



TRANSCRIPT OF THE PROCEEDINGS OF THE SIXTY-SECOND ANNUAL GENERAL MEETING OF CEAT LIMITED HELD THROUGH VIDEO CONFERENCING ('VC') / OTHER AUDIO-VISUAL MEANS (OAVM) ON TUESDAY, SEPTEMBER 14, 2021 AT 04:30 P.M.

PARTICIPANTS

Mr. H. V. Goenka

Chairman

Mr. Anant Goenka

Managing Director

Mr. Arnab Banerjee

Chief Operating Officer

Mr. Atul C. Choksey

Independent Director

Mr. Haigreve Khaitan

Independent Director

Mr. Mahesh S. Gupta

Independent Director

Mr. Pierre Cohade

Non-independent Director

Ms. Priya Nair

Independent Director

Mr. Vinay Bansal

Independent Director

Ms. Vallari Gupte

Company Secretary

Mr. Kumar Subbiah

Chief Financial Officer

Mr. Harsh Vardhan Goenka

Good evening, Members! I hope that you and your family are fine and safe.

I take great pleasure in welcoming you to this Sixty-Second Annual General Meeting of your Company. The quorum being present, the meeting can now commence.

In view of the continuing COVID-19 pandemic and to ensure social distancing norms, this Sixty-Second AGM of the Company is convened through Video Conferencing or Other Audio-Visual Means, in accordance with various circulars issued by the Ministry of Corporate Affairs and SEBI in this regard and in compliance with the applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations, 2015.

I would now like to introduce with my fellow members on the Board, who are present in this meeting.

- I am Harsh Goenka
- Mr. Anant Goenka, Managing Director and Chairman of Corporate Social Responsibility Committee
- Mr. Arnab Banerjee, the Chief Operating Officer of the Company
- Mr. Atul C. Choksey, Independent Director
- Mr. Haigreve Khaitan, Independent Director
- Mr. Mahesh S. Gupta, an Independent Director and Chairman of the Audit Committee, Risk Management Committee and the Nomination and Remuneration Committee
- Mr. Pierre Cohade, the Non-Independent Director
- Ms. Priya Nair, Independent Director
- Mr. Vinay Bansal, Independent Director and Chairman of the Stakeholders' Relationship Committee
- Representatives of the Statutory Auditors "S R B C & CO LLP" and Secretarial Auditors "Parikh & Associates" are also attending this meeting.

The Company has received 19 Corporate Authorizations, representing 1,87,92,159 (One Crore Eighty-Seven Lacs Ninety-Two Thousand One Hundred and Fifty-Nine) equity shares of the Company constituting 46.46% of the total paid up equity share capital of the Company. Since, the meeting is being held through video-conference, there is no proxy facility available for this meeting.

The Register of Directors & KMPs (including their shareholding) maintained under Section

170 and Register of Contract maintained under Section 189 of the Companies Act, 2013, are available for inspection electronically.

The Notice of the meeting and the Integrated Annual Report of the Company for FY 20- 21 have already been with the Members sent through electronic mode, in accordance with the circulars issued by the Ministry of Corporate Affairs and SEBI. We, therefore, take the notice as read.

In case of Item No. 6 of the AGM Notice concerning the re-appointment of Mr. Paras Chowdhary, in view of his resignation from the Board as an Independent Director with effect from 3rd September, 2021, the resolution has become inoperative and stands withdrawn. As such no voting results would be provided on the said Resolution No. 6 by the Scrutinizer.

As the Statutory Auditors' Report and the Secretarial Auditors' Reports do not contain any qualification, observation or adverse comments, it is not required to read these Reports at the meeting.

Now I would like to brief the Members on the operational and financial performance of the Company.

CHAIRMAN'S SPEECH – Mr. Harsh Vardhan Goenka

The Integrated Annual Report and the Audited Accounts of the Company for the Financial Year ended 31st March, 2021 have been with you for some time and I hope that you have gone through the same.

The Company had resumed its factory operations in a phased manner from early April 2020 following the COVID-19 lockdown last year. Through the Financial Year 2021, the Company undertook several initiatives to generate sales, optimize costs, maintain supply chains and manage cash flows efficiently. Safety of employees and business associates continues to be given top priority. Detailed SOPs for safety measures without hampering productivity has been put in place at plants and other locations.

