Advancing Mobility, Redefining Safety, Every Mile of the Way

Integrated Annual Report
2023-24

About RPG

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

hello happiness

"Hello Happiness" is our passion and our guiding principle. It reflects our core values and who we are: unlocking potential, enriching lives, exceeding expectations, and building a joyful environment.

"Hello Happiness" underlines RPG Group's unwavering commitment to creating a positive ripple effect. Our people, products, services, and initiatives all contribute to a better world for our customers and investors through sustainable growth. We foster a work environment that prioritises employee development, satisfaction, and well-being.

"Hello Happiness" is our firm belief in the transformative effect of workplace happiness, which can enhance performance, creativity, collaboration, and resilience. It is action- oriented to finding and achieving our purpose in life, both organisational and personal. It is a proud proclamation that we are an organisation where happy people keep the interests of all our stakeholders ahead of themselves, becoming a force for positive change.

CEAT is committed to creating a sustainable future through its philosophy of 'Making Mobility Safer & Smarter. Every Day.' The Company strives to innovate and transform its products and services to ensure safety and reliability for its customers.

CEAT also aims to establish a strong global presence by responding to the evolving needs of respective markets.

The Company received the 'Deming Grand Prize', a prestigious award in Total Quality Management, which reflects its dedication to its purpose. CEAT is the first tyre Company in the world to get this recognition.

CEAT believes that its people are the key to shaping a sustainable future. The Company values its workforce and fosters a culture of people centricity.

CEAT also demonstrates its social responsibility through the relationships with its stakeholders including the communities where it operates. CEAT is thus marching towards its goal of creating shared value for all its stakeholders, by Advancing Mobility, Every Mile of the Way.

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CEAT on Social Media:

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

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

For more details, please visit www.ceat.com

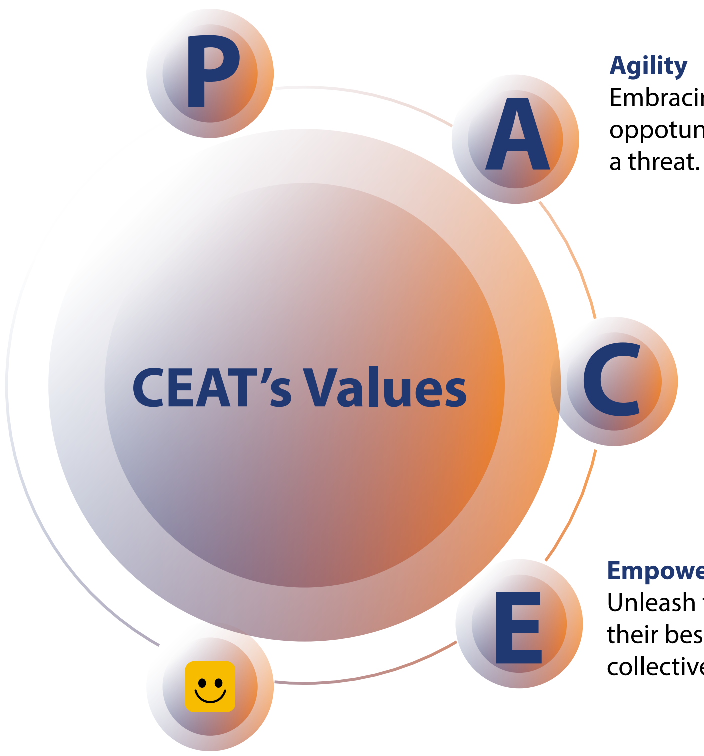
CEAT - Captivating Excellence, Mile after Mile

RPG Group acquired CEAT Tyres of India in 1981, marking a pivotal moment in its history. CEAT has always kept its customers' safety at the helm of its business, as is driven by its purpose statement: 'Making Mobility Safer & Smarter. Every Day.' This commitment extends beyond road safety to include environmental stewardship, with a target to halve its carbon footprint by 2030.

Over the years, the Company has forged partnerships with various tyre majors globally. In 1992, it expanded its footprint into Sri Lanka through a successful joint venture, where it now holds a dominant market position. During FY24, the Company received the prestigious Deming Grand Prize, a hallmark of excellence in Total Quality Management (TQM), making it the first tyre Company worldwide to achieve this distinction. It continues to be one of the major tyre exporters with a footprint across 110+ countries. The key megatrends of Electrification, Premiumisation, Internationalisation and Digitisation are covered in detail in various sections of this Annual Report.

MAKING MOBILITY SAFER & SMARTER. EVERY DAY.

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



Agility
Embracing change as an oppotunity and not a threat.

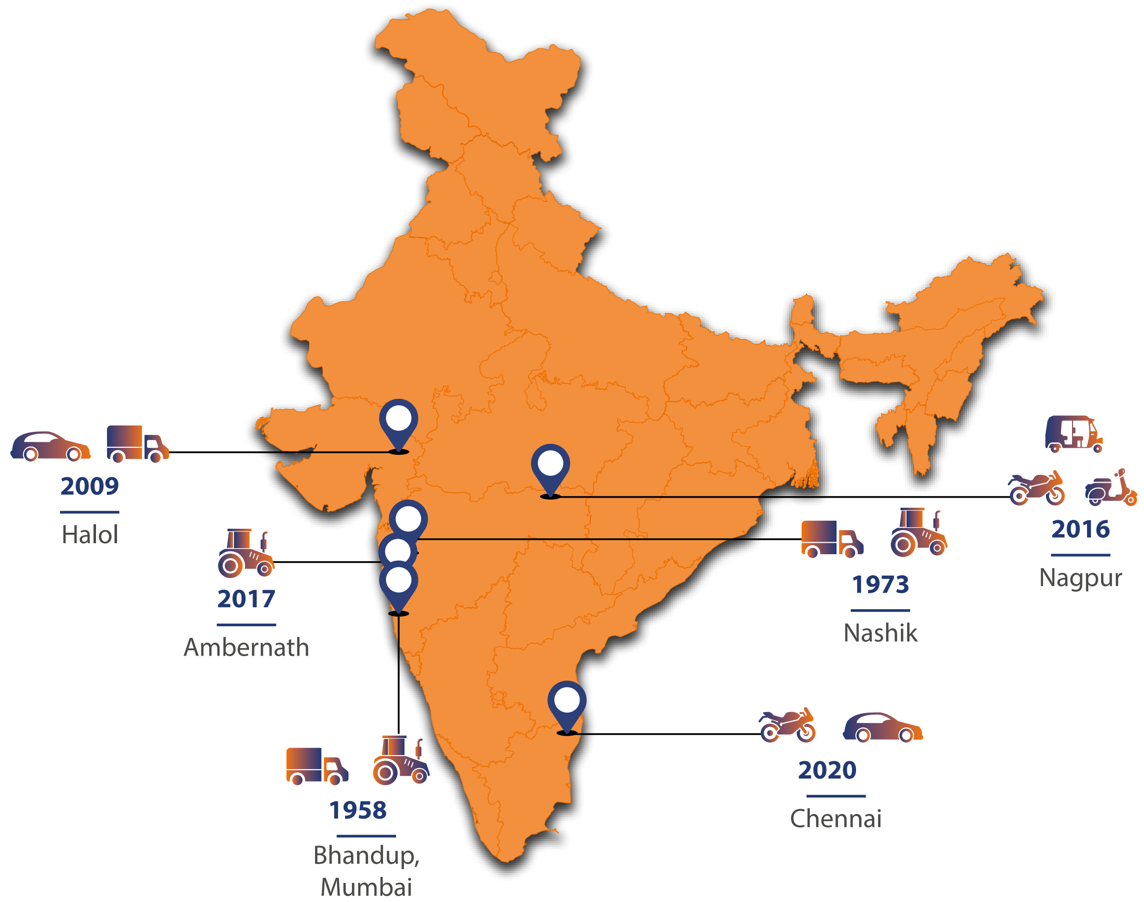
Customer Obsession
Existence only to wow customers and to touch lives

Empowerment
Unleash talent to bring their best game to drive collective success.

Caring
Build an ecosystem of trust and care for the people.

Global Outreach

Domestic Presence (Plant Locations)



Maps in this report are simplified illustrations, indicative of locations and thus be construed for that limited purpose only.

Chairman's Message

CEAT's steadfast commitment towards its key growth pillars led to commendable growth across all product segments.

Dear Shareholders,

Fiscal year 2024 witnessed a healthy domestic resilience in the backdrop of continued global uncertainties. The global economy remained turbulent due to ongoing geopolitical conflicts. While inflation pressures started subsiding, supply chain challenges have continued particularly in certain sectors. All major economies experienced a slowed down with some of them even slipping into recession. However, India has continued to march ahead driven by a strong domestic economy, stable political situation, timely interventions to tame inflation, and the government's strategic focus on strengthening physical and digital infrastructure along with a push for 'Make in India'.

For the Indian tyre industry, input costs moderated in the first half of the year and have remained stable thereafter. Domestic demand remained encouraging throughout the year. CEAT's steadfast commitment towards its key growth pillars led to commendable growth across all product segments and markets as well as a notable recovery in profitability. Our strategic expansion in Europe and Americas, particularly in the Off-Highway business, promises growth prospects going forward.

I am delighted to announce that CEAT's unwavering dedication to quality and process efficiency has once again garnered global recognition. We have recently been awarded the prestigious Deming Grand Prize, making CEAT the only tyre Company globally to achieve this remarkable feat. This accomplishment stands as a testament to our ethos of customer-centricity, world-class practices, and cutting-edge facilities, all of which are pivotal in our pursuit of excellence.

We remain committed to reduce our carbon footprint by 50% by 2030 and have made significant progress towards this goal during the year. We have also intensified our efforts on water conservation, renewable energy, sustainable sourcing and creating a workplace for the future characterised by agility, innovation and inclusivity.

Thank you for your unwavering support in our journey towards making mobility safer and smarter, every day. We hope for your continued patronage as we lead CEAT into the next era of growth.

H.V. Goenka
Chairman

Vice-Chairman's Message

For last 100 years, CEAT has been at the forefront of the tyre industry, shaping mobility and safety across the globe. As CEAT celebrate its centenary, it stands tall as a testament to resilience, innovation, and commitment towards serving its customers

Dear Shareholders,

Global Scenario

The world continues to face geopolitical uncertainties with the prolonged Russia-Ukraine conflict, and the ongoing Israel-Hamas war. These events have cast a shadow over the global economic landscape, leading to volatility in markets and concerns over energy security and supply chains. Despite these challenges, India is a beacon of stability and growth, with its GDP expected to grow by 7%+ in fiscal year 2025. This robust economic outlook, positions India as a key player in the global arena, ready to capitalise on emerging opportunities.

CEAT: A Century of Excellence

CEAT turns 100 in 2024! From a humble beginning in Turin, Italy in 1924 to establishing itself as major player in India to become a global brand with presence across 110+ countries, CEAT has stood the test of time and changing global landscape.

CEAT has been at the forefront of the tyre industry for several years, shaping mobility and safety across the globe. As CEAT celebrate its centenary, it stands tall as a testament to resilience, innovation and commitment towards serving its customers.

Coinciding with its 100-year milestone, CEAT has also achieved the Deming Grand Prize in the fiscal year, making it the first tyre Company globally to do so. This award reflects CEAT's pursuit of excellence, commitment to the Total Quality Management (TQM) philosophy & efforts towards delighting customers.

CEAT's Performance

CEAT has demonstrated remarkable resilience and agility amidst a turbulent environment characterised by raw material fluctuations, subdued demand in developed economies, and persistent supply chain disruptions. Our strategic initiatives have enabled us to not only weather these storms but also to thrive. CEAT has successfully increased its market share in all major categories including two wheelers, passenger and commercial vehicles.

With the higher focus on branding, manufacturing excellence and use of technology, our margins saw significant increase over last year.

Global Presence

Contributing to the "India for the World" shift, CEAT continues to make strides in exports with double digit growth. CEAT has entered twelve new geographies in the fiscal year with plan to enter the world largest tyre market, the US in 2025. This expansion underscores our capability to produce best in class products to meet global requirements.

The entry into each country is done post gathering deep customer insights, country specific product development and a strong Go to Market (GTM) strategy through a high-quality distribution network.

Branding

CEAT is embarking on a fresh chapter in its brand story with the introduction of its new brand ethos, "Crafted for the Curious". This ethos resonates with a growing segment of consumers who prioritise exploration, discovery, and the thrill of the journey over mere transportation. This customer segment is more experience driven and has dramatic influence on other buyers.

The launch of 'CEAT Trails', with the first expedition from Mumbai to Siberia on CEAT CrossDrive and CEAT WinterDrive tyres marks the creation of a new premium property for CEAT.

In its pursuit of distinction & premium positioning, CEAT continues to prioritise partnerships with premium OEMs, launching premium products and strives to sustain its influential presence in the electric vehicle domain, which has recently witnessed surge of new entrants.

Technology and Digital Innovation

Leveraging the success of the Halol Lighthouse recognition for its Industry 4.0 adoption, CEAT is expanding its digital footprint across various manufacturing sites and throughout its value chain. By embracing digital technologies such as artificial intelligence and machine learning, CEAT has achieved significant reductions in cycle times, batch variations, new product development (NPD) timelines and enhanced scheduling efficiencies in its manufacturing facilities.

In the realm of R&D, CEAT stands out among its Indian counterparts in patent filings. CEAT has filed total of 171 patents till date and 46 of them are already granted. CEAT is committed to increase the proportion of green materials in its products year on year while ensuring that product performance and manufacturing efficiency remain uncompromised. The percentage of green materials utilised in the fiscal year 2024 has increased to 28.4% from 27.2% last year.

Sustainability Initiatives

Sustainability is woven into CEAT's operational fabric. It is actively pursuing its ambitious goal to reduce its carbon footprint by 50% by 2030. To realise its sustainability vision, CEAT has identified five key areas for carbon emission reduction: raw material procurement, manufacturing processes, outbound logistics, product usage, and end-of-life tyre disposal. CEAT is making progress across all fronts. Notably, CEAT's emission intensity has reduced by over 7%, and the use of renewable energy has climbed to 36%, a significant increase from 30% in the previous year.

Conclusion

In these times of adversity, CEAT's resolve to deliver value to shareholders, customers, and communities remains unshaken. With continuous improvements across all metrics, CEAT is well-positioned to capitalise on the forthcoming opportunities, propelled by our strategic foresight and relentless pursuit of excellence. Here's to forging ahead into CEAT's next century of innovation and success!

Anant Goenka
Vice-Chairman

Board of Directors

Mr. H.V. Goenka
Chairman

Mr. Anant Goenka
Vice-Chairman

Mr. Arnab Banerjee
Managing Director and Chief Executive Officer

Mr. Paras K. Chowdhary
Non-Independent Director

Mr. Pierre E. Cohade
Non-Independent Director

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

Mr. Atul C. Choksey
Independent Director

Ms. Daisy Chittilapilly
Independent Director

Mr. Haigreve Khaitan
Independent Director

Mr. Mahesh S. Gupta
Independent Director

Mr. Milind Sarwate
Independent Director

Mr. Praveen Pardeshi
Additional Director in the capacity of Non-executive Independent Director

Ms. Priya Nair
Independent Director

Mr. Ranjit V. Pandit
Independent Director

Ms. Sukanya Kripalu
Independent Director

Note :

Mr. Milind Sarwate, Ms. Sukanya Kripalu (w.e.f March 14, 2024) and Ms. Daisy Chittilapilly (w.e.f. May 2, 2024) were appointed as Additional Directors in the capacity of Independent Directors, as subsequently approved by the members through postal ballot on June 6, 2024. Mr. Praveen Pardeshi has been appointed as an Additional Director in the capacity of Independent Director w.e.f June 17, 2024 subject to members' approval. Ms. Priya Nair resigned as Non-executive Independent Director w.e.f. closure of business hours of April 1, 2024. Names of Directors herein are in alphabetical order.

Awards and Accolades

World's first tyre manufacturer to win the prestigious Deming Grand Prize, Japan

India's Most Desired Tyre Brand, as per TRA's Most Desired Brands 2023

'Smart Manufacturing Automotive Company' at the CNBC-TV18 Zetwerk Smart Manufacturing Summit 2024

Recognised as ' Digital Champions' at the CII Cost Congress at Hyderabad

2 Gold Awards
- Best Social Media Brand in the Automobile Category
- Best Seasonal Marketing Campaign - #ChangeSoonItsMonsoon

at the ET Brand Equity Digiplus Awards 2023

2 Silver Awards
- Festive Marketing Campaign - #RidingHopeRidingChange for Independence Day
- Influencer Marketing Campaign - #CEATEnduroTracks

at the ET Brand Equity DigiPlus Awards 2023

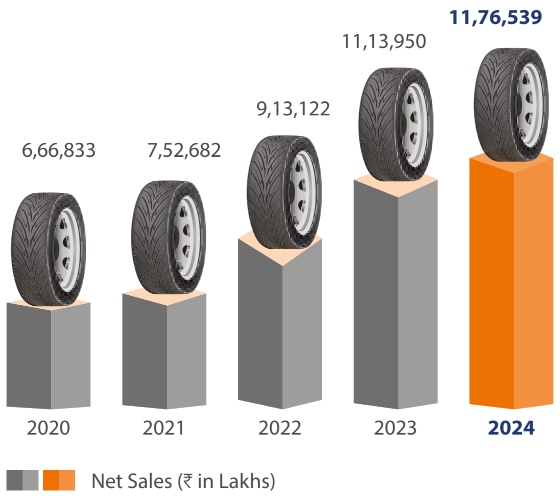
All India Transporters Welfare Association (AITWA) honoured CEAT for being 'Steadfast Partner' during challenging days of COVID

Sword of Honour 2023 to Chennai and Ambernath Plants by British Safety Council

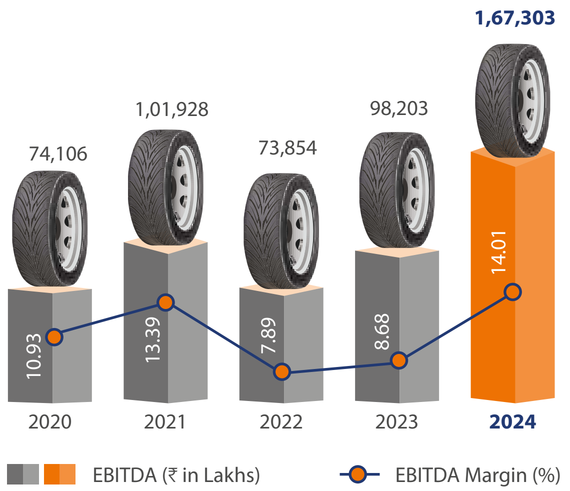
5-Star grading for OHS Audit by the prestigious British Safety Council to Chennai Plant and Ambernath Plant

Key Financials (Consolidated)

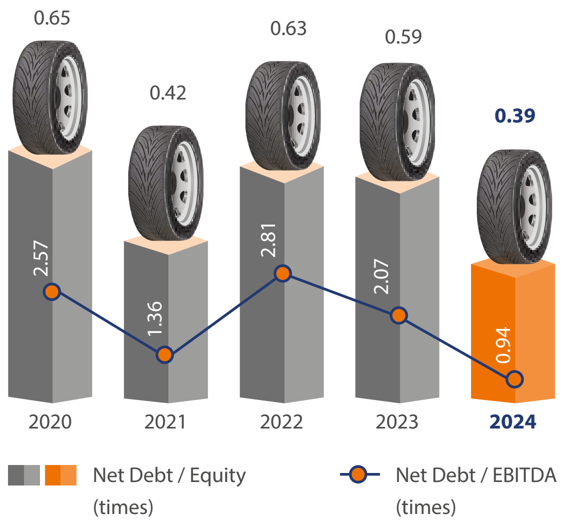
Net Sales



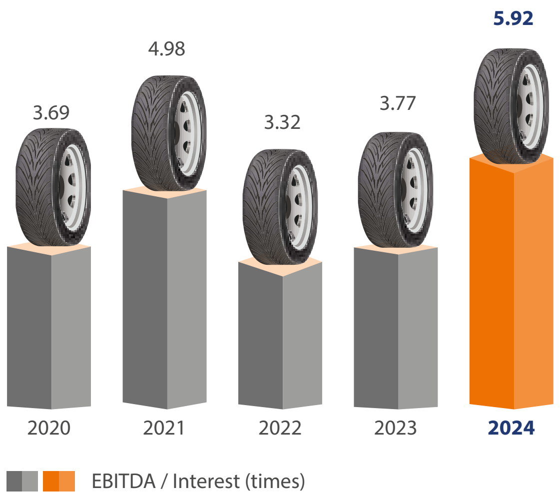
EBITDA[1] and EBITDA Margin



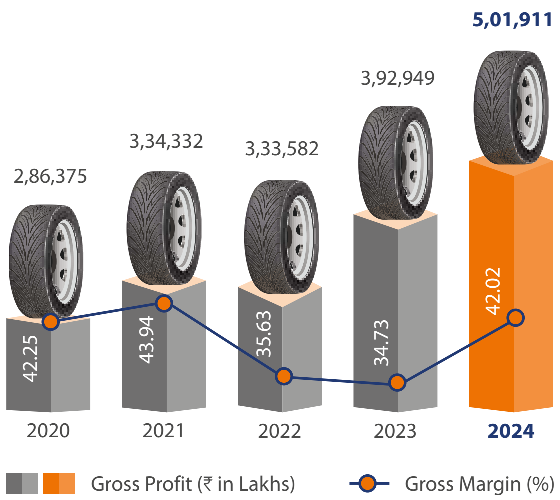
Net Debt / Equity And Net Debt / EBITDA



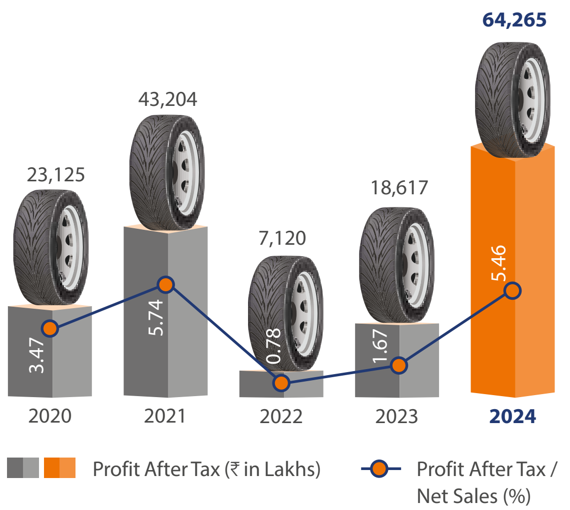
EBITDA / Interest[3]



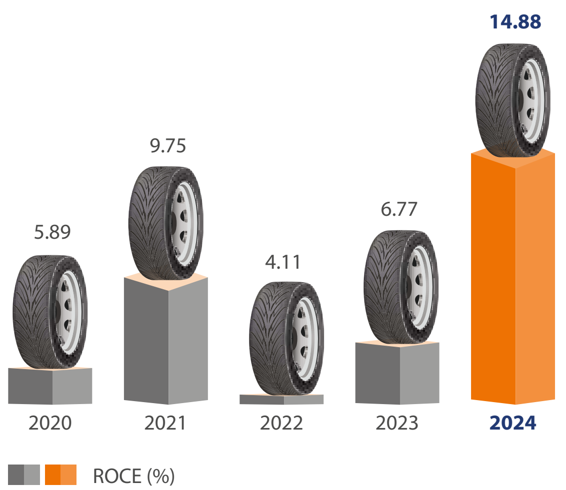
Gross Profit and Gross Margin



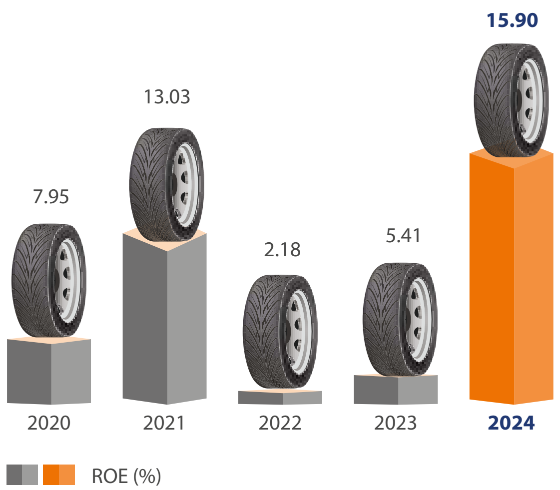
Profit After Tax[2] and Profit After Tax / Net Sales



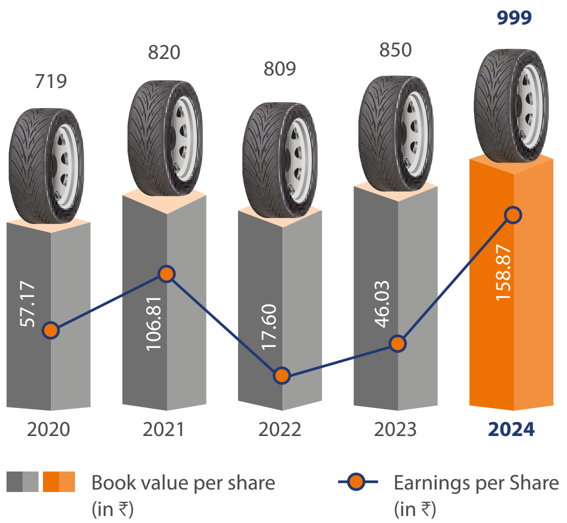
Return on Capital Employed (ROCE)



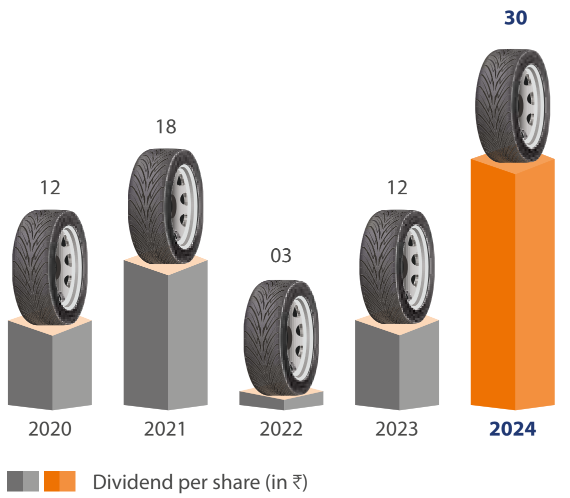
Return on Equity (ROE)



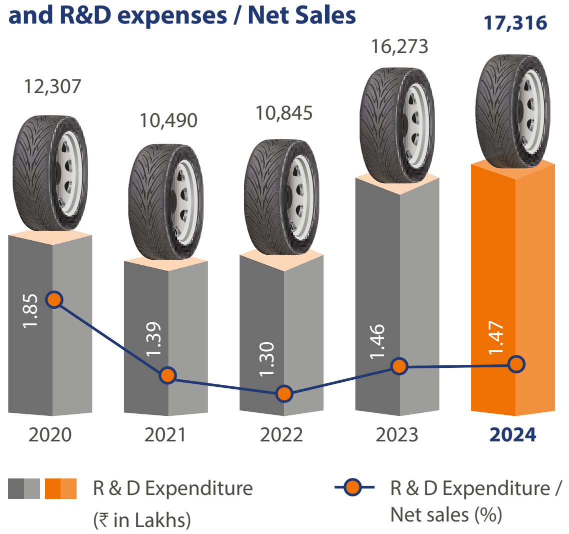
Book value per share and Earnings per share



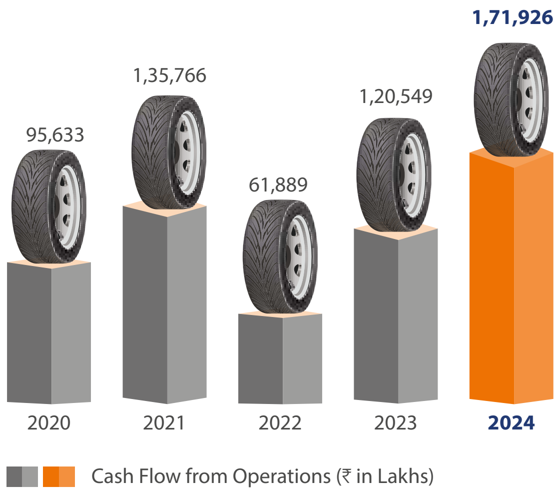
Dividend per share



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



Cash Flow from Operations



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

[2] PAT is considered after minority interest

[3] Interest amount includes interest capitalised during the year

The Focal Points

Financial Capital

₹ 11,893 Cr.
Standalone Revenue

₹ 1,724 Cr.
Cash Flow from Operations

₹ 13.9%
EBITDA Margin

Manufactured Capital

48+ Million
Tyres Produced

150+
New Products Launched

2,000+ SKUs
Product Range

Intellectual Capital

171
Patents Filed (Cumulative)

₹ 19 Cr.
Total Savings through R&D initiatives

₹ 173.16 Cr.
R&D Expenditure

Human Capital

6,743
Permanent Employee strength

7,958
Health and Safety Training Man-days

85
Happiness Quotient

Natural Capital

9,775 MT
Emission Saving through Energy Saving Initiatives

18,46,209 GJ
Renewable Energy Consumption

10,305 MT
Reclaimed Rubber Used

Social and Relationship Capital

99.83%
Customer Queries Solved

1.03+ Lakhs
Total Beneficiaries Impacted

5,500+
Dealers

About the Report

CEAT, a leading tyre manufacturer with global presence, publishes Annual Report that details both financial and non-financial performance. CEAT is publishing its 65th report which is its fifth Integrated Annual Report in accordance with the framework published by the International Financial Reporting Standards Foundation ('IFRS'). CEAT communicates its integrated thinking and diverse strategies for long-term value creation for its stakeholders through the six capitals – Financial, Manufactured, Intellectual, Human, Natural and Social and Relationship.

Approach to Reporting

This Integrated Report covers qualitative and quantitative disclosures of CEAT's performance across the six capitals in alignment with the <IR> framework. It summarises the Company's business strategy, risk management framework, corporate governance and information as per relevant statutory requirements. The Report also showcases how the organisation efficiently manages its resource allocation across all six capitals, which has been captured in the business model. It also represents the significance placed on long-term value creation by the Company through stakeholder relationships, organisational culture and risk management. The content of this Report is based on key Environmental, Social and Governance ('ESG') aspects, identified through stakeholder engagement and materiality assessment exercise. This Report has been prepared in accordance with the GRI Standards: 2021. Further, the Report is also aligned with:

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

Report Boundary and Scope of Reporting

This Report covers the financial and non-financial information of CEAT Limited and includes CEAT's India operations (Bhandup, Nashik, Halol, Nagpur, Chennai and Ambernath) for the period of April 1, 2023 to March 31, 2024.

Responsibility Statement

The Management of CEAT has reviewed and approved the contents of this Report based on robust data management systems and interactions with key internal business functions. Therefore, the Management believes that this Report reasonably represents Company's ESG performance for the reporting period. This Report and other statements – written and oral - that are periodically made contain forward-looking statements that set out anticipated results based on the Management's plans and assumptions. The Company has endeavored to its best, wherever possible, to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'proposes', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. The Company cannot guarantee that these forward-looking statements will be realised, although it believes that it has been prudent in its assumptions. The achievements of results are subject to inherent risks, market fluctuations including foreign exchange fluctuations, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should keep this in mind. CEAT undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

Statutory Audit

Financial information of statutory nature contained in this report has been externally audited as per the regulatory requirements of India by B S R & Co. LLP. The audit statement can be found in the sections Standalone Financial Statements with Auditor's Report and Consolidated Financial Statements with Auditor's Report of this Report.

Feedback

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

Value Creation Model

CEAT is guided and driven by its purpose, 'Making Mobility Safer & Smarter. Every Day.' which is evident through Company's products, services, operations, and brand communication. The Company produces best in class tyres for 2/3 wheelers, passenger and utility vehicles, commercial vehicles, and off highway vehicles to serve customers in over 110 countries.

CEAT has developed an agile and dynamic value creation model by taking cognizance of sustainability across all the business functions and operations. The Company is regularly evaluating opportunities and challenges presented by the macro-economic events as well as the evolving expectations of its customers. To create shared value, CEAT constantly engages with its stakeholders, including consumers, investors, workers, value chain partners, and communities, considering their expectations and concerns. The integration of sustainability into CEAT's business structure has yielded commendable results in recent years. Various measures have been implemented throughout the year across all the capitals outlined in the integrated report by ensuring that inputs consistently deliver positive outcomes through ethical and sustainable business practices.

CEAT has a governance framework and roadmap to navigate and steer the Company's performance around ESG. The Board's Sustainability and CSR committee (SCSR) oversees the Company's progress and offers direction and guidance to effectively implement the policies and strategies. CEAT has a cross-functional ESG Council headed by the Head of Procurement, with representatives from important functional heads including EHS, the Chief Risk Officer for Human Resources, and the Company Secretary.

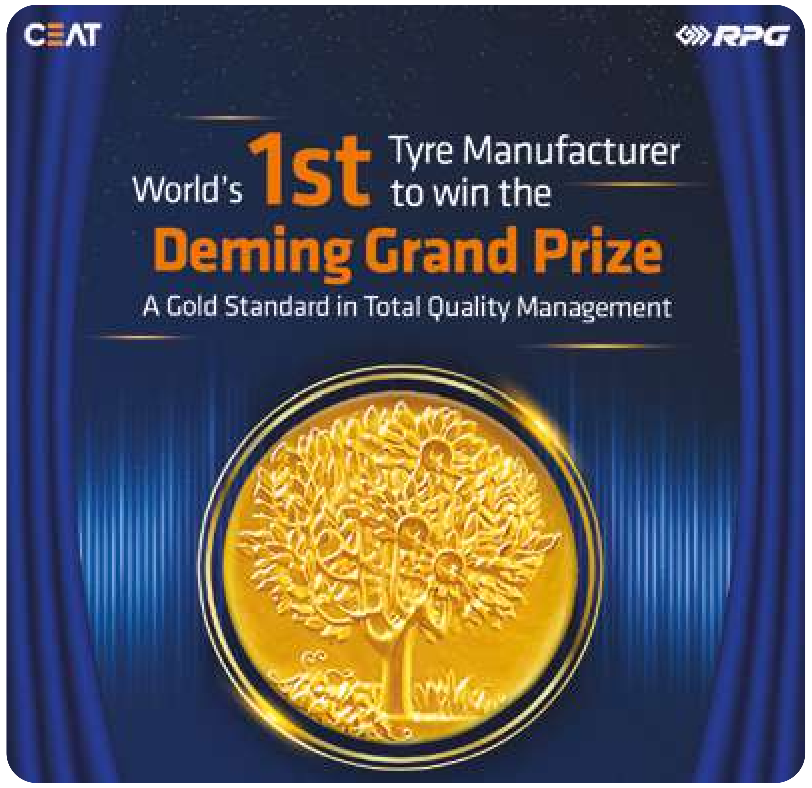
CEAT's dedication to customer satisfaction, meticulous operations, and workforce capabilities shines through. The Company's partnership-based approach and sustained devotion to TQM principles have led to the creation of reliable products and services, earning them international acclaim and reaffirming their position as a leader in the industry.

CEAT's value creation journey is aligned with the United Nations Sustainable Development Goals (SDGs) and its performance across the ESG is in line with the National Guidelines on Responsible Business Conduct (NGRBC).

CEAT has participated in the Corporate Sustainability Assessment (CSA) by S&P Global has retained a score of 49 in FY 2023-24. In addition, the Company has scored 55 in the EcoVadis assessment in the reporting year.

Year of Deming Grand Prize

CEAT embraced a Quality Based Management (QBM) culture, promoting collaboration for quality and innovation. In 2008, to enhance its competitive edge in India and globally, CEAT adopted Total Quality Management (TQM). This led to a notable milestone. CEAT became the first tyre brand worldwide to receive the Deming Grand Prize from the Union of Japanese Scientists and Engineers (JUSE) in 2023. As the sole tyre brand among 33 global companies to receive this honor, CEAT's commitment to customer focus and operational excellence is evident. This achievement, built on fifteen years of TQM practices, reflects CEAT's robust business systems and collaborative approach involving all stakeholders. For more details, refer intellectual capital.



Strategy, Risk and Opportunities

Strategy Overview

CEAT's with 'Advancing Mobility, Redefining Safety, Every Mile of the Way' is 'Making Mobility Safer & Smarter. Every Day.' The Company is at the forefront of key megatrends of Electrification, Premiumisation, Internationalisation, and Digitisation to create a shared value for all the stakeholders. This includes enhancing the Company's digital footprint, expanding its OEM business with EV companies, pursuing global expansion, and driving new product development.

CEAT's focus is to grow sustainably through expansion of channel, strengthening OEM relationships and development of market specific products for global growth, backed by world class R&D and strong brand.

Mr. Arnab Banerjee
MD & CEO, CEAT Ltd

"As a recipient of the prestigious Deming Grand Prize, we uphold a rigorous focus on process refinement and continuous improvement. From associates to the Managing Director, everyone one contributes to improve and surpass customer expectations."

CEAT Business Opportunities

CEAT's value creation model is based on the foundation of six strategic pillars that is: extensive distribution, global reach, world class R&D, strong brand, strengthening OEM relationships with differentiated products and sustainability.

India is one of the fastest major economy and a popular manufacturing destination, therefore there is plenty of potential for growth in the automobile and tyre industries.

CEAT's business model relies on six foundational pillars:

World-class R&D

CEAT has world-class Research and Development (R&D) centers in Halol (India) and Frankfurt (Germany), dedicated to product design, development and testing. With a five-year technology roadmap in place, CEAT strategically forecasts emerging technological changes in the mobility sector. Equipped with advanced facilities including noise testing, high-speed tyre testing, flat track etc, and Virtual simulation capabilities, the R&D center conducts comprehensive testing with minimum need for physical prototypes. The Company has successfully introduced low rolling resistance tyres, leading to fuel savings and reduced emissions.

CEAT has achieved significant success in patent acquisition, filing a total of 171 patents to date. The Company has been granted 46 patents till date, reflecting its commitment to innovation. For more details, please refer to the Intellectual Capital section of the report.

Moreover, CEAT has actively contributed to India's ambitious electric mobility drive by offering sustainable tyres and the premium range of tyres such as Crossrad and Sportrad for premium bikes. In order to synchronise this nationwide ambition, CEAT has introduced India's inaugural range of Electric Vehicle (EV) tyres, catering to both two and four-wheelers.

For more information refer to the intellectual capital.

> Innovation is at the core of product development in CEAT. We have a structured approach to convert customer voices into technical inputs and try to address the pain points through various innovative solutions. We also monitor the emerging trends and technologies which gives an edge to all our products.

Sustainability

CEAT places a robust emphasis on sustainability throughout its operations, viewing it as integral to long-term business strategy and value creation for stakeholders. The Company is committed to reduce its carbon footprint by 50% by 2030. CEAT is actively integrating bio-based materials into its tyre manufacturing processes, investing in renewable energy sources like solar and wind and implementing water conservation measures along with scrap reduction initiatives.

Notably, CEAT has earned a prestigious BEE (Bureau of Energy Efficiency) 5-star rating for it's specific range of tyres as energy-saving initiatives at product level, setting a notable benchmark within the industry. BEE lebelling programme for passenger car and commercial category tyres covered under scope of AIS:142, IS 15633 & IS 15636, meant for manufactured, imported and sold in India.

RPG Group has committed to plant one million trees by the year 2030, aligning its efforts with the global reforestation agenda promoted by by 1t.org, an initiative of World Economic Forum. In the reporting year, CEAT planted 25,000 trees.

With respect to CEAT's people-centricity, it is promoting safe working culture, and embracing diversity and inclusion across all the business functions. For more information, refer to the Human Capital, Social & Relationship Capital and Natural Capital sections of the Integrated Annual Report.

At CEAT, we have embedded sustainability in our core business model and it is an integral part of our business culture. Upheld by our values and Total Quality Management ethos, we innovate for safer and smarter mobility. Through many green initiatives, the Company aims to craft a greener, more sustainable future.

Strong Brand

CEAT, being the 100-year-old brand is synonymous with safety, associating its purpose 'Making Mobility Safer & Smarter. Every Day.' CEAT demonstrates concerted efforts to leverage its unique strengths and capabilities to create value for stakeholders. The Company has successfully carved out its niche through effective marketing and advertising campaigns.

Over the past decade, CEAT has achieved significant milestones by fostering strong relationships with Indian cricket. It is the strategic timeout partner for both Indian Premier League (IPL) and Women's Premier League (WPL). Notably, the Company has renewed its association with IPL for a period of 5-years. CEAT continues its association with notable Indian Cricket players such as Rohit Sharma, Shubman Gill, Shreyas Iyer, Harmanpreet Kaur and Shafali Verma. In addition, CEAT has also engaged with Geoffrey Emmanuel as its first brand ambassador in the world of racing. Geoffrey competes in the FIM Junior World Championship's MOTO3 category. This strategic move aims to leverage the brand's value by expanding into new markets while maintaining global brand visibility. Furthermore, CEAT is also the title sponsor of the Indian Supercross Racing League. This association reflects its long- standing commitment to supporting and promoting the passion and thrill of competitive sporting events.

Consumers tend to choose a better quality brand and that's where CEAT is positioning strongly. We have launched "Crafted for the Curious" branding campaign, aimed at the upcoming segment of consumers: adventure enthusiasts and off-road travellers. The campaign is part of CEAT's broader strategy to stay relevant and connected with consumers.

In parallel, the Company is fostering strong brand affinity among customers, highlighted by key achievements accolades received so far. Notable recognitions include winning the Deming Grand Prize, receiving the Lighthouse designation by the World Economic Forum, Sword of Honour from British Safety Council and attaining BEE 5-star ratings for a wide range of tyres. CEAT has also launched various initiatives and campaigns such as the highway safety initiative at Samruddhi Mahamarg, 'Buckle Up India' seatbelt safety campaign, and Play on Any Terrain' campaigns, further solidifying its commitment to enhancing road safety and customer experience.

Global Reach/ Internationalisation

CEAT has significantly expanded its global footprint in recent years, establishing a presence in over 110 countries. In the reporting year, such expansion continues and has become more strong.

Emphasising its commitment to global partnerships, CEAT hosted a Platinum Distributors' Conference bringing together 30-35 global distribution partners to engage in discussions with the Company's top management, focusing on key business parameters. CEAT's products are renowned for their safety and performance, underlining the Company's customer-centric dedication to quality and safety.

International business is our key growth driver and is margin accretive. Our intensified focus on export growth underscores our commitment to diversification and global market penetration.

CEAT is committed to delivering high-quality products that meet the diverse needs of its global customer base. CEAT is catering to the demands of the global market and evolving customer expectation by offering a wide range of Off-Highway tyres and specialty tyres, catering to various industries and geographies.

OEM Relationship

In an era marked by technological innovation and dynamic shifts in the regulatory landscape, businesses face unprecedented disruption. CEAT, cognizant of these challenges, remains committed to agility and responsiveness, tailoring customised solutions to meet the evolving demands of its customers. CEAT leverages profound understanding of customers to swiftly adopt and promote innovative products and stay ahead in the market.

To be ahead of the competition, CEAT capitalises on a deep understanding of customer requirements to quickly modify and promote innovative solutions. Building reliable relationships with Original Equipment Manufacturers (OEMs) is the foundation of CEAT's strategy. Because of this strategic partnership, CEAT is able to provide OEMs with precisely tailored solutions that address their unique requirements.

Notably, the OEM market has grown exceptionally well year over year.

CEAT has established itself as a leader in technology by closely adapting to changing demands and expectations and continuously providing customised solutions that provide value for OEM partners as well as end users. This collaborative strategy highlights CEAT's dedication to excellence and its ability to successfully navigate and prosper in the midst of disrupting market dynamics.

Extensive Distribution

CEAT's extensive distribution network and vast array of value chain partners constitute one of its key strategic pillars. The Company leverages its widespread presence, with over 5,500 dealers and more than 59,000 sub-dealers and operating over 900 outlets nationwide. CEAT is committed to delivering an exclusive customer experience. Distinguished as an industry pioneer, CEAT offers doorstep delivery of tyres and a diverse range of models, ensuring the best-in-class customer service.

Notably, two-wheeler tyre outlets are far-reaching, spanning across districts, blocks and talukas. This widespread presence underscores CEAT's robust market presence and unwavering commitment to efficient customer service.

For more information refer to the Social and Relationship Capital.

Risk Management

CEAT maintains a robust risk management system to identify and address risks associated with its day-to-day operations and future endeavors. Strategic risks that may impact long-term goals and objectives are carefully managed. The Company's Business Continuity Plan (BCP) is comprehensive, covering various aspects including personnel, operations, and business-centric factors such as commodity price fluctuations, cybersecurity threats, and supply chain disruptions.

