audited Financial Statements for the financial year ended March 31, 2019, together with the Reports of the Board of Directors and the Auditors thereon; b. Audited Consolidated Financial Statements for the financial year ended March 31, 2019, together with the Report of the Auditors thereon		
2	Declaration of dividend on equity shares at the rate of ₹ 12 per share for the year ended March 31, 2019		
3	Re-appointment of Mr. H. V. Goenka (DIN: 00026726) as a Director of the Company		
4	Authority for appointment of Branch Auditor of the Company		
5	Ratification of the Remuneration payable to Messrs D C Dave & Co., Cost Auditors of the Company		
6	Re-appointment of Mr. Atul C. Choksey (DIN:00002102) as an Independent Director for the second term		
7	Re-appointment of Mr. Mahesh S. Gupta (DIN: 00046810) as an Independent Director for the second term		
8	Re-appointment of Mr. Haigreve Khaitan (DIN: 00005290) as an Independent Director for the second term		
9	Re-appointment of Ms. Punita Lal (DIN: 03412604) as an Independent Director for the second term		
10	Re-appointment of Mr. Vinay Bansal (DIN:00383325) (Age 74 years) as an Independent Director for the second term		
11	Approval of remuneration payable to Mr. H. V. Goenka, Chairman, Non-Executive Director, for the year 2018-19		
12	Approval under section 180 (1)(c) of the Act for borrowings in excess of the aggregate of the paid-up capital of the Company		
13	Approval under section 180 (1)(a) of the Act for creation of mortgage/charge/hypothecation, on the movable or immovable properties of the Company		
14	Issuance of Non-Convertible Debentures upto ₹ 500 Crores on private placement basis		

Signed this ..... day of 2019

Signature of the shareholder: .....

Signature of Proxy holder(s): .....

Affix Revenue Stamp

.....
Signature across the stamp

Note: This form in order to be effective should be duly completed and deposited at the Registered Office of the Company at 463, Dr. Annie Besant Road, Worli, Mumbai 400 030, not less than 48 hours before the commencement of the Meeting.

NOTES

NOTES

Corporate Information

BOARD OF DIRECTORS

H. V. Goenka
Chairman, Non-Executive Director

Anant Goenka
Managing Director

Arnab Banerjee
Chief Operating Officer

Atul C. Choksey
Independent Director

Haigreve Khaitan
Independent Director

Mahesh S. Gupta
Independent Director

Paras K. Chowdhary
Independent Director

Pierre E. Cohade
Non-Executive Director

Punita Lal
Independent Director

Ranjit V. Pandit
Independent Director

Vinay Bansal
Independent Director

MANAGEMENT COMMITTEE

Anant Goenka
Managing Director

Arnab Banerjee
Chief Operating Officer

Dilip Modak
Sr. Vice President - Manufacturing

Kumar Subbiah
Chief Financial Officer

Milind Apte
Sr. Vice President - Human Resources

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

Shekhar Ajgaonkar
Sr. Vice President - Quality Based Management

Tom Thomas
Executive Director - Projects & Chief Mentor Technology

Vijay Gambhire
Managing Director - CSTL

COMPANY SECRETARY & COMPLIANCE OFFICER

Vallari Gupte

AUDITORS

S R B C & CO LLP

BANKERS

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

REGISTRAR AND SHARE TRANSFER AGENTS

TSR Darashaw Consultants Private Limited
(earlier TSR Darashaw Limited)
6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011

AUDIT COMMITTEE

Mahesh S. Gupta (Chairman)
Vinay Bansal (Member)
Paras K. Chowdhary (Member)

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Anant Goenka (Chairman)
Vinay Bansal (Member)
Punita Lal (Member)

FINANCE AND BANKING COMMITTEE

Anant Goenka (Chairman)
H. V. Goenka (Member)
Arnab Banerjee (Member)

NOMINATION AND REMUNERATION COMMITTEE

Mahesh S. Gupta (Chairman)
Paras K. Chowdhary (Member)
Vinay Bansal (Member)

RISK MANAGEMENT COMMITTEE

Mahesh S. Gupta (Chairman)
Vinay Bansal (Member)
Paras K. Chowdhary (Member)

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Vinay Bansal (Chairman)
Mahesh S. Gupta (Member)
Paras K. Chowdhary (Member)

CEAT Limited
CIN: L25100MH1958PLC011041
463, Dr. Annie Besant Road,
Worli, Mumbai 400 030
Email: investors@ceat.com
Telephone: 022-24930621

Plants

- Village Road, Bhandup, Mumbai 400 078
- 82, MIDC, Industrial Estate, Satpur, Nashik 422 007
- Village Gate Muvala, Halol, Panchmahal, Gujarat 389 350
- Plot No.SZ-39, Butibori MIDC, Nagpur 441108

/Concept, content and design at AICL (hello@aicl.in)

CEAT LIMITED
463, Dr. Annie Besant Road, Worli, Mumbai - 400 030
Tel - 022 24930621, www.ceat.com

A RPG Company