On the community front, the Company has made various interventions which have been instrumental in touching the lives of thousands of people who have been affected by the pandemic. CEAT helps to support hospitals, provided facilities for COVID testing booths and ventilators across the country besides many other measures of daily living support to displaced people in the communities around us.

I would now like to brief you about the Company's performance during the year 2020-21.

The year under review was challenging in terms of revenue growth owing to fall in demand from automobile manufacturers, dip in consumer sentiment and a drop in the revenue in the first quarter, due to the COVID-19 pandemic. With agile responses and by quickly adapting to the situation, the Company bounced back to achieve a healthy annual performance. On a consolidated basis, the Company recorded revenue from operations of Rs. 7,610 Crores, a growth of 12% as compared to Rs. 6,779 Crores for the previous financial year.

The Company recorded a consolidated net profit of Rs. 432 Crores, against a net profit of Rs. 230 Crores in the previous financial year.

Despite the challenging business environment, focus on optimizing product mix, reducing raw material cost and overheads management helped the Company deliver improved EBITDA margins. The Company's EBITDA increased by about 37% to Rs. 1,019 Crores, as against Rs. 741 Crores in the last financial year.

During the year, the Company progressed well on its digital transformation agenda and commenced new offerings such as tyre-as-a-service for large fleet operators, automated its business processes through robotics and also applied tools like image-analytics to enhance customer experience.

CEAT developed 175 new products during the year in various segments from its R&D Centre at Halol in Gujarat and also its European Technical Centre in Frankfurt, Germany which have been received well.

During the year, the NCLT approved the Scheme of Amalgamation for merger of CEAT Specialty Tyres Limited, a 100% wholly-owned subsidiary of CEAT, with the Company. Under the said Scheme entire business of CEAT Specialty Tyres Limited was transferred to the Company with effect from April 1, 2019 and the operations have been integrated from 1st September, 2020.

The Joint Venture of the Company in Sri Lanka reported a revenue of Rs 458.73 Crores as compared to Rs 370.51 Crores for the previous year. The profit after tax was Rs 75.69 Crores as compared to Rs 37.15 Crores in the previous year. The Company continued to enjoy overall market leadership in all categories of tyres in Sri Lanka.

CEAT AKKhan Limited is the joint venture of the Company in Bangladesh. During the year under review, its revenue was Rs 123.8 Crores as compared to Rs 100.7 Crores in the previous year.

During the year, the Company increased production at its greenfield manufacturing facility near Chennai for Passenger Vehicle tyres and at the expansion project for Truck & Bus Radial (TBR) tyres at Halol. The enhanced manufacturing capacity of 2-Wheeler tyres at the Nagpur facility commenced on commercial basis during the year.

The Company has already made investments in excess of Rs.2,600 Crores across its expansion plans in Chennai, Nagpur and Ambarnath. The balance of 1,400 Crores investments is planned in the next 2 years.

In FY21, the Company incurred total expenditure of Rs. 643 Crores, funded largely from internal accruals. To expand capabilities in the TBR segment and capitalise on export opportunities, the Board recently approved an outlay of Rs. 1,205 Crores to be funded

through an optimum combination of debt and internal accruals.

The Company is also investing in various projects towards renewable energy sources, primarily solar power, and plans to access 50% of the energy requirement for all its factories, through green sources.

The early part of Financial Year 2021-22 coincided with a spike in infections because of the pandemic due to the second wave in India. This had resulted in lockdowns in many parts of the country which led to a halt in economic activities, also affecting the auto sector. The disruption did affect the Company's performance in the first quarter, though the impact was not as much as the last year.

On a consolidated basis the revenue for the first quarter was Rs. 1,906 crores as against Rs. 1,120 crores in the same quarter of the previous year with a net profit of Rs. 23 Crores as against net loss of Rs. 35 Crores for the same quarter of the previous year.