Regular scenario planning is conducted to identify potential risks and monitor market trends. Additionally, global institutions' anticipated risks are evaluated in the context of the business, and a risk register with future mitigation plans is maintained. Risks during the reporting year include strategic, operational, supply chain disruption, cybersecurity, and compliance risks, among others.

CEAT demonstrates the effectiveness of its Enterprise Risk Management (ERM) approach by managing risks at both strategic and operational levels thereby generating business value for the organisation. Committed to ethical and responsible business practices, the Company adheres to applicable laws, regulations, and global best practices. Its proactive and systematic risk management strategy encompasses various risk categories and effectively manages them.

Internal controls are governed by the Risk Management Committee, which regularly evaluates risks identified by various business functions. Effective strategies are then implemented to mitigate these risks. Detailed discussions on risk and mitigation are provided in the risk management sections of the Management Discussion and Analysis.

External Environment

Over the years, the industry has encountered various challenges, including supply chain disruptions, geopolitical conflicts, global economic uncertainties, regulatory changes, evolving business models, contagious diseases, and climate change. CEAT has proactively responded to these external factors with agility and robust practices, resulting in enhanced resource utilisation and improved efficiency.

With a keen awareness of the dynamic business environment, CEAT remains committed to focusing its strategy and efforts on creating value for stakeholders through its business practices embedded with Environmental, Social, and Governance (ESG) principles.

Value Creation Model

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

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

External Environment

Risks and Opportunities

Key Business Drivers

Long Term Value

Inputs

Financial Capital
- Shareholders' Funds : ₹ **3,951 Cr.**
- Debt : ₹ **1,593 Cr.**
- CAPEX: ₹ **867 Cr.**

Manufactured Capital
- Manufacturing Facilities : **6**
- Smart Factory Enablement
- Safe, Reliable and Lean Process

Intellectual Capital
- R&D Facilities : **2**
- R&D Spend : ₹ **173 Cr.**
- Skilled Resource Pool : **400+**
- Digitalisation and Quality Base Management System

Human Capital
- Diverse Talent Pool: **8,593**
- Employee Engagement **100%**
- Employee Health, Safety And Wellbeing
- Health and Safety Trainings: **7,958** Man-days
- Women Workforce Recruited: **15.37%**

Natural Capital
- Use of Renewable Materials: **1,52,311 MT**
- Renewable Energy Consumption (Non-Fossil Energy): **50.98%**
- Total Water Consumed: **12,15,583 m³**
- **5** Zero liquid Discharge Facilities
- **100%** Environment Management System
- Energy Saving Initiatives

Social & Relationship Capital
- Community Initiatives
- Customer Centricity
- Sports Partnerships
- Collaboration with Value Chain Partners

Activities

Product Innovation and Development
Strategic and Responsible Sourcing
Smart / Flexible Manufacturing
Product Segment and Market Identification
Branding and Marketing
ELT Processing Ecosystem
Customer Connect and Business Partnering
Distribution and Logistics

PURPOSE

Making Mobility Safer & Smarter. Every Day.

ESG VISION

Reduce carbon footprint by

50%

by 2030

STRATEGIC FOCUS

Strong Brand Equity
Extensive Distribution Network
Breakthrough Products and Services
Strong Stakeholder Relationships
Technology and Innovation
Outstanding Customer Experience

CRITICAL STAKEHOLDERS

Employees
Business Partners
Customers
Industry Associations
Suppliers
Communities / NGOs
Investors

BUSINESS PROCESSES

SUSTAINABILITY IN VALUE CHAIN

Initiatives for Suppliers	Focus Area	CEAT	Supply Chain Partners	Initiatives for Customers
Supplier Quality Manual	Decarbonisation		Transporters	Customer Connect
Supplier Sustainability Survey	Use of Renewable Energy		Distribution Centres	Mobility Solutions
Vendor Portal	Low Rolling Resistance		Carrying and Forwarding Agent	Dealer Portal
	Increased Loadability			

Robust Policies

Stakeholder Grievances

Outputs

Deming Grand Prize 2023

Total Production of Tyres: 48+ Million

Outcomes

SDGs

Financial Capital
- Revenue: ₹ **11,893 Cr.**
- PAT: ₹ **654 Cr.**

SDGs: 8, 9

Manufactured Capital
- Wide Product Range: **2,000+ SKUs**
- New Products Launched: **150+**
- Deming Grand Prize

SDGs: 9, 12

Intellectual Capital
- Patent Applications Filed: **171** (cumulative)
- Total Savings through R&D Initiatives: ₹ **19 Cr.**

SDGs: 8, 9, 12

Human Capital
- Certified with Best Firm for Data Scientist
- Employee Productivity
- Strong Succession
- Employee Wellbeing / Safe Workplace
- Great Manager Institute: Leadership Factory Award

SDGs: 3, 5, 8, 10

Natural Capital
- Reclaimed Rubber Used: **10,305 MT**
- Emission Intensity Reduction (Scope1 and 2): **10.85%**
- Waste Diverted from Disposal: **97.76%**
- Emissions Avoided by Energy Saving Initiatives: **9,775 MT**
- Benefits from Energy Saving Initiatives: ₹ **1.30 Cr.**

SDGs: 6, 7, 9, 12

Social & Relationship Capital
- Lives Impacted: **1.03+ Lakhs**
- Dealers Network: **5,500+**
- Sub-dealers Network: **59,000+**

SDGs: 3, 4, 5, 6, 8, 10, 11

Stakeholder Engagement and Materiality Assessment

CEAT with 'Advancing Mobility, Redefining Safety, Every Mile of the Way' is 'Making Mobility Safer & Smarter. Every Day.' The Company is implementing the key megatrends of Electrification, Premiumisation, Internationalisation, and Digitisation to create a shared value for all the stakeholders.

Through diverse channels, the Company actively solicits input and feedback from its stakeholders, facilitating a comprehensive understanding of their perspectives and the integration of their valuable suggestions.

During the fiscal year 2023-24, CEAT interacted with all stakeholders through diverse engagement channels as outlined below:

Stakeholder Groups	Relevance	Mode of Engagement	Frequency	Key Focus Areas
Employees	Employees have a significant impact on creating, developing, and expanding the business	Employee engagement Survey Emails Newsletters Townhall	Regularly	Happiness and motivation Employee Benefit Safe working environment
Investors	Investors are important stakeholders having financial interest in the Company	Annual general meetings Quarterly briefings Earning calls	Annually / Quarterly / Regularly	Return on capital employed Profit After Tax
Industry Associations	Platform to establish communication channels between the industry and the government	Industry conferences Media releases Membership in associations Regional industry events	Periodically	Compliance with regulations Business Collaborations
Customers	Product performance Brand Recognition Loyalty Best in class customer centricity	Net Promoter Score ('NPS') survey Feedback and surveys Customer engagement activities	Regularly	Product quality After sales service Pricing Loyalty programmes Grievance Redressal
Communities & NGOs	Community and NGOs support in creating a shared value for business around the CEAT facilities	CSR initiatives Grievance mechanism public hearing	Periodically	Contribution to society Community Engagement CSR initiatives
Suppliers	Supplier plays an important role in providing services and raw materials on time in order to enable CEAT to meet its commitments to customers	Supplier management portal Supplier audits	Periodically	Reliable payment processes Procurement of Material as per Quality Specifications
Business Partners	Collaboration with its business partners such as distributors, dealers and retailers to achieve shared objectives and growth	In-person meetings Partnership portals	Periodically	Long-term partnerships

Materiality Assessment

CEAT conducted its inaugural comprehensive materiality assessment during the fiscal year 2019-20. The Company continues to perform regular assessments across key domains such as the economy, environment, community, supply chain, governance, people, and human rights. The insights obtained from these assessments play a pivotal role in shaping CEAT's business strategy, strategic objectives and long-term plans. Identified as critical areas, these material topics allow CEAT to identify Environmental, Social, and Governance (ESG) risks and opportunities, thus reinforcing its sustainability efforts. CEAT's materiality assessment aligns with the standards established by the Global Reporting Initiatives (GRI) and SEBI's National Guidelines on Responsible Business Conduct (NGRBC). The Company conducts its materiality assessment periodically. In addition to this, the Company is exploring Double Materiality Assessment to assess Financial Materiality and Impact Materiality for fiscal year 2024-25.

The Company has identified risks and opportunities linked to these material topics, and it discloses mitigation measures for identified risks in Section A of the Business Responsibility and Sustainability Report (BRSR) and Risk Management Section of Management Discussion and Analysis contained within the Integrated Annual Report.

Materiality Assessment Process

01 Define Purpose and Scope

02 Identify Potential Topics

03 Define Stakeholder Groups

04 Assess Impact

05 Stakeholder Engagement for Prioritisation

06 Establish Materiality Matrix

CEAT's Materiality Matrix

Environment

Material Topic	GRI Mapping	BRSR Mapping	Location	UNSDGs
Energy and Emissions Management	GRI 302 & 305	BRSR principle 6	Natural Capital	6, 7, 12, 13
Material Management	GRI 301	BRSR principle 2		
Water Management	GRI 303	BRSR principle 6		
Waste Management	GRI 306	BRSR principle 6		

Social

Material Topic	GRI Mapping	BRSR Mapping	Location	UNSDGs
Customer Satisfaction	GRI 416,417,418 & 419	BRSR principle 9	Social and Relationship Capital	3, 5, 8, 10
Occupational Health and Safety	GRI 403	BRSR principle 3	Human Capital	
Employee Wellbeing	GRI 401 & 402	BRSR principle 3		
Diversity	GRI 405 & 406	BRSR principle 3 & 5		

Governance

Material Topic	GRI Mapping	BRSR Mapping	Location	UNSDGs
Economic Performance	GRI 201 & 203	BRSR Section A, Principle 1	Financial Capital	8, 9, 16
Corporate Governance / Ethics	GRI 205 & 206	BRSR Section A & B, principle 1	Corporate Governance Report / BRSR	
Product Innovation / Smart Mobility	**	BRSR principle 2 & 6	Intellectual Capital and Manufactured Capital	
Digitisation	**	BRSR Principle 9	Intellectual Capital	

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

Financial Capital

Highlights for FY24 (Standalone)

₹ 11,893 Cr.	₹ 473 Cr.	13.9%	₹ 1,724 Cr.
Standalone Revenue	Gross Debt Reduction	EBITDA Margin	Cash Flow from Operations
₹ 867 Cr.	₹ 1,656 Cr.	₹ 654 Cr.	₹ 3,951 Cr.
CAPEX Outflow	EBITDA	PAT	Shareholders' Funds
₹ 1,593 Cr.			
Debt			

Mapping with NGRBC Principles

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

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

Interlinkages with other capitals

Manufactured
Intellectual
Human
Natural
Social and Realtionship

Contribution to SDGs

8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Focus Areas /Material Topics

- Improving Operational Efficiencies & Driving Margins
- Stakeholder Value Creation
- Economic Performance

CEAT remains committed to a robust capital allocation strategy and upholding an optimal capital structure that aligns with stakeholder expectations and at the same time provides growth capital. This entails judiciously distributing resources across various domains to optimise the utilisation of both financial and non-financial assets. The Company maintains its focus on generating healthy cashflow investing in ventures that deliver favourable returns and foster long-term economic value, thereby ensuring efficient resource allocation and value creation.

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

"Our ongoing endeavor to enhance cash flow efficiency has resulted in a ₹ 473 crore reduction in our consolidated gross debt, supported by better operational performance. The total capital expenditure for the year was ₹ 867 crore, which was in accordance with our budget and paid for by the internal accruals. Overall, the year has been rewarding due to positive free cash flow, a large debt reduction, improved operational margins, and the healthy leverage ratios on the balance sheet."

Economic Value Creation (₹ in crores)

Particulars	FY 2023-24	FY 2022-23
Direct economic Value generated (a)	11,919	11,302
Revenues	11,893	11,263
Other Income	26	39
Economic Value distributed (b)	10,746	10,567
Operating costs	9,428	9,552
Employee benefits	842	757
Payment to providers of capital	314	251
Payment to government	156	0
Community Investments	6	6
Economic Value retained (a-b)	1,173	735

CEAT reported a positive economic value for FY 2023-24. In comparison to the prior financial year, the Company's top line and bottom line improved during the year.

Awards

'CA CFO of the Year' Award in Large Corporate category by the Institute of Chartered Accountants of India

'General Counsel of the Year - Legal Tech Implementation' award at the Legal Tech Conclave and Awards by Transformance Legal

Corporate Overview
Value Creation
Statutory Reports
Financial Statements

Awards

'Inspiring CFO 2023' by ET Edge

'Working Capital plan of the year' by UBS Forums

'Cash and Liquidity Management of the Year' from Inventicon Business Intelligence in it's 7^{th} Annual Conference

'Treasury Team of the Year' from Inventicon Business Intelligence in it's 7^{th} Annual Conference

'CFO of the Year' in future of Finance Summit & Awards 2023 by UBS Forums

'General Counsel of the Year - Intellectual Property Strategy' award at the Legal Tech Conclave and Awards by Transformance Legal

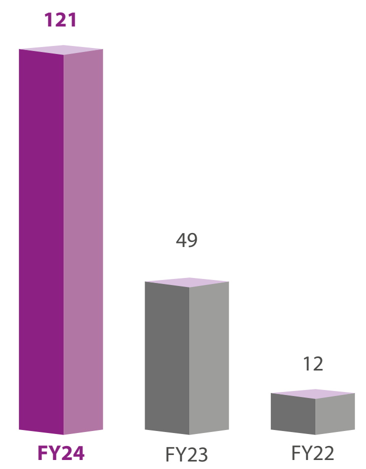
Legal Tech – Digitisation initiatives within the Company's legal department

'Finance Team of the Year' for Robopayy Project from Inventicon Business Intelligence in it's 11^{th} Finance Transformation India Summit & Awards 2023

Dividend Distribution:

CEAT's purpose is to create long-term value for all its stakeholders while also ensuring a significant return on investment for shareholders in the form of dividend payments. It's strong financial performance and efficient cash flow management have enabled us to substantially increase dividend, subject to approval of shareholders. This year, the Company has declared a highest ever final dividend of 300%, equating to ₹ 30 per equity share with a face value of ₹10 each fully paid up for FY 23-24. The Company has a defined Dividend Distribution Policy and has increased dividend distribution from ₹ 49 crores for FY 2022-23 to ₹ 121crores for FY 2023-24.

Dividend (₹ in Crores)



Revenue in FY 2023-24

CEAT achieved its highest ever revenue in FY 2023-24, largely driven by higher sales volumes. In the reporting year, the Company' standalone revenues increased by 5.6% on a Y-o-Y basis to ₹ 11,893 crores.

a) Revenue by Market:

CEAT's revenue increased considerably during the year, although the revenue breakdown by market largely remained similar to FY 2022-23. It's revenue from OEMs decreased to 28% from 29% in FY 2022-23. Revenue from exports increased to 19% of the total revenues. The Company continued to generate a major chunk of revenue through the Replacement market at 53% share of total revenue.

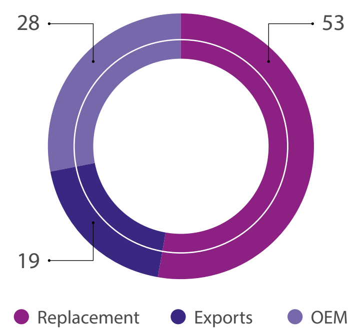
b) Revenue by Product:

CEAT's revenue breakdown by product segments largely remained similar to FY 2022-23. Revenues from 2/3-Wheeler tyres increased to 27% share of the total product mix, however, revenue from Passenger Cars segment remained constant at 20%. The Truck and Bus segment generated the largest share of revenue at 31% of the overall revenue by product segment followed by the 2/3-Wheeler segment.

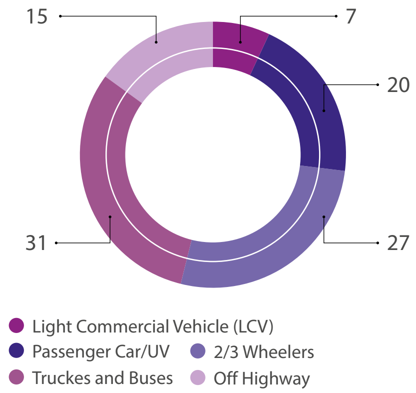
Zero-Based Approach: Project Leap

In continuation of the initiatives to improve cost efficiency CEAT adopted 'Zero Based Approach' wherein the Company is

FY 24 Revenue Breakup by Market
In %



FY 24 Revenue Breakup by Product
In %



focusing on procurement, supply chain and manufacturing functions. With this, the Company has indentified opportunities to reduce wastages, improvement in energy and manufacturing efficiency through investment in technology and cleaner energy and in procurement through cost model based pricing. Various initiatives helped in substansital and sustainable cost efficiencies by eliminating redundant processes which has made the organisation more leaner and smarter. In addition to this, CEAT is investing in installation of solar power, feedstock optimisation, energy and process optimisation initiatives to ensure overall business sustainability.

Cost Optimisation and Profit Margins:

CEAT's EBITDA increased by 69.4% on a Y-o-Y basis from ₹ 977 crores in FY 2022-23 to ₹ 1,656 crores in FY 2023-24.

The EBITDA margin for FY 2023-24 rose to healthy 13.9% from 8.7% in FY 2022-23. The Company's profit after tax increased by 217.2% on a Y-O-Y basis up from ₹ 206 crores in FY 2022-23 to ₹ 654 crores in FY 2023-24.

The Rubber prices has seen an uptick since the beginning of the third quarter, however throughout the year the prices remained stable. The Red Sea crisis led to increase in the freight costs which was well managed through various initiatives and did not affect the Company's operations. With cost optimisation strategies in place, the Company's costs remained within reasonable levels and were managed effectively. Overall, these factors contributed to better margins.

Digital Initiatives

In FY 2023-24, the Company has launched digital tools for efficient business processes such as forex management and banking.

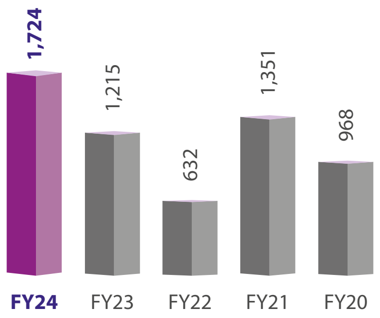
Forex Management

Forex management has gained a lot of significance resulting into increased volume of global transactions covering both imports and exports. In this regard, the Company launched Forex management solution architecture with an objective to ensure all transactions are reviewed and records flow directly into the system without any manual intervention. A detailed process design document was created and rigorous testing was undertaken to ensure all scenarios are covered. With the implementation of the module, benefits included exposure management and status, automation, repositories of derivative contracts, etc. leading to proper adherence of risk management.

Debt Management

The debt-to-equity ratio has decreased from 0.62 in FY 2022-23 to 0.4 in the reporting year. CEAT's year-end debt of ₹ 1,592 crores is lower than the debt level of ₹ 2,066 crores as at the end of previous year and the Company managed its capital expenditure of about ₹ 867 crores in the year only through internal accruals. CEAT's debt-to-EBITDA stood at 0.96 on a standalone basis which is not only healthy but also at its lowest level in the recent years. The overall levels of debt remained within the internal threshold set by the Company even after providing adequate support for growth capital. For the reporting year, CEAT's credit rating remained 'AA'.

Cash Flow from Operations (₹ in Crores)



Allocation to Growth Capital

CEAT incurred a total CAPEX outflow of about ₹ 867 crores in FY 2023-24, which was wholly funded through internal accruals. Out of the total CAPEX approximately ₹ 571 crores were spent in expanding capacities in key categories project CAPEX and the remaining ₹ 296 crores were CAPEX on R&D, moulds, IT and some plant-related CAPEX.

The CAPEX of ₹ 571 crores was mainly spent on capacity creation of passenger car Radial and truck bus radial tyres at Chennai, two-wheeler tyres facility at Nagpur and specialty / OTR tyres at Ambernath.

For FY 2024-25, the estimated CAPEX is around ₹ 1,000 crores, of which about ₹ 250 crores is budgeted for maintenance CAPEX and about ₹ 750 crores mainly for growth CAPEX for Chennai TBR and PCR segment and expansion of agriculture Radial project at Ambernath.

Working Capital

CEAT's operating working capital for the FY 2023-24 is about ₹ (350) crores. CEAT's overall operating working capital came down by about ₹ 209 crores during the year, largely driven by unlocking cash across all elements of working capital leading to release in cash to fund it's growth capex and also in reducing debt.

Taxation Policy

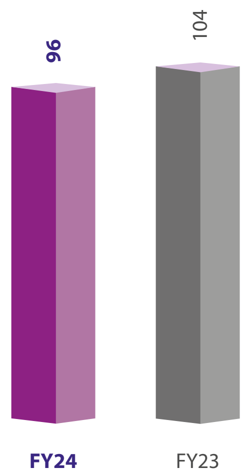
CEAT evaluates its taxation policy for the short and long term based on the Company's expansion plan, business operational plan, and regulatory normative changes. CEAT assesses tax benefits during and after project execution in terms of indirect tax, direct tax, other state tax and so on in the initial phase of the expansion plan. The Company's short-term taxation plan involves monthly, quarterly and annual taxation compliance based on probable budgeted business and assessment of actual based on the budget. The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and service tax, provident fund, employees' state insurance, income-tax, duty of custom, cess and other statutory dues applicable to it. In addition to this, the Company regularly interacts with its stakeholders such as value chain partners, tax authorities, industry associations and employees on tax related norms and compliances. At CEAT, Chief Financial Officer reviews the approach to tax and monitors effective tax compliance.

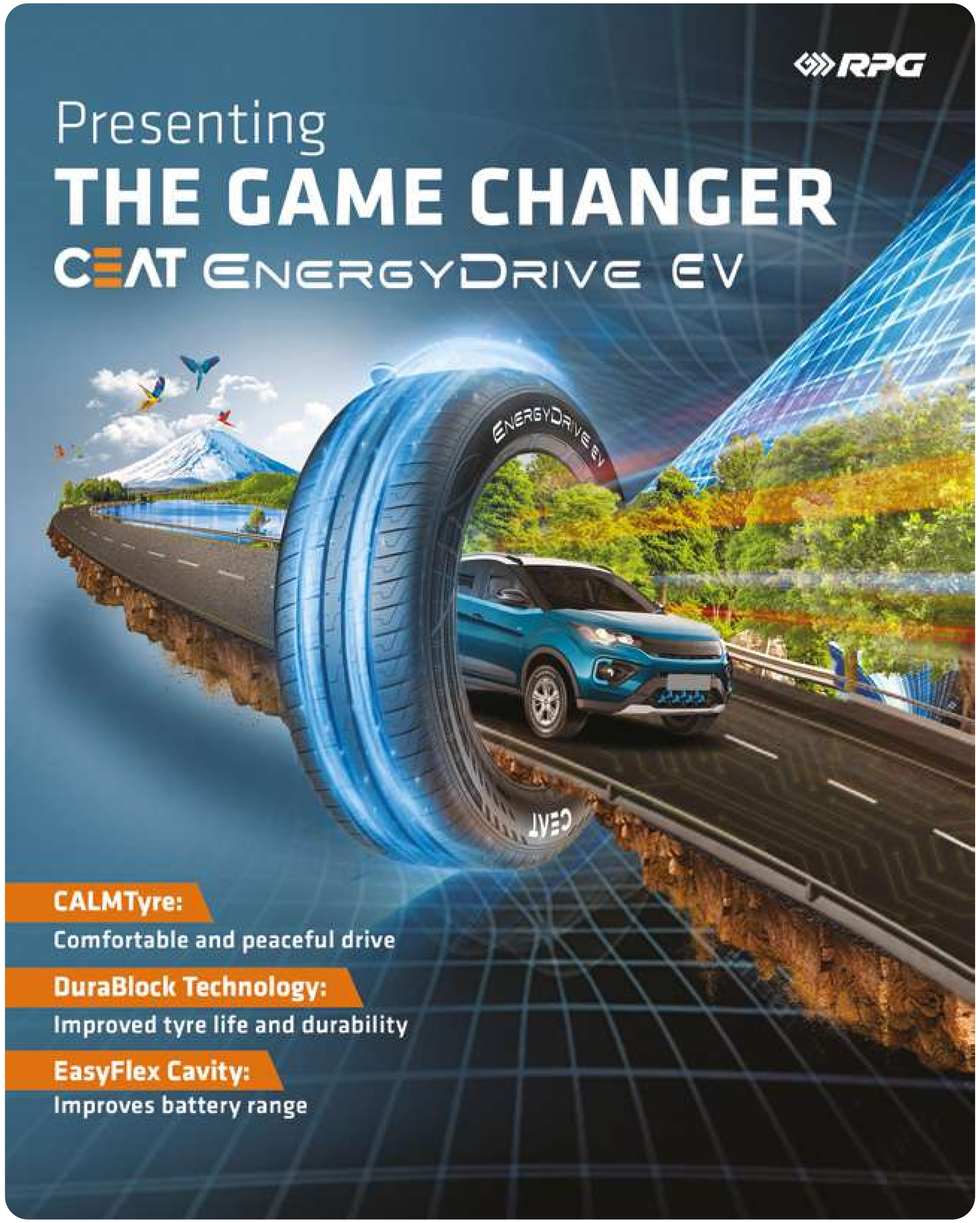
For more details on income tax, deferred tax, custom, excise tax, service tax, GST and compliance with the tax governance and control framework please refer to the Corporate Governance Report and Board's Report and Financial Statements and the notes.

Government Grants:

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

Government Grants (₹ in Crores)





Manufactured Capital

Highlights for FY24

48+ Mn	150+	2,000+ SKUs	Smart Factory Enablement
Tyres Manufactured	New Products Launched	Product Range	

Mapping with NGRBC Principles

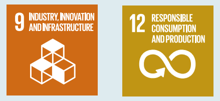
Principle 2:
Business should provide goods and services in a manner that is sustainable and safe

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

Interlinkages with other capitals

Financial
Intellectual
Human
Natural
Social and Realtionship

Contribution to SDGs



Focus Areas /Material Topics

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

State-of-Art Manufacturing Facilities

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

In FY 2023-24, CEAT produced more than 48 million tyres. The average capacity utilisation across all plants in the reporting year was around 80% in the reporting year. In FY 2023-24 CEAT launched 150+ new products.

Electrification

In FY 2023-24, CEAT has focused on the four megatrends of Electrification, Premiumisation, Digitisation and Internationalisation. For electrification, the Company is expanding its research and development and manufacturing capacities to cater to the demand of tyres for electric vehicles. The Company is actively working to support the EV landscape by producing the right kind of tyres for all the segments specially 2-Wheeler, 3-Wheeler, Truck and Bus Radials (TBR), etc.

Considering the fact that EV tyres demand the need for heavier batteries to withstand initial torque, the pattern and grip has to be stronger since the battery is heavy. EV's are generally very silent vehicles. The Company has successfully positioned itself in India's ambitious e-mobility drive.

In the two-wheeler EV category, the Company has witnessed the demand for EV tyres from a number of reputed brands. The Company is agile to cater the expectations and needs of OEMs.

Premiumisation

CEAT has responded to the emerging consumer shifts in lifestyle and aspirations by developing a range of premium 2 wheeler and 4 wheeler tyres with advanced features, superior technology and enhanced performance.

CEAT's Research and Development centre in Frankfurt, Germany, has played a pivotal role in this shift, significantly enhancing the Company's product offerings.

Recognising the trend in adventure rides, cruising and exploration, CEAT launched a premium range of steel radial tyres, SPORTRAD and CROSSRAD, in FY 2023-24. These tyres are specifically designed to unleash the full potential of high-performance motorcycles, including sports and adventure biking. The SPORTRAD series is tailored for high speed and cornering, while the CROSSRAD series offers multi-terrain high grip capabilities. Featuring steel-belted radial construction, these tyres provide superior handling at high speeds and are available for both OEMs and the aftermarket.

Awards

Deming Grand Prize

CEAT is the first tyre Company and one of only 33 companies globally to receive the prestigious award.

Value Engineering Efforts

Recognised by Tata Motors

Product Range


Truck and Bus tyres
Farm tyres
Specialty tyres
(BHANDUP PLANT)


Truck and Bus tyres
Light Truck tyres
Farm tyres
Passenger Car Radial tyres
(NASHIK PLANT)


Passenger Car Radial tyres
Truck and Bus Radial tyres
(HALOL PLANT)


Bike tyres
Scooter tyres
3-wheeler tyres
(NAGPUR PLANT)


Passenger Car Radial tyres
Motorcycle Radial tyres
(CHENNAI PLANT)


Specialty tyres
(AMBERNATH PLANT)

Mr. Jayasankar Kuruppal
SVP- Manufacturing

" While we are expanding the manufacturing footprint, our initiatives in digital transformation and QBM (TQM) have helped the organisation to improve the operational efficiencies . During the last one year we developed and implemented 40+ Industry 4.0 use cases in manufacturing which enabled to achieve Industry benchmark in operational efficiencies "

CEAT in the Industry 4.0 Journey

The 'predictive quality model' is being implemented across all facilities as part of CEAT's Industry 4.0 journey. Following the significant Lighthouse Certification achievement at the Halol plant in FY 2022-23, CEAT is expanding the 'Industry 4.0' initiatives more extensively to the other manufacturing facilities. The Company has been scaling its digital footprint across the operations and its value chain and some of the notable examples are implementing prescriptive analytics to optimise the planning schedule, analytical solutions in industrialisation process to optimise the NPD trials. The Company is working to scale digital initiatives across all its factories and functional departments. Manufacturing Execution System (MES) has been implemented at the Halol, Nagpur and Chennai plants for real-time visibility and control over the production processes.

QBM (TQM) Initiatives – FY24

As part of Quality Based Management belief for a long-term commitment through sustained efforts with engagement of all the level of people in CEAT, the below key QBM initiatives were taken.

Enhancement of customer orientation level based on QBM approach:

In order to improve the customer experience, all manufacturing process are strengthened through digitalisation and increasing the quality of problem-solving process through Managers QIP's. As a result, customer orientation level is increased through value chain and adding new OEM customers into the account. In addition, Cross Functional Management, Policy management, Daily work management are working together to improve the Key Performance indicators.

Lean Initiatives for enhancing Efficiency and Value:

Value Stream Mapping (VSM) is a visual tool used to analyse the flow of materials and information required to bring a product or service to the customer. By mapping the current state and designing a future state with reduced waste (MUDA), we identified key areas for improvement in OEE, TAKT Rate, Cycle time and CT/TT ratio. VSM helped in pinpointing bottlenecks, redundancies, and non-value-adding activities('MUDA) (activity does not add any value to the customer). This helped us to reduce product lead time significantly.

MURI Reduction- in lean manufacturing, reducing MURI is crucial to achieving optimal efficiency and productivity. MURI occurs when resources are pushed beyond their limits, leading to fatigue, breakdowns, and inefficiencies. It can manifest in various forms, including physical overburden and mental overburden. MURI is identified through VSM/Process direct observations. MURI reduction improvements are identified through Ergonomic study, developing easy to follow SOP, and low cost automation.

Kaizen & SPARSH Circles- Employees at all levels were encouraged to regularly suggest and implement small, incremental changes to processes. Kaizen events, or focused improvement projects, were organised to address specific problems or areas of inefficiency. This culture of ongoing improvement helped us stay agile and responsive to changes.

Assurance of Zero Mistakes – In order to achieve zero mistakes, error proofing initiatives are taken through Poka -Yoke approach including physical devices, automated controls and human error prevention projects based on five human error principles. All error proofing devices are integrated with Manufacturing Execution system. All manufacturing plants initiated for making human error free process through pilot and horizontal deployment of human error principles.

Prestigious Deming Grand Prize

CEAT has been awarded the Deming Grand Prize, which is one of the highest achievements in Total Quality Management (TQM) worldwide. CEAT is the first tyre Company and one of 33 companies globally to receive the prestigious award. The entire organisation, suppliers and distribution network were assessed. Previously, CEAT won the Deming Prize in 2017 and was the first Company outside Japan to win this award.

The goal of Company's Total Quality Management (TQM) is to achieve business objective through involvement of all employees in the continual improvement of all QCDSM parameters i.e. quality, cost, delivery, safety, and morale with customer at centre. The Company has improved QCDSM through executing more than 100,000 kaizens, 1,100 Quality Control Circles, and more than 500 high-level problem-solving projects. The Company has made it possible with cross-functional collaboration and has established a robust management procedure for the delivery and quality of the products. TQM ensures Daily Work Management with respect to the manufacturing and non-manufacturing areas including sales.

OEM Audits

CEAT values its association with Original Equipment Manufacturers ('OEMs') and believes in the approach of existence only to cater to customers requirements and to touch lives. In FY 2023-24, CEAT's Halol plant successfully completed 24 OEM audits and secured 12 new approvals. The plant was recognised by MG in a supplier competition for quality improvement projects. Additionally, Halol maintained high vendor ratings with all OEMs, including Skoda-Volkswagen, M&M, Daimler, and Ashok Leyland.

CEAT's Nagpur plant successfully completed 7 OEM audits and was awarded with the OEM approvals. The Company was also honoured with certificate of appreciation for reliable partner in quality and delivery from Royal Enfield.

The Chennai plant successfully completed 12 OEM audits and was awarded with 14 new OEM approvals. The Chennai plant was audited on QMS and scored 91% in SPR (Supplier Process Readiness) & 95% in QSR (Quality System Readiness)

CEAT's Ambernath facility successfully completed 3 OEM audits and was awarded with 19 new OEM approvals. The plant scored 99% in Rostselmash customer audit.

Technology Initiatives

CEAT has had various technology initiatives over the years. These initiatives are undertaken to ensure continuous quality and process improvements. The new technology initiatives have resulted in reducing the process scrap and has enabled the Company in achieving energy and resource efficiency across all the manufacturing units. The initiatives extend from raw material procurement, process scrap reduction in factory, innovations in the entire supply chain and capacity improvement.

Automation and Digitisation

The Company has widened its analytics footprint across all kinds of operations in order to ensure smart decisions. The Company has significantly invested in data science, data engineering, data architecture, data visualisation and cloud platform. The Company is harnessing the benefit of digital technologies, especially Artificial Intelligence ('AI') and Machine Learning ('ML'), to provide insights to support important business decisions.

The Company has scaled the implementation of AI and ML in the Nagpur and Chennai facilities, in addition to its current deployment at the Halol facility. Initiatives such as machine-to-machine communication in plants have been instrumental in increasing upstream capacity and successfully lowering the lead time as part of CEAT's digital initiatives. CEAT has increased the deployment of AI and ML in recent years. The Company has deployed more than 45 integrated digital use cases across its operational value chain, harnessing business benefits by developing use cases with technology platforms such as AI/ML, Internet of Things (IoT), Advanced Analytics, Visual Analytics, etc.

Smart Factory Enablement

The Company's Halol, Nagpur, and Chennai facilities are smart factory enabled. CEAT is gradually progressing towards 100% smart-factory enablement. The Company has successfully transitioned from conventional production methods to an intelligent, transparent, and scalable interconnected system with the aid of smart factory enablement. In order to design and develop a smart factory, the Company has established an ecosystem comprising over multiple technologies on its platform. With around 25+ employees, working as a part of Centre of Excellence (COE), agile working practices have been included into the Company's work culture.

To provide faster and better operator training, virtual reality-based training stations have been installed on shop floors and tyre building machines. The module offers modes for practice, assessment and lesson to improve performance tracking. The analytical module offers insights and solutions to the operators on tyre manufacturing.

Intellectual Capital

Highlights for FY24

₹173 Cr.	400+	₹19 Cr.	41
R&D Expenditure	R&D and Technology Team	Total Savings through R&D initiatives	New Design Registration
46	171	21	
Patents Granted	Patents Filed (cumulative)	New Patents Filed in FY 24	

Mapping with NGRBC Principles

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

Interlinkages with other capitals

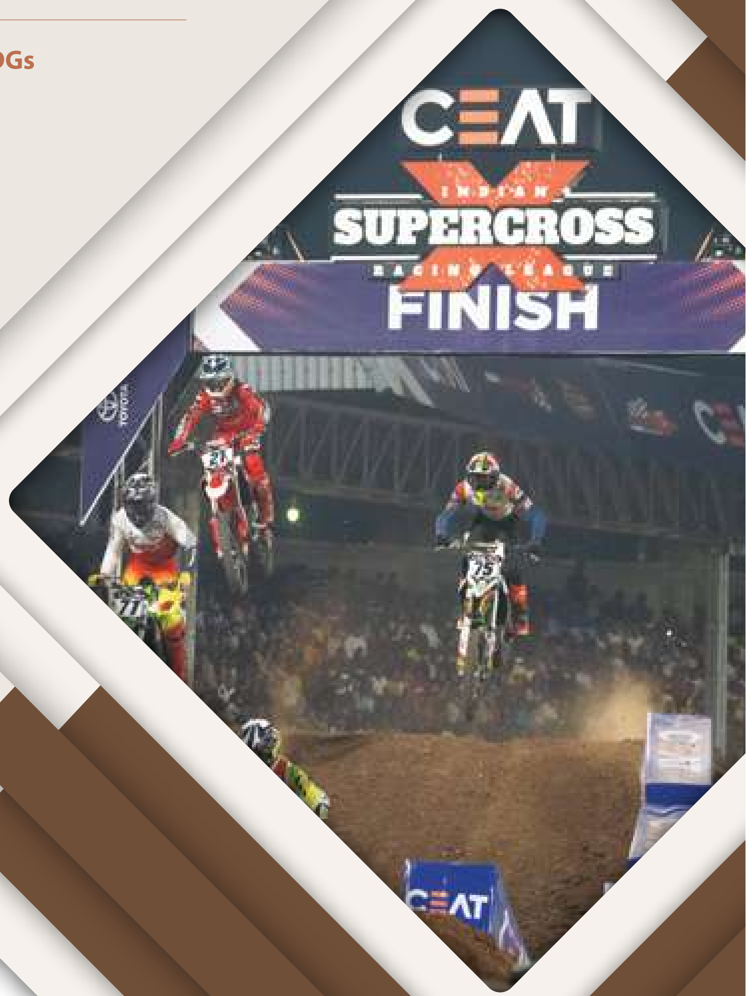
Financial, Manufactured, Human, Natural, Social and Realtionship

Contribution to SDGs

8 DECENT WORK AND ECONOMIC GROWTH, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Focus Areas /Material Topics

- Developing Sustainable Products
- Digitisation and Further Technology Advancement
- US Entry and Europe Product Upgradation



The cornerstone of CEAT's product development philosophy is innovation. The Company's intellectual wealth comprises of knowledge, expertise, patents, and technological breakthrough. CEAT is committed to create a shared value among its stakeholders, achieved by providing safe and satisfying customer experiences, while ensuring strict adherence to guidelines governing product stewardship.

Green Mobility

CEAT's strategic vision is to position itself as one of the top technology and innovation leaders within the tyre industry. The Company's commitment to leverage technology and foster innovation has enabled to cultivate a diverse portfolio of innovative products designed for future adaptability.

CEAT prioritises sustainability as its core focus area, implementing initiatives to strengthen its sustainability efforts on a global and at organisational level. Committed to the vision of 'Making Mobility Safer & Smarter. Every Day.' CEAT aims to promote eco-friendly products worldwide while ensuring customer satisfaction and safety remain paramount.

CEAT is committed to design and manufacture tyres that promote eco-friendly mobility while offering durability and cost-effectiveness. Acknowledging the close link between innovation and sustainability, the Company's R&D team is committed to diligently developing technological advancements that incorporate sustainable materials in tyre production, replacing traditional ingredients with eco-friendly alternatives. The Company's strategic focus is on sustainable raw materials and responsible sourcing, emphasizing the minimised utilisation of virgin and non-replenishable raw materials. The R&D department embarked on numerous initiatives to explore sustainable materials, employing a multifaceted approach encompassing in-house fundamental research, collaborative efforts with suppliers, and joint ventures with esteemed universities.

By investing in R&D activities focused on developing and implementing alternative materials, CEAT not only ensures compliance with regulations but also enhances its sustainability profile, reduce environmental footprint, and potentially gain a competitive edge in the market. This strategic move aligns with the broader industry trends towards sustainability and responsible manufacturing practices.

It is crucial for companies to stay cognizant of and comply with environmental regulations, especially regarding materials like Antioxidant 6PPD in tyre rubber formulations.

California's latest regulation on this compound reflects a growing global concern for environmental impact and human health risks associated with certain chemicals.

Joining the technical consortium of tyre industries under USTMA (U.S. Tyre Manufacturers Association) demonstrates CEAT's proactive approach towards addressing regulatory challenges and finding sustainable solutions. Collaborating with other industry players in this consortium allows for pooling of expertise, resources, and research efforts to identify suitable alternative materials that meet both regulatory requirements and performance standards.

Mr. Renji Issac
SVP- R&D and Technology

" The vision of R&D is to be a global R&D and significant player in safer, smarter and sustainable mobility solutions proactively delivering outstanding value to the customer through innovation and continuous learning. We are continuously working towards self reliance and develop products meeting the needs of our customers across focus markets and categories. We are using digital technologies to accelerate the developments as well as taking informed decisions. Innovation is core to our developments"

Research and Development - A culture of fostering innovation

Aligned with CEAT's commitment to technological advancement, the Company's environmental stewardship initiatives are deeply rooted in technology to drive sustainable practices.

Building upon last year's advancements, some of the key innovations for the year includes :

- Environment friendly tyres achieving a low rolling resistance
- Lightweight tyres

Additionally, the Company has introduced new products in Commercial 3-Wheeler EV Platform which increases fuel-efficiency and achieve value enhancement through simulation based virtual development, which reduces the need for physical testing and prototyping and helps to shorten the development cycle.

High Life Tyres

CEAT has significantly enhanced the longevity of its Milaze and Grip range tyres. This upgrade reflects CEAT's dual commitment to customer satisfaction and sustainable product development. By employing innovative compounds comprising high-performance polymers and additives, Grip scooter tyres have seen a remarkable 40% increase in lifespan, while Grip motorcycle tyres have improved by 14%. Similarly, Milaze scooter and motorcycle platform tyres have seen a notable 20% increase in longevity. These improvements surpass those offered by leading competitors. Importantly, thorough product validation has confirmed that these enhancements in tyre life do not compromise other critical factors such as grip. CEAT remains steadfast in its dedication to environmental stewardship through the continuous development of creative and sustainable solutions.

Lightweight tyres

The implementation of lightweight tyre designs not only enhances fuel efficiency but also improves handling and braking performance by reducing the energy required for propulsion, which adds up to significant fuel savings.

Innovations in Low Rolling Resistance and High NSD (Non-Skid Depth) Truck Tyres

Rolling resistance plays a pivotal role in determining the fuel efficiency and environmental impact of vehicles, making it a critical factor in tyre performance. Minimizing rolling resistance while ensuring longevity is essential for enhancing tyre safety and reducing the overall carbon footprint throughout the product lifecycle. Ensuring balance between minimal Rolling Resistance Coefficient (RRC) and maximal Non-Skid Depth (NSD), advanced tube type and tubeless truck tyres have been engineered to optimise fuel efficiency and traction without affecting tyre longevity.

Commercial 3-Wheeler EV Tyres

The WinEnergy tyres has been specifically designed for Electric Vehicles operating in the Commercial 3 Wheeler category, approved from prominent OEMs.

In FY 2023-24, CEAT has undertaken several projects dedicated to the development of fossil-free tyres, underscoring its dedication to sustainability and innovation in the tyre industry. By strategically integrating technology and innovation into operations, the Company continues to set new benchmarks in environmental sustainability, product excellence, and market leadership.

CEAT EnergyDrive Tyres are engineered specifically for electric vehicles (EVs), to feature a low rolling resistance design, optimizing energy efficiency and extending the range of electric car. The Company prioritises a serene driving experience with advanced noise reduction features by minimizing block movement and air pumping through lower grooves, significantly reduced rolling noise. Through innovative CACTUS algorithm (CEAT Acoustic Comfort on Tread Using Simulation), the Company fine-tuned the pitch sequencing of center ribs and shoulder ribs, mitigating resonance and further lowering tyre noise levels.

Revolutionizing cabin tranquility akin to the serene ambiance of an auditorium. CEATs CALM technology integrates an acoustic fabric that seamlessly channels noise waves into a specialised noise cancellation material, effectively absorbing and diminishing noise within the tyre cavity. This breakthrough not only ensures a quieter cabin environment but also enhances hands-free communication and promotes mindful driving practices for a truly immersive driving experience.

Key new product developments

The New Product Development (or "NPD") system integrates the production and technology roadmaps, which are evaluated annually. The manufacturing roadmap aligns with the technological roadmap to prepare for the future product to be manufactured. On the basis of the integrated plan, corresponding functional 5-year roadmaps are then created, such as the roadmaps for basic research, digitalisation, and simulation. Latest product innovations are introduced to reinforce market leadership across key segments such as steel radial longer life, fuel-efficient and environmentally friendly tyres.

Floatmax VF X3 (Agri Floatation tyre with VF Technology)

A new generation agricultural radial flotation tyre with VF Technology that are designed and developed for fast moving agricultural and grassland trailers, wagons, fertiliser spreaders etc. Floatmax VF X3 has traction and superior grip which is required for all on and off-road applications with its tread design. This tyre is suitable for operations such as spraying, cultivating and harvesting. Lower rolling resistance enhances fuel efficiency of prime movers. Strong steel casing and strong tread compound provides higher wear resistance. It has high load carrying capacity, working speed and superior distribution of pressure on the surface.

Energymax (Agri tyre for Electric Tractors)

Electric Tractors are a ground-breaking development in the tractor industry. Electric Tractors are the future of modern farming because of their various benefits and advantages attached to their emergence from being cost-effective, accurate power, environment friendly. Electric Tractors are best for future farming as there has been extinction when it comes to fossil fuels. The major requirements of electric tractor tyres are low rolling resistance and low noise with improved traction and compaction on road and field respectively.

Driving the Future: CEAT Powers India's First EV Truck

CEAT has successfully expanded its product line to meet the demands of India's first EV truck company, IPLT (Infra Prime Logistics Technologies). Recognizing the pivotal role of EVs in the future of transportation, CEAT has firmly established its presence by supplying tyres to IPLT since April 2023. Collaborating closely with the OEM, CEAT has validated essential functional requirements such as load carrying capacity, acceleration, and battery efficiency for EV trucks and tyres. CEAT stands as the sole approved supplier for IPLT, underscoring its commitment to this venture.

This partnership signifies CEAT's proactive stance in embracing the EV revolution.

CEAT's Entry into the US Passenger Car Tyre Market

CEAT has introduced Passenger Car tyres in the US market. Development targets were established after considering customer and distributor feedback, as well as market insights. A reputable third-party agency conducted a feasibility study for CEAT's US market entry. The development of US-specific platforms was conducted internally, and targets were successfully met using a first time-right approach.

Europe Van All Season Platform Development

In FY 2023-24, CEAT introduced a new all-season platform for Van category of tyres, expanding upon its range for passenger car tyres. This development was entirely indigenous, with performance targets set against a recognised benchmark, specifically a Europe-based magazine winner.

Motorcycle Steel Radial Tyre

CEAT has elevated the performance of its two-wheeler tyres with the introduction of Sportrad and Crossrad, a new range of steel radial tyres. These premium tyres are specifically engineered to optimise the capabilities of high-performance motorcycles. The Crossrad variant offers superior traction across various terrains, while the Sportrad series is designed to excel in high-speed and cornering conditions. Featuring a steel-belted radial structure, CEAT's Steel Rad tyres boast exceptional handling at elevated speeds. Developed internally at CEAT's R&D Centre and manufactured at a cutting-edge facility in Chennai, these high-performance tyres integrate advanced technologies such as innovative tread patterns, dual radius profiles, steel belt winding techniques, and multi-tread compound constructions. Notably,

these tyres are already approved by leading premium OEM's and supplies have already begun, demonstrating CEAT's commitment to safety and enhanced mobility.

Premiumisation In OEM

CEAT is actively enhancing its Premium OE partnerships, particularly in motorcycles, scooters, and EVs. In addition to strengthening its position in the market, CEAT unlocks avenues for innovation and development. CEAT brings to the table premium offerings to meet the growing preference for superior quality and performance amongst OEMs. This acts as a differentiator in making the brand stand out.

Additionally, nurturing strategic alliances and placing emphasis on collaborative product development with OEMs fosters innovation, enhances product portfolios, and enables more agile responses to the demands of expanding markets, yielding mutually advantageous outcomes.

Passenger Car Tyres:

CEAT has secured approval for multiple OE Projects in the reporting year including many Electric Vehicles some of which are the highest seller in its class. In many of these programmes CEAT is the sole supplier as well. In Europe, CEAT product has been part of the final group of products tested by Magazines out of many selected from markets.

Commercial Tyres - US GTM Development

CEAT has developed **15 sizes** of Phase 1 products tailored for urban and regional use, currently undergoing rigorous evaluation in the USA to meet its demanding market standards.

Testament to unwavering commitment for innovation, CEAT has achieved significant milestones in patent filings. The Company's cumulative patent filings stand at an impressive 171, underscoring dedication to advancing technology. CEAT has been granted 32 patents in FY 2023-24, increasing the overall number of patent grants to 46.

Key patented technologies integrated into best- selling products include:

- Unique technology ensuring **safe driving** while **optimizing fuel efficiency.**
- Innovative **tread configuration technology** designed to improve the tyre life and braking performance in Passenger Car Radial tyres
- Unique **hybrid belt coating technology** enhancing the durability of belt in Truck, Bus and Radial tyres
- A patented **gel-based solution** designed to seal punctures and prevent air leakage in Puncture Safe tyres
- A distinctive **pneumatic tubeless tyre** design focusing on lightweight durable materials for superior strength and eco-friendly two-wheeler tyres.

Research and Development Infrastructure

CEAT is focused on innovation and sustainability to meet future mobility requirements in a rapidly evolving industry. This has assisted with smart concepts in manufacturing, such as tyres equipped with digital technology, tyres with longer lifespans, tyres that are fuel-efficient, and tyres that are environmentally friendly.

CEAT's Research and Development (R&D) infrastructure plays a pivotal role in strengthening the strategic objectives. The Company has domain experts positioned at facilities in Halol, India, and the 'CEAT European Technical Centre (CETC)' in Frankfurt, Germany. Notably, Halol facility holds accreditation from The Department of Scientific and Industrial Research (DSIR), attesting to its excellence and adherence to stringent standards. Furthermore, material development and testing laboratories is accredited by the National Accreditation Board for Testing and Calibration Laboratories (NABL), reflecting commitment to precision and quality assurance in all aspects of research initiatives. CEAT R&D is collaborating with IIT's and German Universities in various areas.

Revolutionizing Mobility: Innovative Solutions

CEAT is committed to progressively move towards circular economy and achieve the objective to increase renewable content in the product offerings. Product stewardship efforts are made with the goal of reducing hazardous substances from raw materials through various initiatives and focusing on increasing reliance on sustainable content in tyres.

The commitments made under ESG framework forms an integral part of the Company's ability to take active initiative to reduce the environmental impact arising out of manufactured products. The Company has been successful in developing and implementing robotic process automation initiative to generate monthly sustainability dashboards for product carbon footprint and sustainable material trends, covering 100% of the population, a task unfeasible manually. These dashboards enhance visibility into sustainability contributions from product design. Monthly tracking includes product carbon footprint (measured in KgCO2eq per SKU) and secondary KPIs such as rolling resistance, weight, and tyre life. R&D focuses on improving these secondary KPIs according to the technology roadmap, with visible sustainability impacts via the dashboards. Material development efforts aim to increase sustainable material content, targeting 40% by 2030. Collaborative projects with internal teams, universities, and suppliers are underway, supported by 11 active NDAs/MOUs for sustainable material development.

Design Studio

Design Studio equipped with an in-house team specializing in product styling, functional prototyping, and digital tools to enhance global product aesthetics. This studio anticipates and refines patterns well in advance of actual product development.

Utilizing Semantics technique, the **product styling team** crafts concept designs to articulate design intent. Techniques include hand and digital sketching for concept development, alongside rendering tools for high-quality visuals.

Digital capabilities such as 3D printing and Virtual Reality facilitate design reviews, aiding in pattern selection. 3D printed patterns allow customers to touch and feel the design and provide better feedback.

Advanced digital tools like **'Virtual Reality' (VR)** based design review process creates an immersive environment for real-time feedback on designs thus minimizing the necessity for physical prototypes. CEAT has also developed multi-site reviews using VR.

The **functional prototyping** capability helps to validate new developed pattern in product testing laboratories and outdoor test tracks. These capabilities streamline pattern development for further sizing enhancements. The design studio is instrumental in crafting new products for both domestic and international markets, including Motorcycle Steel Radial tyres, US product range, UHP PCR tyres etc.

A key project to develop technoeconomic solutions that can efficiently shorten the entire product cycle time while improving test outcomes with a centrally operated simulation unit has been developed by the Company.

Virtual or numerical simulation involves using scientific software to evaluate product and process performance. It offers a significant competitive edge in New Product Development (NPD). CEAT relies heavily on computer simulation within its NPD process, continuously enhancing capabilities in areas such as aquaplaning, durability, tyre noise, wear, etc. The team is actively advancing new simulation capabilities, including recently developed advanced techniques driven by the application of validated techniques for both new product development and product optimisation. One of the recently developed advanced simulation technique is as below.

NOISE SIMULATION TECHNOLOGY DEVELOPMENT

A key challenge in the tyre industry is to develop tyres with lower road noise. It is necessary to have a robust method for the prediction of tyre-road interaction noise using simulation techniques as tyre prototyping is an expensive and time-consuming operation. Employing a structural and acoustic Finite Element Analysis (FEA) approach, can accurately forecast tyre rolling noise, reduce the necessity for physical prototyping. This method allows for studying the impact of materials, construction, and tread design, facilitating the development of low noise tyre and streamlining the new product development cycle.

Digitalisation

The Company is enhancing virtual capabilities for tyre development, including modelling and multi-body dynamics (MBD) for predicting tyre performance. Improved digital tools are being implemented for quicker data analysis, alongside Machine Learning (ML) projects to better correlate outdoor, indoor, and simulation data. Simulation capabilities are being developed for analysing manufacturing processes like curing and extrusion, aiming to reduce plant trials. Molecular modelling supports new rubber development through simulations, focusing on understanding polymer compatibility.

The R&D team at CEAT prioritises the cultivation of cutting-edge capabilities in simulation, test laboratory data management, and project management, underscoring its commitment to advance digitalisation and leveraging the power of data analytics. Utilizing Robotic Process Automation (RPA) CEAT has created monthly sustainability dashboards for product carbon footprint and sustainable materials. These dashboards cover 100% of the population, providing clear insights into the contribution of product design to sustainability.

The Research and Development lab has been significantly enhanced to specialise in characterizing nanomaterials and sustainable materials, conducting predictive testing for Electric Vehicle (EV) tyres, and integrating advanced computer simulations for materials. These enhancements will streamline the development cycle for premium OEM products and expand into new markets, while fostering sustainability.

CEAT's TQM Culture and Deming Grand Prize Journey

CEAT has a deeply rooted culture of Quality Business Management (QBM) by prioritizing collaboration to drive excellence and innovation throughout its products and operational procedures. In response to the intense competition within India and globally, CEAT initiated a comprehensive Total Quality Management (TQM) initiative in 2008 to strengthen its competitive edge. This strategic move yielded remarkable results, as CEAT became the first tyre brand globally to be honoured with the esteemed Deming Grand Prize, bestowed by the Union of Japanese Scientists and Engineers (UJSE) in 2023. The Deming Grand Prize, established in 1969, stands as one of the enduring acknowledgements of excellence in Total Quality Management (TQM) conferred by JUSE.

CEAT's distinction as one of only 33 global companies to receive this prestigious award, and notably the sole tyre brand worldwide, underscores its exceptional commitment to TQM principles. Companies that achieve top-level TQM operations demonstrate exceptional customer focus, meticulous operational frameworks, and workforce capabilities. This recognition reaffirms CEAT's unwavering dedication to TQM values and its relentless pursuit of perfection. Building upon its earlier success in 2017 as the first non-Japanese tyre company to secure the esteemed Deming Prize, this latest milestone is a testament to CEAT's sustained devotion to TQM practices over the past fifteen years.

Winning this prize reflects the Company's robust business systems and processes, leading to the creation of reliable products and services every time. This is offered in a partnership-based approach, involving all stakeholders and every employee. CEAT's exceptional quality standards and customer-centric mindset have been instrumental in achieving this recognition.

The adoption of a QBM approach has streamlined CEAT's operations, ensuring the efficient cognizance of its business objectives. Lean management principles have been instrumental in optimizing the entire supply chain, from raw material procurement to tyre delivery. Initiatives such as the implementation of Single-Minute Exchange of Dies (SMEDs), optimised scheduling algorithms, and improved in-process inventory control, CEAT has successfully reduced manufacturing lead times for Passenger Car Radial (PCR), Truck Bus Radial (TBR), and two-wheeler tyres. CEAT's dedication to continual enhancement is evident in achieving full employee engagement in improvement initiatives, facilitated by comprehensive training in QBM methodologies and tools, fostering data-driven decision-making at the Gemba level.

In FY 2023-24, CEAT successfully implemented over 1,09,966 continuous improvement initiatives, known as Kaizens, aimed at enhancing safety, quality, delivery, cost-efficiency, and employee morale. The Company supports its Daily Work Management practices, resulting in reduced wastage of time and materials and increased productivity. Through Lean Management principles, CEAT optimised its processes by leveraging value stream mapping, leading to the elimination of 2,369 instances of waste and 14,179 instances of overburden across various operations. Additionally, CEAT completed over 575 plus Quality Improvement Projects (QIPs), marking a record high, aimed at addressing challenges and achieving business objectives. The Company is committed to executing its strategies in a Quality Business Management (QBM) framework to fulfil its vision. Furthermore, CEAT completed 503 projects aimed at preventing human errors, representing the highest number ever achieved, to minimise manual errors.

CEAT employs a distinctive and innovative method called SPARSH (Sustainable, Productive, Accurate, Reliable, Safe, and Healing) for its Quality Control Circle (QCC) initiatives. In FY 2023-24, all workmen and associates across CEAT's manufacturing plants actively engaged in this approach, completing over 1,400 projects and marking a significant achievement. Forty-seven teams consisting of CEAT's workmen and associates participated in the National Convention on Quality Concepts, securing 30 'Par Excellence' awards and 17 'Excellence' awards.

Scrap Reduction

CEAT has introduced Scrap Optimisation Dissent Studio with the strategic goal to generate 'value from waste' for optimizing waste utilisation for maximum value. Plant teams have implemented initiatives for durable product and process design, sustained through daily work management, leading to a 44% reduction in process waste and material savings, contributing to CEAT's sustainability goals.

Way Forward

Going forward, CEAT aims to reduce product development cycle times further, strengthening team expertise and increased focus on sustainable materials through simulation technology and collaborative development. In the forthcoming years, CEAT plans to undertake expansion of its tyre testing capabilities, extension of vehicle dynamics capability to commercial vehicles and equip with infrastructure to meet the new global regulations as well. These initiatives are not only to fortify the Company's presence within OEM sector, but also position it to comply with forthcoming global tyre regulations. Through a combination of team empowerment, agile practices, dedicated investment in sustainable technologies and virtual simulation capabilities, the Company is confident of being successful in effectively reducing product development cycle time while advancing commitment towards environmental stewardship.

Human Capital

Highlights for FY24

365 Women Workforce Recruited	**6,743** Permanent Employee Strength	**1,850** Total Workers Strength	**15.37%** Hiring Diversity
7,958 Health & Safety Training Man-days	**29,512** Total Training Hours for Non-management Staff	**85** Happiness Quotient	

Mapping with NGRBC Principles

Principle 3:	Principle 5:	Principle 8:
Businesses should respect and promote the well-being of all employees, including those in their value chains	Businesses should respect and promote human rights	Businesses should promote inclusive growth and equitable development

Interlinkages with other capitals

Financial

Manufactured

Intellectual

Natural

Social and Realtionship

Contribution to SDGs

3 GOOD HEALTH AND WELL-BEING

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

10 REDUCED INEQUALITIES

Focus Areas /Material Topics

- Aspirational Employer Brand
- Diversity and Inclusion
- Capability Building
- Employee Wellbeing, Health and Safety
- Employee Engagement

"The most valuable currency of an organisation is the initiative and creativity of its employees."

– W. Edwards Deming.

Mr. Somraj Roy
Chief Human Resource Officer

"In financial year 2024, CEAT achieved extraordinary results in terms of business, a testament to the robustness of our integrated strategies, focused operational excellence and exemplary performance of our employees. As an organisation we continuously strive to work towards upholding the values and culture, and prioritizing capability building, succession planning, and performance management to achieve the vision. What sets us apart is the unique culture at CEAT, which is reflected in our high employee boomerang rate and a commendable Glassdoor rating of 4.4.

Recognizing our employees as the bedrock of productivity and innovation, CEAT believes in consistently investing in their development to equip them with leadership, behavioural, and functional skills. We understand that realizing our vision requires developing key capabilities and CEAT, in alignment with our vision has prioritised key focus areas for doing so.

Another key initiative for future proofing CEAT, is Succession Planning. We have implemented and institutionalised robust processes and system for Talent management & Review and their development resulting in having Successors identified for majority of the key / critical position. Today 70% of our internal positions now being filled from within.

Diversity and inclusion being yet another business imperative, there has been an endeavour to achieve double digit numbers across all facets of diversity – call it Gender, PWD, Economic, Geography etc. Today our overall diversity stands at a 18% figure (as of total employee population).

Looking ahead, we are focused on becoming future-ready through advancements in digital technology and a steadfast commitment to diversity. By leveraging AI, we have transformed our talent acquisition and engagement strategies, utilizing advanced listening mechanisms to stay attuned to our employees' needs. By fostering a culture that emphasises employee development, well-being, and diversity, we are building a resilient and dynamic organisation. This foundation ensures we are prepared to meet future challenges and opportunities, poised for sustained growth and success."

Awards & Recognition

Gujarat Employer's Organisation Excellence
Best HR Practices & Innovation for CEAT Halol Plant

This achievement not only validates the Company's efforts but also serves as inspiration to be persistent in pursuit of excellence in HR.

Top 20 Most Innovation Practices in Diversity & Inclusion - Hiring award by HerKey
DivHERsity Awards 2024 for CEAT Chennai Plant

Chennai Plant has been recognised among 300+ companies nationwide for its exceptional Diversity & Inclusion practices in hiring. This distinguished accolade highlights commitment to foster an inclusive workplace at CEAT.

Great Manager Institute
Leadership Factory Award

This acknowledgment speaks volumes about commitment to nurturing talent and fostering organisational excellence.

Leadership Factory of India Award 2023

"Leadership Factories of India" is a study by GPTW that identifies organisations with the best leadership development processes with the best leadership development processes, keeping in mind the objectives of Great Manager Institute® and National HRD Network.

Deloitte
India's Best Managed Companies for 2023

The Best Managed tag is more than an accolade; it's a testament to the excellence of outstanding Indian businesses. This recognition by Deloitte is a badge of excellence, and the Company is committed to ensure its consistent and accurate display.

Life at CEAT

The Company has a focused and skill-based approach towards learning and development. Continuous learning is part of employee lifecycle. Every new joinee at CEAT undergoes a detailed 2 weeks induction programme called as **"Parichay"** which involves direct interaction with Senior Management. During the induction new joinee or new hires are getting exposure of key business functions and activities which includes market visit, detailed R&D, shopfloor visit. The Company provides exposure to Quality Based Management principles and tools to ensure effective onboarding.

CEAT Way of Hiring (CWH 3.0)

In FY 2023-24, with a view to enhance talent quotient, CEAT Way of Hiring 3.0 was introduced, providing a standardised recruitment flow that focuses on improving selection by assessing candidates on diverse but standardised parameters across multiple levels of selection. The recruitment process is aligned to the CEAT values of PACE enabling the organisation to hire talent in sync with its value system.

AI Based Talent Acquisition

A **digital Applicant Tracking System (ATS)** platform is used to run recruitment process facilitating a standardised assessment, workflow and communication experience. Leveraging digital technology and building a strong vendor ecosystem resulted in reducing Turnaround Time (TAT) by 50%.

D&I in Hiring

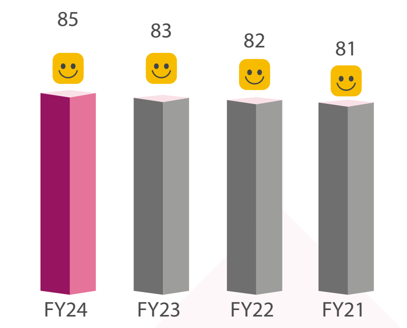
CEAT has prioritised both educational and geographical diversity in its recruitment efforts. In terms of educational diversity, the Company places greater emphasis on skillset of the candidate. Furthermore, strategic recruitment initiatives have been implemented across multiple international locations, including the US, Europe, Latin America, and the Middle East, to cultivate a more inclusive and diverse workforce within the organisation.

PACE Values:

Every CEATizen is energised by the purpose of 'Making Mobility Safer & Smarter. Every Day.' The young and diverse employee base at CEAT truly epitomises the spirit of its Values of **Play to Win, Agility, Customer Obsession, Empowerment and denoting Caring.**

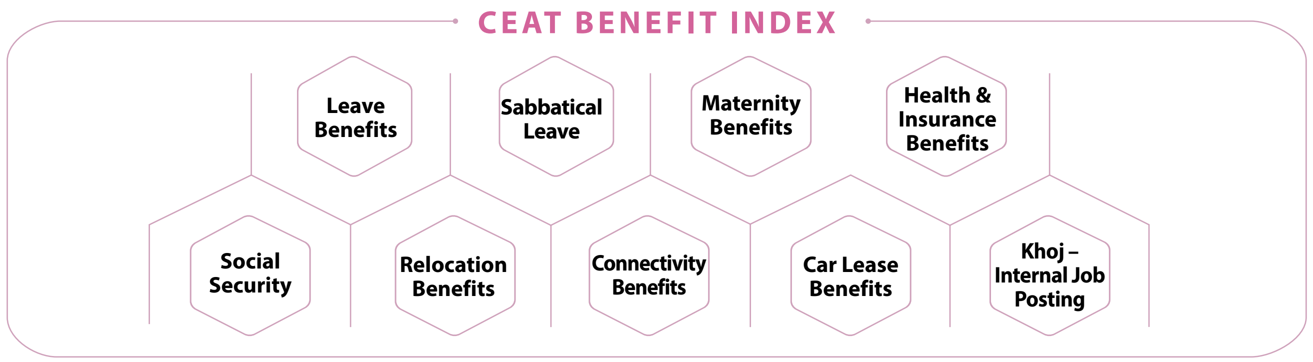
Happiness Quotient:

At CEAT RPG Employee Happiness leads to higher productivity which in turn leads to greater customer satisfaction. The year-on-year continuous improvement in its Happiness Quotient from 81 to 85 over the last 4 years is a testament to the focused interventions by CEAT to ensure their employees are happy.



People Well-being at CEAT

Prioritising well-being is essential in enduring commitment to culture of 'care'. The Company is deeply committed to foster positivity, wellness, and robust health across workforce and their families through several initiatives.



Some of the extended benefits offered are:

Wellness Wheel

CEAT has Zyla Health, which is a comprehensive health and wellness solution tailored for its people. Zyla health is a holistic platform that offers personalised care management aimed to promote overall health and wellbeing. Zyla's platform was launched across all the manufacturing facilities.

CEAT provides multiple health support to its people such as:

Key health benefits extended to employees:

Zyla Zen

The app offers a multitude of resources, such as nutritionist consultations, online materials for mindfulness, yoga sessions.

Condition Management Programme

A special service for particularly vulnerable employees with chronic illnesses including diabetes, heart disease, etc.

Annual Health Checkup

Yearly health checkup appointment through the app, with access to health report.

Employee Assistance Programme

Aimed towards mental wellness and counselling services.

Employee Leave Policies:

CEAT's leave benefits are designed to support employee well-being and needs. Their comprehensive leave policy includes 26 weeks of paid maternity leave for new mothers, 12 weeks of maternity leave for commissioning, surrogate, and adopting mothers, and coverage for maternity-related medical expenses and creche charges. CEAT promotes work-life balance by offering flexible working arrangements for parents. In FY 2023-24, CEAT received 240 paternity and 30 maternity leave applications, with all 270 employees returning to work and remaining employed 12 months after their return. CEAT fosters a family-friendly culture by gifting hampers to new parents and prioritises diversity and inclusion, with significant contributions from women and transgenders in various key positions. CEAT also supports its workers through mediclaim, term life insurance, and other benefits as per Long-Term Settlements (LTS). The Company contributes to the families of deceased colleagues and supports diverse paths to parenthood through its parental leave policy.

Inclusivity beyond gender

Diversity, Equity, and Inclusion (DEI) serves as a foundational principle within CEAT's corporate framework, guiding steadfast commitment to nurture a workplace culture where every individual is esteemed, respected, and empowered to contribute their distinct viewpoints. CEAT acknowledges that a diverse workforce not only fortifies organisation but also drives innovation and creativity.

The Company's policies are committed to prevent any form of discrimination based on gender or disability through its employment cycle. The Company has established a metric-driven DEI Charter, with a particular focus on enhancing gender diversity.

CEAT's Leadership and Diversity

Mr. H.V. Goenka
Chairman

CEAT's Nagpur factory now has over 24.3% women associates across all shop-floor functions. This is not the usual norm in a heavy duty factory. CEAT is proud to be a truly equal opportunity employer.

Diversity is not to be accepted, but embraced.

Some key diversity parameters the Company embodies within the organisation are as follows:

- Be biased to push diversity
- Don't show sympathy but empathy
- Diversity is not an agenda but a tool to surge ahead and push the innovation agenda.

Gender Diversity at CEAT

Diversity lies at the heart of CEAT's ethos, guiding every aspect of operations. CEAT is delighted to acknowledge the invaluable contributions of exceptional women across various key positions, including Quality Assurance, Planning, Production, and QBM. CEAT's Nagpur facility has "Associate diversity with 24.3%". CEAT's Halol, Bhandup and Chennai facility are empowering the transgenders by creating a shared value though employment opportunities. CEAT is also adding value in the lives of people with diversity in Halol, Chennai, and Nagpur facilities by creating an opportunity of employment association.

“Strength lies in differences not in similarities”

#BreakTheBias

The Company has engaged women employees in shopfloors which is not the usual norm in a heavy duty factory. CEAT is proud of this initiative and extends support to the female workers.

Women Accelerator Programme

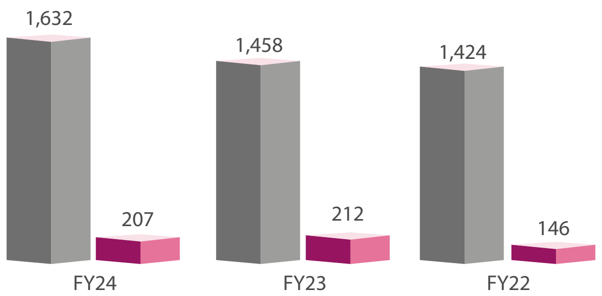
CEAT has Women Accelerator Programme to enhance behavioral skills and nurture leadership capabilities for the holistic growth in career. Through this initiative the Company conducts workshop to build awareness against gender discrimination and other issues in personal and professional space. Additionally, the Company connects inspiring, successful, strong and empathetic women through its mentoring programs.

EmpowHER

The Company’s dedicated employee resource group for women, EmpowHER fosters inclusivity by providing a supportive environment for dialogue, idea exchange, and networking. Furthermore, the Company has Inweave internship programme that facilitates the re-integration and professional growth of women returning to the workforce after a career break.

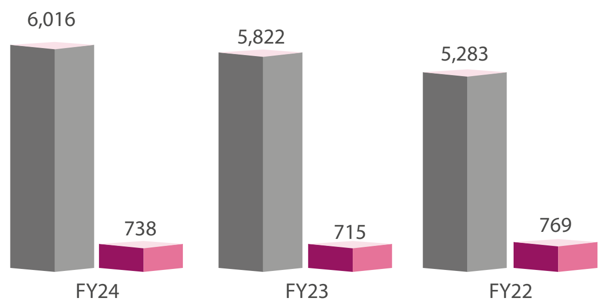
Management

● Male ● Female



Non-Management

● Male ● Female



CEAT’s Diversity Initiatives

Providing a safe working environment

Night Shift - Door to door pick-up and drop accompanied with a female security guard

Shopfloor rounds by female security guards during night shift

Minimum 1 female manager is present in every shift

Infrastructure Support

Sanitary vending machines in washrooms

Sanitary Pads availability in Occupational Health Centres

Incinerators installed in washrooms

Grievance Redressal

Women’s Empowerment (WE) meetings are conducted on a monthly basis to understand the problems faced by women, gather their suggestions and feedbacks and address their concerns.

Grievance Redressal - 24X7 active WhatsApp Group

For immediate concerns, the female employees and workers can reach out to female managers present in the shift

Supportive Policies

Maternity Leave

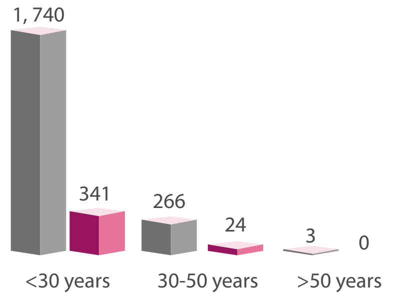
Creche facility/Allowance support to working mothers

Engagement

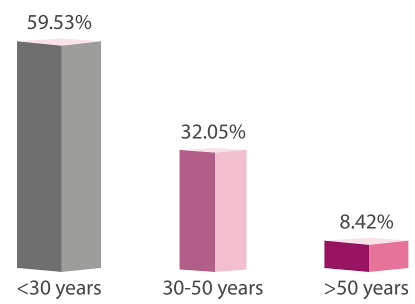
Engagement Activities like Women’s Day Celebration, outbounds etc.

No. of Employees hired in FY 2023-24

● Male ● Female

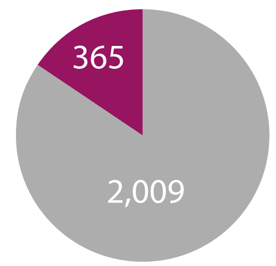


Age-Wise Breakdown of workforce in FY 2023-24 (in %)



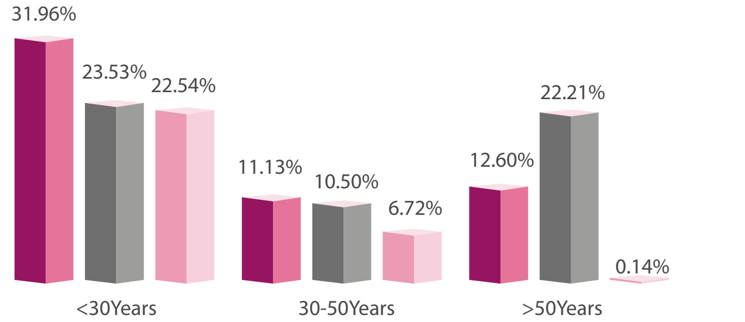
Hiring by Gender in FY 2023-24

● Male ● Female



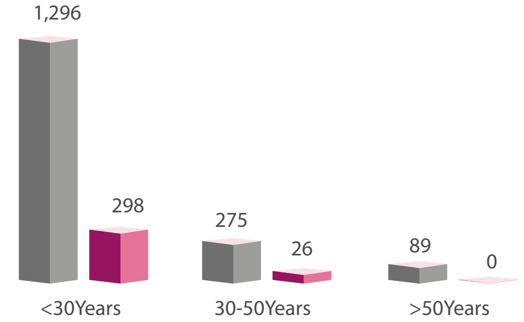
Age-Wise Employee Turover

● FY24 ● FY23 ● FY22



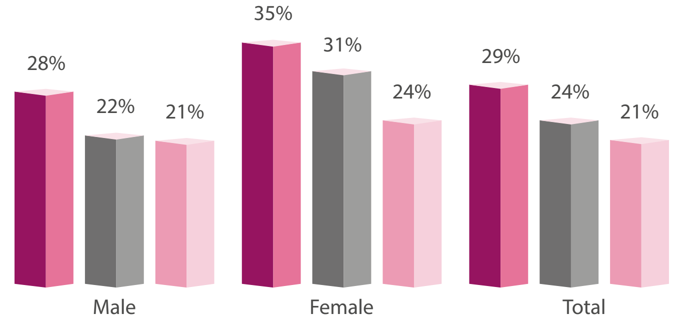
No. of Employee Turnover in FY 2023-24

● Male ● Female

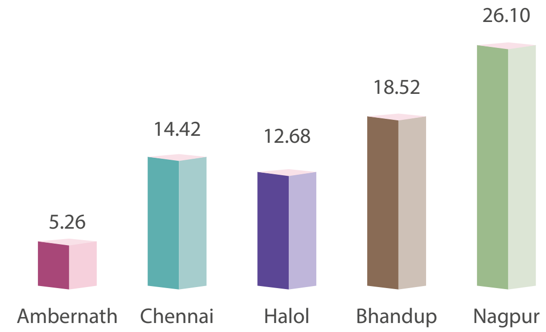


Employee Turnover

● FY24 ● FY23 ● FY22



Diversity Hiring % in FY 2023-24



For more information, please refer Principle 3 and 5 of BRSR

Embracing Diversity at CEAT

Employing transgender people and people with disabilities is one of CEAT's initiatives to foster inclusivity. Sensitisation sessions are conducted prior to their hiring to promote acceptance and understanding within the organisation. Customised induction schedules are developed for persons with disabilities to ensure a seamless transition into the workplace. Furthermore, initiatives such as creating 70 new signs for CEAT-specific terms and providing sign language training to employees by collaborating with individuals with disabilities have been implemented. These efforts are aimed at creating an environment where every employee feels valued, respected, and empowered to thrive.

Employee Engagement and Satisfaction – Creating Employee Delight

CEAT has multiple platforms to engage with its employees such as happiness surveys, interaction with manager and leadership through employee connect events. CEAT has Employee engagement calendar which presents a diverse range of events and associated activities. These activities include live Zumba sessions, interactive group activity such as housie, webinar on various on life enhancement, and workshop on various recreational activities such as bag-painting. The culture ensures "something for everyone" to foster creativity, boosting morale, and strengthening team bonds. CEAT employees across levels and functions come together to celebrate festivals in their diverse attire's representing their unique traditions; helps us fortify that while we are diverse in the way we dress , language we speak we are yet together in achieving the common vision.

Grievance Redressal Mechanism

Employees at CEAT have access to an effective grievance redressal system in several platforms such as

Bol Bindass 01

Online portal wherein employees can raise queries and concerns.

Red Book 02

The portal allows for offline filing of complaints.

Sherlock 03

Sherlock, an AI-powered chatbot, serves as a comprehensive solution for employees to handle queries regarding organisational policies and processes. Employees can also utilise Sherlock to directly raise grievances or inquiries.

R-Shield 04

A 24*7 harassment prevention helpline to provide a safe and confidential space for employees, vendors or anyone who visits RPG premises to raise grievances. Raising grievances is made convenient through various channels, including calls, whatsapp, text messages and emails.

Learning and Development at CEAT

Capability Building for Workers and Associates

To enhance productivity and the capability of people at CEAT, the Company has multiple training programmes to assess and upskill the workforce. Through these trainings Workmen are trained to work in multiple tyre manufacturing processes with focus on Quality, Cost, Delivery, Safety and Morale (QCDSM). During this process, a formal assessment is being conducted to assess and recognise the trainees as a Learner, Executor, Excel, and Propagator (LEEP).

CEAT has a structured training programme through Sustainable, Productive, Accurate, Reliable, Safe, and Healing (SPARSH) circle with 8,000+ man-days covering 100% of employees and workers.

Capability Building with Virtual Reality

CEAT has Virtual Reality (VR) training programme for shopfloor associates which is more interactive, engaging, comprehensive with effective delivery and impacts.

VR training offers a unique and immersive experience tailored to the specific needs of the user and allows the trainee to experience realistic scenarios and learn through hands-on experience. With VR modules, the Company has added several interactive elements to the learning and has achieved reduction in overall training time by 45%. VR has gamified learning experience with better learning retention and improved quality of trainings.

Elevating Skills through Functional Academies

CEAT has business specific functional academies to cater the needs of shifting business paradigm, evolving market expectations and regulatory landscape with better acumen building such as Digital, Sales, Supply Chain, Manufacturing, Finance and R&D Academy.

Average Training Hours per employee for FY 2023-24

Management	46.30 Hours
Non-Management	4.27 Hours
Permanent Female Employees	44.29 Hours
Permanent Male Employees	46.50 Hours
Contractual Female	5.92 Hours
Contractual Male	4.07 Hours

Leadership Development Initiatives

Higher Education Via Executive MBA

CEAT has the Executive MBA programme in partnership with Symbiosis Institute of Management & Research which is one year part time MBA course specially designed for upskilling and leadership development.

First Time Managers Programme

In order to develop soft skills, inculcate right attitudes and develop managerial skillsets, programs like "First time Managers" and Corporate University Programs like "Result Orientation, Personal Excellence and Growth Mindset" were conducted across plant locations and corporate office. Signature High Value Programs like Relationship Management, Authentic Conversations, Visioning workshop were organised to improve quality of talent and augment capabilities that cater to Volatility, Uncertainty, Complexity and Ambiguity (VUCA) world.

Coaching

Coaching serves as an integral part of culture within CEAT. Talented individuals who express interest are provided with the opportunity to receive guidance from internally certified coaches to aid them in achieving their objectives. The Company has 60 plus internal coaches that provide structured coaching to employees.

Career Maps

CEAT has launched a unique initiative to address the need for career clarity among its Manufacturing and R&D employees. The Company has introduced Career Maps which are specifically tailored to roles of employees. This initiative provides clarity on possible career paths within Manufacturing and Engineering functions. It enables employees to build skills in a structured manner to reach their desired destination.

Additionally, the **Yearly Succession Workshop** facilitates employee development by providing insights into leveraging their potential for job enrichment, devising career progression strategies, and identifying successors for key positions. Critical positions and high potentials are identified through rational assessments, stakeholder discussions, and values demonstration. Career conversations, structured around individual development agendas based on the 70-20-10 principle (On the job, self-learning, classroom), are conducted regularly and systematically.

Human Rights

CEAT is committed to provide a platform where the fundamental rights of all stakeholders are protected while engaging with employees, suppliers, business partners, customers, communities, investors, and shareholders as per the National/International policy frameworks, which emphasises the Company's commitment to labour standards and Human Rights.

CEAT's Human Rights policy is aligned to the United Nations Guiding Principles on Business and Human Rights and National Guidelines on Responsible Business Conduct (NGRBC). The Company's policy is a guiding instrument to implement best practices around human rights with robust due-diligence and training and awareness and impact assessment processes.

CEAT has a Sustainability and Corporate Social Responsibility (SCSR) committee to oversee the deployment of policy.

The employees are represented by formal employee representative groups. Currently, there is one recognised employee association across the Company and 1,850 workmen are its members constituting 100% of the total permanent employees.

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

CEAT endeavours to respect fundamental human rights by adhering to the below principles:

- Maintaining a work environment that enables employees to **work without fear of prejudice**, gender bias and sexual harassment.
- Respecting workers' **right to freedom of association** and **collective bargaining**
- **Respecting diversity** by treating with dignity and without any discrimination based on gender, caste, class, religion, ethnic origin, sexual orientation, persons with disabilities, etc.
- **Strictly forbidding** involvement of **all forms of child labor, forced/trafficked labor**
- Ensuring suitable human rights clauses in all the agreements and contracts with the value chain partners
- **Safe and healthy working environment**
- **Equal Opportunities & Fair Pay**
- **Safeguarding the integrity and confidentiality of data**
- **Training and awareness** on Human Rights
- Human Rights due diligence and third party / independent assessment.
- Effective **grievance redressal mechanism**

CEAT's Human Rights policy also protects employees' collective bargaining rights by recognising and supporting labour unions across the board. Moreover, no complaints of child labour, involuntary labour, or discriminatory employment have been filed during the reporting period.

Occupational Health and Safety

CEAT has established a robust Environment, Health & Safety (or "EHS") Management System as part of its commitment to ensuring the health and safety of its employees, workers and value chain partners. The Company provides and maintains a safe and healthy work environment by creating safe operating processes and practices that protect staff members from risks and hazards.

The Company ensures compliance with all the applicable health and safety regulations, international standards such as ISO 45001:2018. To accomplish the goals of the Company, Corporate EHS team has developed an EHS purpose of 'Making Mobility Safer & Smarter Every Day.'

CEAT's EHS Vision

The Company has an EHS vision to create incident free environment, by pursuing EHS excellence by creating greener, healthier, and safer workplace with minimum negative impact on planet and communities.

In order to achieve the EHS vision, CEAT is focusing on three aspects such as 'People and Culture, Operation systems, and Management systems' for the overall EHS management across the four business verticals such as manufacturing, supply chain, sales and offices and outsourced partners.

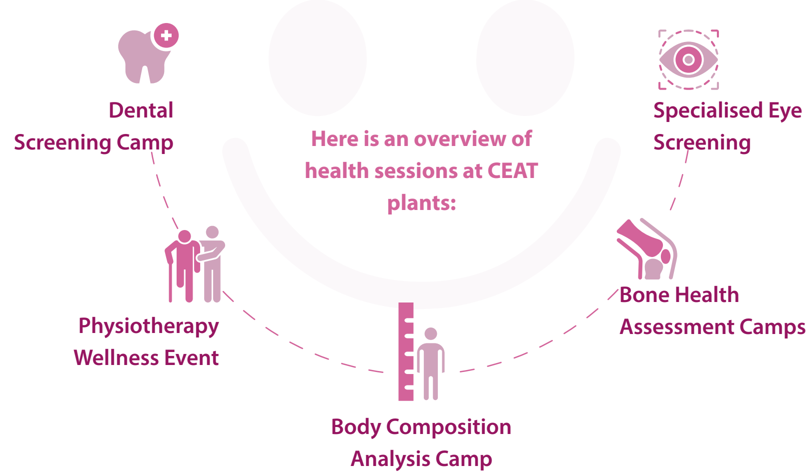
Safety First Culture

In an effort to ensure safety of its employees and workers, CEAT is taking multiple initiatives at the corporate and plant levels. These initiatives include observing safety weeks, setting up green gyms to encourage physical fitness awareness among workers, establishing comprehensive Occupational Health and Safety (OHS) centers at plants, offering round-the-clock medical and ambulance services, and organising health check-up camps. The Company creates awareness through health camps focused on orthopedics and psychology for employees and workers.

Sword of Honour

In October 2023, CEAT's Ambernath and Chennai plants have been recognised with the Sword of Honour from the British Safety Council (BSC). This prestigious award was granted to CEAT, making it one of 115 organisations worldwide to achieve such recognition. The Sword of Honour is bestowed upon companies that exhibit excellence in managing health and safety risks at the workplace. Notably, CEAT Specialty was the first Company in the Off-Highway Tyres (OHT) category to receive this esteemed accolade.

Prior to receiving the Sword of Honour, CEAT Specialty underwent a comprehensive Five Star Occupational Health and Safety Audit conducted by the British Safety Council. This audit evaluated the Company's performance against key health and safety management best practices, encompassing a detailed review of fifty-seven elements. CEAT Specialty achieved an audited score of 94.36%, showcasing its commitment to maintaining high standards of occupational health and safety.



These endeavors underscore the Company's commitment to ensure the health and safety of its people across all the levels.

During the audit process, CEAT underwent a thorough evaluation of its occupational health and safety policies, processes, and practices. This evaluation included reviewing documentation, conducting interviews with senior management, employees, and other stakeholders, as well as observing operational activities. CEAT has demonstrated excellence in health and safety management across all levels of the business.

Mr. Mike Robinson
CEO- British Safety Council

"The award of a five-star grading following our occupational best practice Health and Safety Audit is an outstanding achievement and is reflective of a proactive organisation which is committed to continual improvement in its health and safety arrangements and managing risks to workers' health, safety and wellbeing."

Mr. Amit Tolani
Chief Executive, CEAT Specialty

"We take pride in winning the prestigious Sword of Honour from British Safety Council, a testament to our steadfast dedication to safeguarding the health and well-being of our employees and stakeholders. We remain committed to enhancing our health and safety management systems, aiming to uphold our status as an exemplary organisation."

CEAT's Health and Safety Policy

CEAT has a dedicated Health and Safety policy with endeavor to ensure safe and healthy work environment for its people. Policy outlines the roles and responsibility of safety committees in manufacturing plants. Policy encourages for regular Hazard Identification and Risk Assessment ('HIRA') with respect to the all-core activities of the plants. Basis HIRA, risk mitigation plan is prepared and reviewed periodically.

The policy highlights the need of having Emergency Preparedness and Response Plan (EPRP), commensurate with the risks of the facility with the basic elements such as roles and responsibilities, communication system, emergency response procedure, location of assembly points, safety training, checklist as a guiding instrument.

CEAT's Health and Safety policy has established procedure and mechanism to report and record the health and safety incidents such as occupational injuries, near misses, suspected cases of occupational disease and potential safety incidents.