In the short to medium term, global automobile sales may remain volatile as nations counter COVID waves with lockdowns and restrictions. With the need for social distancing and hygiene, coupled with financial constraints, customers are expected to prefer affordable personal mobility modes. The Raw material price scenario may continue to remain challenging. The Company has streamlined its business processes to prevent any material impact on the operations and financial position of the Company due to the COVID-19 pandemic based on current scenarios for the future.

I wish to place on record our appreciation to all our stakeholders for their continued support and most of all to you Shareholders for the continued support and confidence, you have reposed in the Company.

Thank you.

Before we invite the speaker Members to speak at this meeting, I would request the Company Secretary to make an announcement with respect to e-voting facility which has been activated for voting at the AGM.

Ms. Vallari Gupte

Thank you, sir.

Dear Members,

Good evening. In compliance with the relevant provisions of the Companies Act, 2013, Rules made thereunder and SEBI Listing Regulations, the Company had provided the facility to the Members to exercise their right to vote on the business proposed to be transacted at this AGM through remote e-voting for the period commencing from September 11, 2021 to September 13, 2021. In order to facilitate voting to those Members, who have not exercised their right to vote through remote e-voting, the Company has also provided facility to vote at this AGM

through the e-voting platform of NSDL.

Mr. Mitesh Dhaliwala, of M/s Parikh & Associates, Practising Company Secretaries, has been appointed as the Scrutinizer for remote e-voting as well as e-voting at this AGM, who would scrutinize the votes and hand over the combined report on voting within two working days of the conclusion of this AGM.

Upon receipt of the Scrutinizer's Report, the result of voting along with the Scrutinizer's Report shall be uploaded on the website of the Company, NSDL and shall also be submitted to the Stock Exchanges.

Since the meeting is being held through Video Conferencing / Other Audio Visual Means and the resolutions mentioned in the Notice convening this meeting have already been put to the vote through "remote e-voting" there is no proposing and seconding of resolutions.

Thank you. I, now request the Chairman to please continue with the proceedings.

Over to you, Sir.

Mr. Harsh Vardhan Goenka

The Company had provided the facility to the Members to register themselves as speakers in advance by sending request from their registered email ID to express their views or queries during the AGM.

We have received requests from few of the Shareholders. As I call out each name the host will unmute the Member and he / she may please put on the video and speak and I would request you to be to the point.

Mr. Harsh Vardhan Goenka

First is Vasudha Dakwe

Ms. Vasudha Dakwe

Hello can you hear me sir?

Mr. Harsh Vardhan Goenka

Yeah, I can hear you.

Ms. Vasudha Dakwe

Very Good Afternoon! Respected Chairman Sir, Board of Directors and my fellow Shareholders. Myself Vasudha from Thane, I will also like to congrats our Company Secretary and her team for sending me the soft copy of the report well in advance which itself is clear and transparent. The opening speech given by Goenka Sir is also very informative and transparent, I would also like to appreciate him.

First of all I would like to ask, what is your next 2 to 3 years capex plan?

Secondly I would like to ask, what is the impact of COVID-19 on our current staff, those who are working from home as well as those who are on casual and contract basis and what steps you have taken for the benefit of them?

With this I support all my family members, all your resolutions and wish the Company All the Best for coming financial years also I wish for our Ganpati festival as well as Dussehra and Diwali festivals coming soon.

Thank You Sir!

Mr. Harsh Vardhan Goenka

Thank You!, Mr. Yashpal Chopra

Mr. Yashpal Chopra

Am I audible?

Mr. Harsh Vardhan Goenka

Yes! You are.

Mr. Yashpal Chopra

Am I audible Sir?

Mr. Harsh Vardhan Goenka

Yes! You are.

Mr. Yashpal Chopra

Hello?

Mr. Harsh Vardhan Goenka

We can hear you.

Mr. Yashpal Chopra

Hello? Am I audible?

Mr. Harsh Vardhan Goenka

Yes! You are audible, we can hear you, Mr. Chopra.

Mr. Yashpal Chopra

Thank You!

Ms. Vallari Gupte

Sir, we seem to have some network connectivity issue with Mr. Chopra.

Mr. Harsh Vardhan Goenka

Mr. Chopra, we can't hear you now. Alright move to Mr. Sharad Shah.