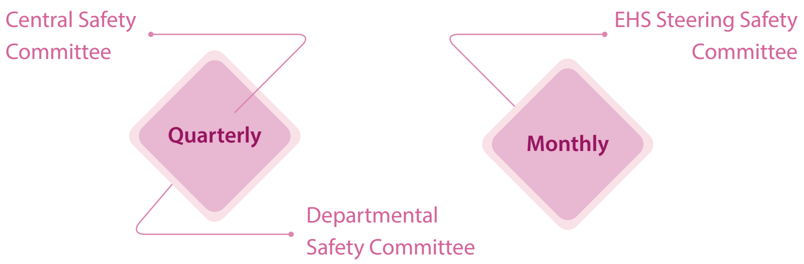
CEAT's health and safety policy is available on https://www.ceat.com/content/dam/ceat/pdf/sustainability-page/CEAT-EHS-Policy.pdf

Safety Governance

The safety culture at CEAT is rooted in Company's overarching vision of **"Making Mobility Safer & Smarter. Every Day."** In FY 2023-24, CEAT initiated several safety-related endeavors, including the establishment of an additional safety committee known as the EHS Steering Committee, in addition to the existing Central and Departmental Safety Committees. This strategic move underscores CEAT's ongoing commitment to enhancing safety measures and fostering a culture of safety throughout the Company.

CEAT plants are equipped with robust safety measures, including fireproofing, water sprinklers, and automatic flooding systems. 581 of CEAT employees are trained in firefighting, while 521 are trained in first aid. Furthermore, all plants are well-equipped with medical facilities, including 24*7 ambulance services.

Safety Committees – Frequency of Meeting



CEAT plants have recently introduced a new initiative known as the Daily Safety GEMBA walk, which is now operational across all facilities. Under this programme, the EHS head dedicates one hour daily to visit plant operation units, ensuring that all EHS parameters are correctly in place, evaluating HIRA, discussing main action points and circulating the minutes of the meetings.

In another proactive step, safety inspections involving a Cross-Functional Team (CFT) have commenced at all the plants of CEAT. EHS heads from different plants conduct cross-inspections to ensure that all EHS measures are appropriately implemented. These initiatives underscore CEAT's steadfast commitment to prioritising safety across all plant locations.

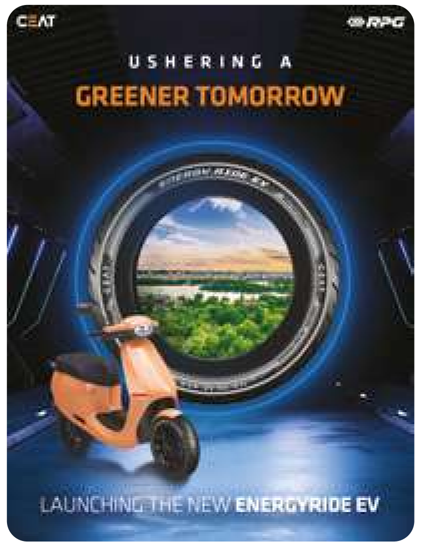
Digitisation and Safety Trainings

The Company has implemented a firmwide digitisation process, with several digital platforms being initiated as part of this transformation. These efforts are not only aiding in reducing paper usage but also aligning with Company's sustainability goals. One such platform is a mobile application that is designed to capture the employees and workers grievances.

EHS meeting are conducted in online mode across all plant location on a weekly basis The agenda of meeting is set in advance to ensure discussions on safety and other essential parameters. The online mode of meeting significantly saves time and reduces the need for travel, thereby contributing to emission reduction efforts.

The Company has initiated a new endeavour titled **"Training on Wheels,"** which involves a mobile unit equipped with a laptop and projector. This unit conducts training sessions in shop floor areas to sensitise associates and communicate expectations regarding safety and various risks present in the work area, as well as SOPs within departments or units. It helps to reduce the time and effort required for employees and workers to physically attend meetings. This effort has notably reduced time in plant operations and has been successful across all facilities.

The EHS training kiosks have been established in two plants: Nagpur and Chennai, providing the option of local language to assess awareness of site-specific health and safety guidelines and systems. These kiosks offer extensive training on all aspects of Environmental, Health, and Safety (EHS) and distribute physical passes upon completion of training sessions. With the implementation of Safety Training Kiosk (STK), CEAT is taking a proactive approach to ensure that all contractors working within Company premises receive comprehensive safety training before commencing their duties.



Hazard Identification and Risk Assessment ('HIRA')

CEAT has a top-notch Occupational Health and Safety (OHS) management system. All the manufacturing facilities are certified with ISO 45001:2018. In order to overcome and manage any uncertain situation or risks, the Company conducts regular Hazard Identification and Risk Assessment (HIRA) with respect to the process changes, new equipment, and services, regular operational activities, and safety dashboard.

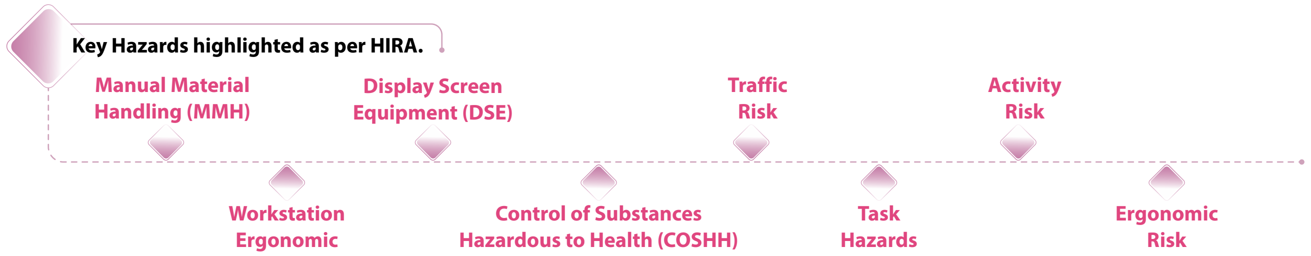
The Company ensures all new processes, equipment's, and project installations, undergo a safety evaluation study prior to deployment. Safety Committee analyses all the incidents followed by identification of root cause of the incidents and basis the root cause it implements the Corrective Actions and Preventive Actions (CAPA).

Every month, the Vice President - Operations (who oversees the site) and Senior Vice-President - Manufacturing, conduct an operation assessment, during which the risk control plan is examined. The Company conducts regular inspections such as the Respirable Suspended Particulate Matter (RSPM) Monitoring Survey, the Noise Level Survey, the Illumination Survey, and the Heat Stress & Ventilation Survey, industrial hygienists conduct workplace and personal monitoring periodically. The results of the survey are used to build an action plan, which is then discussed in monthly operations reviews and safety committee meetings.

The work-related injuries in FY 2023-24 accounted for 3,06,47,219 person hours are as below

Particulars	Total for FY 2023-24
Work-related injuries	34
Lost time injuries	3*
Rate of recordable work-related injuries	1.11*
Lost time Injury frequency Rate	0.10
Fatalities	0
Fatality Rate	0
Injury Rate	3.00
Severity Rate	5.25
Frequency severity Index	0.023

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

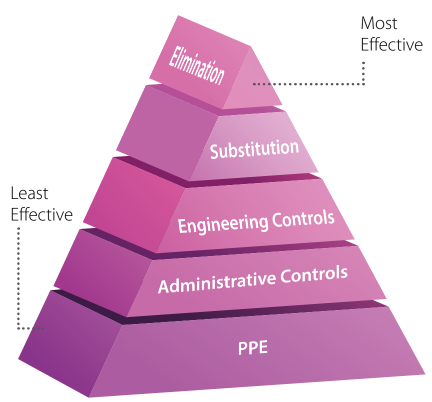


The risk mitigation plan is created using the hierarchy of controls, with priority given to elimination or substitution of controls and engineering controls.

The Occupational Health Centre (OHC) is manned by a doctor in general shift, and around the clock by nurses. Personnel, including contractors, receive pre-work medical check-up against defined fitness standards. Fitness for work is monitored through ongoing health surveillance based upon task/ activity risk profiles and a process of follow up using a colour card system for tracking. Health surveillance and medical examination provide baseline and ongoing health management information. The Company is engaging with external hospitals and healthcare service agencies for providing training on first-aid.

A checklist utilised by the EHS Manager and Doctor facilitates the periodic inspection of OHC equipment, ambulances, eye showers, and first aid boxes. Inspection findings are evaluated during Departmental Safety Committee meetings. The baseline for continuing health management information is provided through health surveillance and medical examination.

Hierarchy of Controls



Leadership initiatives to promote safety culture at CEAT

As a demonstration of its commitment to the health and safety of its employees, CEAT started performing EHS evaluations at each of its manufacturing plants. The Senior Vice President VP of Manufacturing is in charge of these assessments.

A Cross-Functional Team (CFT) safety inspection has been initiated at the plants of CEAT. Cross-inspections are conducted by EHS heads from six plants to guarantee that all EHS measures are implemented correctly.

Monthly plant inspections have been implemented by the Senior Vice President of manufacturing, with a focus on EHS dashboards, EHS criteria, leading and lagging indicators, reported problems, and corrective actions. The Senior Vice President guarantees the Company's complete dedication to compliance and emphasises its significance. An allocation of funds for handling non-compliance problems is part of the yearly planning process. Plant heads, the corporate head of EHS, and other stakeholders attend weekly EHS meetings hosted by CEAT, which are presided over by the Senior Vice President of manufacturing. Reviewing EHS status and addressing issues with Hazard Identification and Risk Assessment (HIRA) are the objectives of these one-hour virtual seminars.

During FY 2023-24, CEAT faced two instances of Lost Time Injuries (LTIs). Responding to these, the Managing Director (MD) held discussions with all managers, stressing the importance of following manuals and procedures, especially focusing on Hazard Identification and Risk Assessment (HIRA). The MD also visited the affected plants, working closely with the Environmental Health and Safety (EHS) division to evaluate their performance and emphasised to deploy the same measurements in other plants as well.

Natural Capital

Highlights for FY24

83,726 GJ
Energy Saving Achieved in FY 2023-24

9,775 MT
Emission Saving through Energy Saving Initiatives

100%
EPR (Plastic) Target Accomplished

98%
Waste Diverted from Disposal

10.85%
Reduction in Emission Intensity per Rupee of Turnover(in crores) (Scope 1 and Scope 2)

18,46,209 GJ
Renewable/Alternate Energy Consumption* which is **50.98%** of Total Energy Consumption
* including solar,wind and briquettes

5 Plants
Zero Liquid Discharge

10,305 MT
Reclaimed Rubber Used

25,000 Trees
Have Been Planted as Part of the 1t.org Initiative

Mapping with NGRBC Principles

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

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

Interlinkages with other capitals

- Financial
- Manufactured
- Intellectual
- Human
- Social and Realtionship

Contribution to SDGs

Focus Areas /Material Topics

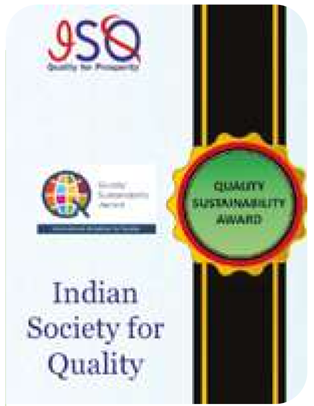
- Energy and Emission Management
- Water Management
- Waste Management
- Material Management

CEAT is committed to achieve sustainable manufacturing and supply chain operations by prioritising energy efficiency and adopting clean energy sources, aiming to reduce carbon footprints by 50%* by 2030. The Company has made significant progress in reducing emission intensity, showcasing a strong commitment to environmental goals. CEAT implements strategies for carbon footprint reduction, clean energy adoption, product stewardship, responsible resource utilisation and waste reduction. The Company balances sustainable practices and resource efficiency to preserve resources and minimise carbon footprint by exploring opportunities in the circular economy and environmental stewardship throughout the value chain.

*(Scope 1, Scope 2 and selected Scope 3 category)

Awards

The Economic Times - Sustainable Organisations 2023



International Academy for Quality – Quality Sustainability Award 2023

Certificates

ISO 14001:2015
Environmental Management Systems (in all Plants)

ISO 46001:2019
Water Efficiency Management System (in Bhandup Plant)

ISO 50001:2018
Energy Management System (in Bhandup, Nashik, Halol and Nagpur Plants)

Zero Liquid Discharge
(in Nashik, Halol, Nagpur, Chennai and Ambernath Plants)

Materials
In FY 24, CEAT has developed a roadmap of 40% sustainable materials by 2030

Fuel Efficiency
Low rolling resistance tyres are fuel efficient and eco-friendly

Renewable Energy
Increased solar rooftop installations 35% with respect to FY 23

Water Intensity Reduction
Projects implemented to reduce the water consumption across all the plants

Biodegradable Packaging
The Company is continuously adopting sustainable packaging options, by engaging with identified biodegradable plastic vendors

Green Labels
Biodegradable stickers and labels are used on tyre

Green Delivery
Implementation of environmentally sustainable initiatives that leads to emission reduction

Corporate Overview
Value Creation
Statutory Reports
Financial Statements

Mr. Jignesh Sharda
VP - Quality Assurance & Sustainability

Achieving the Deming Grand Prize represents a significant milestone for CEAT, underscoring the unwavering dedication and commitment of each member of our team. I extend heartfelt appreciation to our invaluable partners for their steadfast support.

Our systematic approach and robust management systems yield numerous benefits across various domains, including new product development, quality assurance, cost efficiency, production excellence, punctual deliveries, sales effectiveness, adherence to safety standards, environmental stewardship, and skills enhancement. We are deeply committed to responsibly managing environmental, social, and economic impacts to ensure long-term sustainability and ethical accountability. We are geared up and ready to meet the sustainability requirements of our OEM customers, which have been consistently demonstrated through our audits and surveys over the year.

By integrating sustainability practices into our Quality Business Management (QBM) strategies, we aim to improve efficiency, minimise waste, strengthen stakeholder relationships, and contribute positively to society and the environment. We have levers to product stewardship and supplier integration in our sustainability strategy, manufacturing excellence, greener supply chain including onboarding our ecosystem partners- supplier, distributors, CFA's for sustainability journey. Our vision includes reducing carbon footprint by 50% by 2030, with various initiatives underway focusing on emission reduction, transitioning to cleaner energy sources, effective energy management, reducing of water intensity and aiming to become water positive, increasing sustainable material, enabling lower fuel economy for consumer, and promoting a sustainable supply chain.

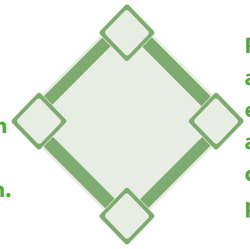
We acknowledge there is much more to achieve and remain steadfast in our commitment to create shared values for stakeholders while promoting inclusive growth and reducing our environmental footprint.

CEAT is committed to provide eco-friendly products that minimise resource dependence, conserve resources and maximise positive environmental impact throughout its operations. This commitment is further demonstrated through the establishment of dedicated team of volunteers known as "Green Stripes" in each manufacturing unit. These volunteers promote environmental consciousness within the organisation, fostering a culture of environmental responsibility.

The team continuously reviews and supports product stewardship practices at operational level, and work with stakeholders to identify and address emerging issues and trends. The Green Stripes team receive a specific budget each year to contribute with the execution of various environmental projects, such as:

Purpose and Sustainability Week events

Execution of sustainable projects focused on energy, water, and paper conservation.



Programs aimed at raising environmental awareness and conducting plantation drives.

Formatting at fostering biodiversity with focus on tree plantation in collaboration with RPG foundation.

CEATs commitment to the global initiative of conserving, restoring and growing trees

The RPG Group has committed to plant one million trees by the year 2030, aligning its efforts with the global reforestation agenda promoted by 1t.org. This initiative is integral to the World Economic Forum's broader mission, in line with the UN Decade on Ecosystem Restoration 2021-2030, which aims to plant, conserve, and restore one trillion trees worldwide by 2030. In FY 2023-24, the RPG Group took significant advancement towards this ambitious goal by planting 100,000 saplings across strategic locations: Ramtek in Nagpur and Bastar in Chhattisgarh. CEAT played a pivotal role by supporting planting of 25,000 trees. CEAT has set a tree plantation target exceeding 60,500 underscoring RPG Group's dedication to fostering a sustainable future for all stakeholders

This tree planting endeavor was launched with a multifaceted approach. Its objectives includes the reclamation of degraded lands, transforming them into thriving primary forests, safeguarding the habitats of endangered species and to enhance forest-based livelihood opportunities for local communities and uplifting rural areas.

One of the remarkable outcomes of this initiative was the creation of employment opportunities, providing a total of 2000 workdays for rural communities. As the planted trees mature, annually they are projected to absorb approximately 500,000 kilograms of carbon dioxide from the atmosphere, fostering a healthier ecosystem.

CEATs Nashik plant has meticulously cultivated a **Butterfly Garden** by adding a touch of natural beauty to the industrial landscape. Within this space, visitors can marvel at the **eight distinct species** of butterflies. Additionally, the Company has developed **Sanjeevani Herbal Garden** to promote healthy lifestyle with cordial connection with the herbal trees. The campus is home to various herbal species categorised under 27 nakshtra trees with 950+ trees. In addition, herbal garden has reflaxology path and panchtatva track for its people.

CEAT's ESG Strategy – The Company's Vision for 2030

Aligning with national goals for net zero emissions by 2070, the Company is actively implementing measures to manage emissions throughout its operations, emphasising efficiency and sustainability in manufacturing processes and product lifecycles. By prioritising eco-friendly practices and embracing circular economy principles, CEAT aims to minimise emissions and optimise resource utilisation. Additionally, CEAT invests in environmental projects to minimise waste and mitigate negative environmental impacts while enhancing positive contributions to nature.

Management of Climate Risk

The ESG Council plays a pivotal role in shaping ESG strategies aimed at responsible product stewardship, climate change mitigation and emission reduction. The Company demonstrates adaptability in managing potential environmental risk by means of robust system that involves risk identification and mitigation, which is frequently monitored and assessed by the Risk Management Committee. CEAT prioritises sustainable development across its supply chain by assessing suppliers based on environmental parameters. Additionally, it collaborates with partners in the value chain to promote awareness of supply chain sustainability.

CEAT's commitment to emission management is evident through a series of initiatives which reflects the Company's dedication towards fostering environment. CEAT has aligned it emission monitoring and management practices and adopted the 'operational control' approach for reporting the organisational Greenhouse Gas (GHG) emission as defined in GHG Protocol for Scope 1, Scope 2 and Scope 3 emissions. The source of emission factor for Scope 1 and Scope 3 is GHG Protocol and for Scope 2 source of emission factor is referred from Central Electricity Authority (CEA) data-based version 19.

In FY 2023-24, the Company has not paid any fines related to environmental or ecological issues.

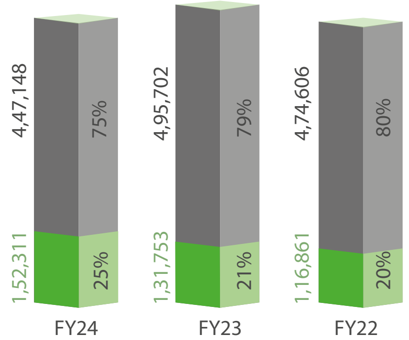
Material Management

Efficient management of resources is central to CEAT's environmental strategy. The Company has developed several new solutions using AI and computational science to increase demand and forecasting accuracy, supply planning effectiveness, scheduling accuracy and timely product delivery to channel partners and consumers. CEAT places paramount importance on effective material management, acknowledging its direct impact on the quality of products, manufacturing efficiency, and the overall environmental sustainability of tyres.

The Company strives to efficiently use natural resources and reduce process waste. Led by Research & Development team, the Company continuously reviews and enhances product stewardship practices, collaborating with stakeholders to identify and address emerging issues and trends. CEAT prioritises the use of renewable and recycled materials in its manufacturing processes. These recycled materials include high-density polyethylene (HDPE) bags, bead spacers, bead wire, cobalt adhesion etc. Additionally, CEAT has increased its procurement of reclaimed rubber while consistently exploring opportunities to increase the use of renewable material inputs such as silica, wood, raisins, clay and natural rubber, endorsing overall circularity in manufacturing process.

Demonstrating a commitment to sustainability, the Company has further increased its consumption of renewable materials this year, marking an increase of 14% from FY 2022-23.

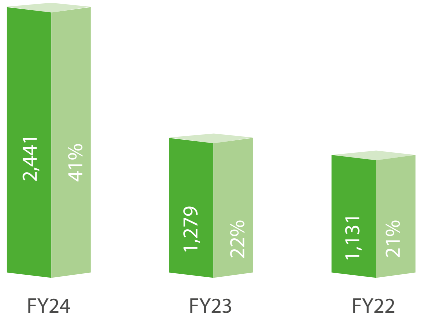
Material Consumption Index in product (in MT)



The percentage represents share of renewable and non-renewable material in product.

In FY 2023-24, the total reclaimed rubber consumed was '10,305' MT which is '281' MT higher from FY 2022-23.

Recycled Input Material Index in Product and Packaging (in MT)



The percentage represents share of recycled input material in product and packaging to total material consumed.

Sustainmax - Agri Tyre with 81% Sustainable materials

A premium VF (Very High Flexion) tyre with 81% sustainable material, designed and engineered to maintain VF tyre properties like soil compaction, fuel efficiency, tear resistance and load carrying capacity. These tyre are designed with renewable raw materials sourced from bio source such as natural rubber, rice husk silica, bio-based resin, as well as recycled materials such as recovered carbon black, reclaimed rubber, and polyester from scrapped Polyethylene Terephthalate (PET) bottles, underscoring CEAT's commitment to environmental stewardship and innovation.

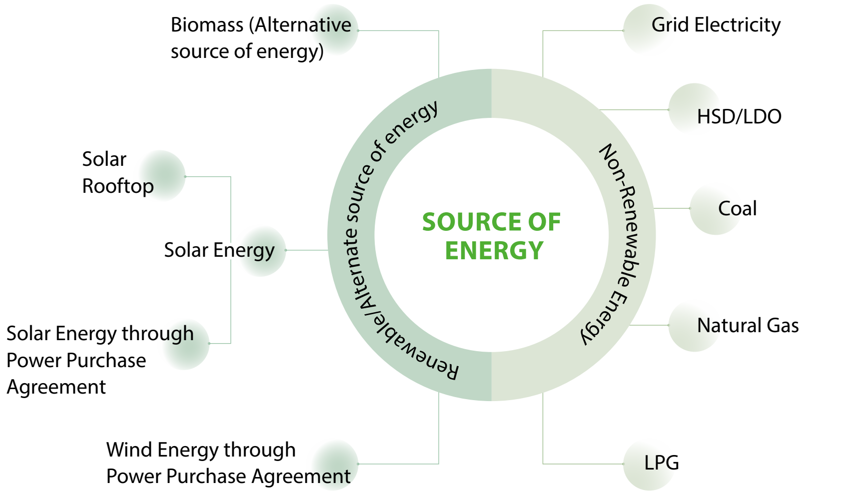
The design ensures the delivery of the same load carrying capability as a standard VF tyre. Furthermore, the tyre footprint closely resembles that of CEAT's regular VF tyre, thereby ensuring minimal soil compaction.

Energy Management

Effective energy management stands as a cornerstone within the Company's ESG roadmap. This strategic focus encompasses various initiatives aimed at optimising energy consumption and transitioning towards sustainable practices. Energy management strategy involves the following:

Enhancing energy efficiency

CEAT strives to minimise energy usage while maintaining operational effectiveness by reducing energy consumption in operations through process optimisation, streamlining processes, investing in innovative solutions and the adoption of energy-efficient technologies.



Increasing the share of renewable energy

The Company has made sustained efforts towards transitioning to renewable energy sources through strategic investments in solar and wind projects.

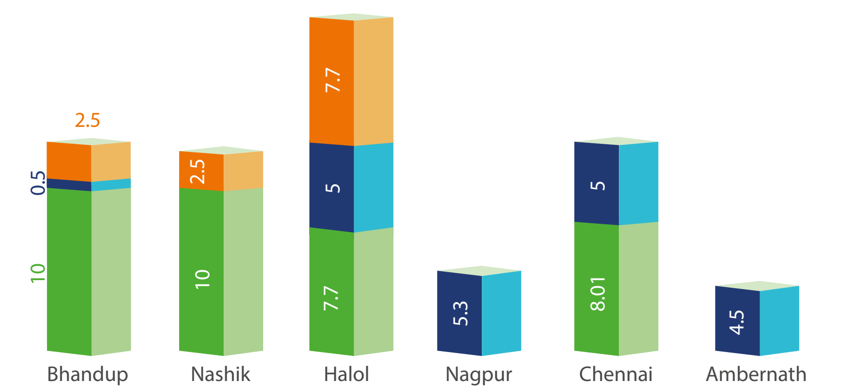
Energy Consumption and Intensity

The Company relies upon a range of energy sources, including natural gas, coal, biomass briquettes, diesel and purchased electricity supplemented by renewable energy. Natural gas is consumed at the Halol and Bhandup plants, while coal is used at the Halol and Chennai facilities. Briquette serves as an energy source across all the facilities except Halol and Chennai.

Recognising the importance of renewable energy, CEAT has undertaken initiative to expand its solar capacity. With a significant investment of ₹ 2,154 lakhs, CEAT has enhanced solar infrastructure. These investments not only reduce the Company's reliance on non-renewable energy sources but also aligns with its overarching environmental sustainability objectives.

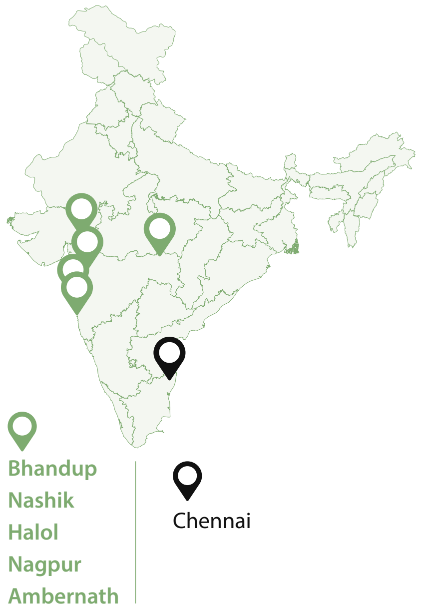
In FY 2023-24, the total energy consumption within the organisation amounted to 36,21,195 GJ. Notably, there has been a positive trend in renewable energy consumption during this period, marked by increased utilisation of non-fossil fuels like briquette and solar energy. These renewable sources collectively account for 50.98% of the total energy consumption across the manufacturing facilities.

Renewable Energy Capacity in (MW)



The Company's current energy monitoring efforts are focused solely on consumption within the organizational facilities, and do not extend to monitoring energy usage outside of these premises.

5 out of 6 plants have been converted to hybrid input model with coal and biofuel feeding system, Chennai plant has introduced rice husk as an alternate source of energy.



Any maps in this report are simplified illustrations, indicative of locations and thus be construed for that limited purpose only.

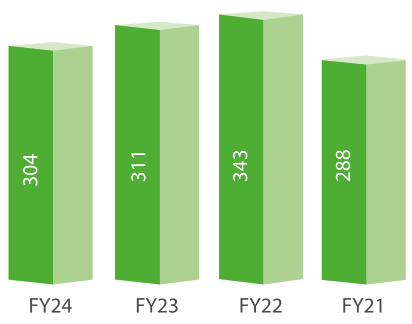
Energy Saving

Initiatives

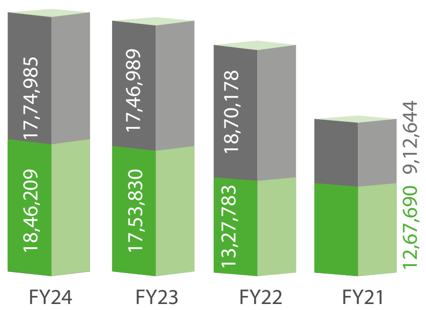
CEAT has steadily expanded its energy saving initiatives over the years resulting in **energy savings of 83,725.51 GJ**, resulting in a **reduction of 9,775.30 tCO_2e of emissions**. The energy performance of all plants is measured through power, fuel and steam consumption and is monitored at a regular interval. The Company strives to be efficient in its operations, mainly through retrofitting and process modification. All the energy saving initiatives are spearheaded by an Energy Board that functions on a multiyear roadmap to drive these initiatives.

The Company has undertaken several initiatives around process optimisation, power conservation, retrofitting of equipment across all the facilities. These efforts include replacing 100W Magnetic Induction lamps with more energy-efficient LED lamps (60W) at the Bhandup plant, resulting in a daily saving of 122 kWh. Additionally, BLDC fans were installed instead of normal ceiling fans at the same plant, leading to a daily energy saving of 188 kWh. Variable Frequency Drives (VFD) were implemented for the mixing blower and dust collectors at the Nashik plant, resulting in daily savings of 105 kWh and 348 kWh, respectively. Significant reductions in calorifier steam usage for nitrogen curing processes led to a daily saving of 15 metric tons of steam. Moreover, IoT solutions were deployed for hot water pump and process cooling tower management at the Ambernath facility, achieving a daily saving of 250 kWh. The Company also replaced CCT pumps with more efficient 45 kW motors at the Ambernath plant, resulting in a daily energy saving of 100 kWh. Additionally, the installation of a backpressure steam turbine at the Nagpur facility yielded a substantial daily energy saving of 883 kWh. Further, modifications to steam headers in the curing section resulted in a daily saving of 866 metric tons of steam.

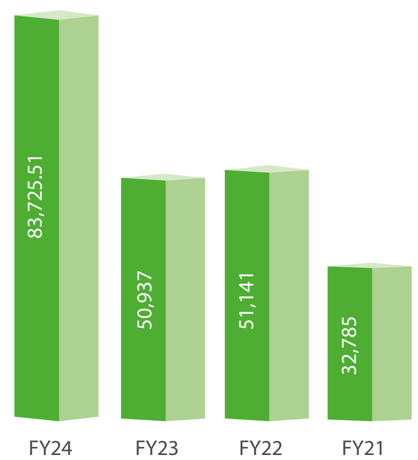
Energy Intensity (GJ) / Revenue (₹ in Crore)



Energy Consumption (in GJ)



Energy Saving (in GJ)



Switching to Rice Husk from Coal in Chennai Facility

In addition to procuring renewable power and natural gas, the CEAT's Chennai facility has introduced Rice Husk as a alternate fuel, and the facility is actively transitioning away from conventional fuel sources such as coal. Rice Husk now constitute 3% of the total renewable/alternate energy consumed within the facility, reflecting a significant shift in fuel sourcing strategies. This transition will lead environmental benefits, resulting in a decrease of 26,460 MT of Scope 1 CO2 emissions annually from coal usage.

Emissions Management

The Company implements cutting-edge solutions by investing in new technologies, like energy-saving initiatives and adoption of green energy sources aimed at attaining sustainable outcomes.

CEAT implements Kaizen principle of continuous improvement as the cornerstone for driving process innovations. During the product design phase, the research and development team assesses specific emissions factors, such as material composition, tread pattern design, and manufacturing processes, to optimise environmental performance. By incorporating viable and feasible measures such as lowering rolling resistance and adapting products to accommodate electric vehicle models for certain SKUs, the Company proactively addresses the environmental impact occurring during the use phase of the product lifecycle.

CEAT has achieved notable reductions in its environmental footprint. The Company's Scope 1 emissions stand at 73,976 tCO2, while Scope 2 emissions are 1,39,989 tCO2. The Company has effectively offset 1,69,233 tCO2 emissions by using briquettes to replace an equivalent quantity of coal. The Company strategically prioritises on utilising more renewable energy and implementing various energy-saving strategies.

CEAT is committed to mitigating its environmental impact and reducing greenhouse gas emissions by taking deliberate measures to decarbonise its value chain.

The Company received an email from the Maharashtra Pollution Control Board (MPCB) on November 04, 2023 which directed the Company to close down operations at Bhandup facility in view of certain alleged violations of the pollution control norms. After the submission of the compliance report to MPCB, the Company was permitted to restart the operations at the Bhandup plant on November 13, 2023. For more details, refer to BRSR- Principle 1.

In FY 2023-24, the Company has accounted its Scope 3 emissions from raw material movement and distribution of finished goods in accordance with the GHG protocol.

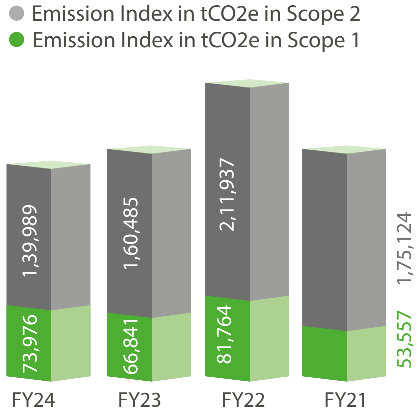
Stack Emissions

CEAT undertakes regular assessment of air emissions across all its facilities to identify and track air quality and monitor its stack emissions. To facilitate continuous monitoring, the Company has implemented Continuous Emissions Monitoring Systems (CEMS), which measures the air emissions by analysing contaminant concentrations and volumetric stack gas flow rate.

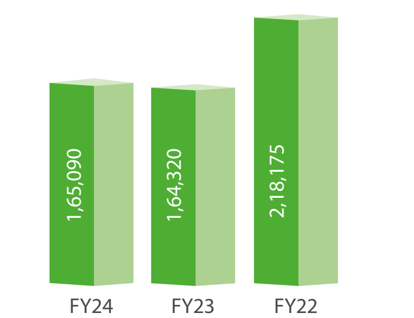
In addition to meeting the regulatory requirements, CEAT is also committed to reducing its emissions and ensuring compliance within permissible limits set by the Consent to Operate (CTO). The Company's commitment is evident through its internal targets set by the all the facilities, with aim to achieve a 50% reduction in stack emissions, which is beyond the limits mandated by the State Pollution Control Board (SPCB).

The Company also prioritises addressing other air pollutants like Sulfur Oxides (SOx), Nitrogen Oxides (NOx), and Total Particulate Matter (TPM) generated during its operations. CEAT has implemented proactive measures to curb emissions at their source and maintain a healthy environment for the communities in which it operates.

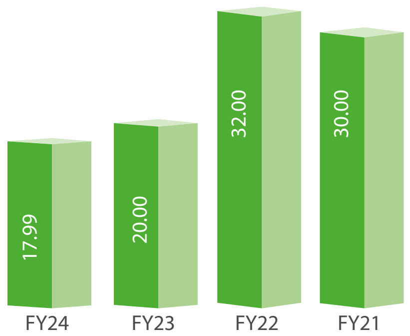
Emission Index (in tCO_2e)



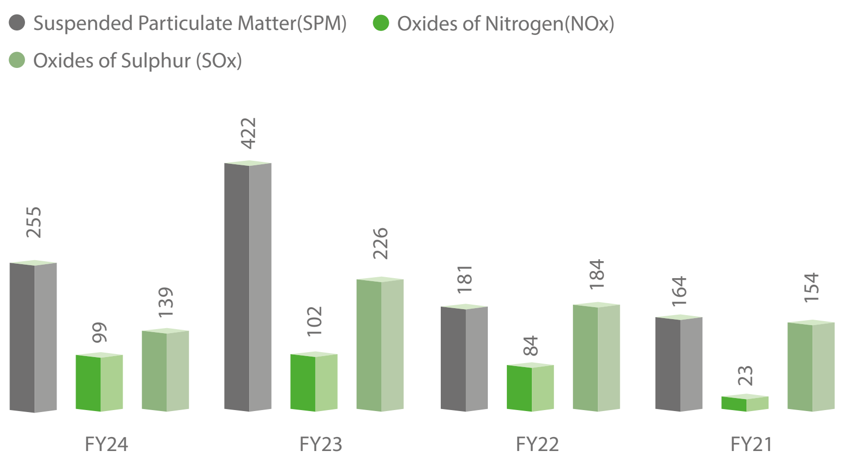
Scope 3 Emissions tCO_2e (Inbound and Outbound)



Emission Intensity (Scope 1 + Scope 2) (in tCO_2e)/ ₹ Crore



AIR EMISSIONS (MT)



Water Stewardship

Tyre manufacturing process requires substantial water use. CEAT consumes water from third party sources such as municipal water and industrial water sources across all the plants. In addition to this CEAT Bhandup plant is consuming ground water as and when required, ensuring compliance with the regulations established by the Central Ground Water Authority (CGWA).

CEAT also has recycling and rainwater harvesting system.

CEAT's three plants are Zero Liquid Discharged (or 'ZLD') units. Through efficient use of water resources, CEAT is dedicated to ensuring water stewardship. The Company's Nagpur, Chennai and Ambernath plants are Zero Liquid Discharge (ZLD) certified facilities. Additionally, CEAT's Nashik and Halol plants are recycling and reusing the treated water within the premises. Wastewater undergoes treatment in effluent and sewage treatment plants, conforming to guidelines stipulated by the State Pollution Control Board (SPCB). The treated sewage is effectively reused for gardening and restroom facilities, reflecting CEAT's commitment to sustainable resource utilisation.

Rainwater Harvesting (RWH)

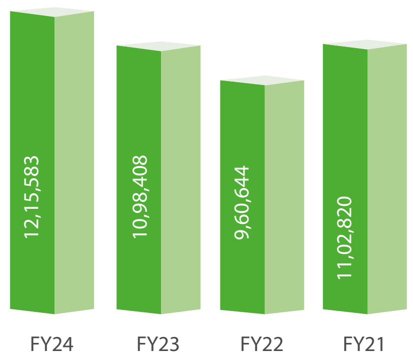
CEAT has implemented various water conservation initiatives across its manufacturing facilities, including rainwater harvesting projects, maximising direct rainwater usage improving water recovery efficiency, and utilising RO plants extensively. Efforts also focus on optimising sanitation cycles, reducing cooling tower drift losses, and optimising boiler blowdown. Additionally, CEAT facilities have rain water harvesting system in 3 plants Bhandup, Nashik and Chennai.

Harnessing waste water with Root Zone Technology

The Root Zone Technology has been implemented by the Company Bhandup facility to remediate wastewater. Root Zone technology's potential to remove contaminants and pollutants from wastewater through physical and biological treatment processes is one of its primary strengths. The process is natural, and free from the use of any kind of chemicals, mechanical pumps as it has settling chamber and reed bed with it's root zone & outlet which helps in reducing the cost of maintenance and energy.

Water Intensity (m^3/Revenue (in ₹ Crore)

Water Consumption in (m^3)



CEAT's total water consumption amounted to 12,15,583 cubic meters, with a corresponding total wastewater discharge of 12,058 cubic meters.

RWH Capacity

- Bhandup RWH: 300 KL
- Nashik RWH: 170 KL
- Chennai RWH: 25,000 KL

Additionally, CEAT's Halol plant has Water Recharge capacity of 564 KL.

Waste Management

CEAT is committed to fostering a circular business model through the implementation of the reduce, reuse, recover, and recycle principles. These principles are deeply rooted in CEAT's ethos, ensuring compliance with Central Pollution Control Board (CPCB) and State Pollution Control Boards (SPCB) regulations on plastic, electronic, and hazardous waste management. CEAT's aim is to minimise its environmental footprint by effectively managing resources and proactively addressing waste generation across all stages, from sourcing to production and post-sale.

CEAT evaluates all business processes for potential waste generation prior to commencing operations. Subsequently, the Company explores alternative resources, technologies and processes to optimise waste generation management. Throughout business operations, CEAT consistently scrutinises these processes, implements necessary improvement measures, and continuously monitors their effectiveness. Additionally, CEAT collaborates with the Automotive Tyre Manufacturers Association (ATMA) to develop a comprehensive framework for managing end-of-life tyres.

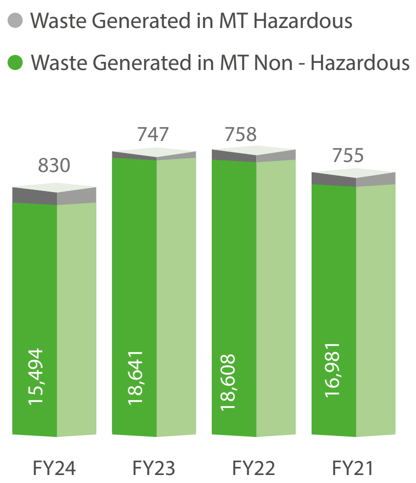
CEAT upholds its standards in managing both hazardous and non-hazardous waste, ensuring compliance, sustainability, and responsible handling practices. The Company has established comprehensive waste management procedures covering various categories such as hazardous waste, non-hazardous waste, e-waste, battery waste, canteen waste, construction and demolition waste and plastic waste. These protocols include the implementation of robust systems such as the Hazardous Waste Management System (HWMS) and adherence to Extended Producer Responsibility (EPR) guidelines for Plastic Waste Management (PWMS) and E-waste Management Rules. The Company is compliant with the Waste Management Guidelines as prescribed under Consent to Operate

Paperwaste reduction via Online Permit System CEAT is transitioning several systems to digitisation, such as online work permits, to reduce paper consumption and align with its environmental goals.

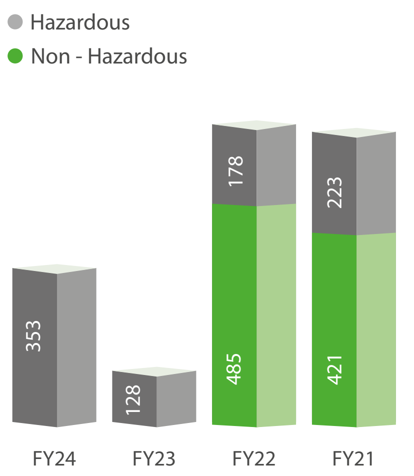
CEAT's Chennai and Nagpur facilities have introduced an online Permit System. This system's will be employed going forward to process all permit applications and approvals. This digital platform replaces the traditional paper-based permit process, allowing for faster turnaround times, improved accuracy, and enhanced accessibility & reduce paper consumption.

In addition to the Online Permit System, the Company has introduced an online Monthly Checklist to streamline routine inspections. This checklist serves as a comprehensive guide for conducting monthly assessments of equipment, facilities, and safety protocols.

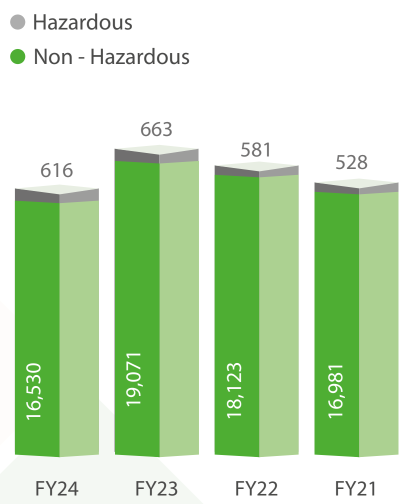
Waste Generated (in MT)

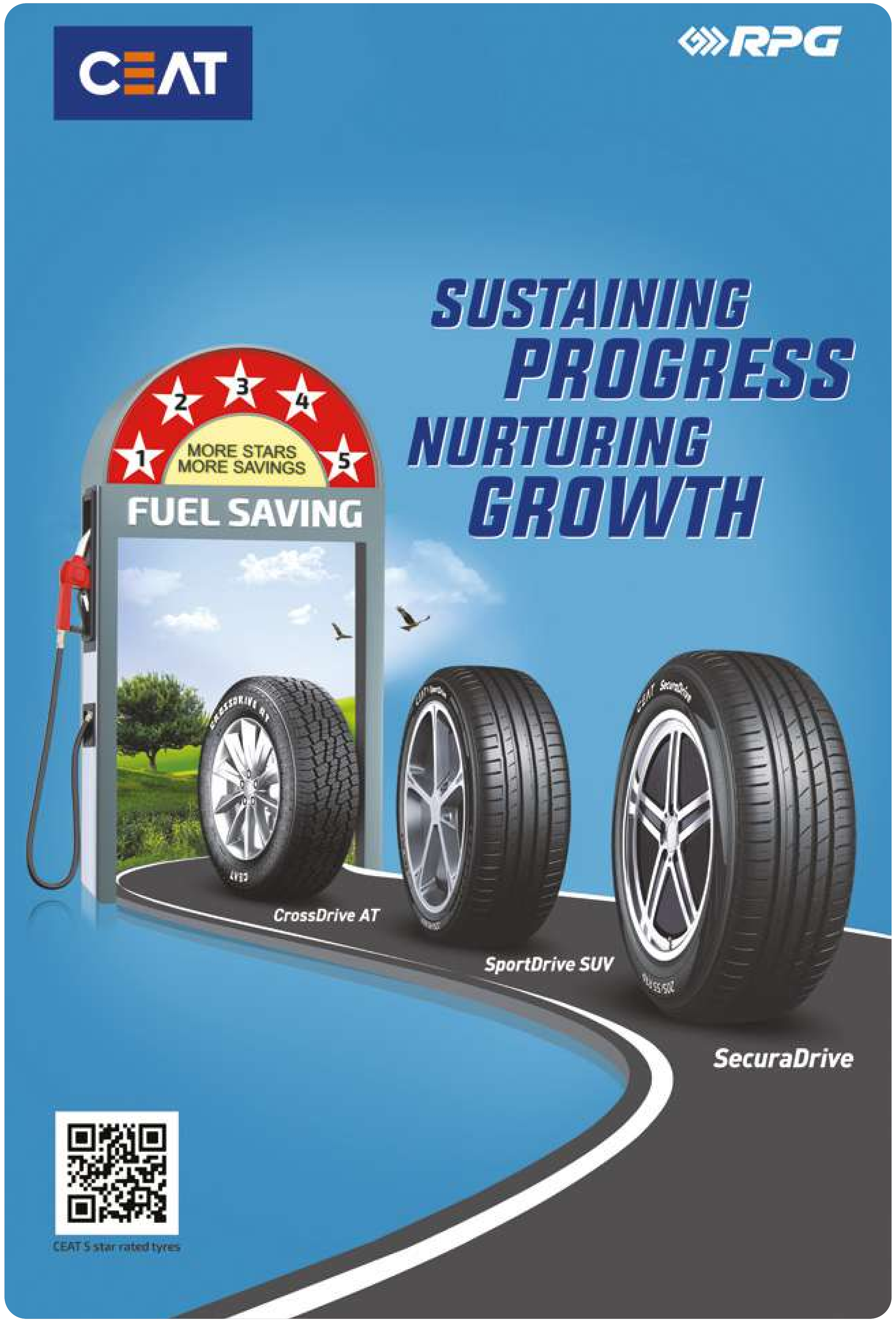


Waste Diverted to Disposal in MT



Waste Diverted away from Disposal in MT





Social and Relationship Capital

Highlights for FY24

1,647
Teachers Trained under Pehlay Akshar

99.83%
Customer Queries Solved

1.03+ Lakhs
Total Beneficiaries Impacted

72.30%
Procurement through Local Suppliers

5,500+
Dealers

Mapping with NGRBC Principles

Principle 2:	Principle 4:	Principle 8:	Principle 9:
Businesses should provide goods and service in a manner that is sustainable and safe	Businesses should respect the interests of and be responsive to all its stakeholders	Businesses should promote inclusive growth and equitable development	Businesses should engage with and provide value to their consumers in a responsible manner

Interlinkages with other capitals

Financial
Manufactured
Intellectual
Human
Natural

Contribution to SDGs

3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION
5 GENDER EQUALITY
6 CLEAN WATER AND SANITATION
8 DECENT WORK AND ECONOMIC GROWTH
10 REDUCED INEQUALITIES
11 SUSTAINABLE CITIES AND COMMUNITIES

Focus Areas /Material Topics

- Customer Centricity
- Community Engagement
- Engagement with Value Chain Partners

CEAT believes that its growth lies in creating a shared value for its stakeholders which includes communities, value chain partners such as suppliers and customers. The Company is fostering an ambience of sustainable development . This ideology revolves around its corporate goals and the Company persistently endeavours to align its strategy with the holistic growth of all its stakeholders through three-core approach of embracing value chain management, customer-centricity and community development. CEAT's seamless and strategically pre-defined CSR goals helps touch all the aspects of community development and caters to the needy segment of the society. The well-planned programmes in education, health care, training and upscaling of existing skills have assisted in making tremendous progress in these areas giving a new meaning to the lives of many and generating employment. CEAT's purpose of 'Making Mobility Safer & Smarter. Every Day.' has helped in building the trust and confidence on the Company amongst it's customers.

Creating Nexus through Value Chain Stewardship

Value chain has a crucial role in shaping the growth trajectory and directly impacts the performance of the business. Considering the macro-economic landscape and as an active collaborator in the global value chain of automobile sector, CEAT is actively meeting the aspirations of its customers and encouraging its suppliers to adopt sustainability in their activities.

In light of the risks associated with supply chain interruptions, CEAT is rapidly developing robust supply chain models through sophisticated inventory planning, utilising digital platforms to shorten process lead times (vendor onboarding to invoicing, order placement to delivery, etc.

CEAT'S VALUE CHAIN

Inbound and Raw Material
- Raw Material Suppliers
- Logistic Partners
- Machinery and Equipment Suppliers
- Service Providers

Out Bound and Finished Goods
- Warehouse / CFA
- OEMs
- Logistic Partners
- Dealers
- Sub Dealers

Awards

Mr. Lakshminarayanan B, CMO, CEAT Ltd, has been honoured with the Pitch CMO Award 2024.

Key Highlights

383
No of Suppliers

96
Local raw material suppliers

5
No of Suppliers onboarded

148
Natural Rubber suppliers

148
No of suppliers assessed on environment and social parameters

6
QBM trainings imparted to vendors: training sessions with 350+ supplier personnel.

383
Raw material Suppliers

235
Non-Natural rubber suppliers

CEAT is actively collaborating with suppliers to identify and minimise supply chain risks, ensuring a resilient and responsible sourcing of raw materials. The Company encourages its value chain partners to adopt emission reduction and resource efficiency methods.

Policy

Company has a comprehensive sustainable supply chain policy, available at https://www.ceat.com/corporate/sustainability.html, which acts as a guiding instrument for the procurement function during the life cycle of supplier's association with CEAT. In addition, suppliers are required to acknowledge the policy on a regular basis.

Guidelines

To ensure and demonstrate compliance, CEAT has Sustainable procurement Guidelines(https://www.ceat.com/content/dam/ceat/pdf/CEAT-Sustainable-Procurement-Guidelines.pdf) to ensure that the Company's direct suppliers and other business partners in its value chain understand the approach to environmental and social issues by clearly setting out CEAT's requirements for the business partners and helps them ensure compliance and work beyond legal compliance.

Supplier/ Vendor evaluation

CEAT has standard process for evaluating the suppliers by assessing them based on legal compliance and social and environmental indicators. The Company is encouraging its supply chain partners to have transparency and ethical procedures to ensure compliance with regulatory guidelines. The Company also shares best social and environment practices with suppliers.

Suppliers are compliant with ISO 14001 standards.

100% procurement are from certified suppliers.

~87% for non-Natural Rubber, ~42% for Natural Rubber procurement from local suppliers. (All procurement from India as considered as local)

Major raw materials procurement from Suppliers are…

- Natural Rubber
- Synthetic Rubber
- Carbon Black
- Fabrics
- Steel

Empowering Communities through procurement of materials

CEAT is creating a shared value for the communities from Northeast India by procuring natural rubber from marginalised communities and in its endeavour to ensure better quality of the produce and corresponding enhancement, the Company has significantly increased the natural rubber procurement from 4.1% in FY 2019-20 to 23% in FY 2023-24.

In India, the rubber growing areas are broadly classified into traditional and non-traditional areas. The north-eastern states fall under the non-traditional area and constitute about 25% of the total rubber-growing area in the country. In the major rubber-growing districts of the northeast, around 85% of operational holdings belong to marginal farmers who possess less than 1 hectare of land, with around 35% belonging to indigenous communities.

The Company has conducted 10 workshops for required skills and knowledge to these communities.

We Connect: The Vendor Meet

CEAT has organised 'We Connect: The Vendor Meet' which brought together Suppliers and Partners in the value chain to discuss goals for the future, ongoing projects, and ways to enhance Vendor interactions. The Vendor meet was successful in fostering open dialogue, exchanging perspectives, and exploring the collaboration opportunities. 114 vendors participated in the in person supplier engagement.

CEAT's leadership has proactively interacted with the Vendors to gather their viewpoints about doing business with CEAT. The Vendors' enthusiastic response demonstrated the positive working relationship between CEAT and its suppliers.

Procurement Goals

Every year, CEAT establishes procurement-related goals to ensure the smooth execution of sustainable procurement objectives. Major goals include:

- Drive Value and Savings: Strategic Sourcing powered by digital & value creation with supplier lead innovation.
- Quality of raw materials: Partnership with suppliers on quality manuals.
- Ensure quality of products: Adoption of QBM ways of working & culture of continuous improvement.
- Minimise rejections: Vigilance on incoming rejection and proactive resolution with supplier process improvements.

Supplier Satisfaction Survey

CEAT has conducted Vendor Satisfaction Survey (VSS) Index in which vendors responded positively on seven key attributes of their business association with the Company. CEAT's Vendor Satisfaction Survey revealed a happy supplier base of 89%, indicating a strong association across the supply chain partners. They were also happy with the fairness and expressed strong desire for the business continuity.

Supplier Assessment

CEAT has carried out a supplier survey with a thorough questionnaire on environmental, social, and governance factors. Relevant observations on potential risks were highlighted, and suppliers were notified so that they may take the appropriate corrective action. The ISO 14001 criteria are met by the suppliers of CEAT.

CEAT keeps its value chain partners informed through frequent communication about policies, quality standards, and relevant regulatory compliances. CEAT engages with them to increase knowledge of compliances and (Environmental Management System, ISO certifications, Health & Safety standards, waste management, International Automotive Task Force (IATF)), and Conflict Mineral Reporting Template (CMRT). CEAT engages in the due diligence process to prevent and mitigate negative environmental consequences by value chain.

Promoting Localisation

In FY 2023-24, ~72.3% raw material suppliers were local (~87% in non-NR & ~42% in NR). As part of network optimisation initiatives, CEAT is using the identified logistic corridors to eliminate the emissions and long-haul risks with mapping of the local and nearby raw material suppliers.

Sustainability Initiatives with Supply Chain Management

- Reducing carbon footprint through network optimisation by opting for coastal shipment for 25% of local rubber requirement
- Loading & packaging optimisation for rubber transportation leading to 439 MT carbon emission reduction
- CEAT is a member of Global Platform for Sustainable Natural Rubber (GPSNR). Reducing material sourcing from deforestation or forest degraded region with 100% European Union Deforestation Regulation (EUDR) compliance by December 2024.
- Completed ISO 20400 sustainable procurement audit.

Digitisation in Supply Chain Management

- Stock Replenishment Module (SRM) - Integrated vendor portal for procure to pay transactions.
- Use of Optical Character Recognition (OCR) technology for accounts payable process automation – Accuracy & Speed of transactions.
- Process Automation (RPA) for RM price benchmarking

Customer Centricity

In FY 2023-24, CEAT dedicated significant efforts to enhancing its customer relationships, in line with its purpose of 'Making Mobility Safer & Smarter. Every Day.' Despite facing global challenges, the Company maintained its unwavering commitment to prioritising Customer-Centric strategies as the cornerstone of superior performance. Leveraging digital initiatives and platforms proved pivotal in expanding the customer base, fostering more personalised engagements, and streamlining the order process. This commitment to customer-centricity is underscored by CEAT's value, which places a strong emphasis on "Customer Obsession" as one of its core areas. With this value in mind, CEAT has established avenues to directly connect with customers.

5,500+
Dealers

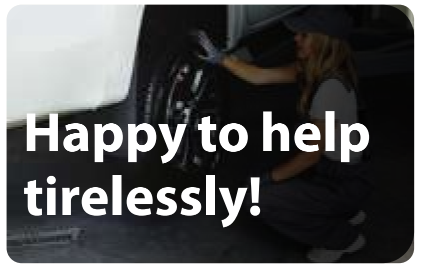
620+
District covered

900+
Retail Format stores

615
Distributors

59,000+
Sub-dealers

CEAT is here to enable effective grievance resolution with the following platforms:



CEAT has an online portal to accommodate all time support to its customers with respect to the enquiry about tyres, dealership interest and services. This portal helps customers from registering to the resolution of the claim, connecting the customers with nearby dealer partners. https://www.ceat.com/support.html

99.7% of the issues resolved within 72 hours through Contact Centers (BPO).

More than 5000+ channel partners trained to resolve all tyre related issues.

Website and Social media systems put in place to ensure immediate response to customers' queries.

Mr. Arnab Banerjee
MD & CEO, CEAT Ltd

"We at CEAT, are at the helm of exciting phase of expansion and innovation. Our efforts aligns seamlessly with our vision to provide cutting edge solutions to the evolving needs of the automotive market. With integrated product and service solutions we look forward to setting new standards, enhancing accessibility, and delivering exceptional value to our customers across the nation. We are impressed by Company's customer-centric approach, operational excellence, and technological capabilities. We are confident that We will continue to lead to lead the way in transforming the auto aftermarket experience for Indian consumers".

Sports Journey

CEAT has established strong associations within the sports industry and has collaborated with various sectors. The Company has a long-standing relation with Indian cricket, highlighted by strategic partnerships with IPL and WPL - one of the top five sporting leagues globally - along with bat sponsorships and collaborations with leading cricketers. In recent years, CEAT has also expanded into motorsports, launching "Enduro Tracks," an exclusive enduro training programme for off-roading in India, and becoming the title sponsor of the popular Indian Supercross Racing League.

CEAT also signed an annual contract with the promising Indian women's cricket player, Shafali Verma.

Additionally, CEAT has inked deals with athletes such as Geoffrey Emmanuel, a participant in the Junior World Championship MOTO3. The direct correlation between product performance and sports excellence offers CEAT an ideal opportunity to engage with consumers.

Customer at Core

CEAT is proactively engaging with its customers during the tyre's life cycle. The Company has several programs for the customer engagement. Through these initiatives the Company caters to the needs of customers with respect to the selection of product and services. CEAT's has strong reach to customers with its network of dealers and sub dealers to extend best support and convenience.

A Glance of Customer Centric Platforms

CEAT Shoppe

CEAT Shoppe offers a range of services, including regular tyre balancing and alignment, in addition to routine tyre replacement services.

CEAT Digital Space

CEAT has developed digital consumer-centric platforms that enable faster responses and other services. The Company also offers unconditional warranties to its customers, a first-of-its-kind initiative. This facilitates faster and quicker resolutions.

Highway Tyre Point

CEAT has installed checkpoints on the newly built Samruddhi Marg, enabling drivers to check their tyre air pressure and other parameters. In addition to serving customers, CEAT is extending its services to society, aiming to attract more customers through community engagement and outreach initiatives.

CEAT Bike Mobile Crew

CEAT Bike Mobile Crew introduces an innovative bike repair service tailored for motorcyclists encountering remote areas. Acknowledging the hurdles bikers face in challenging terrains, such as limited access to servicing problems and mobile network black spots, this pioneering service offers a comprehensive range of solutions. From tyre repairs to full bike maintenance, riders can now receive timely assistance even in the most inaccessible locations. Notably, during the Ladakh riding season, this initiative serviced a total of 300 Vehicles, ensuring smooth journeys for enthusiasts exploring rugged landscapes.

Highlights of Customer initiatives

1 Million+ visitors on CEAT website

CEAT stands out as the sole tyre brand offering consumers an end-to-end Direct-to-Consumer (D2C) journey. Its website boasts the highest visitor count among all competitors in the tyre industry. This achievement is the result of a strategic series of initiatives focused on content, SEO, and core web vitals. By leveraging consumer insights and analytics, CEAT has achieved a remarkable feat: consistently attracting a record-breaking one million visitors month after month.

Consumer Insights and Analytics

CEAT conducted a thorough survey of website users, identifying triggers for online visits and analysing traffic patterns. Insights drove strategic UI/UX redesigns on the homepage Product Listing Page (PLP) and Product Detail Page (PDP) to enhance navigation and discovery. These improvements reflect CEAT's dedication to enhancing user experience and engagement.

Loyalty programme: CEAT ke Sitaare

"CEAT ke Sitaare" is a tier-based loyalty and engagement programme tailored for CEAT's Sub-Dealers. This initiative actively engages and rewards members based on pre-defined performance metrics. Initially piloted in Zone West 2 in March 2021, the programme saw a national rollout in March 2023. As of March 2024, the programme boasts a membership of 16,000 individuals, highlighting its widespread success and adoption

CEAT Miles

CEAT Miles stands as a loyalty programme designed to cultivate loyalty among PCUV dealers while fostering engagement with CEAT's esteemed premium customers. Through the CEAT Miles portal, dealers can seamlessly offer premium product giveaways to consumers without relying on the sales team. Since its launch in July 2023, the programme has notably boosted the purchase NPS at CEAT Shoppes. Additionally, the premium platform, facilitated by points from the programme, has experienced a remarkable 12% year-on-year growth.

Buckle Up India campaign

The Buckle Up campaign is a testament to CEAT's commitment to ensuring safety for its customers. As advocates for safe road practices, the Company aimed to raise awareness about the enduring consequences of momentary negligence. The campaign's creative insight highlighted that rear seat belt usage often stems from fear of fines, rather than a genuine understanding of safety's importance. Through this initiative, CEAT strive to shift perspectives and promote a culture of proactive safety measures on the road.

Digital Footprint

34% increase in Direct to Customer sales in FY 2023-24

Fastest growing tyre brand on social media with **1M+** followers on Facebook, **144K+** followers on Twitter & **98K+** followers on Instagram

Ceat.com crossed **1 million** monthly average visitors in FY 2023-24

Ceat.com is the **No.1 Tyre Brand Website** – Highest no. of visitors in FY 2023-24

Tyre brand with highest engagement on Twitter, Facebook & Instagram

Relationship with OEM and Customer Satisfaction

OEM audits provide CEAT with an opportunity to interact with the Original Equipment Manufacturers ('OEMs,' as they are known). With a long-term business perspective, these audits allow the Company to implement best-in-class procedures to meet customer demand for its products and services. By making steady growth in the areas of innovation and design thinking, the Company has continuously surpassed the expectations of its OEM partners and built strong collaborative relationships with them.

In order to provide a seamless, enhanced customer experience, it was important to understand their sentiments not just at the time of purchase but on a continuous basis, including post-purchase. CEAT has a Net Promoter Score (NPS) to identify areas for improvement and develop initiatives aimed at addressing consumer concerns. CEAT's Marketing team diligently monitors grievances, utilising social media and online platforms to promptly address customer complaints and requirements. In instances of reported dissatisfaction, the Company conducts follow-up surveys to pinpoint the specific reasons behind low satisfaction and enact necessary enhancements.

Health and Safety and Product Specific Compliances

CEAT ensures that every tyre it sells complies with all applicable regulations. The Company has neither detected nor received any incidents of non-compliance with respect to regulatory and voluntary codes concerning health and safety aspects of the product, labelling and marketing communication in the reporting year. CEAT has an inhouse system to receive declaration from all its raw material suppliers to ensure that the raw materials received are free from any of the restricted material as per the defined market regulations. 100% of the products were covered and assessed by declaration of compliance to Circular Economy (CE), National Institute of Metrology Standardisation and Industrial Quality (INMETRO), etc. from all the suppliers and product level testing. During the FY 2023-24 There was no product recalls reported in FY 24.

Corporate Social Responsibility

As a responsible business, social commitments are an integral part of the Company. CEAT's social focus areas revolve around three major pillars: Customer Centricity, Community Development, and Supply Chain. CEAT is deeply invested in cultivating positive social change. For CEAT, this entails aligning its business objectives with broader societal goals to create symbiotic relationships with stakeholders. Corporate Social Responsibility (CSR) address challenges across education, community development, heritage revival, employability, and more.

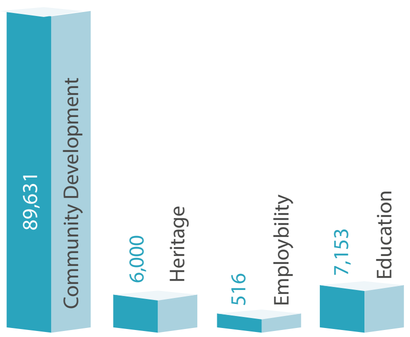
In alignment with the Company's objective to enhance people's lives through valuable contributions, CEAT CSR vision is constructed on the values of fairness, caring and trust. The Company's focus is to improve and strengthen marginalised communities by addressing pressing environmental, social, and economic issues.

The Company's Corporate Social Responsibility (CSR) practice supports responsible growth by implementing projects that benefit the communities and surroundings in which it operates.

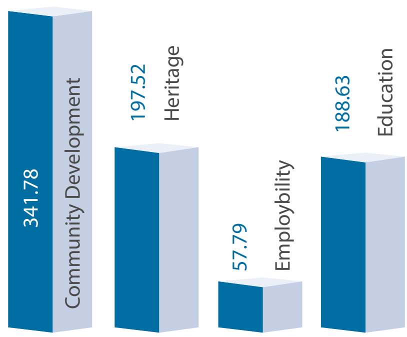
The Board oversees the Company's CSR strategy. The CSR committee comprises four members, two of whom are independent directors. All CSR activities are planned, coordinated and executed under the guidance of the Committee and compliance with these activities is also communicated to stakeholders via the Company's annual report on CSR.

CEAT has formed partnerships with local NGOs and on-ground health workers to better assess the requirements of local communities. CEAT's key focus areas as part of its Corporate Social Responsibility (CSR) are Education, Heritage conservation, Community development, and Employability.

Beneficiaries of CSR activities in FY 2023-24 (In No.)



CSR Spend in FY 2023-24 (₹ in Lakhs)



₹ 785.71 Lakhs

Total CSR Spend in FY 2023-24

Key Initiatives CSR Initiatives

- Pehlay Akshar training for 1,647 teachers and 5,506 students.
- 516 people trained in weaving, natural dyeing and organic farming methods.
- Revival of Worli Koliwada for Heritage Conservation.
- 33 clinics have been set up across rural and urban Maharashtra under the Fever Clinic initiative.

Education – Pehlay Akshar

Pehlay Akshar Schooling

With a focus on teaching language proficiency in both written and spoken English, the Pehlay Akshar Schooling programme has been working with government school students since the past seven years. This programme seeks to improve school students' employability through various training and upskilling programmes.

Pehlay Akshar Teacher Training

The focus of the Pehlay Akshar Teacher Training programme is to improve English learning outcomes in BMC schools by strengthening the professional ability of government schoolteachers in both classroom management and the English language. There are two parts to the programme, which include training Star teachers, leading Saathi sessions, and evaluating student and teacher progress. The CSR programme of CEAT centers on 'Functional English' at BMC Schools, where Magic Classrooms are being replaced with Learning Rooms. This effort is part of a broader drive to transform teaching and learning strategies across India through well-researched programs and collaborations with state governments.

Employees volunteered for social impact activities

2,216

Learning on Wheels

CEAT's CSR team has innovatively adapted Cart classrooms, providing a fully digitised learning environment, by successfully digitising its 'Pehlay Akshar' programme. Ensuring that both teachers and students are trained to use the digital infrastructure effectively. With this initiative, it has addressed the issue of space constraints faced by BMC schools.

Testimonials

"I like the energiser of the session and the flash card words are simple to understand. I can participate in different activities conducted by Pehlay Akshar. Didi always ensures that we participate in different activities, energisers, and celebrations. I like the method of session that Didi took and enjoyed with different points it helped us to know the other ideas and, we gained lots of information during the session. I want to do more creative work and enjoy doing activities always waiting for more activities to be conducted" - Aryan vikas pardes

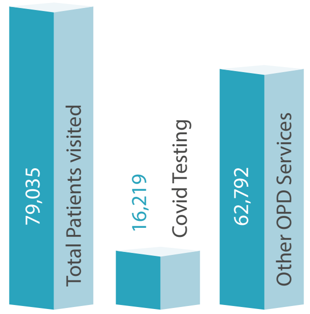
Community Development

Fever Clinics

A comprehensive network of 33 clinics has been set up throughout rural and urban Maharashtra under the Fever Clinic initiative, with the goal of delivering healthcare services to the public. This initiative represents a collaborative endeavor between the National Health Mission and local authorities to bolster medical infrastructure. Throughout the COVID-19 pandemic, these clinics served a vital function in conducting tests and offering medical care to individuals exhibiting symptoms like fever. With the pandemic situation showing signs of improvement, these clinics have adapted to provide alternative healthcare services to address the changing requirements of the community.

Supporting TB Patients

CEAT, In collaboration with the government's Nikshay Mitras project, has undertaken a significant initiative by providing treatment to 50 critically ill patients residing in the vicinity of its Bhandup plant. These patients, who are economically marginalised receive comprehensive support, particularly in meeting their nutritional needs. This assistance extends beyond individual care to encompass the well-being of the entire family, recognising that in many instances, the beneficiary serves as the sole breadwinner. Through this endeavor, CEAT aims to enhance healthcare outcomes for TB patients while providing essential encouragement to their families.



4,17,535

Total Patients Visited (Since FY 2022)

Clean Cook Stoves Distribution

CEAT has distributed clean cooking stoves to the tribal peopleof Raigad District. The objective of this initiative is to improve the standard of living of the marginalised sections of society and protect the environment by optimising the use of wood for cooking and reducing carbon emissions into the environment.

Testimonials

"Thanks to the new stove, I've noticed a significant improvement in my daily routine. Cooking for my family now is less time-consuming, allowing me to dedicate those extra hours to tailoring work. This empowers me to contribute financially to my family. Besides, I am also saving wood." – Rani Dinesh Kamble

Raigad District

4
No. of Tehsil

52
No. of Gram Panchayat

1,155
No. of Cook Stove Sponsored

Heritage Conservation

CEAT's Heritage project is aimed at assisting the Koliwada community in Worli. In FY 2023-24, CEAT has extended its contributions towards the four pillars of the worli Koliwada project (Art and Architecture, Community Development, Ecological Preservation and Experiences). CEAT has also introduced new projects such as artisan training, playground construction, plantation initiatives, and guide training for heritage walks.

Installation of air purifiers on BEST buses and construction of air purifying chimneys in Bhandup

To address air quality concerns, the Brihanmumbai Electric Supply and Transport (BEST) buses have taken a proactive step by installing air purifiers. The Maharashtra Pollution Control Board (MPCB) is working with BEST to facilitate this process.

The initiative involves equipping buses with detachable High Efficiency Particulate Air (HEPA) filters, effectively transforming them into mobile air purification units. These filters have the capacity to capture 12-15 grams of airborne particulate matter per hour, cleaning up to 15,000 cubic meters of

air. Operating solely on natural airflow, they require no additional power, making them an eco-friendly solution for combating air pollution while on the move.

In support of this endeavor, CEAT has partnered with BEST to install 100 air filtration units and 10 virtual chimneys across various regions of Mumbai.

Employability

CEAT's commitment to employability initiatives remains steadfast through 'Swayam', ensuring continuity with activities initiated in FY 2022-23. Additionally, CEAT's philanthropic efforts encompass donations to Anganwadis and the facilitation of training sessions aimed at empowering women in the art of natural dyeing and embroidery works. Under the Swayam programme, CEAT has successfully trained 500 farmers in transitioning to 100% organic farming, while also organising health camps for farmers' families.

Aari Embroidery training

In Kannanthangal village, the Aari embroidery training provided by CEAT has helped women in generating income for their families. Women's participation is vital for the growth and development of an economy. In rural areas, women typically perform domestic chores and take care of their families. However, they also desire to contribute economically to their households. CEAT introduced this training to help women economically and socially.

Testimonials

Mrs. Varalakshmi, is a homemaker with two sons who are in 6th and 9th grade, is self-motivated and passionate about designing blouses, bangles, and earrings. "I am interested in stitching and designing blouses. Previously, after completing my domestic chores, I used to sleep in the afternoon. Currently, I am spending my time learning Aari embroidery and exploring new designs on Instagram, Facebook, WhatsApp, etc. It's a self-discovery journey for me being in Aari training. I am eager to learn more, create new designs, and expand our Aari business. Though it's just the beginning, I hope to travel a long way with the team."

Mrs.Varalakshmi Guna & Mrs.Nathiya, displaying their products for sale on Women's Day at CEAT

Voluntary Initiatives

WEF Tree planting Initiative

In accordance with the RPG parent group's commitment to plant 1 million trees, CEAT has initiated the planting of 25,000 trees in Nagpur, marking the inception of this ambitious project. As part of the global movement to conserve, restore, and expand forest cover, companies spanning various sectors are collaborating under the World Economic Forum's initiative of planting 1 trillion trees. Over 100 companies worldwide have collectively pledged to plant more than 12 billion trees across 100 countries.

Happiness Month

Happiness Month is a voluntary engagement initiative at CEAT, designed to foster a sense of community stewardship, generosity, and teamwork among CEAT employees. Through volunteering, employees contribute their time, skills, and resources to assist those in need. The volunteering activities across all facilities include donation drives for school students with stationery and sports item distribution, as well as cloth donations. Activities also encompass visits to old age homes and schools for specially abled children. This initiative reinforces the values of empathy, compassion, and teamwork within the organisation, leaving a profound impact on employee morale and team cohesion.

Nashik - 33

Clothes, Sport wears and bags were donated to 35 girls at an orphanage.

Nagpur - 5

Distributed stationery items at Government Higher Secondary School.

Bhandup - 10

Organised Christmas celebration with the community.

Bhandup - 8

Sports day celebration with children

Ambernath - 4

Sports and engagement activities with students of Dhoke school.

Chennai - 129

Donation of essential items, dry rations and gently used garments, laptops to old-age homes, schools and rural communities and conducted engagement activities with special school children

Cloth-Bag Making at Bhandup

5,000
Cloth Bags produced

15
Women Supported

2
Self Help Groups Benefited

Testimonials

The work was excellent; the women quickly learned to make these new types of bags. Although it was initially challenging for them, they swiftly adapted and completed the work proficiently. Given that women from the community face limitations in terms of going out for work, or even going out at all, if we receive similar work that can be done from home, we will greatly prefer it. We tried to do a good job with the bag as much as we could. We would be interested in doing a similar project in the future if there are any. Lastly, I would like to express our gratitude to CEAT and Renovate India for providing us with this opportunity - Sangeeta Saroj, MAVIM

Seedball making and Sowing

As a part of Company's community stewardship, CEAT has encouraged employees to participate in seedball making and sowing activity across all the manufacturing locations during the World Environment Day. Considering the local needs, native/local seeds were identified based on the local conditions and weather adaptability which helps in preserving soil fertility and preventing land degradation. The objective of this activity is to promote resilient landscapes for future generations.

"Seedball making and sowing are both simple, yet effective techniques used in environmental sustainability efforts, particularly in reforestation, habitat restoration and biodiversity conservation. Seedball making provides encapsulated protection, reduces seed wastage, and encourages community engagement. Seedball sowing supports natural germination, is low cost and low tech, controls erosion, and helps conserve biodiversity."

Seedball Making Activity

29,467
Total No. of seedballs

1,184
Total No. of volunteers

Management Discussion and Analysis

Hundred Years of CEAT

Cavi Elettrici e Affini Torino, the Company which was founded by Virginio Bruni Tedeschi in 1924, initially, produced electrical and telephone cables. At the onset of World War II, it entered into the rubber industry, producing gas masks. Near the end of the war, in 1945, it started producing tyres. In 1958, CEAT Tyres of India was founded as a collaboration between the Tedeshchi family and the Tatas. In the same year, the first plant in India was commissioned at Mumbai and a couple of years later, first tyre produced in India rolled out of the factory. RPG group acquired CEAT Tyres of India in 1981. In the 80s and 90s CEAT was involved in other businesses as well such as glass fibre, electronics, and tyre cords. The Company also partnered with global tyre majors like Yokohama and Goodyear. In 1992, the Company entered Sri Lanka through a joint venture and today is the market leader in the country.

CEAT, the 100-year-old brand is synonymous with safety. The Company's purpose statement itself is 'Making Mobility Safer & Smarter. Every Day.' Safety also includes a safer planet, and the Company aims to halve its carbon footprint by 2030.

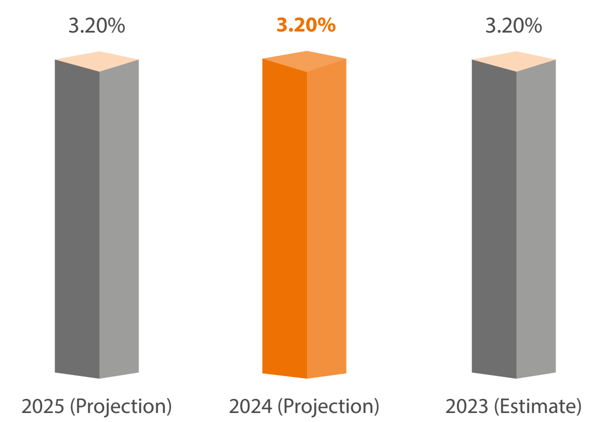
During the reporting year, the Company has been awarded the Deming Grand Prize which is considered to be one of the highest achievements in TQM (Total Quality Management) worldwide. In doing so, it has become the first tyre Company in India and one of only 33 companies globally to receive the prestigious award. Previously, CEAT was the first tyre Company outside of Japan to win the Deming Prize in 2017. The Company received Lighthouse recognition from the World Economic Forum (WEF) for adoption of 'Industry 4.0' technologies for its Halol facility in the previous reporting period and is developing capabilities to have further lighthouse recognitions across all the facilities.

The Company is passionate about offering value and safety to its customers. It's extensive geographical presence, combined with innovative products, has enabled it to maintain a strong competitive position in the market.

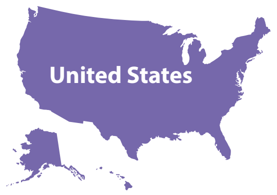
Global Economy

For most part of 2023, the global growth was weighed by a host of factors, including ongoing geo-political tensions, the Red Sea crisis, adverse weather conditions and tight financial conditions. The global economy has been resilient despite these challenges. The global GDP growth rate was 3.2% in CY 23. According to IMF predictions, global economic growth would stay at 3.2% CY 24 as well as CY 25. The Central Banks globally have kept the rates elevated in order to fight inflation. The global headline inflation is expected to moderate to 5.9% in CY 24 and further reduce to 4.5% in CY 25.

World GDP Growth Rate



Source: IMF, World Economic Outlook



The United States Federal Reserve is focused on achieving price stability, generating maximum employment and targeting moderate log-term interest rates. The unemployment has remained low and the inflation has eased over the past years but remains elevated. The Federal Open Market Committee ('FOMC') targets the federal funds rate around 5.25–5.5%. The US economy grew at 2.5% in CY 23 and is projected to grow to 2.7% in CY 24 and slow down to 1.9% in CY 25 as per the estimates and projections released by IMF. The increasing geo-political and geo-economic tensions between US and China may lead to potential supply chain disruptions across countries.

The Company has presence in the United States market in the Agri-Radial category and plans to launch the PCUV and TBR tyres of FY 25 and is building capabilities to cater to the market as the world looks for alternatives for sourcing tyres.

Source: IMF, World Economic Outlook, Jan 2024

The European economy entered 2024 on a weaker footing than expected. The economy avoided a technical recession in the second half of CY 23 and the economic prospects for CY 24 have improved. The energy prices have remained moderate and despite the mild upward pressure from the higher shipping costs due to the trade disruption in Red Sea, the underlying inflation has continued on a steady downward path. According to IMF predictions, Europe grew at 0.4% in CY 23 and is predicted to grow by 0.8% in CY 24 before accelerating 1.5% in CY 25.

Source: European Commission, IMF World Economic Outlook

Emerging Markets and Developing Economies

The emerging markets have become more integrated with the global economy and and have fared better than their developed economy peers. India is poised to remain the global growth driver in the foreseeable future.

The countries in the Sub-Saharan Africa continue to face a sluggish growth, higher inflation, high borrowing costs and a cost-of-living crisis. In many countries, the double-digit rate of inflation persists, borrowing costs remain elevated and political instability remains a concern. The IMF predicts, the Sub-Saharan African region to grow at '3.8%' in CY 24 and '4%' in CY 25. 2023 has been a difficult year for the countries in this region however, they may expect a rebound owing to growth in non-resource intensive countries.

Source: IMF: Regional Economic Outlook: Sub-Saharan Africa

The LATAM region has seen a growth of 2.3% in CY 23. The growth in this region has softened due to the weakening external environment and tighter policies to combat inflation. The region has witnessed monetary tightening since 2021. Further withdrawal of fiscal stimulus and the reversal of external price pressures have resulted in a downward trajectory in inflation. The growth in the LATAM region is expected to slow down to 2% in CY 24 and rise to 2.5% in CY 25.

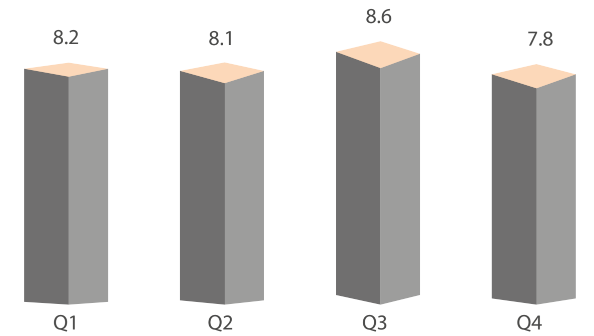
Source: IMF: Regional Economic Outlook – LATAM

Global GDP Growth

Particulars	Estimate	Projections	
	2023	2024	32025
World	3.2	3.2	3.2
Emerging Markets	4.3	4.2	4.2
Advanced Economies	1.6	1.7	1.8
Euro Area	0.4	0.8	1.5
US	2.5	2.7	1.9
Japan	1.9	0.9	1.0
UK	0.1	0.5	1.5
China	5.2	4.6	4.1
India	7.8	6.8	6.5

Source: IMF, World Economic Outlook – April 2024

GDP Quarterly Growth Rate for FY 2023-24 (%)

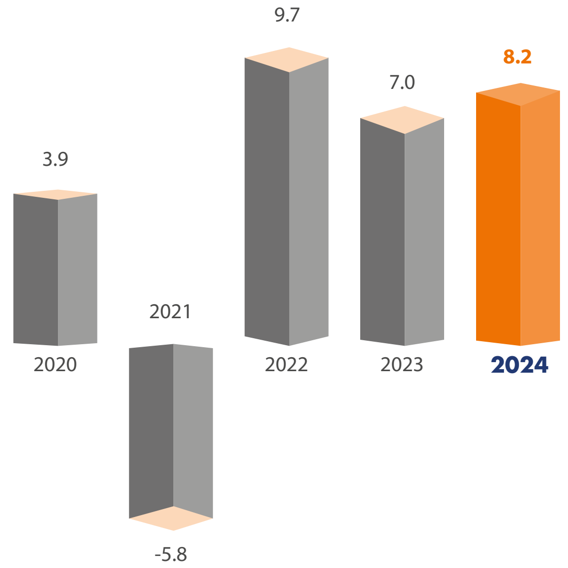


Source: The Ministry of Statistics and Programme Implementation (MOSPI)

Indian Economy

Despite the significant global headwinds, the Indian economy has been resilient and remained one of the fastest growing major economy in FY 24. The domestic economy was healthy due to positive consumer sentiments and robust investment demand. In the Monetary Policy Committee (MPC) meeting held in April 2024, the RBI kept the Repo Rate unchanged at 6.5% for the 7th consecutive time. The headline inflation eased out from its peak in the month of December to 5.1% in January and February 2024. The cumulative growth rate in Index of Industrial Production (IIP) for manufacturing in FY 24 stood at 5.5% as compared to 4.7% in FY 23.

India GDP Growth Rate (%)



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

Global Automobile Industry

In the reporting year, automobile sector witnessed turbulence in the global economy due to commodity inflation, geo-political conflicts led supply chain disruptions and evolving regulatory requirements in the advanced and emerging economies. Despite these challenges, the industry has witnessed substantial growth as compared to the previous year, driven by an increase in demand, availability of semi-conductors and growing adoption electrification in mobility. The industry has identified key priorities such as resilient and sustainable auto-value chain and smart mobility integration. The trends in the automotive industry indicate a shift in consumer preference towards SUVs and EVs. India has emerged as one of the preferred destinations for manufacturing as the world continues to look to diversify supply chains.

Indian Automobile Industry

The Indian automobile sector is one of the key drivers of the Indian manufacturing industry and a major source of employment. Similar to global trends, the Indian automobile industry is also witnessing a shift in consumer preference towards hybrid and electric vehicles and vehicles as well as vehicles in the premium segments such as SUVs. In FY 24, most of the vehicle segments have performed well. Medium & Heavy Commercial Vehicles (M&HCVs) benefitted from a growing economic and infrastructure development while Passenger Vehicles segment grew with shifting consumer demand towards SUVs. Two and three wheeler segment is getting back on a growth path as well aided by availability of newer models and a positive demand sentiment. Tractor segment however witnessed a decline in terms of production volumes.

Source : Indian Automotive Industry FY 2023-24

Electrification

As part of its efforts to reduce the greenhouse gas emissions and air pollution, India has been making steady progress in the adoption of electric vehicles (EVs). India has also set a roadmap to achieve 80% electrification of 2-wheelers by 2030, which could significantly reduce the country's dependence on fossil fuels. The automobiles industry has also seen a shift in demand for electric vehicles in the recent years. Uttar Pradesh has witnessed the highest penetration of EVs followed by Maharashtra in India. The 2-Wheeler and 3-Wheeler segment together account for more than 90% of EV sales in India.

In order to cater to the burgeoning demand for EVs, the Company has launched new tyre platforms across categories such as: EnergyDrive (Passenger Car), EnergyRide (Two-Wheeler) and WinEnergy (Truck Radial).

Source: ATMA Reports (Electric Mobility: Monthly radar)

Union Budget on Electrification

The 2024 Union Budget encourages the EV by extending support to manufacturing and charging infrastructure. The Budget facilitated adoption of e-buses for public transport networks through the payment security mechanism. It was also stated before the Budget that blending of compressed biogas into compressed natural gas for transport and piped natural gas will become mandatory. In order to support the domestic production of futuristic vehicle technologies, the government has increased the budget allocation for the production-linked incentive (PLI) scheme.

Premiumisation

The Indian automotive industry has seen a shift in consumer preference. Consumers are moving towards premiumisation in the 2-wheeler and 4-wheeler segments. Trends indicate a shift in preference towards the higher-end models that have advanced features, superior technology, and better performance.

The Company has also recognised the shift in the consumer mindset with the growing interest in travel and discovery. In response to this, the Company has enhanced its product offerings to enter the super sport, sport biking and adventure segment for 2-wheelers and is establishing a strong foothold in the luxury and SUV segment for 4-wheelers. CEAT has crafted a range of high-performance tyres including Y-rated tyres for speed and all terrain tyres that are designed to provide consumers with ultimate control and confidence on every journey.

The SportDrive and CrossDrive range of tyres cater to the requirements of the PCUV segment.

CEAT's SportDrive and SportDrive SUV are ultra-high performance range of tyres designed for luxury sedans and SUVs with the Indian roads and conditions in mind. It's asymmetric tread pattern with MRC Technology offers superior cornering stability and precise steering control at high speeds while the advanced tread technology helps in lowering noise levels, thus, leading to a comfortable driving experience. The tyre uses dual silica compound to ensure excellent grip on the road in both wet and dry conditions.

CrossDrive AT premium SUV tyres are a premium offering in the all-terrain tyre segment. It's purpose-built for off-road enthusiasts with cutting-edge 3D sipe technology and robust shoulder design that helps the tyre adapt to all-terrain applications. The tyre's new carbon black tread compounds offer better grip as well as improved fuel efficiency and have been extensively tested on the state-of-the-art auto testing track 'NATRAX' in Indore and mild off-roading near Indore. CrossDrive AT tyres have been specifically designed for usage across all 4X2 and 4X4 type of SUVs. CEAT has also partnered with OEM's to provide CrossDrive for their specialised all-terrain vehicles.

In FY 24, CEAT launched the premium range of steel radial tyres, Sportrad and Crossrad, specially crafted to unleash the full potential of high-performance motorcycles and are meticulously designed for the performance segment of motorcycles. The series includes tyres for entry-level sport, super sport, sport touring and adventure biking. These tyres feature a steel-belted radial construction, providing superior handling at high speeds.

The Sportrad series is designed for high speed and cornering and is equipped with enhanced cornering stability, and a perfect balance of stiffness. It is incorporated with advanced features like slick shoulders for extreme lean angles, an optimised groove design for superior wet grip and cornering stability, and a maximised slick area at the crown for stability at speeds up to 270 kmph.

The Crossrad series provide high grip on multi-terrain. The platform features an asymmetrical block tread design and transversal grooves placed along the circumference of the tyre which combine to provide superior grip in gravel/mud and other off-road terrains. Additionally, the interconnected shoulder blocks offer a wider contact area for an enhanced cornering grip.

Internationalisation

The growth of the automobile and tyre industries is being significantly impacted by internationalisation. To meet rising demand and broaden the customer base, major automakers are expanding into new regions. Leading companies in the industry are encouraging localisation, responsible sourcing and building more robust and resilient supply chains by diversifying suppliers. The industry is adopting best practices to ensure compliance with international quality, safety, and environmental standards to meet diverse regulatory requirements of the global markets. There is a focus on establishing research and development centres in strategic locations worldwide to foster innovation and tailor products to the regional needs.

During FY 24, CEAT witnessed an increase in demand and recorded an increase in sales in Middle East, Latin American and European countries. The Company has developed products, deployed manpower to cater to the US market and plans to cater to the PCUV and TBR segments in addition to its existing Agri-Radial business. The Company intends to increase its global market penetration and increase share of exports to about one-fourth of its total revenues.

For more details, refer to the International Business section.