Mr. Harsh Vardhan Goenka

I think Mr. Chopra is trying to say something. Just one second, Mr. Chopra can you finish your question?

I don't think we can hear Mr. Chopra, Mr. Chopra?

Mr. Harsh Vardhan Goenka

I think we will move to Mr. Sharad Shah then.

Ms. Vallari Gupte

Yes Sir, I think there is some technical challenge, if you can just give me one second.

Mr. Sharad Shah

Hello, can you hear me Sir?

Mr. Harsh Vardhan Goenka

I can hear you.

Mr. Sharad Shah

And can you see me also?

Mr. Harsh Vardhan Goenka

I cannot see you.

Mr. Sharad Shah

Okay Okay.

Mr. Harsh Vardhan Goenka

Now I can see you.

Mr. Sharad Shah

Sir, I will start with Q4 Results, May 5th 2021, we have got Q4 Results available and Q4 Results are so good that it is practically 3 times of previous Q4 Results and this has increased our Earning Per Share for this year and it is not only increased, we have a century, first time in CEAT for EPS, so as per my observation is Sir, in so many annual reports I found out but only 2 or 3 reports, Q1, Q2, Q3 and Q4 Results, so it becomes very easy for to compare, so if you follow this system in next year that will be much better because we don't have these paper cutting all the time, and because EPS is doubled Share Price is doubled and you can see page reference is 135, 157, 233 pages and it is a good thing for a Company is if I refer page number 28, 08, 09, that debt is reduced by Rs. 516 Crores and it is lower than previous two years, so what is the debt ratio that is not important, but we could provide Rs. 511 Crores to reduce the debt is very important. And if you see one thing, see I was looking 5th September Times of India and Narayan Murthy said who takes care of common salt because it is a common property then his performance is always good, is this sentence he said after 1930.

Sir, Another thing, Total tyre import is reduced for last 6 years, so it means, page number 79, so it is definitely good for a Company and if I refer page number 80 our replacement business is increased by 7% to 65% and now what is happened, now tyre is a Fast Moving Consumer Good (FMCG) Sir, and our is a city business for life-time and if I look to other things like page number 77 you talk about sales of PV and CV and No Chips, No Semi-Conductors these things are not going to bother us, the day will come one day the automobile industry will say we are short of tyres like chips and semi-conductor if our replacement business increases. And if I refer page number 11 Sir, Conservation of Energy, we use you said PNG and we are not saying that PNG we use only in emergency so it is a good thing permanently we use. Also Biomass and Solar, we are using, So our Plants are clean and this I observed in Bhandup Plant because it was the most dirtiest plant 7-8 years back and when I visited second time it was totally clean with the help of your Japanese Consultant and it is a plant of 1950s and 21 acres land and nobody now complaints about this plant.

Sir, we have got exports to USA also, so that is also a good thing and what is page number 54, we are saying that we are using reclaimed rubber of 9158 Metric Tonne (MT), so what is this percentage of our total requirement that I would like to know and because rubber is our 50% raw material, whether we have planned from 1950 any backward integration that is not clear in the balance sheet. If refer page number 56, then we have got 1 Lac MT renewable material and 2.68 Metric Tonnes non-renewable material, I am not clear what it contains in renewable and what it contains in non-renewable which is not in the balance sheet and if you can clarify that will be much better and when I refer page number 31, you are using robotic automation system for financial things so that you can reduce the cost and the time but what I found that why we should not go for blockchain, which simplifies you see and which is more accurate but at the same time it is bit costly also but with time the accuracy of that should cover our cost and TSR particularly, Ms. Smitha Rao is very good and Notice see in soft copy if you put notice at the end then Shareholder find it difficult because speaker registration and all so many things he cannot, it will take so much time so Notice in soft copy should be always first Sir.

And what I have seen is employment cost is Rs. 680 Crores Sir and our profit PAT is Rs. 415 Crores so definitely it looks like that we should look into this matter and I am very happy yesterday's economic times what it was saying that RPG has given 60% rise in July 21 to the employees and last year you have not given anything and January you have given something but July you have given 60%, see anyways we have to consider employees also because they do also work like Shareholders also demand more money but employee also do work so we should take care of them and thank you very much for giving me all support and thank you to our Vallari Gupte for continuously behind me to have a meeting and that so thank you very much sir.