Digitisation

The digitalisation of the automotive sector is driving tremendous advancements in terms of efficiency and customer experience. Vehicles are now equipped with internet access and real-time data sharing capabilities for better navigation and remote diagnostics. AI and ML technologies are being deployed for safer and more efficient transportation. The industry is using advanced driver assistance system that utilises AI, sensors and cameras to assist with speed, parking, collision avoidance and lane-keeping. The automobile sector is adopting Industry 4.0 technologies such as IoT and robotics for smarter and efficient business operations. In addition to this, the sector is implementing the blockchain technology for supply chain and vendor management. Leading automobile companies are expanding online sales and virtual reality showrooms to offer personalised customer experiences.

Advanced automation and digitisation is at the core focus of CEAT.

Improved technologies and tools are being used across the manufacturing facilities which has led to cost savings and enhanced productivity and has also enabled the Company to cater to the market demand by increasing the production capacity. CEAT was awarded the title of 'Smart Manufacturing Automotive Company' at the CNBC-TV18 Zetwerk Smart Manufacturing Summit 2024, recognising the Company's dedication to driving technological innovation and advancing digitisation excellence in the automotive manufacturing sector.

Production

Automobile Production (Nos.) FY 23-24

Sr. No.	Particulars	FY 24	FY 23
1	Passenger Vehicles	49,01,844	45,87,116
2	Commercial vehicles	10,66,429	10,35,626
3	3-Wheelers	9,92,936	8,55,696
4	2-Wheelers	2,14,68,527	1,94,59,009
5	Quadricycle	5,006	2,897
6	Tractor	9,47,143	10,71,310

Source: SIAM, Tractor and Mechanisation Association TMA

Domestic Sales

Automobile Domestic Sales (Nos.) FY 23-24

Sr. No.	Particulars	FY 24	FY 23
1	Passenger Vehicles	42,18,746	3,890,114.00
2	Commercial vehicles	9,67,878	962,468.00
3	3-Wheelers	6,91,749	488,768.00
4	2-Wheelers	1,79,74,365	15,862,087.00
5	Quadricycle	725	725.00
6	Tractor	8,67,237	945,311.00

Source: SIAM, Tractor and Mechanisation Association TMA

Global Tyre Industry

The global tyre industry is significantly dominated by China followed by the Europe, USA, India and Japan. There is a continuous shift towards electrification which has received backing from the nations all around the world. The car manufacturers have pledged to phase out the internal combustion engine as early as 2035.

Sustainability in the tyre industry

The automotive component sector including tyre sector is at the forefront of introducing the best sustainability practices by highlighting its commitment towards mitigation of emerging risks due to the climate change and supply chain disruptions. The leading sector companies are adopting a roadmap with commitment to emission reduction, water stewardship and circular economy with a focus on evolving regulatory landscape.

The tyre industry is focusing on various sustainability aspects across the key stages of the product lifecycle from raw material sourcing, manufacturing to the end-of-life management of tyres. The industry is also focusing on low-rolling resistance with enhanced fuel efficiency and low-noise tyres. Customer centricity and safety is at the core of the sustainability strategy in the industry. The industry is upskilling its workforce to cater to the needs of evolving customer expectations and changing regulations across the globe. In addition, the tyre-industry is reducing its waste by adopting resource efficient processes and technologies.

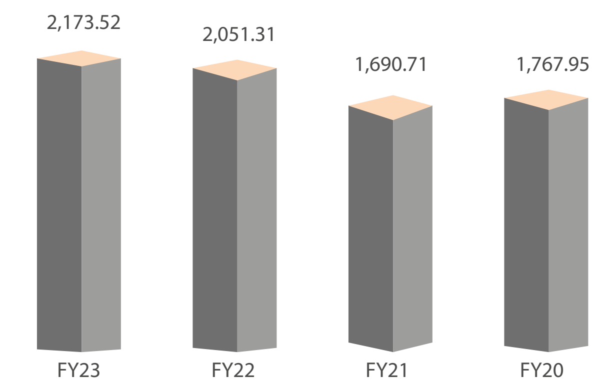
CEAT is now a member of 'Global Platform for Sustainable Natural Rubber' (GPSNR) to reduce material sourcing from deforestation or forest degraded regions, with a target of 100% EUDR compliance by December 2024.

For more information, refer to Natural Capital and Social and Relationship Capital.

Indian Tyre Industry

As international markets press for stricter environmental regulations, the Indian tyre sector will witness transition to more non-carbon/greener materials for tyres. Investments in research and development by the tyre Companies are being deployed to cater to this requirement. The industry is also focusing on creating the ability of tyres to capture data and transmit it on a real-time basis. The global search for alternatives to Chinese manufacturers has led to a rise in the contributions made by the Indian tyre sector. The US is the largest market for Indian tyres accounting for nearly 25% of the total tyre exports from India.

Total Tyre Production (No. in Lakhs)



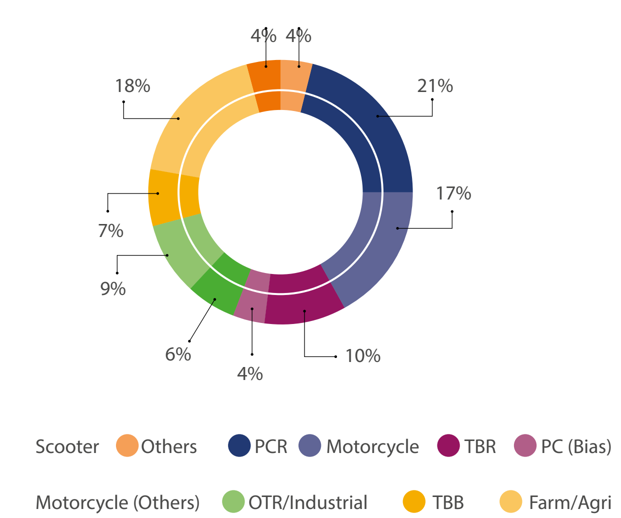
Source: https://www.atmaindia.org.in/production-trend/

Imports and Exports

India's tyre exports were impacted sharply by falling demand in view of slowdown in advanced economies, geopolitical uncertainties and inflationary pressures especially in the first half of FY 24. However, the tyre industry made significant recovery in the second half of FY 24 and the total exports nearly matched previous year's exports amounting to approx ₹ 23,000 crores.

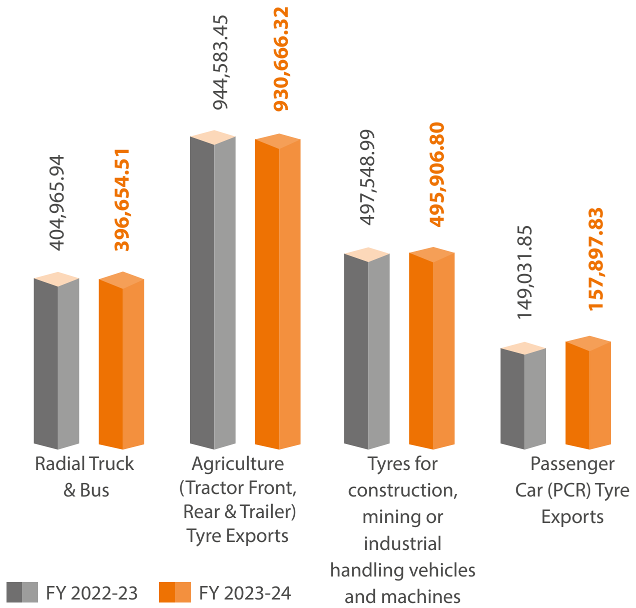
The tyre Imports in India went up by approximately 19% in FY 24. Tyres over ₹ 2500 crore were imported during the period benefitting from low rates of duty under Free Trade Agreements (FTAs) signed by the country.

Export breakup for FY 24



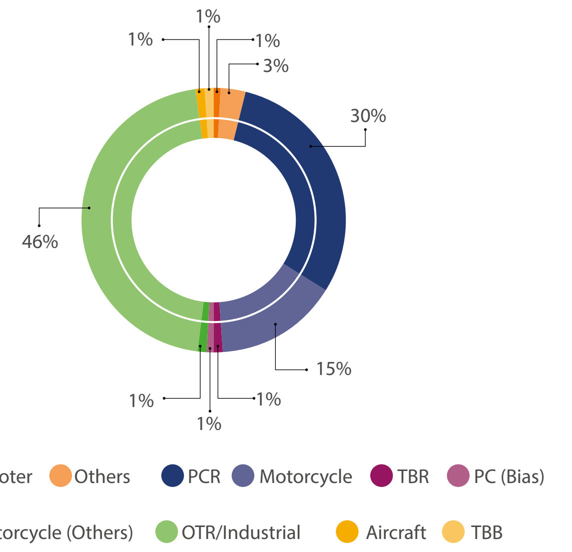
Direct Source: ATMA reports (Tyre Exports)

Indian Tyre exports (₹ in Lakhs)



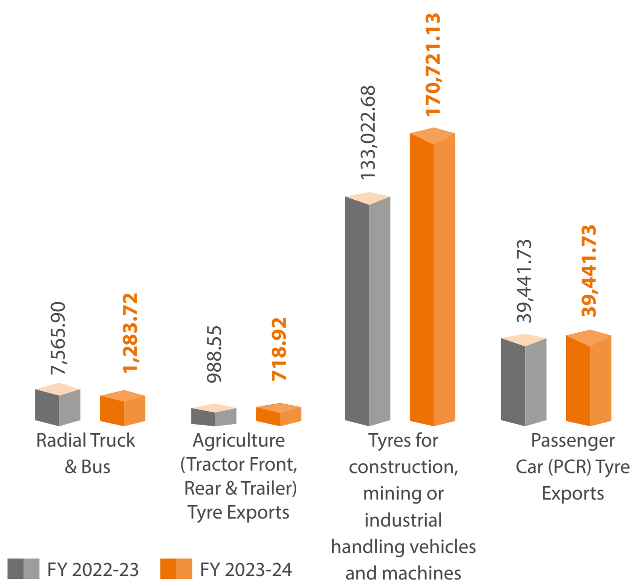
Source: Ministry of Commerce and Industry website

Import breakup for FY 24



Direct Source: ATMA reports (Tyre Exports)

Indian Tyre imports (₹ in Lakhs)



Source: Ministry of Commerce and Industry website

Raw material trends

Rubber

The Natural Rubber (NR) prices continue to rise owing to shortage of supplies, increased demand and delayed imports. The Red Sea crisis also impacted the import of both Synthetic and Natural Rubber which has led to a marginal increase in the freight rates. India has been importing over 5 lakh tonnes annually over the past few years to meet the demand in the Indian Market. The NR production in India was 8.5 lakhs tonnes which increased over the reporting year. The consumption of Natural Rubber has increased by about 6% to 9 lakh tonnes during the same period. The escalation in the prices of Natural Rubber is expected to continue globally in the short term. As of December 2023, Thailand and Indonesia were the largest producers of Natural Rubber. There are no new capacities added for Synthetic Rubber whereas the consumption has increased by about 5%.

Carbon Black and Silica

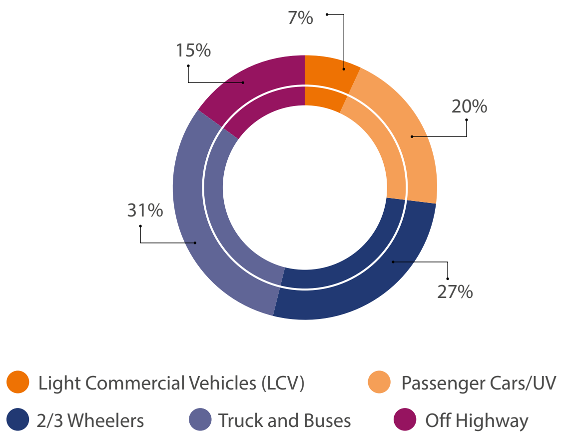
As sustainability becomes the key focus area within the tyre industry, it is witnessing a shift from the use of carbon black towards recovered carbon black and silica which are sustainable raw materials used in the tyre production process.

Business Review

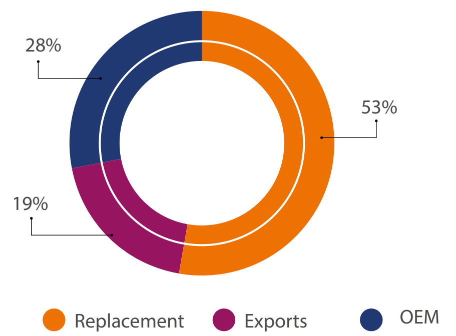
CEAT ended FY 24 on a positive note and witnessed recovery in volumes in the second half of the year in replacement and international markets with significant improvement in the margins on full year basis. The growth was largely attributable to share gain in passenger categories both in 2-Wheeler and 4-Wheeler segment and substantial expansion in export markets.

FY 2023-24 Revenue Breakup by Product and Market

FY 24 Revenue Breakup by Product



FY 24 Revenue Breakup by Market



Capacity Expansion

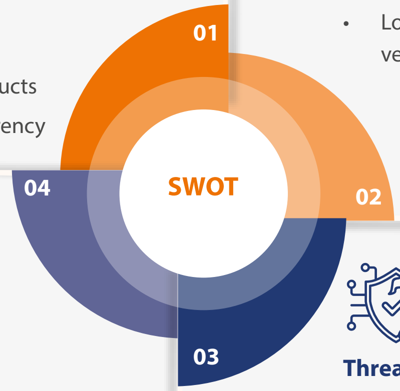
The Company is expanding its Truck Bus Radial tyre capacity with the addition of 1,500 tyre per day at its Chennai plant. **CEAT has expanded its manufacturing capabilities owing to the growing demand. The Company is ramping up its production capabilities, which is evident through its recurring as well as new CAPEX spent for the year.** In addition, the Company has expanded capacities for off-highway tyres as well as passenger car tyres in the reporting year.

Strengths:

- Association of Brand with safety
- Adoption of Total Quality Management for process excellence
- Distribution Network
- Strong R&D team / Best in-class products
- Culture of collaboration and transparency

Weaknesses:

- Scale of operations vs top players in India
- High operating cost structure
- Low share in premium OEM in Passenger vehicle segment



Opportunity:

- Growth in rural and semi-urban markets
- Emerging digital business models
- Changing mobility landscape
- Shift in global supply chain, leading to higher export opportunities

Threats:

- Competitive intensity
- Commodity price inflation and ocean freight
- Demand disruption
- Currency fluctuations, non-tariff barriers impacting international business.

International Business

CEAT continues to be one of the major tyre exporters with a footprint across 110+ countries. **In FY 24, export sales have grown considerably across the segments and geographies despite subdued demand due to continued inflation in Europe, currency volatility and geopolitical conflicts.**

CEAT witnessed an increase in demand and recorded an increase in sales in Middle East, Brazil, Latin American, South-East Asian markets and European countries. The demand has come back to normalcy in SAARC countries and the Company not only gained lost volume but, also increased its share of business.

The Company continued its focus on catering to the PCR demand in Europe. The quality and performance has been endorsed by customers globally and the Company is inching towards gaining momentum. The Company's all season tyres ranked 14th amongst global players in the independent test carried out by Auto Bild, a German Magazine on various performance metrics. **This is a true reflection of CEAT's commitment and determination to provide high quality tyres to its customers globally.**

The Company has developed product capabilities and deployed manpower to cater to the US market and is already catering to the market with the launch of the Agri-Radial category. CEAT plans to further cater to the PCUV and TBR segments in the US market. CEAT is well-poised to continue its growth in the international business in FY 25.

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Replacement Business - Description and Snapshot

	FY 2023-24	FY 2022-23
Dealers	5,500+	5,200+
Distributor's servicing	650+	600+
Special Channels	950+	800+
Districts Covered	620+	600+
Sales Touchpoint	59,000+	58,000+

Replacement Business

Digital initiatives to improve consumer experience	CEAT introduced a new interactive whatsapp bot to register warranty for the customers for a seamless experience. The Company has launched a customer data platform and marketing cloud with comprehensive information about customer expectations, which helps the service team in offering personalised customer experiences.
Digital initiatives to improve engagement with channel	A lead dashboard for the channel partners has been created on the dealer portal to create or receive the potential leads and provide the information to the dealers for their further review and analysis. An interface was developed for 3K priority sub-dealers to accommodate warranties and on the spot claim. In addition, a chatbot was rolled out to engage the sub-dealer community on the loyalty campaigns applicable to them.
Digital initiatives for Sales Team	The Company has rolled out various initiatives and regular review mechanism to monitor and address the issues of consumers and dealers. In the reporting year, CEAT launched more initiatives to digitise capacity building through its digital campaign calendar and visibility of incentive earnings.
Expansion of CEAT Shoppe in major geographies	The Company has launched various digital initiatives in retail such as CEAT Miles – a consumer giveaway programme and employee discount portal for CEAT, RPG employees and vendor employees. Premium branding was done at SIS dealers (multi-brand counters) to provide superior retail experience for the customers at all retail touchpoints.
CEAT Fleet Solutions	CEAT introduced the 'CEAT Fleet Solutions' programme to ensure an exclusive offering designed to cater to all tyre related needs. It offers comprehensive tyre management experience that encompasses data based decision-making and deploying best in-class tyre maintenance practices. It meets the specific requirements for tyre maintenance and empowers businesses to optimise their Cost per Kilometre (CPKM).

Technology and R&D

The Research and Development (R&D) of CEAT plays an indispensable role in the overall growth and development for delivering best in class products. CEAT has two research and development facilities situated in Halol India and Frankfurt Germany. CEAT has localised testing grounds with respect to R&D to cater to the market needs of Europe. The R&D team has a specialised pool of experts working on radical concepts for innovation in the design and manufacturing of the tyres enabled with digital technology, extended mobility, fuel-efficient and environmentally friendly tyre.

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

Safety

Extended Mobility

Tyre Life

Fuel Efficiency

Product Development

Sustainable Material Content

Figure 1: Core technology focus

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

Quality Assurance System

Quality Assurance (QA) at CEAT spans the entire value chain, ensuring excellence from raw material procurement to customer satisfaction, leveraging digital tools to meet diverse customer needs efficiently. The QA's function is to strengthen the assurance system and process to ensure heightened customer service by meeting their stated and unstated requirements. The management is made aware of the critical quality indicators across the business units and functions, by the QA function.

The cross-functional Quality Council takes in a horizontal view of critical customer requirements and ensures maintenance of quality for customers in the following ways:

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

CEAT's QA employs rigorous measures like zero-defect workstations, Statistical Process Control (SPC), and Critical-to-Quality (CTQ) audits, ensuring high-quality standards. It also facilitates engagements with OEMs. The QA function prepares the organisation for OEM audits and approvals and interactions with all OEM customers pertaining to current and future projects.

The quality of a tyre is described in terms of its construction, reliability, its suitability for a specific purpose and the degree to which it satisfies customers' needs. Consistent product quality along with continued R&D is the key to building and enhancing customer experience. To enhance customer experience, CEAT is focusing on Product Rating / EU labeling parameters – Rolling Resistance, Noise and Wet Grip. CEAT is also one of the first companies to comply on meeting all the requirements of the Indian BEE Energy Star label ratings.

CEAT values the opinions and suggestions put forth by customers and the Company's channel partners across the business units and factors the same into product and service quality improvement. Customer touch-points are improved with a unified 'Voice of the Customer' system to address concerns related to product and services. Automatic reports are generated, and phenomena are assigned to relevant process owners and the closure of these are tracked at various review forums. The final effectiveness of the QA system is measured through an extensive customer satisfaction survey, conducted by external agencies.

In the current market scenario, with ever-changing customer expectations and market conditions, emergence of new competitors and existing competitors are always evolving to be best-in-class for adhering to dynamic and demanding situation. Due to this, market superiority may be lost for regularised products over the course of time. In the journey of customer centricity, through pro-active approach, QA team carries out rigorous benchmarking of such regularised products (products which exist in the market for >2 years), where CEAT products and their respective Key Value Propositions (KVPs) such as tyre life, ride and handling ration etc. are evaluated and products with inferior performance undergo upgradation to re-establish their best-in-class status. In the ongoing process, the superior products are promoted accordingly in the market for better value proposition to the customers. With a rolling multi-year benchmarking roadmap about 2/3rd of the Company's products continue to prove their superiority, while the rest get taken

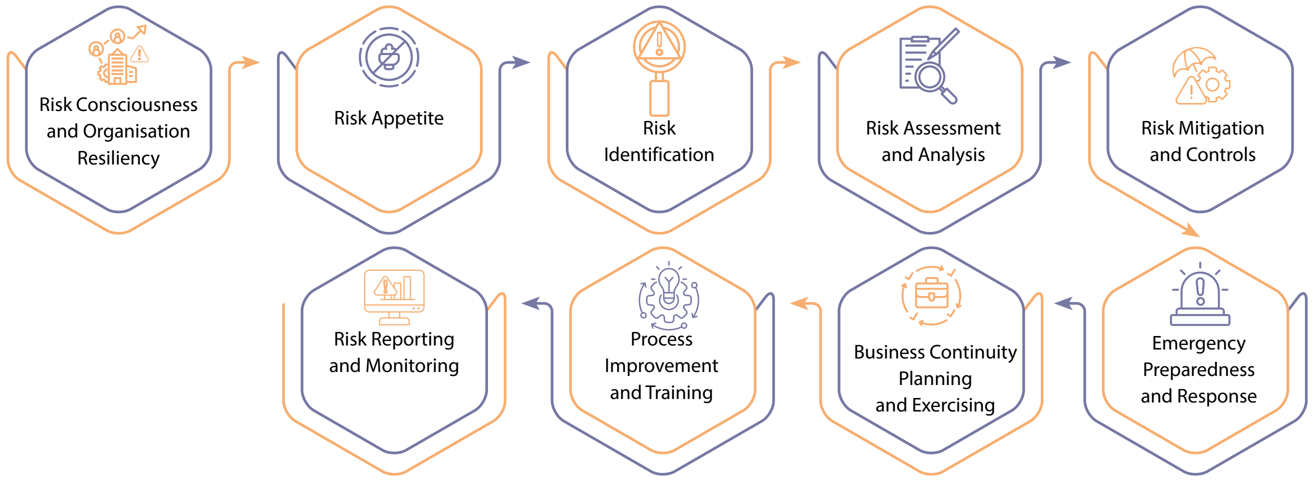
up for product refresh, or as an input to future product/ platform development through the New Product Development (NPD) system.

Risk Management

The risk management methodology adopted at CEAT begins with the stage of risk identification and is followed by a detailed assessment of their potential impacts. The assessment is conducted by analysing previous trends and future estimates, while also accounting for external perspectives to ensure a comprehensive coverage of current and emerging risks. Subsequently, appropriate measures are developed and implemented to mitigate these risks as required. The risks are regularly re-evaluated and monitored, with a focus on identifying and addressing emerging risks by including them in the risk management plan.

Risk management

CEAT's risk management approach consists of several key components that work together to ensure that the Company is adequately prepared to address and manage potential risks. These components include:



Risk Management Approach

Risks	Mitigation
1. Margin Impact due to raw materials Price Volatility and inability to increase the prices to off-set the RM price increase Profit margins can be impacted by the fluctuation of raw material prices, as well as the presence of low-cost domestic and international competitors who engage in aggressive pricing behaviour. Such factors may have an adverse effect on profitability.	CEAT is implementing various measures to foster long-term associations and improve its margin profile. It is exploring a wider supplier base and strengthening relationships with existing suppliers. It's longstanding relationships with OEMs and the quality of its products have contributed to brand recognition. To differentiate itself from competitors, CEAT is expanding its channels, enhancing after-sales service, and providing superior quality products with associated warranties. It is also focused on growing high-margin profitable segments, implementing price increases, developing capacity for new products, expanding in premium segment as well as new markets. CEAT is leveraging its deep domain knowledge, technology prowess, brand recall, and reach to stay ahead of competition.
2. Cyber Security Risk	CEAT periodically examines the risks of cyber-attacks to its system and takes preventive and detective measures to ensure its mitigation. External IT consultants are involved to provide inputs for safeguarding systems against cyber-attacks. A Business Continuity Plan (BCP) is also developed to ensure mitigation against unplanned exigencies.
3. ESG Risk	The Company has established a ESG council that regularly examines ESG specific risks, plans it's mitigation and ensures implementation. In terms of governance, the Company utilises a web-based compliance tool to monitor all the pertinent compliances. Additionally, there are policies in effect that addresses various human rights' needs, diversity and other obligations.
4. Geopolitical disruption The emergence of a big risk, due to factors such as a debt crisis, war, trust deficit in inter-state relations, and uncertainty leads to supply disruptions and an overall increase in prices.	To mitigate the risk, proactive measures are being taken in the following areas: 1. Ensuring supply chain agility 2. Maintaining healthy balance sheet ratios 3. Developing long-term supply and demand plans 4. Expanding into new geographies and OEMs/sizes

Environment, Occupational Health, and Safety

CEAT is committed to providing a safe and secure work environment for its people and reduce injuries and accidents at the workplace. CEAT uses a proactive and systematic strategy to identify potential risks and hazards related to occupational health and safety in order to achieve this goal. CEAT also ensures adherence to all pertinent environmental rules and upholds the principle of "prevention rather than control" of pollution.

Safety

The Company has a policy of zero accidents and has adopted the Five Star Occupational Health and Safety Management System of the British Safety Council (BSC) to ensure safety and well-being of its people. In October 2023, CEAT's Ambernath and Chennai plants were recognised with the Sword of Honour from the British Safety Council (BSC), making it one of 115 organisations worldwide to achieve such recognition. All the manufacturing facilities of CEAT are certified with ISO 45001:2018. Extensive safety training is provided to all employees, including contractual employees, to ensure compliance with safety measures. During the reporting period, CEAT conducted 7,958 man-days worth of health and safety trainings. The Central Safety Committee and the EHS Steering Safety Committee meet on a quarterly basis while the Departmental Safety Committee conducts meetings on a monthly basis.

Occupational Health

CEAT works across its functional lines to lower occupational health risks in an endeavor to reach "zero occupational illness cases." In addition, the Company also caters to non-occupational hazards wherever required. CEAT's Occupational Health Centers (OHC) are open around-the-clock, and all the plants have first aid kit and ambulance services available. Periodic medical examinations are conducted for all its workforce including the contractual workers.

Employees and workers can use the smartphone app that is developed to report harmful situations, unsafe behaviour, and near-misses. Shift Assembly Meetings (SAM) are held to address and track the health and safety concerns at the beginning of each shift.

Environment

With the goal of reducing carbon footprint by 50% by 2030, CEAT is dedicated to achieving sustainable manufacturing and operations through the adoption of clean energy sources and an emphasis on energy efficiency as well as on reducing the emissions intensity. The Company explores opportunities in the circular economy and environmental stewardship throughout the value chain in order to balance resource preservation and carbon footprint minimisation with sustainable practices.

Renewable Energy: The Company is using solar, wind and hybrid energy across its manufacturing facilities which comprises approximately 50.9% of total energy consumption.

Sustainable Materials: The Company has set a target to use 40% sustainable materials by 2030. The Company's achievement as of March 2024 is 28.4%.

Use of Nitrogen Curing: Significant reductions in calorifier steam usage for nitrogen curing processes led to a daily saving of 15 metric tons of steam.

Briquettes: CEAT has started increasing the consumption of briquettes as an alternative to coal to reduce the amount of fossil fuels used in the production process and, as a result, reduce the carbon footprint of the Company.

Extended Producer Responsibility: The Company has successfully offset and completed the activity of buying credits that are compliant with the EPR regulation.

For more information, refer Natural Capital section and Principle 6 of Business Responsibility and Sustainability Report.

People Matters

CEAT promotes an environment of openness and transparency by putting an emphasis on continuous learning and development, employee involvement, and well-being.

Please refer to the Human Capital section for a comprehensive explanation of the actions implemented to enhance workplace and human happiness, gender diversity, workforce learning and development, including upskilling programs. In addition, refer Principle 3 and Principle 5 of Business Responsibility and Sustainability Report (BRSR).

Internal Control Systems and Their Adequacy

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

- Assurance on orderly and efficient conduct of operations.
- Security of assets.
- Prevention and detection of frauds and errors.
- Accuracy and completeness of accounting records and timely preparation of reliable financial information.
- Automated controls built in SAP to ensure prevention of process lapses, if any. GRC has been implemented across CEAT to ensure compliance of Authority matrix in key areas.

First line

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

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

Second line

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

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

Third line

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

1. Board of Directors
2. Audit Committee of the Board of Directors: Their oversight activities mainly include:
    - Reviewing financial reports and other financial information and communicating with the regulators
    - Reviewing CEAT's established systems and procedures for internal financial controls, governance and risk management Reviewing CEAT's statutory and internal audit activities
3. Risk Management Committee: This Committee reviews the 'Risk and mitigation plan' on a periodic basis.
4. Sustainability & CSR Committee: This committee looks into ESG related risks and directs on mitigations including climate actions.

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

Discussion on Financial Performance and Key Financial Ratios

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

Cautionary Statements

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

Discussion on Financial Performance

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

Balance Sheet

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

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023	Change	Change %
Property, plant and equipment	5,92,539	5,71,612	20,927	4%
Capital work-in-progress	65,911	50,931	14,980	29%
Intangible assets	7,392	8,780	(1,388)	(16%)
Intangible assets under development	2,440	2,748	(308)	(11%)
Right-of-use asset	24,692	29,203	(4,511)	(15%)
Total	**6,92,974**	**6,63,274**	**29,700**	**4%**

Property, plant and equipment values have increased during the year as the Company has capitalised property, plant and equipment of ₹ 61,106 lakhs mainly consisting of Chennai, Halol, Ambernath and Nagpur factories offsetted by depreciation of ₹ 39,720 lakhs on property, plant and equipment for the year.

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

Intangible under development mainly comprises software and technology development.

Right-of-use assets are arising out of outsourcing arrangements of products which consists of Land, Buildings and Plant machinery used for production and distribution of goods and generation of power.

Investments (Note 6)

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023	Change	Change %
Non-current investments				
Investments in subsidiaries and associates	12,430	9,850	2,580	26%
Other non-current investments	3,143	3,177	(34)	(1%)
Total	**15,573**	**13,027**	**2,546**	**20%**

The Company had invested ₹2,580 lakhs in Tyresnmore Online Private Limited during the current year, shown as investments in subsidiaries and associates

Other financial assets (Note 7 and 13)

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023	Change	Change %
Other non-current financial assets	808	812	(4)	(0%)
Other current financial assets	6,540	4,287	2,253	53%
Total	**7,348**	**5,099**	**2,249**	**44%**

Other current financial assets have increased mainly on account of fiscal incentives receivable from Government.

Other non-financial assets (Note 8 and 14)

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023	Change	Change %
Other non-current non-financial assets	8,451	4,719	3,732	79%
Other current non-financial assets	11,374	11,376	(2)	(0%)
Total	**19,825**	**16,095**	**3,730**	**23%**

Increase in non-current non-financial asset is mainly due to increase in capital advances amounting to ₹ 3,475 lakhs mainly for Chennai factory expansion.

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

Inventories (Note 9)

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023	Change	Change %
Raw Materials	39,026	41,637	(2,611)	(6%)
Semi-finished Goods	8,747	7,919	828	10%
Finished Goods (including stock-in-trade)	63,552	60,999	2,553	4%
Stores and Spares	2,089	1,853	236	13%
Total	**1,13,414**	**1,12,408**	**1,006**	**1%**

Raw material inventory when compared as a measure of the cost of material consumed is equivalent to 21 days as at March 31, 2024 against 25 days as at March 31, 2023 mainly due to lower inventory levels as at March 31, 2024.

The finished goods inventory (including traded goods stock) as a measure of the goods sold is stated at 31 days as at March 31, 2024 against 30 days as at March 31, 2023.

Trade Receivables (Note 10)

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023	Change	Change %
Trade Receivables	1,27,597	1,30,283	(2,686)	(2%)

The Receivables position for the current year is at 44 days of sales outstanding as at March 31, 2024 as compared to 42 days of sales outstanding as at March 31, 2023.

Cash and cash equivalents (Note 11)

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023	Change	Change %
Cash and cash equivalents	3,220	5,024	(1,804)	(36%)

Balance of last year was primarily higher on account of inflows after the closure of business hours on the last working day of the year.

Balance Sheet

Borrowings (Note 18 and 22)

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023	Change	Change %
Non-current borrowings	95,660	1,44,056	(48,396)	(34%)
Current borrowings	63,637	62,517	1,120	2%
Total	**1,59,297**	**2,06,573**	**(47,276)**	**(23%)**

The Company's strong free cash flow generation, coupled with rigorous management of working capital, enabled reduction in debt during the year to the tune of ₹ 47,276 lakhs.

Lease Liability (Note 4)

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023	Change	Change %
Non-current lease liabilities	10,170	13,055	(2,885)	(22%)
Current lease liabilities	6,085	7,222	(1,137)	(16%)
Total	**16,255**	**20,277**	**(4,022)**	**(20%)**

Lease liabilties are arising out of outsourcing arrangements of Company's products which consists of Land, Buildings and Plant machinery used for production and distribution of goods and generation of power. Reduction was mainly on account of repayment of lease liabilities amounting to ₹ 9,180 lakhs offset by additions including interest accretion of ₹ 5,158 lakhs during the year.

Other financial liabilities (Note 19 and 24)

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023	Change	Change %
Other non-current financial liabilities	2,117	1,881	236	13%
Other current financial liabilities	85,273	83,737	1,536	2%
Total	**87,390**	**85,618**	**1,772**	**2%**

Other non-current financial liabilities has marginally increased mainly due to increase in capital creditors by ₹ 226 lakhs.

Increase in other current financial liabilities was mainly due to increase in deposits from Dealers amounting to ₹ 4,473 lakhs, Employee related liabilities amounting to ₹ 4,575 lakhs and derivative financial instruments amounting to ₹ 236 lakhs as compared to March 31, 2023. This increase was slightly offset by decrease in capital vendor amounting to ₹ 6,341 lakhs, interest accrued but not due amounting to ₹ 1,367 lakhs, unpaid dividend and unpaid matured deposits amounting to ₹ 40 lakhs as compared to March 31, 2023.

Provisions (Note 20)

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023	Change	Change %
Non current provisions	7,797	4,730	3,067	65%
Current provisions	10,528	14,034	(3,506)	(25%)
Total	**18,325**	**18,764**	**(439)**	**(2%)**

There was an increase in provision for sales related obligation amounting to ₹ 1,533 lakhs which is in line with Company's policies, actual claims and higher sales. This increase is slightly offset by reduction in provision for Gratuity by ₹1,851 lakhs which is due to higher Plan Assets as on March 31, 2024.

Trade Payables (Note 23)

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023	Change	Change %
Trade payables	2,33,264	2,27,083	6,181	3%

The trade payable position was at 91 days purchases of goods and services outstanding as at March 31, 2024 as compared to 88 days as at March 31, 2023.

Other current liabilities (Note 25)

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023	Change	Change %
Other current liabilities	27,656	15,036	12,620	84%

Increase in Other current liabilities was due to increase in Statutory dues by ₹ 1,121 lakhs, for Extended Producer Responsibility (EPR) by ₹ 10,720 lakhs and advances recevied from Customers by ₹ 779 lakhs as compared to last year.

Statement of Profit and Loss

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

(₹ in Lakhs)

Particulars	2023-24	% of Revenue from operations	2022-23	% of Revenue from operations
Revenue from operations	**11,89,260**	**100.00%**	**11,26,326**	**100.00%**
Cost of material consumed	6,92,363	58.22%	7,35,074	65.26%
Purchase of stock-in-trade	614	0.05%	990	0.09%
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(3,381)	0%	(499)	0%
Gross Margin	**4,99,664**	**42.01%**	**3,90,761**	**34.69%**
Employee benefit expense	83,358	7.01%	72,536	6.44%
Other expenses	2,50,738	21.08%	2,20,499	19.58%
EBITDA	**1,65,568**	**13.92%**	**97,726**	**8.68%**
Other income	2,627	0.22%	3,866	0.34%
Finance costs	26,586	2.24%	23,904	2.12%
Depreciation and amortisation expenses	50,836	4.27%	46,925	4.17%
Exceptional items	4,251	0.36%	3,342	0.30%
Profit before tax	**86,522**	**7.28%**	**27,421**	**2.43%**
Tax expense	21,092	1.77%	6,794	0.60%
Profit for the year	**65,430**	**5.50%**	**20,627**	**1.83%**
Other comprehensive income for the year, net of tax	(24)	0.00%	120	0.01%
Total comprehensive income for the year	**65,406**	**5.50%**	**20,747**	**1.84%**

As compared to previous year:

- Revenue from operations has increased by 6%, largely driven by volume growth.
- Gross margin has increased by 28% (in absolute value) due to lower raw material costs and higher sales.
- EBITDA has increased by 69% (in absolute value) and increased by 525 bps (in percentage terms), primarily driven by a decline in raw material prices.

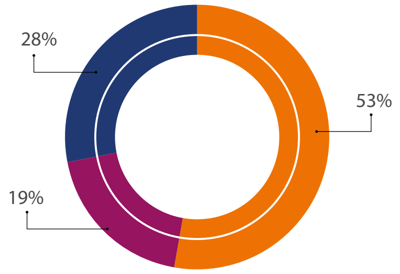
Revenue from Operations (Note 26)

(₹ in Lakhs)

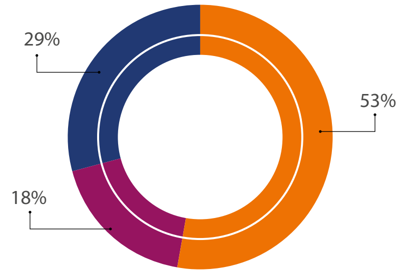
Particulars	2023-24	2022-23	Change	Change %
Sale of goods				
Automotive Tyres	10,96,253	10,34,379	61,874	6%
Tubes and others	75,291	74,430	861	1%
Royalty income	604	445	159	36%
Other revenues	966	506	460	91%
Total revenue from contracts with customers	**11,73,114**	**11,09,760**	**63,354**	**6%**
Sale of Scrap	6,500	6,126	374	6%
Government Grants	9,646	10,440	(794)	(8%)
Revenue from Operations	**11,89,260**	**11,26,326**	**62,934**	**6%**

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

BU wise sales composition 2023-24



BU wise sales composition 2022-23



Replacement Exports OEM

Other Income (Note 27)

(₹ in Lakhs)

Particulars	2023-24	2022-23	Change	Change %
Other Income	2,627	3,866	(1,239)	(32%)

Other income has mainly decreased due to lower dividend received by ₹ 883 lakhs mainly from Srilanka subsidiary as compared to March 31, 2023.

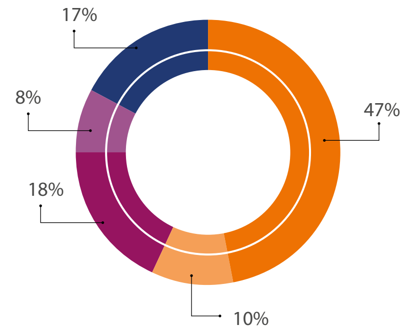
Cost of material consumed/ finished goods consumed analysis (Note 28 and 29)

(₹ in Lakhs)

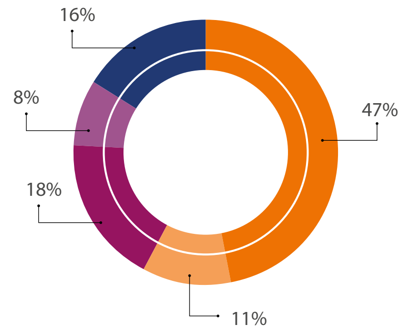
Particulars	2023-24	2022-23	Change	Change %
Cost of materials consumed	6,92,363	7,35,074	(42,711)	(6%)
Purchase of stock-in-trade	614	990	(376)	(38%)
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(3,381)	(499)	(2,882)	578%
Total	**6,89,596**	**7,35,565**	**(45,969)**	**(6%)**

Decrease is on account of reduction in raw material prices year on year, and slightly offset by increase in production.

Raw material consumed 2023-24



Raw material consumed 2022-23



Rubber Fabrics Carbon black Chemicals Others

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 ₹ 63,387 lakhs as at March 31, 2024 as compared to ₹ 60,801 lakhs as at March 31, 2023.

Employee benefit expense (Note 30)

(₹ in Lakhs)

Particulars	2023-24	2022-23	Change	Change %
Employee benefit expense	83,358	72,536	10,822	15%

Employee benefit expenses increased due to regular annual salary increments and increased level of operations in factories.

Finance Costs (Note 31)

(₹ in Lakhs)

Particulars	2023-24	2022-23	Change	Change %
Finance cost	26,586	23,904	2,682	11%

The increase in finance costs is primarily due to higher interest payments on incremental Dealer Deposits and increase in interest rates.

Depreciation and amortisation expense (Note 32)

(₹ in Lakhs)

Particulars	2023-24	2022-23	Change	Change %
Depreciation on property, plant and equipment	39,720	34,808	4,912	14%
Amortisation of intangible assets	3,053	3,858	(805)	(21%)
Depreciation on Right of Use Asset	8,063	8,259	(196)	(2%)
Total	**50,836**	**46,925**	**3,911**	**8%**

Depreciation on Property, Plant, and Equipment increased due to significant Capital expenditures at Chennai, Halol, Ambernath, and Nagpur plants. Conversely, amortisation of intangible assets decreased as several assets reached the end of their useful lives during the fiscal year ending March 31, 2024.

Other Expenses (Note 33)

(₹ in Lakhs)

Particulars	2023-24	2022-23	Change	Change %
Conversion Charges	35,179	34,146	1,033	3%
Stores and Spares Consumed	9,925	9,412	513	5%
Freight and Delivery Charges	46,537	45,087	1,450	3%
Repairs - Machinery	11,021	9,644	1,377	14%
Travelling and Conveyance	6,089	4,470	1,619	36%
Advertisement and Sales Promotion Expenses	24,974	21,235	3,739	18%
Professional and Consultancy Charges	12,333	8,905	3,428	38%
Training and Conference Expenses	2,149	1,223	926	76%
CSR Expenses	583	604	(21)	(3%)
Sales related obligations	18,020	15,010	3,010	20%
Bank Charges	373	475	(102)	(21%)
EPR	7,267	-	7,267	100%

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

Increase in Advertisement and Sales promotion expenses is because of increase in markerting activities lead by IPL, WPL and other initiatives.

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

On July 21, 2022, the Ministry of Environment, Forest and Climate Change issued notification containing Regulations on Extended Producer Responsibility (EPR) for Waste Tyre applicable to Tyre manufacturers and Recyclers. As per the notification, the Company has a present legal obligation as at March 31, 2024 for FY 2023-24 (quantified basis the production in FY 21-22) and for FY 2022-23 (quantified basis the production in FY 20-21) to purchase EPR certificates online from Recyclers of waste tyre, registered with the Central Pollution Control Board, to fulfil its obligations. As at March 31, 2023 the Company could not estimate the liability reliably since the infrastructure for the same was not enabled and hence this obligation was not provided for. In the current year the enabling framework has been established for the Company to reliably estimate the liability and accordingly ₹ 10,720 lakhs has been provided in the books in the current year including ₹ 3,453 lakhs pertaining to FY 22-23 obligations, which has been disclosed as an exceptional item during the year ended March 31, 2024. The obligation pertaining to FY 23-24 has been disclosed separately in Other expenses.

The Company has provided the above on a prudence basis while the matter has been represented to the Government by the Company along with the Industry forum to defer the applicability and proposed certain changes in the modalities.

Exceptional Items (Note 34)

(₹ in Lakhs)

Particulars	2023-24	2022-23	Change	Change %
Exceptional Items	4,251	3,342	909	27%

Exceptional items has increased due to EPR cost of ₹ 3,453 lakhs of FY 2022-23 offset by lower VRS of ₹ 2,362 lakhs in FY 2023-24.

Tax expenses (Note 21)

(₹ in Lakhs)

Particulars	2023-24	2022-23	Change	Change %
Tax expenses	21,092	6,794	14,298	210%

Effective income tax rate for the year 2023-24 was 24.38% as compared to 2022-23 is 24.78% in 2022-23. Tax expenses were higher in 2023-24 due to higher profits.

Cash Flows*

(₹ in Lakhs)

Particulars	2023-24	2022-23	Change	Change %
Net cash flow generated from operating activities	1,72,391	1,21,523	50,868	42%

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

a) Increase in the operating profit before working capital changes but after tax by ₹ 45,825 lakhs

b) The Release of working capital by ₹ 5,043 lakhs

(₹ in Lakhs)

Particulars	2023-24	2022-23	Change	Change %
Net cash (used in) investing activities	(87,388)	(85,997)	(1,391)	2%

The increase in net Cash outflow from investing activities was driven primarily by an investment of ₹ 2,580 lakhs in Tyresnmore and a decrease in dividends from subsidiaries by ₹ 883 lakhs. This was partially offset by a reduction in capital expenditures (net) by ₹ 2,265 lakhs.

(₹ in Lakhs)

Particulars	2023-24	2022-23	Change	Change %
Net cash flows (used in)/generated from financing activities	(86,807)	(31,802)	(55,005)	173%

Increase in cash outflow for financing activities is mainly due to repayment of long-term borrowing ₹ 55,523 lakhs

* For details, refer cash flow statement

Ratio Analysis

Particulars	2023-24	2022-23	Reasons
Debtors turnover ratio	9.09	9.03	Debtors turnover ratio has remained in similar lines as compared to previous year.
Inventory turnover ratio	9.77	10.71	Inventory turnover has decreased marginally in the current year as compared to previous year primarily due to higher closing inventory.
Interest coverage ratio	5.73	3.94	Interest coverage ratio has increased in 2023-24 as compared to the previous year mainly on account of higher profits.
Current ratio	0.61	0.64	The marginal decrease in the current ratio is primarily driven by an increase in trade payables.
Debt equity ratio	0.40	0.62	The improvement is attributable to a reduction in debt and an increase in net worth, driven by higher earnings compared to the previous year.
Operating profit margin	13.92%	8.68%	The increase in margins is primarily driven by lower raw material
Net profit margin	5.50%	1.83%	prices and higher revenue.
Return on net worth	16.56%	6.17%	Return on net worth has increased due to higher post tax earnings.
Price earning ratio	16.55	28.44	Earnings per share stood at ₹ 161.75 for the year ended March 31, 2024 registering an increase by 217% as compared to year ended March 31, 2023. Closing share price was higher by 85% as compared to previous year.
Return on capital employed	21.54%	10.42%	Return on capital employed has increased due to increase in earnings before interest and tax.

Board's Report

To,

The Members of **CEAT Limited,**

The Directors of the Company are pleased to present their Sixty-Fifth Annual report together with the Standalone and Consolidated Audited Financial Statements of the Company for the year ended March 31, 2024.

FINANCIAL SUMMARY AND HIGHLIGHTS

Standalone

(₹ in Lakhs)

Particulars	FY 2023-24	FY 2022-23
Total Revenue	11,91,887	11,30,192
Total Expenses (excluding exceptional items)	11,01,114	10,99,429
Exceptional item	4,251	3,342
Profit Before Taxation	86,522	27,421
Tax expense:		
- Current Tax	15,188	(368)
- Deferred Tax charge / (credit)	5,904	7,162
Profit for the period	65,430	20,627
Other Comprehensive Income		
Items that will not be reclassified to profit or loss:		
- Remeasurement gains / (losses) on defined benefit plans	237	(990)
- Income tax relating to the above	(60)	249
Items that will be reclassified to profit or loss:		
- Effective portion of gains (losses) on hedging instruments in cash flow hedges	(268)	1,150
- Income tax relating to the above	67	(289)
Total Comprehensive Income for the year	**65,406**	**20,747**

Consolidated

(₹ in Lakhs)

Particulars	FY 2023-24	FY 2022-23
Total Revenue	11,96,321	11,33,182
Total Expenses (excluding exceptional items)	11,06,914	11,05,248
Exceptional item	5,817	3,342
Profit Before Taxation	85,670	25,414
Tax expense:		
- Current Tax	15,777	186
- Deferred Tax charge / (credit)	6,365	6,989
Profit after tax, non-controlling interest and share of profit from Joint Venture	63,528	18,239
Other Comprehensive Income		
Items that will not be reclassified to profit or loss:		
- Remeasurement gains / (losses) on defined benefit plans	39	(817)
- Income tax relating to the above	(2)	197
Items that will be reclassified to profit or loss:		
- Effective portion of gains (losses) on hedging instruments in cash flow hedges	(268)	1,150
- Exchange differences on translating the financial statements of a foreign operation	1,055	(918)
- Income tax relating to movement in cash flow hedges	67	(289)
Total Comprehensive Income for the year	**64,419**	**17,562**

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

During the year under review, on a standalone basis, the Company recorded revenue from operations of ₹ 11,89,260 lakhs, higher by 5.59%, compared to ₹ 11,26,326 lakhs of the last financial year. The Company recorded a net profit of ₹ 65,430 lakhs against a net profit of ₹ 20,627 lakhs of the last financial year. The Company's EBITDA stood at ₹ 1,65,568 lakhs, an increase of 69.42% over EBITDA of ₹ 97,726 lakhs of the last financial year.

On a consolidated basis, the Company recorded revenue from operations of ₹ 11,94,348 lakhs, higher by 5.56%, compared to ₹ 11,31,488 lakhs for the last financial year. The Company recorded a net profit of ₹ 63,528 lakhs, against a net profit of ₹ 18,239 lakhs of the last financial year. The Company's EBITDA stood at ₹ 1,67,303 lakhs, an increase of 70.36% over EBITDA of ₹ 98,203 lakhs of the last financial year.

STATE OF COMPANY'S AFFAIRS

The demand continued to be healthy, and the Company witnessed mid-single-digit growth in the topline across all three segments – replacement, OEMs, and international business. Key focus has been on improving the product mix and judicious pricing which has helped improve margins during the year. Growth during the year has been largely driven by OEMs and specialty & passenger category tyres. The Company has begun to see some recovery in exports and the replacement market, especially in the commercial category. The Company has managed to bring down the debt sharply throughout the financial year. Better sweating of assets, improved efficiencies through digital interventions and other measures, have improved margins during the year.

The Company's favourable raw material prices, improved product mix and procurement efficiencies has helped improve its gross margins.

The Company continued to grow its reach in India as well as global markets. The Company operates 6 (six) manufacturing facilities at Mumbai, Ambernath, Nashik, Nagpur, Halol and Chennai and has a network of more than 5,500+ dealers, 600+ distributors and over 59,000+ sub-dealers. The Company currently has representative offices in Indonesia, United Arab Emirates, the Philippines and an R&D centre at Germany.

The Company is delighted to achieve an important global recognition in the form of the prestigious Deming Grand Prize awarded by the Union of Japanese Scientists and Engineers (JUSE) for excellence in Total Quality Management (TQM), making it the first tyre brand and 33rd Company in the world to achieve this recognition. The Deming Grand Prize is an illustrious honour for organisations that have achieved the Deming Prize and have continued to sustain and elevate their Total Quality Management (TQM) practices for more than three years. The Company has been on the TQM journey for over fifteen years and was the first tyre company outside Japan to win the prestigious Deming Prize in 2017.

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

The Company achieved a score of 49 for FY 24, as assessed under the Corporate Sustainability Assessment by S&P Global.

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

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

There are no material changes and commitments, affecting the financial position of the Company which has occurred between the close of the Financial Year as on March 31, 2024, to which the Financial Statement relate and the date of this Report.

DIVIDEND

Considering the profits for the year under review and keeping in view capital expenditure requirements of the Company, your Directors are pleased to recommend the dividend of ₹ 30 (i.e. 300 %) per equity share of face value ₹ 10/- each for the Financial Year ended March 31, 2024.

DIVIDEND DISTRIBUTION POLICY

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

TRANSFER TO RESERVE

As permitted under the Companies Act, 2013 ('the Act'), the Directors do not propose to transfer any sum to the General Reserve pertaining to FY 2023-24.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

At the end of the year under review, the Company had the following 9 (nine) subsidiaries namely:

- Rado Tyres Limited, Kochi, India,
- CEAT Auto Components Limited, Mumbai, India,
- Taabi Mobility Limited, Mumbai, India,
- Tyresnmore Online Private Limited, Delhi, India,
- CEAT AKKHAN LTD, Dhaka, Bangladesh,
- CEAT Specialty Tyres B.V, Netherlands,
- CEAT Specialty Tires Inc., USA,
- Associated CEAT Holdings Company (Private) Limited, Colombo, Sri Lanka
- CEAT Brazil Tires Servicos Ltda., Brazil.

On August 4, 2023, Tyresnmore Online Private Limited became a wholly owned subsidiary of the Company by way of purchase of balance shares from the existing members.

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On October 2, 2023, the Company incorporated a wholly owned subsidiary, 'CEAT Brazil Tires Servicos Ltda', in the Federative Republic of Brazil to provide business support to the Company in the jurisdiction of Brazil.

Rado Tyres Limited

Rado Tyres Limited ('RTL') having stopped its operations since 2018 did not report any operating income for FY 2023-24, however, reported other income of ₹ 32.88 lakhs mainly from interest on Fixed Deposits (previous year ₹ 24.75 lakhs) and a net profit of ₹ 13.35 lakhs (previous year ₹ 7.89 lakhs).

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

CEAT Auto Components Limited

CEAT Auto Components Limited ('CACL') did not have any operations during the year. CACL had no income and reported net loss of ₹ 0.24 lakhs for FY 2023-24.

Taabi Mobility Limited

Taabi Mobility Limited ('TBL') reported other income of ₹ 1.66 lakhs mainly from Interest from Banks and a net profit of ₹ 0.11 lakhs for FY 2023-24.

Tyresnmore Online Private Limited

During the year under review, Tyresnmore Online Private Limited ('TNM') registered a total income of ₹ 2,563.66 lakhs, a growth of 73.09% over the previous year revenue of ₹ 1,481.15 lakhs and a net loss of ₹ 1,182.24 lakhs in FY 2023-24 (previous year net loss ₹ 655.24 lakhs).

OVERSEAS SUBSIDIARIES

CEAT Specialty Tyres B.V., Netherlands

During the year under review, CEAT Specialty Tyres B.V., Netherlands ('CSTBV') registered a total income of Euro 16.19 lakhs (₹ 1,453.06 lakhs) as compared to Euro 12.26 lakhs (₹ 1,025.67 lakhs) in FY 2022-23. The profit after tax for FY 2023- 24 has increased by 27.16 % to Euro 1.03 lakhs (₹ 92.36 lakhs) as compared to Euro 0.81 lakhs (₹ 68.14 lakhs) in FY 2022-23.

CEAT Specialty Tires Inc., USA

During the year under review, CEAT Specialty Tires Inc., USA ('CSTI') registered a total income of USD 26.94 lakhs (₹ 2,230.60 lakhs) as compared to USD 20.27 lakhs (₹ 1,629.81 lakhs) in FY 2022-23. The profit after tax for FY 2023-24 has decreased by 8.05% to USD 1.37 lakhs (₹ 113.15 lakhs) as compared to USD 1.49 lakhs (₹ 119.82 lakhs) in FY 2022-23.

CEAT Brazil Tires Servicos Ltda., Brazil

CEAT Brazil Tires Servicos Ltda., Brazil ('CBTSL') was incorporated on October 3, 2023 and did not have any operations during the year. CBTSL had no income reported for FY 2023-24.

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

Joint Venture in Sri Lanka

Associated CEAT Holdings Company (Private) Limited ('ACHL'), the Company's investment arm in Sri Lanka, has a 50:50 joint venture company viz. CEAT-Kelani Holdings Private Limited which operates 2 (two) manufacturing plants through its wholly owned subsidiaries in Sri Lanka.

During the year under review, ACHL's total income was LKR 49.87 lakhs (₹ 13.02 lakhs) as compared to LKR 237.56 lakhs (₹ 53.37 lakhs) in FY 2022-23. The profit after tax (excluding profit from JV) for FY 2023- 24 has decreased by 81.58% to LKR 31.05 lakhs (₹ 8.11 lakhs) as compared to LKR 168.58 lakhs (₹ 37.87 lakhs) in FY 2022-23. ACHL's joint venture continues to enjoy the overall market leadership in all categories of tyres in Sri Lanka. ACHL has been consistently paying dividends and during the year under review, paid a dividend to the Company of ₹ 1,372 lakhs as compared to ₹ 2,240 lakhs paid during the last year.

Joint Venture in Bangladesh

CEAT AKKHAN LTD ('CAL') is a 70:30 joint venture of the Company in Bangladesh. CAL is locally selling CEAT branded automotive tyres. For the year under review, the total income of CAL was BDT 15,775.49 lakhs (₹ 11,991.58 lakhs) as compared to BDT 16,318.25 lakhs (₹ 13,382.13 lakhs) in FY 2022-23. The net loss for the year under review was BDT 3,220.30 lakhs (₹ 2,475.86 lakhs) as compared to the net loss of previous year BDT 1,241.09 lakhs (₹ 1,271.76 lakhs).

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

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with Section 129(3) of the Act and Regulation 34(2) of the SEBI Listing Regulations, the Consolidated Financial Statements of the Company, including the financial details of all the subsidiary companies, associate companies and joint ventures of the Company, forms part of this Integrated Annual Report. The Consolidated Financial Statements have been prepared as per the applicable Indian Accounting Standards issued by the Institute of Chartered Accountants of India ('ICAI').

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year, Mr. Vinay Bansal (DIN: 00383325), Non-executive Independent Director of the Company resigned from the Board owing to his advancing age and consequently also from membership of Committees of the Board he has been serving on, with effect from the close of business hours on June 1, 2023.

The Board based on recommendation of the Nomination and Remuneration Committee ('NRC') appointed Ms. Sukanya Kripalu (DIN: 06994202) and Mr. Milind Sarwate (DIN: 00109854) as Non-executive Independent Director(s) of the Company w.e.f. March 14, 2024. The said appointments were approved by members by way of resolutions passed on June 6, 2024 via postal ballot.

Ms. Priya Nair (DIN: 07119070), Non-executive Independent Director of the Company resigned from the Board of the Company due to other pre-occupations and consequently also from the membership of the Sustainability and Corporate Social Responsibility Committee of the Board, with effect from the close of business hours on April 1, 2024.

Ms. Vallari Gupte, Company Secretary & Compliance Officer (Key Managerial Personnel) of the Company tendered resignation due to constraints of relocating out of Mumbai for family reasons w.e.f. close of business hours on May 7, 2024.

The Board based on recommendation of the NRC appointed Ms. Daisy Chittilapilly (DIN: 09577569) as Non-executive Independent Director of the Company w.e.f. May 2, 2024. Shareholders have accorded their consent for the same vide Special resolution passed on June 6, 2024 via postal ballot.

The Board at its meeting held on June 17, 2024, on recommendation of the NRC, has proposed reappointment of Mr. Arnab Banerjee as the MD and CEO for a further term of 1 year from April 1, 2025 to March 31, 2026, subject to approval of Members of the Company.

The Board based on the recommendation of NRC appointed Mr. Praveen Pardeshi (DIN: 01658052) as Non-executive Independent Director of the Company w.e.f. June 17, 2024 subject to approval of Members of the Company. A proposal to this effect forms part of notice convening this annual general meeting.

The Board at the said board meeting approved appointment of Mr. Gaurav Tongia as the Company Secretary and Compliance Officer of the Company w.e.f. July 1, 2024.

In accordance with the Companies Act, 2013 and Articles of Association of the Company, Mr. Paras K. Chowdhary (DIN: 00076807) retires by rotation and being eligible offers himself for re-appointment.

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

Mr. Arnab Banerjee (DIN: 06559516), Managing Director and Chief Executive Officer does not receive any profit related commission from the Company or any of the subsidiaries of the Company as prescribed under Section 197(14) of the Act. No other remuneration is received by him from the subsidiary company(ies). Details of executive compensation are contained in the financial statements forming part of this annual report.

Company's Policy on Directors' appointment and remuneration

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

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

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

Declaration of independence and statement on compliance of Code of Conduct

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

The Independent Directors of the Company had no pecuniary relationship or transactions with the Company, other than as permitted under relevant regulations. The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and they hold highest standards of integrity. The Directors are compliant with the provisions of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as applicable.

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

In the opinion of the Board, Ms. Sukanya Kripalu (DIN : 06994202) and Mr. Milind Sarwate (DIN : 00109854) who were appointed during the year under review and Ms. Daisy Chittilapilly (DIN : 09577569) and Mr. Praveen Pardeshi (DIN : 01658052), who were appointed post March 31, 2024 are the person of integrity and have the relevant expertise and experience as required under the Nomination and Remuneration Policy of the Company.

Evaluation of Board, its Committees and Directors

As required under the provisions of the Act and the Listing Regulations, the Board has carried out an annual evaluation of its own performance and that of its Committees, Chairperson and individual Directors.

For the purpose of evaluation for FY 2023-24, the Company engaged an external agency to facilitate the process of online confidential survey using the questionnaire finalised by the Nomination and Remuneration Committee. The results of the survey / feedback were then deliberated and evaluation of the Board, its Committees and the Directors was carried out by the Nomination and Remuneration Committee and the Board at their respective meetings, as prescribed under the Act.

Meetings of the Board of Directors

During the year, 6 (Six) Board Meetings were convened and held on May 4, 2023, May 12, 2023, July 25, 2023, October 16, 2023, January 24, 2024 and March 14, 2024. The details of which are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Act and Regulation 17 of the SEBI Listing Regulations.

Board Committees

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

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

BUSINESS RISK MANAGEMENT

The Company has constituted a Risk Management Committee in compliance with the requirements of Regulation 21 of the SEBI Listing Regulations.

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

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

SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Board of Directors has constituted 'Sustainability and Corporate Social Responsibility' ('SCSR') Committee pursuant to Section 135 of the Companies Act, 2013.

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

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

VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

RELATED PARTY TRANSACTIONS

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

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

SHARE CAPITAL

The paid-up equity capital of the Company as on March 31, 2024 was ₹ 4,045 lakhs. 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.

ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2024, is available on its website at https://www.ceat.com/investors/shareholder-information.html

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

Conservation of Energy

CEAT has taken various initiatives on adoption of cleaner source of energy from conventional source of energy. The Company has undertaken several initiatives around process optimisation, power conservation, retrofitting of equipment across all the facilities. The Company's current share in renewable source of Energy is 36% through various power purchase agreements and solar rooftop installations. Through such initiatives, the Company has successfully contributed to 3,532 MT of CO_2 emission reduction.

5 out of 6 plants in CEAT have hybrid input model, with the initiative of replacing Coal with Briquette, CEAT is successful in offsetting 1,69,233 MT of total CO_2 from 93,499 MT of briquette. With steam conservation activities across all facilities, the Company has saved 4,642 MT of emission with net impact of 2,556 MT of CO_2 reduction with improved energy efficiency initiatives and increased briquette consumption.

The Company has made a capital investment of ₹ 2,154 lakhs on various energy conservation initiatives such as Retrofitting of Equipment, Process Modification, Enhancing Operational Efficiency, etc. More information on conservation of energy is provided under 'Natural Capital' section which forms part of this Integrated Annual Report.

Research and Development (R&D) and Technology Absorption

At CEAT, innovation stands as the greatest strength, while sustainability remains the prime focus. Company's Research and Development (R&D) division is pivotal to the overall growth and development of business operations, enhancing the efficiency of products and services and driving new opportunities for growth.

CEAT's R&D team comprises 290 dedicated professionals working at specialised centers in Halol, India, and Frankfurt, Germany. This team constantly tracks evolving customer requirements to develop tyres that are safer, more energy-efficient, and longer-lasting. These efforts significantly boost customer satisfaction and enable the Company to enter new markets.

R&D initiatives aim to make product development and manufacturing more efficient. By leveraging advanced digital and simulation methodologies, Company reduces the need for physical prototyping and testing. This approach decreases cycle times, costs, and energy consumption, thus enhancing sustainability. CEAT's commitment to innovation is demonstrated through its five-year technological and manufacturing roadmap, aligned with the purpose of 'Making Mobility Safer & Smarter. Every Day.'

CEAT's R&D efforts have led to the filing of 171 patent applications, with 46 patents granted till date. In the fiscal year 2023-24 alone, Company filed 21 patent applications, secured 41 design registrations, and launched 123 new products. These achievements highlight relentless pursuit of technological advancement and dedication to sustainability and customer satisfaction.

CEAT R&D has also started working on application of Gen AI for product development, optimisation and training of its employees.

In conclusion, CEAT's R&D is not only a cornerstone of current success but also a lighthouse for future growth, continuously pushing the boundaries of innovation while consistently focusing on sustainability.

Details of expenditure on Research and Development are as under:

(₹ in Lakhs)

Particulars	FY 2023-24	FY 2022-23
Capital expenditure	4,823	4,367
Revenue expenditure	12,493	11,906
Total	**17,316**	**16,273**

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

Foreign Exchange Earnings and Outgo

(₹ in Lakhs)

Particulars	FY 2023-24	FY 2022-23
Foreign Exchange earned	2,35,159	2,06,292
Foreign Exchange outgo	2,10,198	1,88,043

PARTICULARS OF EMPLOYEES

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

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

FIXED DEPOSITS

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

The Company has not accepted any fresh deposits covered under Chapter V of the Act during the year under review and as such "details of deposits which are not in compliance with the requirements of Chapter V of the Act" are not applicable. As on March 31, 2024, the Company has no deposits outstanding.

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

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 judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company in the Balance Sheet as at March 31, 2024 and the Statement of Profit and Loss for the said Financial Year ended March 31, 2024.

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

NOMINATION AND REMUNERATION POLICY

The Company has a Nomination and Remuneration Policy ('Policy') for nomination and remuneration of Directors, Key Managerial Personnel ('KMP'), Senior Management Personnel ('SMP') and other employees, pursuant to the Act and Listing Regulations, as amended from time to time.

The salient features of the Policy, are :

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

ii. qualifications, positive attributes and independence for appointment of Director and assessment of independence of Independent Director (ID);

iii. performance evaluation of all Directors;

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

v. Board Diversity.

The said policy is available on the website of Company at https://www.ceat.com/investors/corporate-governance.html

INTEGRATED ANNUAL REPORT

In line with the SEBI Circular dated February 6, 2017 on Integrated Reporting by Listed Entities, since the Financial Year 2019-20, the Company has been publishing Integrated Annual Report, based on Value Reporting Foundation framework. Year on year, the Company through the Integrated Report is endeavoring to communicate its integrated thinking and how its business creates sustained value for stakeholders.

MANAGEMENT DISCUSSION AND ANALYSIS AND CORPORATE GOVERNANCE REPORT

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

Further, the Corporate Governance Report including General Shareholder Information, as prescribed under Schedule V to the SEBI Listing Regulations, duly approved by the Board of Directors together with the certificate from Secretarial Auditor (Practising Company Secretaries) confirming compliance with the requirements of SEBI Listing Regulations also forms part of this Integrated Annual Report.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Pursuant to Regulation 34(2) (f) of the SEBI Listing Regulations, BRSR describing the initiatives taken by the Company from ESG perspective forms part of this Integrated Annual Report.

AUDITORS

Statutory Auditors

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

Secretarial Auditors

The Company had appointed M/s Parikh & Associates, Practising Company Secretaries, to conduct Secretarial Audit for the Financial Year ended March 31, 2024, as prescribed under Section 204 of the Act and Rules made thereunder. The Secretarial Audit Report in the prescribed Form MR-3 for FY 2023-24 furnished by M/s Parikh & Associates is annexed to this Report.

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

Internal Auditors

M/s Deloitte Touché Tohmatsu India LLP were re-appointed as the internal auditors of the Company. Additionally, M/s. Singhi and Company (erstwhile Moore Singhi Advisors LLP) were also re-appointed as Internal Auditors of the Company at the Board meeting of the Company held on May 4, 2023 for the year 2023-24.

As prescribed under Section 138 of the Act, M/s Deloitte Touché Tohmatsu India LLP carried out internal audit of the Company. Additionally, M/s. Singhi and Company were engaged for internal audit of locations like CFA/DC/ Regional Office Zone and outsourcing units for FY 2023-24. The internal audit was completed as per the scope defined by the Audit Committee from time to time.

Cost Record and Cost Auditors

During the year under review, in accordance with Section 148(1) of the Act, the Company has maintained the accounts and cost records, as specified by the Central Government. Such cost accounts and records were subjected to audit by M/s D. C. Dave & Co., Cost Auditors of the Company for FY 2023-24.

The Board of Directors has re-appointed M/s D. C. Dave & Co., Cost Accountants, (Firm Registration No. 000611) as Cost Auditors of the Company and recommends ratification of the remuneration payable to the Cost Accountants for the year ending on March 31, 2025 by the Members at the ensuing AGM.

The Cost Auditors' Report of FY 2022-23 did not contain any qualifications, reservations, adverse remarks or disclaimers and no frauds were reported by the Cost Auditors to the Company under sub-section (12) of Section 143 of the Act.

SECRETARIAL STANDARDS

Pursuant to Section 205 of the Act, the Company complies with the applicable Secretarial Standards as mandated by the Institute of Company Secretaries of India ('ICSI') to ensure compliance with applicable provisions read together with the relevant circulars issued by MCA.

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

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

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS

There are no significant and material orders passed by the Regulators or Courts or Tribunals, Statutory and quasi-judicial bodies, impacting the going concern status and Company's operations in future. There is no corporate insolvency resolution process initiated under the Insolvency and Bankruptcy Code, 2016.

INTERNAL FINANCIAL CONTROL

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

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

In accordance with the provisions of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 ('POSH Act'), the Company has put in place a Policy on Prevention of Sexual Harassment of women at Workplace and 8 (eight) Internal Complaints Committees ('ICC') have been set up to redress complaints. During the year under review, 4 complaints were received and 3 were resolved by the ICC and 1 complaint was under review as at March 31, 2024.

ACKNOWLEDGEMENT

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

On behalf of the Board of Directors

H. V. Goenka
Chairman
DIN: 00026726

Place: Mumbai
Date: June 17, 2024*

*The Directors' Report for FY 2023-24 was originally approved by the Board on May 2, 2024. This draft is updated to the extent of factual updates during the intervening period till this date of the meeting.

Annexure to the Board's Report

Annual Report on Corporate Social Responsibility ('CSR') activities for FY 2023-24

1. A BRIEF OUTLINE OF THE COMPANY'S CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY, INCLUDING OVERVIEW OF PROJECTS OR PROGRAMMES PROPOSED TO BE UNDERTAKEN AND A REFERENCE TO THE WEBLINK TO THE CSR POLICY AND PROJECTS OR PROGRAMMES:

CEAT prioritises CSR as one of the integral activities of the Company. The Company views the communities where they operate as core partners. Committed to being a good corporate citizen, the Company actively addresses social issues impacting both their local communities and the society as a whole. CEAT focuses on four key areas: Education, Employability, Heritage preservation, and Community Development.

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

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of SCSR Committee held during the year	Number of meetings of SCSR Committee attended during the year
1	Mr. Anant Goenka	Chairman- SCSR Committee (Non-Executive, Non Independent Director)	3	3
2	Mr. Paras K. Chowdhary	Member - SCSR Committee (Non-Executive, Non-Independent Director)	3	3
3	Ms. Priya Nair	Member – SCSR Committee (Independent Director)	3	0
4	Mr. Vinay Bansal*	Member - SCSR Committee (Independent Director)	3	1

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

The Board vide its meeting dated March 14, 2024 reconstituted the Committee so as to include Ms. Sukanya Kripalu as a member of the Committee. Ms. Priya Nair resigned w.e.f. April 1, 2024 from the directorship of the Board and membership of the Committee.

3. THE WEB-LINKS WHERE COMPOSITION OF SCSR COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE COMPANY:

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

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

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

Not Applicable

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

Net Profit	(₹ in Lakhs)
2020-21	45,944.59
2021-22	9,315.38
2022-23	31,647.51
Average of last three years	**28,969.16**

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

₹ 579.38 lakhs

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

None

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

None

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

₹ 579.38 lakhs

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

₹ 579.38 lakhs

(b) **Amount spent in Administrative Overheads:**

Nil

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

Not Applicable

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

₹ 579.38 lakhs

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

Total Amount spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount (in ₹)	Date of Transfer	Name of the Fund	Amount (in ₹)	Date of Transfer
579.38 lakhs	Nil	NA	Nil	Nil	NA

(f) **Excess amount for set off, if any**

Sl. No.	Particular	Amount (₹ in Lakhs)
(i)	Two percent of average net profit of the Company as per section 135(5)	579.38
(ii)	Total amount spent for the Financial Year	579.38
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

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

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section(6) of section135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub- section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer.		
1	FY 2022-23	206.33 lakhs	Nil	206.33 lakhs*	Nil	NA	Nil	NA
2	FY 2021-22	103.81 lakhs	Nil	103.81 lakhs**	Nil	NA	Nil	NA
3	FY 2020-21	-	-	-	-	-	-	-

*Spent during FY 2023-24

**Spent during FY 2022-23

8. **WHETHER ANY CAPITAL ASSETS HAVE BEEN CREATED OR ACQUIRED THROUGH CORPORATE SOCIAL RESPONSIBILITY AMOUNT SPENT IN THE FINANCIAL YEAR:** No.

9. **SPECIFY THE REASON(S), IF THE COMPANY HAS FAILED TO SPEND TWO PER CENT OF THE AVERAGE NET PROFIT AS PER SUB-SECTION (5) OF SECTION 135:** Not Applicable

For **CEAT Limited**

Arnab Banerjee
Managing Director & Chief Executive Officer
DIN: 06559516

Anant Goenka
Chairman - SCSR Committee
DIN: 02089850

Place : Mumbai
Date: June 17, 2024

Annexure to the Board's Report

Particulars of Employees

Remuneration details under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended) for the year ended March 31, 2024

Sl. No.	Particulars	Name of the director	Ratio of the remuneration of each director to the median remuneration of the employees of the Company[1]	Percentage increase/ decrease in remuneration[2]
i)	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year;	Mr. H. V. Goenka	130.47	265.44
		Mr. Anant Goenka[5]	115.82	(45.80)
		Mr. Arnab Banerjee (MD & CEO)	184.22	74.37
		Mr. Atul C. Choksey	8.05	55.63
		Mr. Mahesh S. Gupta	9.30	30.98
	The percentage increase / decrease in remuneration of each Director, Chief Financial Officer (CFO), Chief Executive Officer, Company Secretary (CS) or manager, if any, in the financial year;	Mr. Haigreve Khaitan	6.79	40
		Mr. Vinay Bansal[4]	2.01	(72.93)
		Mr. Paras K. Chowdhary	9.64	36.07
		Ms. Priya Nair	6.47	17.99
		Ms. Sukanya Kripalu[3]	0.81	-
		Mr. Milind Sarwate[3]	0.81	-
		Mr. Kumar Subbiah, CFO	134	36.53
		Ms. Vallari Gupte, CS	27	27.77
ii)	The percentage increase in the median remuneration of employees in the financial year[1];	17.17		
iii)	The number of permanent employees on the rolls of the Company as on March 31, 2024;	8593*		
iv)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The average increase in salaries of employees (other than managerial personnel) shown a increase of 26 % for FY 2023-24 and that of managerial personnel by 4.84% as compared to FY 2022-23 in view of the rationalisation 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		
v)	Affirmation that the remuneration is as per the remuneration policy of the Company;	Remuneration paid during the FY 2023-24 was as per the Nomination and Remuneration Policy of the Company		

*includes workers count of 1850

Notes:

(1) Median remuneration of the employees is calculated on the basis of remuneration details of employees including the Managing Director and CEO.

(2) Directors' remuneration includes commission and sitting fees for FY 2023-24. While Commission is determined based on the contribution and tenure served by Non-executive Directors during the year, the sitting fees are paid based on the number of meetings of Board and Committee attended by them respectively. Therefore, variation in the remuneration of the Directors could be attributed to the committee positions held and the number of meetings attended by them during the year.

(3) Ms. Sukanya Kripalu and Mr. Milind Sarwate were appointed as Additional Director in the capacity of Independent Director w.e.f. March 14, 2024. Thus, remuneration paid for the year 2023-24 being for the part of the year, the percentage increase / decrease in the remuneration is strictly not comparable.

(4) Mr. Vinay Bansal resigned as an Independent Director of the Company w.e.f. June 1, 2023. Thus, remuneration paid for the year 2023-24 being for the part of the year, the percentage increase / decrease in the remuneration is strictly not comparable.

(5) Mr. Anant Vardhan Goenka was appointed as the Non-executive Non-independent Director designated as Vice-Chairman of the Company w.e.f. April 1, 2023 and the Members of the Company approved the said appointment vide an Ordinary Resolution passed through Postal Ballot on April 27, 2023. Accordingly, since remuneration paid for the year 2023-24 is in the current capacity, the percentage increase / decrease in the remuneration is not comparable.

Annexure to the Board's Report

Secretarial Audit Report

FORM No. MR-3

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024

(Pursuant to Section 204 (1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,
The Members,
CEAT Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by CEAT Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company, to the extent the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on March 31, 2024 according to the provisions of:

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

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

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

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

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

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

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

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; (Not applicable to the Company during the audit period)

   (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not applicable to the Company during the audit period)

   (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

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

   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (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

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

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings.

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also pursuant to The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 .

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

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance other than those held at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings were taken unanimously.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

a. During the year under review, Non-convertible debentures of Tranche 1 of 6.40% 1500 Rated, Secured, Listed, Redeemable, Non-convertible debentures of face value of INR 1,000,000 each aggregating to INR 15,000 lakhs was redeemed on October 6, 2023

b. During the year, the Company has issued Commercial papers aggregating to ₹ 8,50,00,00,000.00 and redeemed Commercial papers aggregating to ₹ 8,00,00,00,000.00 in compliance with the applicable provisions.

For **Parikh & Associates**
Company Secretaries

Signature:
P.N.Parikh
Partner
FCS No: 327 CP No: 1228
UDIN: F000327F000295380
PR No.: 1129/2021

Place: Mumbai
Date: May 02, 2024

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

'Annexure A'

To,
The Members,
CEAT Limited

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events, etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Parikh & Associates**
Company Secretaries

Signature:
P.N.Parikh
Partner
FCS No: 327 CP No: 1228
UDIN: F000327F000295380
PR No.: 1129/2021

Place: Mumbai
Date: May 02, 2024

Corporate Governance Report

This Corporate Governance Report is being prepared pursuant to the Securities Exchange Board of India ('SEBI') (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), and the Companies Act, 2013 ('the Act') and Rules made thereunder.

I. CEAT'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is an integral part of the Company's ethics, values which drives best business practices and defines the way the Company functions and interacts with its stakeholders in its journey towards sustainability. Transparency and Integrity are its core values on which the governance system of CEAT is based upon. In integrating highest governance practices in its system which goes beyond compliance, the Company endeavors to comply with applicable regulatory framework and conduct business ethically in each of the markets where it operates, CEAT seeks to execute practices of Corporate Governance by maintaining strong business fundamentals and by delivering high performance through relentless focus on its core values, which are as follows:

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

The philosophy can be described as observing of business practices with the ultimate aim of enhancing long-term shareholders' value and commitment to a high standard of business ethics. The Company with its commitment of business ethics and conduct has framed a Code of Corporate Ethics and Conduct to maintain the highest standards in its interface with stakeholders and clearly laying down the core values and corporate ethics to be practiced by its entire management cadre. CEAT is guided by a key set of values for all its internal and external interactions and the Company constantly strives to adopt emerging best practices being followed worldwide.

II. THE BOARD OF DIRECTORS

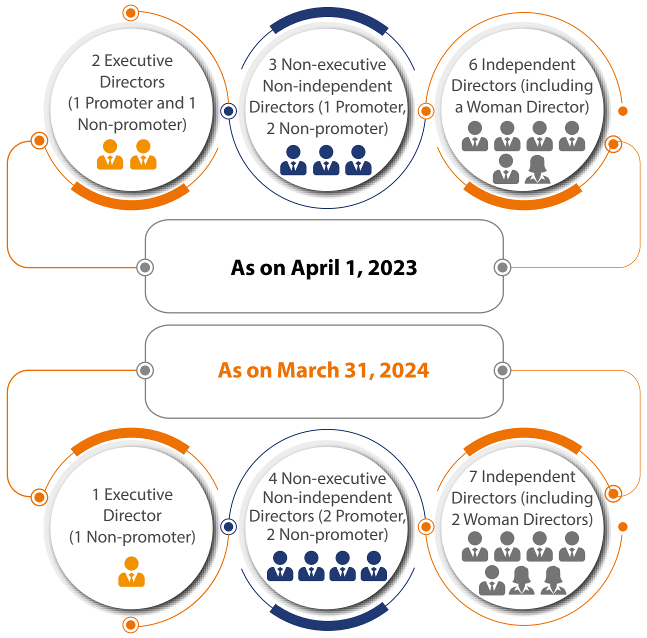
A diverse and vigilant Board is essential to ensure highest standards of Corporate Governance. The Board of CEAT, being at the core of its Corporate Governance practice, plays a pivotal role in overseeing the management in serving and protecting the long-term interests of all its stakeholders.

CEAT's Board plays a vital role in driving its business in an ethical and profitable way to ensure the maximisation of its stakeholders' value, in line with its purpose statement 'Making Mobility Safer & Smarter. Every Day.' The Board guides the Management to run business sustainably as a socially responsible and ethically compliant corporate citizen.

Composition of the Board

The Board of the Company has a good and diverse mix of Executive and Non-executive Directors with majority of Board Members comprising of Independent Directors in line with the applicable provisions of the Act and SEBI Listing Regulations.

As on June 17, 2024, the Board comprises of 13 (thirteen) Directors having an optimum combination of Executive and Non-executive Directors with 2 (two) Women Independent Directors and more than half of the Board consisting of Independent Directors, satisfying the criteria prescribed under SEBI Listing Regulations.



Note: The Board appointed Ms. Daisy Chittilapilly and Mr. Praveen Pardeshi as directors on the board of the Company, w.e.f. May 2, 2024 and June 17, 2024, respectively.

Disclosure of relationships between Directors inter-se

Mr. H. V. Goenka, Chairman and Mr. Anant Goenka, Vice-Chairman 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

During the year, Mr. Vinay Bansal (DIN: 00383325), Non-executive Independent Director of the Company resigned from the Board owing to his advancing age and consequently also from membership of the Committees of the Board he has been serving on, with effect from the close of business hours on June 1, 2023.

The Board based on recommendation of the Nomination and Remuneration Committee appointed Ms. Sukanya Kripalu (DIN : 06994202) and Mr. Milind Sarwate (DIN : 00109854) as Non-executive Independent Director(s) of the Company w.e.f. March 14, 2024.

Further, the Board based on the recommendation of the Nomination and Remuneration Committee, appointed Ms. Daisy Chittilapilly (DIN:09577569) in the capacity of Non-Executive Independent Director. The Members of the Company approved the aforesaid appointment(s) through Special Resolution(s) passed vide Postal Ballot on June 6, 2024.

Ms. Priya Nair tendered her resignation from the Board as Non-Executive Independent Director w.e.f close of business hours on April 1, 2024.

The Board based on the recommendation of Nomination and Remuneration Committee appointed Mr. Praveen Pardeshi (DIN: 01658052) as an Additional Director in the capacity of Independent Director w.e.f June 17, 2024 subject to approval of Members of the Company.

Further In accordance with the Companies Act, 2013 and Articles of Association of the Company, Mr. Paras K. Chowdhary (DIN: 00076807) retires by rotation and being eligible offers himself for re-appointment.

Board Meetings and Governance

The Board meets at regular intervals to discuss and decide on the Company / business policy and strategy apart from other statutory matters as required to be deliberated and approved by the Board. The Board / Committee Meetings ('Meetings') are pre-scheduled and a tentative annual calendar of meetings is circulated to the Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the Meetings. However, in case of a special and urgent business need, approval is taken by passing resolution(s) by circulation, as permitted by law, which are noted and confirmed in the subsequent Meeting.

The Management endeavours to provide the Board with sufficient information apart from the items as mandated for discussion by the Board under Regulation 17(7) read with Part A of Schedule II to SEBI Listing Regulations. Through various information being placed or presented at the Board Meetings, the Board is kept well informed about the overall functioning of the Company, which enables the Board to contribute to growth of the Company and helps them to take informed decisions. Prior approval from the Board is obtained for circulating the agenda items with shorter notice for matters that form part of the Board and Committee Agenda and are considered to be in the nature of Unpublished Price Sensitive Information.

The Board periodically reviews the updates on projects, business performance, risk management, strategies, people, processes, ESG related updates and other key affairs of the Company having impact on the business. The Board is satisfied that plans are in place for orderly succession for appointment to the Board and to Senior Management Personnel.

The adoption of a digital platform has enabled the Company to conduct paperless Meetings, thereby improving governance while simplifying the process of conducting such Meetings. This involves conducting Meetings efficaciously, with the Board being able to access information directly on their digital devices. The platform meets high standards of security and integrity that are required for storage and transmission of Board / Committee agenda and pre-reads in electronic form.

The Non-executive Directors including the Independent Directors of the Company appreciate quality, quantity and timeliness of flow of information between the Management and the Board as well as the Board process through the feedback being sought from such Directors periodically.

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

The Board meets at least once in every quarter to review the quarterly results and other items on the agenda. Additional meetings are held whenever necessary. During the year under review, the Board met 6 (six) times on May 4, 2023, May 12, 2023, July 25, 2023, October 16, 2023, January 24, 2024 and March 14, 2024 and not more than 120 (one hundred and twenty) days elapsed between the 2 (two) meetings. Video / teleconferencing facilities are also provided to enable participation from all Board Members. Committees of the Board usually meet earlier on the same day before the Board meeting, typically for certain statutory matters as well as at other intervals whenever the need arises for transacting relevant business.

The composition, category of Directors and their attendance details at the aforesaid Board Meetings and at the last Annual General Meeting ('AGM') of the Company held on July 5, 2023 are as given below:

Name of the Director	Category of Directors	Attendance at Board Meetings	% of Attendance	Attendance at last AGM
Mr. H. V. Goenka	Non-executive, Non- independent Director (Chairman) (Promoter)	6	100%	Yes
Mr. Anant Goenka	Non-executive, Non-independent Director Vice-Chairman (Promoter)	6	100%	Yes
Mr. Arnab Banerjee	Managing Director & CEO	6	100%	Yes
Mr. Atul C. Choksey	Independent Director	3	50%	Yes
Mr. Haigreve Khaitan	Independent Director	4	66.67%	Yes
Mr. Mahesh S. Gupta	Independent Director	6	100%	Yes
Mr. Paras K. Chowdhary	Non-executive, Non- independent Director	6	100%	Yes
Mr. Pierre E. Cohade	Non-executive, Non- independent Director	3	50%	Yes
Ms. Priya Nair*	Independent Director	3	50%	No
Mr. Ranjit V. Pandit	Independent Director	6	100%	Yes
Mr. Vinay Bansal**	Independent Director	2	100%	N.A.
Mr. Milind Sarwate#	Independent Director	1	100%	N.A.
Ms. Sukanya Kripalu#	Independent Director	1	100%	N.A.

*Ceased to be a director w.e.f. April 1, 2024.

**Ceased to be a Director w.e.f June 1, 2023

#Appointed as an Independent Director w.e.f March 14, 2024.

Note:

1. Ms. Daisy Chittilapilly was appointed in the capacity of Non-Executive Independent Director w.e.f May 2, 2024.
2. Mr. Praveen Pardeshi was appointed as an additional director in the capacity of Non-Executive Independent director w.e.f June 17, 2024 subject to approval of Members of the Company.

Details of shares of the Company held by Non-executive Directors as on March 31, 2024

1. Mr. H. V. Goenka holds 1,33,934 shares excluding the shares held in the capacity of Trustee.
2. Mr. Anant Goenka holds 14,185 shares excluding the shares held in the capacity of Trustee.
3. Mr. Paras K. Chowdhary holds 3,000 shares.
4. Mr. Milind Sarwate holds 1,000 shares.