Mr. Harsh Vardhan Goenka

Thank You!

Mr. Harsh Vardhan Goenka

Mr. Kirti Shah.

Ms. Vallari Gupte

Sir, Mr. Kirti Shah has not connected we can go to the next Speaker Shareholder.

Mr. Harsh Vardhan Goenka

Mr. Praful Chavda

Mr. Praful Chavda

Hello, am I audible?

Mr. Harsh Vardhan Goenka

Yes, you are audible.

Mr. Praful Chavda

Thank You Sir, First of all thank you very much for the opportunity for attending the sixty-second AGM of the Company, Sir we have a very big brand name that whenever someone goes into tyre shop they first ask for CEAT only and when tyres are sold we feel happy and the sellers like CEAT, distributors also like CEAT, so sir I would like to thank you for creating such a brand.

Especially for raw materials, what do we do sir?

For our requirements, whether we import from China? or do we have any holdings in rubber plantations in Kerala or do we support farmers for producing rubber for us? Kindly enlighten us.

Sir I bought 1 share especially for attending this AGM as a speaker shareholder, Sir I have

some concerns which I would like to share. First of all you hire cricketers for publicity, Sir our products are good, they are number one, if our products are really good then why do we hire famous stars and cricketers for our publicity? Instead of this we should spend more on CSR or we should encourage athletes, both girls and boys, who participate in Olympics for India, we should support Olympic athletes who have won medals for India by making them our brand ambassadors. This will also help them, our Indian Government, our Prime Minister Narendra Modi feels so delighted when our athletes win medals, whether it be silver or gold or any other medal, even our Prime Minister Narendra Modi personally thanked them, so we should also do something for them and we should also support them.

Nowadays this is very much trending on the social media that, all those simple people win medals for India than the privileged ones. So we should support the real athletes of India. Sometimes these cricket players play well and sometimes they don't, but our tyres are not like them. Our tyres have full guarantee, if there is any issue in tyre, CEAT resolves it within 1 day, within 24 hours, this is our service.

Secondly, CEAT hired Aamir Khan as our ambassador, recently I came to know, it is Aamir Khan, earlier I didn't know it was Aamir Khan, I used to think it was someone else. On social media I have come across various instances where he has hurt hindu sentiments. If we boycott CEAT, then it can lead to serious consequences. Anyone who becomes brand ambassador of CEAT should not make fun of any one's religion, should not hurt religious sentiments of any person. It's okay if they speak anything about their own religion but they should not speak anything bad about our religion. CEAT should warn them that this should not happen next time, I have heard on social media (not heard him personally) that he says he doesn't like India, that he does not want to stay in India, if he says all this then why do Indian companies support him, when our Army men lose their lives for India he neither supports their families financially nor he visits their home. He has never shown sympathy for them, then why you have chosen him as our brand ambassador, have you surveyed that by taking him as brand ambassador our business will become double, no our business doubles because of our service, our production, and because our brand is good. Thank You Sir!

Mr. Harsh Vardhan Goenka

Thank you very much for the keen interest that all of you have taken in affairs of the Company.

Ms. Vallari Gupte

Sir, Mr. Yashpal Chopra has connected, can we try taking him back in the meeting?

Mr. Harsh Vardhan Goenka

Yes, Please.

Ms. Vallari Gupte

Thank You!

Mr. Yashpal Chopra

Please unmute me, Please unmute me, yeah, Hello?

Mr. Harsh Vardhan Goenka

Yes we can hear you

Mr. Yashpal Chopra

Sir, I don't know how it got disconnected so my first request was meant for Investors concern and now the concern is we want the Company to go for acquisition and the target which is in my mind is that the one of the best oldest prominent Company Dunlop which lying sick somewhere in Calcutta I think so why doesn't the our Company thinks of acquiring such company because after all they have got all the plants and everything is there so as a strategy we must think of, we must sense of thriller for that and we must try to acquire that company because that will give a big strength because virtually that is a Dunlop means you know that how strong that name is for the tyre industry and the last is that my request that I am a person, 82 years old, I cannot read those digital balance sheets and all that I will feel obliged if you can arrange to send a copy of, hard copy, if the Company has printed, no problem not to print for me, if it is lying in your stock you please send to it, and before I close, I must compliment Madam Vallari Gupte and her team for the excellent corporate governance, she has taken a lot of pain in getting me connected from Delhi so Sir I would rather wish that let this system of this conference call go on even in future because of that we can get a chance to meet those person whom we love from our heart, you see this Goenka Family that is the one of the best industrialist house whether it is in Calcutta or it is in Bombay.

So we are very much proud of you sir and we want that our Company should grow day in and day out because if the Company has done such a marvellous achievement during those COVID period so we can expect that far better results in the future to come because our future is definitely better because now the people have learnt how to live well along with corona by maintaining the protocol of protection and all that so sir we are very much hopeful and I pray God to bestow positivity on you all from the top to the bottom and so that in that positivity will give big strength to my Company, and strength to my Company is strength to my investment so best of luck to you and best of luck to everybody in the Company of whose dedication and sincerity, we are just getting the fruits. Thank You!

Mr. Harsh Vardhan Goenka

Thank You Very Much! Let me attempt to answer all the questions, Vasudha Dakwe, thank you very much for your kind words, our total investment plan for the next 3 years is around Rs. 2,500 Crores, the things that we have done for our employees is that we have, the most important is, we have not had a salary cut, we have been very reasonable with them, we have maintained the right SOPs for social distancing, for mental fitness we have tried to do tie up with a clinic, we have a Chief Fitness Officer, so we have done all that we can and the good news is today I don't think we have any case, as far as active cases, as far as COVID is

concerned.

Mr. Sharad Shah, Thank You Very Much! for your kind observations, we will keep it in mind and have the quarterly results and also the Notice, the debt has gone down by Rs. 511 Crores because of better performance and there has been, as you very rightly said, import restrictions by the Government and for that reason by nearly 70% imports have come down of tyres mainly of car tyres and they were primarily coming in from China, the chips are not bothering us directly in tyres but yes it has been affecting our OEMs and we found many of the OEMs having a chip shortage in the first quarter of this year and that they have reduced their production for that reason, as far as reclaimed rubber is concerned, the total is about 4.5% of the total rubber consumption and as far as rubber backward integration is concerned it really doesn't make much sense, within the group we have a company called Harrisons Malayalam, but we hardly buy any rubber from them but we do tie-ups with many of the producers for long term contracts, as far as renewable material is concerned, it is natural rubber, silica, clay and resins, and non-renewable materials are things like carbon black, synthetic butadiene rubber, fabric, bead wire, etc.

You gave a very good idea as far as blockchain is concerned, excellent, and we will work, we are working towards it, we are still at an experimenting stage, hopefully in near future we will have something which is much more concrete to tell you. As far as employees are concerned, we have always believed them as the most important partners for progress and we have always been right and most important, fair with them.

Mr. Praful Chavda, we buy raw materials mainly from India and we also import some of them from China and South-East Asia, and you gave a suggestion to make winners of Olympic games as brand ambassadors of our Company which is really a very good suggestion, we will definitely look into it. And your feelings, which you have expressed for Aamir Khan, we will take note of it. But I have one suggestion for you, that whatever you read on social media, of that you should discount much of it.

Mr. Yashpal Chopra, Thank you very much for your kind words, you gave an excellent suggestion about the acquisition of Dunlop. For your information, long time back Dunlop was part of our family group but later on it got moved to some other people and now it is in extremely bad shape there is a plant in West Bengal, in Chennai they have four plants, riddled with lot of problems, so it just doesn't make sense for us for anybody for that matter to try to open that company. I will also request the Company Secretary to send you a hard copy if we have one.

I take this opportunity to place on record our grateful appreciation to all our customers, bankers, employees and most importantly, the Members, for their continued support.

I once again thank the Members of the Company for attending this Sixty-Second AGM of the Company. I declare the meeting has concluded.

Now those Members, who have not voted through remote e-voting may cast their votes

during next 15 minutes. I authorize the Company Secretary to receive the combined voting report from the Scrutinizer and submit the same to the Stock Exchanges.

Thank you!