Details of Directorship(s) / Committee membership(s) / Chairmanship(s) held by Directors as on March 31, 2024:

Name of the Director	Directorship in public companies (Including CEAT)		Committee Position (Including CEAT)	
	Listed	Unlisted	Membership (including Chairmanship)	Chairmanship
Mr. H. V. Goenka	5	2	0	0
Mr. Anant Goenka	2	6	1	1
Mr. Arnab Banerjee	1	3	1	0
Mr. Atul C. Choksey	2	2	1	0
Mr. Haigreve Khaitan	6	1	9	3
Mr. Mahesh S. Gupta	4	0	5	3
Mr. Paras K. Chowdhary	2	1	3	1
Mr. Pierre E. Cohade	1	0	0	0
Ms. Priya Nair	1	0	0	0
Mr. Ranjit V. Pandit	3	4	4	2
Mr. Vinay Bansal	0	0	0	0
Mr. Milind Sarwate	6	3	10	4
Ms. Sukanya Kripalu	5	1	7	0

Details of Directorship(s) held by Directors in listed companies as on March 31, 2024:

Name of the Director	Category of Directors	Attendance at last AGM
Mr. H. V. Goenka	CEAT Limited	Non-executive Director (Chairman)
	KEC International Limited	Non-executive Director (Chairman)
	Zensar Technologies Limited	Non-executive Director (Chairman)
	RPG Life Sciences Limited	Non-executive Director (Chairman)
	Bajaj Electricals Limited	Independent Director
Mr. Anant Goenka	CEAT Limited	Non-executive Director
	Zensar Technologies Limited	Non-executive Director
Mr. Arnab Banerjee	CEAT Limited	Managing Director & CEO
Mr. Atul C. Choksey	CEAT Limited	Independent Director
	Apcotex Industries Limited	Non-executive Director (Chairman)
Mr. Haigreve Khaitan	CEAT Limited	Independent Director
	JSW Steel Limited	Independent Director
	Torrent Pharmaceuticals Limited	Independent Director
	Borosil Renewables Limited	Independent Director
	Tech Mahindra Limited	Independent Director
	Mahindra and Mahindra Limited	Independent Director
Mr. Mahesh S. Gupta	CEAT Limited	Independent Director
	Peninsula Land Limited	Non-executive Director
	RPG Life Sciences Limited	Independent Director
	Shree Digvijay Cement Co. Limited	Independent Director
Mr. Paras K. Chowdhary	CEAT Limited	Non-executive Director
	PCBL Limited	Independent Director
Mr. Pierre E. Cohade	CEAT Limited	Non-executive Director
Ms. Priya Nair	CEAT Limited	Independent Director
Mr. Ranjit V. Pandit	CEAT Limited	Independent Director
	The Great Eastern Shipping Company Limited	Independent Director
	Just Dial Limited	Independent Director
Mr. Vinay Bansal	-	-
Mr. Milind Sarwate	Matrimony.com Limited	Independent Director
	Mahindra and Mahindra Financial Services Limited	Independent Director
	SeQuent Scientific Limited	Independent Director
	FSN E-Commerce Ventures Limited	Independent Director
	Asian Paints Limited	Independent Director
	CEAT Limited	Independent Director
Ms. Sukanya Kripalu	Aditya Birla Fashion & Retail Limited	Independent Director
	Ultratech Cement Limited	Independent Director
	Colgate-Palmolive (India) Limited	Independent Director
	Entertainment Network (India) Limited	Independent Director
	CEAT Limited	Independent Director

Notes:

- As required under the Regulation 17A of SEBI Listing Regulations, none of the Directors hold Directorship in more than 7 (seven) listed companies and as per declarations received, none of the directors serve as an Independent Director in more than 7 (seven) listed companies, across the Directorships held, including that in CEAT Limited. Further, the Managing Director & CEO/ Whole-time Director of the Company does not serve as an Independent Director in more than 3 (three) listed companies.
- The Regulation 17A of SEBI Listing Regulations further provides for inclusion of only equity listed entities reckoning the directorship in listed entity.
- None of the Directors were members in more than 10 (ten) committees, nor a chairperson in more than 5 (five) committees across all companies in which he / she was a director, including those held in CEAT Limited as required under Regulation 26(1)of SEBI Listing Regulations.
- For the purpose of considering the limit of the committees on which a director can serve, all public limited companies, whether listed or not, have been included and all other companies including private limited companies, foreign companies, high value debt listed entities and companies under Section 8 of the Act, have been excluded. Only Audit Committee and Stakeholders' Relationship Committee are considered for the purpose of reckoning Committee positions.

Skills / Expertise / Competence of the Board

With a view to achieve a sustainable development, the Company aims to have right balance on its Board with attributes such as experience of diverse nature, qualifications, knowledge and competencies in wide spectrum of functional areas required in the context of Company's business, gender representation etc.

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

Statement of skills / expertise / competencies of the Directors of the Company

(As on March 31, 2024)

Areas of skills/ expertise	Mr. H.V. Goenka	Mr. Anant Goenka	Mr. Arnab Banerjee	Mr. Atul Choksey	Mr. Haigreve Khaitan	Mr. Mahesh Gupta	Mr. Paras K. Chowdhary	Mr. Pierre E. Cohade	Ms. Priya Nair	Mr. Ranjit V. Pandit	Mr. Milind Sarwate	Ms. Sukanya Kripalu
Category	C NE NID	VC NE NID	MD & CEO	ID	ID	ID	NENID	NENID	ID	ID	ID	ID
General Management and Business Operations	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Thought Leadership	✓	✓	✓	✓	✓				✓	✓	✓	✓
CEO/Senior Management Experience	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Tyre Industry Experience	✓	✓	✓				✓	✓				
Public Policy/ Governmental Regulations					✓	✓				✓	✓	
Accounting/Finance/Legal	✓				✓	✓	✓	✓		✓	✓	
Risk Management	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Human Resource Management	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓
Strategy/M&A/ Restructuring	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Corporate Governance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Business Development/ Sales/Marketing		✓	✓	✓			✓	✓	✓			✓
International Business	✓	✓	✓	✓				✓	✓	✓	✓	

C NE NID - Chairman, Non-executive Non-independent Director | **VC NE NID** - Vice Chairman, Non-executive Non-independent Director| **MD** - Managing Director | **CEO** - Chief Executive Officer |**NE NID** - Non-executive Non-independent Director | ID - Independent Director

Familiarisation Programme for Independent Directors

Pursuant to the Code of Conduct for Independent Directors specified under the Act and requirements of SEBI Listing Regulations, the Company has framed a familiarisation programme for all its Independent Directors. The Company follows a structured orientation programme for the newly appointed Independent Directors to familiarise them to understand the nature of industry the Company operates into, its business model, updates on the business and operations of the Company together with roles, rights and responsibilities of the Directors to facilitate their engagement in meaningful deliberations and in taking informed decisions.

While inducting a Director on the Board, a formal letter of appointment is issued to such Director. The requirement of obtaining declarations from a Director under the Act, SEBI Listing Regulations and other relevant regulations are also explained in detail to the Director and necessary affirmations are received from them in respect thereto.

Discussions are set up with the respective function heads and the newly appointed Director, which provides an overarching perspective of the tyre industry, organisational set up of the Company and governance model, the functioning of various divisions / departments, Company's market share and the markets in which it operates, brand equity, internal control processes and other relevant information pertaining to the Company's business.

Directors' visit to the Company's plants are arranged periodically to have a better insight of the manufacturing processes, R&D and technology facilities and the social environment in which the Company functions. Further, as an on-going process, the Board is updated on a regular basis through presentations and discussions on the overall economic trends, the legal and regulatory framework and amendments thereto, the performance of the Company and that of the tyre industry, initiatives taken / proposed to be taken to bring about an overall improvement in the performance of the Company, marketing strategy, business risks, mitigation plans, etc

The details of familiarisation programme are provided at https://www.ceat.com/investors/corporate-governance.html

Confirmation of independence of Independent Directors

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

The Board at its meeting held on May 2, 2024, reviewed the declaration of independence submitted by the Independent Directors and carried out due assessment of the veracity of the same noting that the Independent Directors of the Company fulfil the conditions specified in the Listing Regulations and their roles are independent of the Management.

Independent Directors Meeting

In compliance with Schedule IV to the Act and Regulation 25 of SEBI Listing Regulation, the Independent Directors of the Company held their separate meeting on March 14, 2024, without the attendance of the Non-independent Directors and members of the Management to, *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. Assess the quality, quantity and timeliness of flow of information between the Company's Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the Independent Directors except Mr. Ranjit Pandit were present at the Meeting and Mr. Atul Choksey was elected to Chair the Meeting.

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

Directors and Officers Liability Insurance (D&O) Policy

The Company has been taking the D&O Policy since the year 2013, even before it became mandatory pursuant to the amendment to the Listing Regulations, providing coverage to the Independent / Non-executive Directors. Every year the Company ensures renewal and validity of the Policy.

III. COMMITTEES OF THE BOARD

The Committees of the Board play a significant role in the governance structure of the Company and have been instituted to transact / approve the matters as instructed by applicable regulations concerning the Company and as per the requirement of the Board. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles, as a part of good governance practice. The Chairman of the respective Committees informs the Board about the summary of the discussions held in the Committee Meetings. The minutes of the meetings of all Committees are placed before the Board for review and noting. The Board Committees request special invitees to join the meetings, as appropriate.

a) Audit Committee

In accordance with the provisions of Section 177 of the Act and Regulation 18 of the Listing Regulations, the Company has formed its Audit Committee, composition and terms of reference of which are in conformity with the said provisions and are available at https://www.ceat.com/corporate/investor/corporate-governance. The Committee acts as a link between the Management, Statutory Auditors, Internal Auditors and the Board. The Committee supervises the Company's internal controls, monitors the Company's financial reporting process and *inter-alia*, performs the following functions:

Activities of the Committee	Indicative Frequency
Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and creditable	Q
Reviewing performance of and examining with the Management, Quarterly and Annual Financial Results and the Auditors' Report thereon before submission to the Board for approval	P
Reviewing Management Discussion and Analysis of financial condition and results of operations	A
Reviewing, approving or subsequently modifying any Related Party Transactions in accordance with the Company's Policy on Related Party Transactions	Q/A
Recommending the appointment, remuneration and term of appointment of auditors of the Company and approval for availing any other services	A
Reviewing and monitoring the Auditors' independence and performance and effectiveness of audit process	A
Reviewing with the Management, performance of Statutory Auditors and Internal Auditors, adequacy of internal control systems; reviewing the adequacy of internal audit function and discussing with Internal Auditors any significant finding and follow-up thereon	A
Evaluating internal financial controls and risk management systems, reviewing the functioning of the whistle blower mechanism	Q

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

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

During the year under review, the Committee met 6 (six) times which is more than the requirement of the Companies Act, 2013 and SEBI Listing Regulations, details of which are mentioned in the table.

Name of Directors	Mr. Mahesh S. Gupta (Chairman)	Mr. Paras K. Chowdhary (Member)	Mr. Vinay Bansal (Member)*	Mr. Atul Choksey (Member)**
	Category of Director			
Date of Meeting	Independent Director	Non-independent Director	Independent Director	Independent Director
May 4, 2023				NA
July 25, 2023			NA	
October 16, 2023			NA	
December 12, 2023			NA	
January 24, 2024			NA	
March 14, 2024			NA	
% attendance	**100%**	**100%**	**100%**	**100%**

*Ceased to be a member w.e.f from June 1, 2023

**Appointed as a member in the Committee w.e.f from June 1, 2023.

Note: Mr. Milind Sarwate appointed as a member w.e.f March 14, 2024

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

The Committee invites Statutory Auditors and the Internal Auditors for discussions at the meeting. The Cost Auditors are invited as and when required. MD & CEO, Chief Financial Officer, Chief Internal Auditor and Vice President- Finance are permanent invitees at the Committee Meetings. Members of Senior Management team also attend the meetings depending on the agenda.

During the year, all recommendations of the Committee, were accepted by the Board.

Mr. Mahesh S. Gupta, Chairman of the Committee was present at the AGM of the Company held on July 5, 2023 to answer the queries of the Shareholders.

b) Nomination and Remuneration Committee

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

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

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

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

Name of Directors	Mr. Mahesh S. Gupta (Chairman)	Mr. Paras K. Chowdhary (Member)	Mr. Vinay Bansal* (Member)	Mr. Atul Choksey**(Member)
	Category of Director			
Date of Meeting	Independent Director	Non-independent Director	Independent Director	Independent Director
May 4, 2023				NA
July 4, 2023			NA	
September 20, 2023			NA	
March 14, 2024			NA	
% attendance	100%	100%	100%	100%

*Ceased to be a member w.e.f from June 1, 2023

**Appointed as a member in the Committee w.e.f from June 1, 2023.

Note: Ms.Sukanya Kripalu has been appointed as a member w.e.f March 14, 2024

Mr. Mahesh S. Gupta, the Chairman of the Committee was present at the AGM of the Company held on July 5, 2023 to answer the queries of the shareholders.

During the year, all recommendations of the Committee of the Board which were mandatorily required were accepted by the Board.

Performance evaluation criteria for Independent Directors

Pursuant to the provisions of the Act and Regulation 25(4) of SEBI Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, individual Directors and of its Committees. The Company had appointed an external independent agency for carrying out the said evaluation process in a transparent manner by using the questionnaire considered / approved by the Committee, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, board culture, execution and performance of specific duties, obligations, compliance and governance, etc.

The performance evaluation of the Independent Directors was carried out by the entire Board excluding the Directors being evaluated. The performance evaluation of the Chairperson and the Non-independent Directors was carried out by the Independent Directors. An update on the overall evaluation process was placed before the Nomination and Remuneration Committee as well as the Board. The Directors expressed their satisfaction over the evaluation process.

c) Stakeholders' Relationship Committee

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

The Committee *inter-alia* reviews the mechanism of redressal of grievances of the securities holders, service level of Registrar & Transfer Agent and deals with other matters concerning securities holder including dividend.

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

Name of Directors	Mr. Anant Goenka (Chairman)*	Mr. Mahesh S. Gupta (Member)	Mr. Paras K. Chowdhary (Member)
	Category of Director		
Date of Meeting	Non-Independent Director	Independent Director	Non-independent Director
October 16, 2023			
March 14, 2024			
% attendance	100%	100%	100%

*Mr. Anant Goenka appointed as the Chairman of Committee upon resignation of Mr. Vinay Bansal, the Non-Executive Independent director w.e.f June 1, 2023

Note: Mr.Arnab Banerjee has been appointed as a Member of the Committee w.e.f March 14, 2024

Mr. Anant Goenka, the Chairman of the Committee was present at the AGM of the Company held on July 5, 2023.

During the year under review, all recommendations of the Committee of the Board which were mandatorily required were accepted by the Board.

Details of Compliance Officer during the period under review

Ms. Vallari Gupte, Company Secretary and Compliance Officer of the Company resigned from the post, with effect from May 7, 2024. The Board at its meeting held on June 17, 2024 appointed Mr. Gaurav Tongia as Company Secretary and Compliance officer of the Company with effect from July 1, 2024.

Complaints or queries relating to shares and/or debentures can be forwarded to Company's Registrar & Transfer Agent/ NSDL Database Management Limited ("NDML") at investor.ndmlrta@nsdl.com.

Details of complaints received during the year under review

Particulars	Numbers
Complaints as on April 1, 2023	1
Complaints received during FY 2023-24	31
Complaints disposed-off during FY 2023-24	27
Complaints not solved to the satisfaction of Shareholders during FY 2023-24	0
Complaints remaining pending as on March 31, 2024	5

Note: Pending complaints are resolved by April 29, 2024.

d) Risk Management Committee

In accordance with Regulation 21 of SEBI Listing Regulations, the Company had constituted its Risk Management Committee. Composition and terms of reference of the Committee are in conformity with the said provisions and are available at https://www.ceat.com/corporate/investor/corporate-governance

The Committee *inter-alia* reviews the business risk including strategic, operational, financial, sustainability (particularly, ESG related risks), information, cyber security and compliance risks and approves its mitigation plans and monitors effectiveness thereof.

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

Name of Directors	Mr. Mahesh S. Gupta (Chairman)	Mr. Paras K. Chowdhary (Member)	Mr. Anant Goenka* (Member)
	Category of Director		
Date of Meeting	Independent Director	Non-independent Director	Non-Independent Director
July 12, 2023			
December 12, 2023			
% attendance	100%	100%	100%

*Mr. Anant Goenka has been appointed as member of the Committee upon resignation of Mr. Vinay Bansal, Chairman of the Committee
Note: Mr. Milind Sarwate has been appointed as a Member w.e.f March 14, 2024

MD & CEO, Chief Financial Officer and Chief Internal Auditor who also functions as Chief Risk Officer, are permanent invitees for the Committee meetings. Members of Senior Management team also attend the meetings depending on the agenda.

During the year under review, all recommendations of the Committee of the Board which were mandatorily required were accepted by the Board.

Disclosure of Risk Management

The Company has in place an Enterprise Risk Management framework to identify risks and minimise their adverse impact on business of the Company and strives to create transparency which in turn enhances the Company's competitive advantage. Pursuant to the aforesaid business risk framework, the Company has identified the business risks associated with its operations and an action plan for mitigation of the same is put in place.

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

e) Sustainability and Corporate Social Responsibility Committee

The Board in its meeting held on May 5, 2022 approved the enhanced scope of the Corporate Social Responsibility Committee to support and guide the Board on Company's ESG initiatives and renamed the Committee to Sustainability and Corporate Social Responsibility Committee. The composition and terms of reference of the said committee are in conformity with Section 135 of the Act. Considering the increase in the scope of responsibility of the Committee, the existing terms of reference were also updated. The revised terms of reference are available at http://www.ceat.com/corporate/investor/corporate-governance.

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

Name of Directors	Mr. Anant Goenka (Chairman)	Mr. Paras K. Chowdhary (Member)	Ms. Priya Nair (Member)*	Mr. Vinay Bansal (Member)**
	Category of Director			
Date of Meeting	Non-Independent Director	Non-independent Director	Independent Director	Independent Director
May 4, 2023			NA	
January 24, 2024			NA	NA
March 14, 2024			NA	NA
% attendance	100%	100%	0%	100%

*Ceased to be a member w.e.f April 1, 2024

**Ceased to be a member w.e.f June 1, 2023

Note: Ms. Sukanya Kripalu appointed as a member w.e.f March 14, 2024

During the year, all recommendations of the Committee of the Board which were mandatorily required were accepted by the Board.

More details about the Committee and details of expenditure made by Company under CSR are described in detail in this Annual Report on CSR activities, as annexed to the Board's Report, forming part of the Integrated Annual Report

f) Finance and Banking Committee (Non-Mandatory Committee)

The Board with an objective of easing business transaction and to facilitate the timely approval of the routine but important matters has constituted the Finance and Banking Committee and delegated some of its powers, which *inter-alia* include approving matters concerning borrowing and investment of surplus fund, banking and treasury operations, issue of power of attorney and authorisation for day-to-day operations, etc. The composition and terms of reference of the Committee are available at https://www.ceat.com/corporate/investor/corporate-governance.

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

Name of Directors	Mr. Arnab Banerjee (Chairman)*	Mr. H. V. Goenka (Member)	Mr. Anant Goenka (Member)
	Category of Director		
Date of Meeting	Executive Director	Non-Independent Director	Non-Independent Director
May 5, 2023			
June 2, 2023			
August 1, 2023			
August 23, 2023			
November 3, 2023			
December 21, 2023			
January 16, 2024			
February 23, 2024			
March 14, 2024			
March 28, 2024			
% attendance	100%	100%	100%

* Effective Apr 1, 2023 Mr. Arnab Banerjee & Mr. Anant Goenka have become Chairman and Member of the Committee, respectively.

Particulars of Senior management including the changes therein since the close of the previous financial year:

- Mr. Kumar Subbiah- Chief Financial Officer
- Mr. Amit Tolani- Chief Executive-CEAT Specialty
- Mr. Jayasankar Kuruppal- SVP – Manufacturing
- Mr. Renji Issac-SVP - R&D and Technology
- Mr. Peter Becker - SVP - Global Head and Research and Development Technology
- Mr. Saurav Mukherjee- Senior Vice President - Global Sales
- Mr. Lakshmi Narayanan B - Chief Marketing Officer
- Mr. Somraj Samin Roy-SVP - Human Resources
- Mr. Manohar Sethpalani - VP – QBM*
- Mr. Jignesh Gopal Sharda - VP - Quality Assurance & Sustainability
- Mr. Anupam Kumar - GM – Strategy**
- Mr. Satyaki Mookerjee - Chief Digital Officer***
- Ms. Vallari Gupte - Company Secretary****

*Mr. Manohar Sethpalani, VP – QBM resigned and was relieved w.e.f. April 10, 2024 due to personal reasons

**Mr. Anupam Kumar - GM – Strategy ceased to be an SMP consequent upon his elevation as VP – International Business, w.e.f. April 1, 2024

***Mr. Satyaki Mookerjee – Chief Digital Officer ceased to be an SMP consequent upon organisational restructuring w.e.f May 1, 2024

****Ms. Vallari Gupte - GM - Company Secretary and Compliance officer ceased to be an SMP consequent upon her resignation due to personal reasons w.e.f May 7, 2024

IV. REMUNERATION OF DIRECTORS

Details of remuneration paid to the Directors during FY 2023-24 are as given below –

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

(₹ in Lakhs)

Particulars of Remuneration	Mr. Arnab Banerjee, MD & CEO
Gross Salary	
a) Salary as per provision contained in Section 17(1) of Income Tax Act, 1961	409.05
b) Value of perquisite under Section 17(2) of Income Tax Act, 1961	8.66
c) Profit in lieu of salary under Section 17(3) of Income Tax Act, 1961	
Stock Option	
Sweat Equity	
Commission	
-As percent of profit	
-Others, Specify	
Others (retiral benefits)	21.65
Total	**439.36**
Performance Bonus#	130.29
Leave Encashment & Gratuity paid in F&F	

#Performance bonus of FY 2022-23 paid in FY 2023-24. Further, performance bonus of FY 2022-23 amounting to ₹ 217.22 lakhs was paid to Mr. Anant Goenka, in FY 2023-24.

B. Remuneration to Non-executive Directors

(₹ in Lakhs)

Particulars	Name of Directors										Total
	Mr. H.V. Goenka	Mr. Anant Goenka	Mr. Atul Choksey	Mr. Haigreve Khaitan	Mr. Mahesh Gupta	Mr. Paras K. Chowdhary	Ms. Priya Nair	Mr. Vinay Bansal	Mr.Milind Sarwate	Ms. Sukanya Kripalu	
Sitting fees	6.50	8.20	7.90	4.00	11.75	12.80	3.00	3.20	1.00	1.00	59.35
Commission	397.00	350.00	17.00	17.00	17.00	17.00	17.00	3.00	1.50	1.50	838.00
Others, please specify	-	-	-	-	-	-	-	-	-	-	-
Total	**403.50**	**358.20**	**24.90**	**21.00**	**28.75**	**29.80**	**20**	**6.20**	**2.50**	**2.50**	**897.35**

1. Mr. Pierre E. Cohade, Non-executive Director was not eligible for receipt of remuneration including sitting fees and commission from the Company and Mr. Ranjit V. Pandit, Independent Director has voluntarily waived off his right to receive remuneration including sitting fees and commission from the Company.
2. Mr. Vinay Bansal resigned as Independent Director w.e.f June 1, 2023
3. Ms. Priya Nair resigned as Independent Director w.e.f April 1, 2024
4. Mr. Milind Sarwate and Ms. Sukanya Kripalu appointed w.e.f March 14, 2024

The Members of the Company at the AGM held on July 20, 2018, vide a special resolution approved the payment of remuneration / commission to the Non-executive Directors of the Company, up to a sum not exceeding 3% (three percent) of net profits of the Company, calculated in accordance with the provisions of Section 198 of the Act, in the manner as may be decided by the Board from time to time.

In terms of the said approvals, Non-executive Directors of the Company are being paid Commission as recommended by the Nomination and Remuneration Committee and approved by the Board. Additionally, Non-executive Directors are being paid sitting fees of ₹ 1,00,000 per meeting of the Board, ₹ 50,000 per meeting of Audit Committee, ₹ 35,000 per meeting of Sustainability and Corporate Social Responsibility Committee and Nomination and Remuneration Committee, ₹ 25,000 per meeting of Risk Management Committee and Stakeholders' Relationship Committee and ₹ 5,000 per meeting of Finance and Banking Committee for participating in the meeting. The Board at its meeting held on January 24, 2024 had revised sitting fees of Audit Committee, Nomination and Remuneration Committee and Risk Management Committee to ₹75,000, ₹45,000 and ₹ 35,000 respectively.

Managing Director / Whole-time Director remuneration

Remuneration paid to Mr. Arnab Banerjee, MD & CEO was approved by the Members on April 27, 2023 via postal ballot notice dated March 20, 2023.

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

The Company monitors the performance and conducts appraisal through an internal system which is Company wide process for goal setting, performance review and appraisals. Annual Performance Review based on internal assessment permits the employees to review their accomplishments of the year, which determines the compensation revision and variable pay-out which is based on the individual and the Company performance. Also, Sustainability is taken up as a policy goal at the Company level and achievement of sustainability targets are linked to the compensation of the senior management including MD & CEO.

The remuneration paid to the MD & CEO is duly recommended by the Nomination and Remuneration Committee and approved by the Board of Directors in accordance with the Nomination and Remuneration Policy of the Company.

Mr. Arnab Banerjee, Managing Director & CEO did not receive any profit related commission or any other remuneration from any of the subsidiary of the Company.

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

- All elements of remuneration package of individual Director are summarised under major groups, such as salary, benefits, bonuses, stock options, pension, fixed component and performance linked incentives etc. as mentioned above.
- The Nomination and Remuneration Policy, *inter-alia*, disclosing the criteria of making payments to Directors, Key Managerial Personnel and Employees, along with the performance criteria is available at https://www.ceat.com/investors/corporate-governance.html
- The Company does not have a practice of paying severance fees to any of its Directors.

The Company currently does not have a stock option programme for any of its Directors/Employees.

V. GENERAL BODY MEETINGS / POSTAL BALLOT

Details of the General Meetings of the Company held in the last 3 (three) years along with summary of Special Resolutions passed thereat, as more particularly set out in the respective notices of such AGMs, as passed by the Members, are as follows:

AGM / EGM	Day, Date, Time and Venue	Particulars of Special Resolution
62nd AGM	Tuesday, September 14, 2021 at 4.30 p.m. The Company conducted meeting through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') pursuant to the MCA Circulars	Approval for the payment of commission of ₹ 3,70,39,000/- for FY 2020-21 to Mr. H. V. Goenka (Non-executive Director) Chairman, being an amount exceeding fifty percent of the total annual remuneration payable to all the Non-executive Directors of the Company.
		Approval for making offer or invitation to subscribe Non- Convertible Debentures / Bonds or such other debt securities up to ₹ 500 crores.
		Approval for Keeping the Registers and Indexes of Members and Debenture Holders and copies of all Annual Returns together with the copies of certificates and documents required to be annexed thereto or any other documents as may be required at a place other than the registered office of the Company.
63rd AGM	Tuesday, June 28, 2022 at 3.00 p.m. The Company has conducted meeting through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') pursuant to the MCA Circulars	Approval for payment of managerial remuneration to Mr. Anant Goenka (DIN:02089850), MD & CEO of the Company
		Approval for making offer or invitation to subscribe Non- Convertible Debentures / Bonds or such other debt securities up to ₹ 500 crores.
64th AGM	Wednesday, July 5, 2023 at 3.00 p.m. The Company has conducted meeting through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') pursuant to the MCA Circulars	Approval for making offer or invitation to subscribe Non- Convertible Debentures / Bonds or such other debt securities up to ₹ 500 crores.

Pursuant to Section 110 and other applicable provisions, if any, of the Act read together with the Companies (Management and Administration) Rules, 2014 read with the Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020 and the latest one being General Circular No. 9/2023 dated September 25, 2023 issued by Ministry of Corporate Affairs, the Company conducted postal ballot by way of voting through electronic means (remote e-voting) to obtain approval of its Members via Special resolution for the following matters:

1. Appointment of Mr. Milind Sarwate (DIN: 00109854) as an Independent Director of the Company for a period of 5 years w.e.f March 14, 2024.
2. Appointment of Ms. Sukanya Kripalu (DIN: 06994202) as an Independent Director of the Company for a period of 5 years w.e.f March 14, 2024.
3. Appointment of Ms. Daisy Chittilapilly (DIN:09577569) as an Independent Director of the Company for a period of 5 years w.e.f May 2, 2024.

4. Change in place of keeping registers and records of the Company
5. Amendment to the Object clause of Memorandum of Association of the Company

The Company had appointed Mr. P. N. Parikh, Practising Company Secretary, as the Scrutiniser for conducting the postal ballot process in fair and transparent manner. All the resolutions were passed with requisite majority on June 6, 2024, being the last date of voting on the said resolutions, as per SS-2 Secretarial Standards on General Meetings.

VI. MEANS OF COMMUNICATION

Financial Results

Quarterly financial results are announced within 45 (forty-five) days from the end of the quarter and annual audited results are announced within 60 (sixty) days from the end of the financial year as per Regulations 33 and 52 of the Listing Regulations and are published in the newspapers in accordance with Regulation 47 of the Listing Regulations. Quarterly financial results are announced to Stock Exchanges within 30 (thirty) minutes from the closure of the Board meeting at which these are considered and approved.

Quarterly, half-yearly and annual financial results and other public notices issued to the Members are usually published in various leading dailies, such as Financial Express and Loksatta. These quarterly financial results are also hosted on the website of the Company i.e. www.ceat.com.

Annual Report

Annual Report for FY 2023-24 containing *inter-alia*, Audited Financial Statements, Board's Report, Management Discussion and Analysis and Corporate Governance Report etc. has been sent via email to all the Members who have provided their email IDs. Annual Reports are also hosted on the website of the Company.

Press Release / Investor Presentations

The Company participates in various investor conferences and analyst meets and makes presentation thereat. Press Releases, Investors presentations are submitted to the Stock Exchanges as well as are hosted on the website of the Company i.e www.ceat.com

Website

The Company has a functional website, www.ceat.com which under its 'Investors' section disseminates information as required under the Act and Listing Regulations, such as financial results, shareholding patterns, policies and codes, credit rating details, investor presentations, details of the corporate contact persons and Registrar & Transfer Agent of the Company, Debenture Trustees, etc.

Email Communications

As permitted under Section 20 and 136 of the Act read with Companies (Accounts) Rules, 2014 during the year under review, the Company sent various communications, such as notice calling the general meeting / Postal Ballot Notice, audited annual financial statements including Board's Report, Tax Deducted at Source intimation, credit of dividend intimation letters, etc. in electronic form at the email IDs provided by the Members and made available by them to the Company through the depository participants.

Exclusive email ID for investors

The Company has investors@ceat.com as the designated email ID exclusively for Investors / Members servicing.

VII. OTHER DISCLOSURES

Related Party Transactions

All Related Party Transactions ('RPTs') entered into by the Company during the year under review were on an arms' length basis and in the ordinary course of business. These RPTs did not attract provisions of Section 188 of the Act and were also not material RPTs under Regulation 23 of the Listing Regulations.

During the year under review, all RPTs were placed before the Audit Committee for its approval, as required under Section 177 of the Act and Regulation 23 of the Listing Regulations.

A statement showing the disclosure of transactions with related parties as required under Indian Accounting Standard 24 is set out separately under the Financial Statements.

There were no material transactions entered into with related parties, during the period under review, which may have had any potential conflict with the interests of the Company.

Pursuant to Regulation 23(1) of the SEBI Listing Regulations, the Board of Directors of the Company are required to review and update the Policy on Related Party Transactions at least once in three years. Accordingly, the Policy on Related Party Transactions is reviewed and amended by the Board of Directors of the Company.

Further, in accordance with the SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021 dated November 9, 2021, the Policy on Related Party Transactions was amended by the Board of Directors and the updated policy is available at https://www.ceat.com/investors/corporate-governance.html.

Also, pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2021 dated August 3, 2021 read with Corrigendum dated August 6, 2021, effective January 1, 2022, the Related Party Transactions were approved by only those members of the Audit Committee, who are Independent Directors.

Details of non-compliance by the Company

The Company has complied with all the requirements of the Stock Exchanges, SEBI and Statutory Authorities related to the capital markets and there has been no instance of non-compliance and that no penalties, strictures were imposed on the Company by Stock Exchanges or SEBI during the last 3 (three) financial years.

Vigil Mechanism (Whistle Blower Policy)

In accordance with Section 177 of the Act and Rules made thereunder, read with Regulation 22 of the Listing Regulations, the Board has adopted a 'Whistle Blower Policy and Vigil Mechanism' for Directors and Employees to report their genuine concerns and actual / potential violations, if any, to the designated official of the Company fearlessly.

The said Policy provides the type of concerns / violation to be reported, investigation procedure, protection and safeguards and other related matters and the same is available at https://www.ceat.com/investors/corporate-governance.html No personnel / employee of the Company has been denied access to the Audit Committee for reporting genuine concerns. During the year under review, 7 (seven) complaints were received under the Whistle Blower Policy and the same were resolved at the end of financial year.

Subsidiary Companies

The Company does not have any material subsidiary, as defined under Regulation 16 of the Listing Regulations and as prescribed for the purpose of Regulation 24 of the Listing Regulations. The Company has however, framed a Policy for determining Material Subsidiaries, as required pursuant to the said Regulation 16, which is available on Company's website at: https://www.ceat.com/investors/corporate-governance.html

Provisions to the extent applicable as required under Regulation 24 of the Listing Regulations, with reference to subsidiary companies were duly complied with.

During the year under review, the Audit Committee reviewed the financial statements of and in particular, the investments made by the unlisted subsidiaries, to the extent applicable. Minutes of the Board meetings of unlisted subsidiaries as well as a statement of all significant transactions and arrangements entered into by the subsidiary, as applicable, were regularly placed before the Board.

Details of utilisation of funds raised through Preferential Allotment

The Company has not raised funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the Listing Regulations.

Certificate of non-disqualification of Directors

Certificate from Parikh & Associates, Practising Company Secretaries, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI / Ministry of Corporate Affairs or any other statutory authority for the year ended March 31, 2024 is annexed to this Report.

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has duly framed a Policy on Prevention of Sexual Harassment of Women at Workplace and formed 8 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, 4 (four) complaints were received out of which 3(three) complaints were closed by the ICC .

Consolidated Fees paid / payable to Statutory Auditors

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

Name of Statutory Auditor and Network Entity	Type of Services	Name of Company or its subsidiaries obtaining the services	Amount (in ₹*)
KPMG	Statutory Audit	CEAT Akkhan Limited	10,26,135
KPMG	Statutory Audit	Associated CEAT Holdings Company (Pvt) Limited	46,998

Note(*) Above amount does not include out of pocket expenses

1. Converted 1 BDT=0.77 INR as on March 31, 2024
2. Converted 1 LKR =0.26 INR as on March 31, 2024

CEO and CFO Certification

The MD & CEO and the Chief Financial Officer have issued a certificate pursuant to the provisions of Regulation 17(8) of the Listing Regulations certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs, which has been reviewed by the Audit Committee and taken on record by the Board.

Code of Conduct

The Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company, which is available at https://www.ceat.com/investors/corporate-governance.html

All the Board Members and Senior Management Personnel have affirmed compliance with the Code for the Financial Year ended March 31, 2024. A declaration to this effect signed by the MD & CEO is annexed to this Report.

Prevention of Insider Trading

The Company has formulated a Code of Fair Disclosure (Including Determination of Legitimate Purpose), Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Designated Person(s) ('the Code') in accordance with provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, with a view to regulate trading in securities by the Directors and Designated Persons as identified therein.

The Code prescribes for the procedures and compliances applicable for preservation of unpublished price sensitive information under the aforesaid SEBI Regulations. Company Secretary acts as the Compliance Officer to ensure compliance with the requisite approvals on pre-clearance of trade, monitoring of trades and implementation of the Code under the overall supervision of the Board.

Annual Secretarial Compliance Report

Pursuant to Regulation 24A read with SEBI Circular CIR/CFD/CMD1/27/2019 dated February 8, 2019, read with SEBI Master Circular SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023, read with BSE and NSE Circular dated March 16, 2023 and April 10, 2023 Parikh & Associates, Practising Company Secretaries carried out the audit for the FY 2023-24 for all applicable compliances as per SEBI Regulations and Circulars / Guidelines issued thereunder. There are no observations or qualifications under the said Report.

Report on Corporate Governance

This section, read together with information given in the Board's Report and the section on Management Discussion and Analysis, constitute the compliance report on Corporate Governance during the FY 2023-24. The Company, in compliance with the provisions of Regulation 27(2) of the Listing Regulations submits the quarterly compliance report to the Stock Exchanges as required thereunder and uploads the same on its website.

Details of compliance with mandatory requirements

The Company is in compliance with the Corporate Governance requirements specified in Regulations 17 to 27 and Regulation 46 of the Listing Regulations.

As per Regulation 34(3) read with Schedule V of the Listing Regulations the Company has obtained a certificate from Parikh & Associates, Practising Company Secretaries confirming the compliance with the mandatory requirement of the Listing Regulations and the same is annexed to this Report.

Compliance with discretionary requirements

The status with regard to compliance by the Company with the discretionary requirements as listed out in Part E of Schedule II of the Listing Regulations is as under:

a. Chairperson's office is maintained at Company's expense and all reimbursements are allowed to the Chairperson in performance of his duties.

b. The Auditors' Reports on Standalone and Consolidated Financial Statements for the year ended March 31, 2024 are with unmodified audit opinion.

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

VIII. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting (AGM)

Day / Date: Thursday, August 29, 2024, Time: 3:00 p.m.

Venue / Mode: The Company is conducting AGM through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') pursuant to the MCA circulars. For details please refer the Notice of AGM.

Annual General Meeting through Video Conferencing or Other Audio-Visual Means

Ministry of Corporate Affairs ('MCA') vide its Circular dated September 25, 2023 extended the time line for the companies to conduct their AGMs due in calendar year 2024 through VC / OAVM on or before September 30, 2024, subject to the fulfilment of other prescribed conditions as stated in the MCA circular dated May 5, 2020. Accordingly, the Company has opted to provide such facility to the shareholders to join the meeting through facilities provided by National Securities Depository Limited ('NSDL').

In terms of Section 101 and 136 of the Act read together with the Rules made thereunder and pursuant to Regulation 36(1) of the Listing Regulations, the listed companies may send the notice of AGM and the Annual Report, including Financial Statements, Board Report etc. by electronic mode. The Company is accordingly forwarding soft copies of the above-referred documents to all those Members who have registered their email IDs with their respective DPs or with the Registrar & Transfer Agent of the Company. Members may further note that the Integrated Annual Report of the Company for the Financial Year 2023-24 is hosted on the Company's website at www.ceat.com. To receive the copy over email, the Members are requested to ensure that their email IDs are registered with the Registrar & Transfer Agent or the Depository Participants, as the case may be.

The Company is also offering a facility to help Members register their email ID with the Company, by sending an email on investors@ceat.com.

Financial Year

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

Dividend

The Board of Directors of the Company has proposed a dividend of ₹ 30 per equity share (300%) for the FY 2023-24, subject to approval by the Members at the ensuing AGM. Dividend paid in the previous year was ₹ 12 per share (120%).

Dividend Payment Date

Dividend , if declared at the AGM, will be credited / dispatched on or before Friday, September 27, 2024:

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, August 9, 2024; 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, August 9, 2024.

Listing on Stock Exchanges

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

Name of Stock Exchanges	Address	Scrip / Stock Code
BSE Limited	P. J. Towers, Dalal Street, Mumbai 400 001	500878 (Equity)
National Stock Exchange of India Limited	Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai 400 051	CEATLTD (Equity) CL23*,CL25, CL26 (Debt)

CL23* was redeemed on October 6, 2023

Listing fees for FY 2023-24 for both the Stock Exchanges were duly paid by the Company.

In view of the SEBI Circular ref no. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 as amended, during the FY 2023-24, the Commercial Papers issued by the Company were listed on National Stock Exchange of India Limited, as opted at the time of each such issue.

During FY 2020-21 & FY 2022-23, the Company had issued following Secured, Rated, Listed, Taxable and Redeemable Non-convertible Debentures & Unsecured, Rated, Listed, Taxable and Redeemable Non-Convertible Debentures ('NCDs') for which it entered into agreement with Vistra ITCL(India) Limited and Catalyst Trusteeship Limited, to act as Debenture Trustee(s) respectively:

NCDs	Value (In ₹)	Date of Allotment	Tenure	Redemption Date
*6.40% NCD INE482A07050	150 crores	October 7, 2020	36 months	October 6, 2023
7.00% NCD INE482A07068	100 crores	October 13, 2020	60 Months	October 13, 2025
7.99% NCD INE482A08025	150 crores	September 19, 2022	48 months	September 19, 2026

*During the year 6.40% NCD bearing ISIN: INE482A07050 were redeemed on October 6, 2023.

During FY 2023-24, relevant interest payments for above- mentioned NCDs were paid by ensuring compliances with applicable provisions.

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

Month	BSE		NSE	
	High Price	Low Price	High Price	Low Price
Apr-23	1,600.00	1,381.40	1,594.00	1,381.75
May-23	2,181.60	1,510.10	2,185.00	1,511.95
Jun-23	2,114.00	1,885.15	2,116.85	1,885.45
Jul-23	2,640.00	2,026.05	2,642.00	2,025.10
Aug-23	2,497.70	2,204.25	2,498.75	2,202.05
Sep-23	2,280.75	2,101.10	2,280.00	2,102.00
Oct-23	2,333.90	2,055.05	2,337.00	2,056.35
Nov-23	2,240.35	2,069.40	2,239.90	2,061.00
Dec-23	2,456.20	2,094.30	2,456.00	2,092.35
Jan-24	2,997.25	2,378.05	2,998.45	2,380.10
Feb-24	2,993.00	2,553.30	2,993.75	2,526.10
Mar-24	2,965.00	2,430.00	2,969.95	2,428.20

CEAT in comparison with S&P 500 BSE during 2023-24*

*Indexed to 1 on March 31, 2023

Registrar & Transfer Agent for Equity Shares

The Company had appointed TSR Consultants Private Limted (merged with Link Intime India Private Limited during the year) as its Registrar & Transfer Agent and accordingly, all physical transfers, transmissions, transpositions, issue of duplicate share certificate(s), issue of demand drafts in lieu of dividend warrants, etc. as well as requests for dematerialisation / rematerialisation were being processed in periodical cycles at RTA's offices. The work related to dematerialisation / rematerialisation was handled by RTA through connectivity with NSDL and CDSL.

During the year, the Board appointed NSDL Database Management Limited ("NDML") as Registrar & Transfer Agent of the Company w.e.f. April 1, 2024.

Registrar for Deposits

Being eligible and as approved by the Members in 2014, the Board of Directors of the Company approved acceptance of Fixed Deposit from Members and persons other than Members in accordance with Section 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014. The Company thereafter discontinued the Fixed Deposit Scheme and repaid all outstanding fixed deposits along with the interest accrued up to September 30, 2016.

During the year under review, the Company did not accept any deposits as defined under the Act.

Share Transfer System

As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed entities can be transferred only in dematerialised form, with effect from April 1, 2019. Members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. Any Director of the Company or CFO or the Company Secretary is empowered to approve transfers.

Pursuant to SEBI circular dated January 25, 2022, securities of the Company shall be issued in dematerialised form only while processing service requests in relation to issue of duplicate securities certificate, renewal/ exchange of securities certificate, endorsement, sub-division/ splitting of securities certificate, consolidation of securities certificates/folios, transmission and transposition, etc.

Address for correspondence for Investor / Deposit Holders' queries:

Company	CEAT Limited	463, Dr. Annie Besant Road, Worli, Mumbai 400 030 Email-investors@ceat.com Web: www.ceat.com Ph. 022-2493 0621 Company Secretary and Compliance Officer
Registrar & Transfer Agent – for equity shares	NSDL Database Management Limited	4th Floor, Tower 3, One International Center, Senapati Bapat Marg, Prabhadevi, Mumbai - 400 013. Email: investor.ndmlrta@nsdl.com Web: https://www.ndml.in Ph. 022 4914 2578 /2636 Fax +91-22-49142503
Registrar for Fixed Deposits	Kisu Corporate Services Private Limited	15B-9A Supariwala Estate, 1st Floor, Prasad Chambers Compound, Near Roxy Cinema, Opera House, Mumbai 400 004 Ph. +91-9820866664, Email kisucorporate@gmail.com
Debenture Trustees	Vistra ITCL (India) Limited	IL & FS Financial Centre, Plot No. C22, G Block, 7th Floor, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051 Ph 022 - 2659 3535 Email mumbai@vistra.com Web: www.vistraitcl.com
	Catalyst Trusteeship Limited	Windsor, 6th Floor, Office No - 604, C.S.T. Road, Kalina, - Santacruz (East), Mumbai – 400 098 Ph. 022 - 4922 0555 Email dt.mumbai@ctltrustee.com Web: www.catalysttrustee.com

Dematerialisation of shares and liquidity

The Company has an arrangement with NSDL and CDSL for dematerialisation of shares under ISIN INE482A01020. During the year, 47,340 shares were dematerialised. As on March 31, 2024, 99.26% of equity share capital corresponding to equity shares were held in dematerialised form.

In accordance with the proviso to Regulation 40(1) of SEBI Listing Regulations transfers of securities of the Company shall not be processed unless the securities are held in the dematerialised form with a Depository. However, investors are not barred from holding shares in physical form.

Distribution of Shareholding as on March 31, 2024

No. of Equity Shares	No. of Shareholders		No. of Shares		% of Equity Capital	
	Physical	Demat	Physical	Demat	Physical	Demat
1 to 500	9,096	1,06,019	2,38,520	33,14,794	0.5897	8.1948
501 to 1,000	35	755	23,835	5,48,786	0.0589	1.3567
1,001 to 2,000	20	301	28,347	4,28,118	0.0701	1.0584
2,001 to 3,000	3	99	6,870	2,51,926	0.0170	0.6228
3,001 to 4,000	1	45	3,300	1,57,656	0.0082	0.3898
4,001 to 5,000	0	48	0	2,19,922	0.0000	0.5437
5,001 to 10,000	0	84	0	5,98,302	0.0000	1.4791
Greater than 10,000	0	147	0	3,46,29,716	0.0000	85.6110
TOTAL	**9,155**	**1,07,498**	**3,00,872**	**4,01,49,220**	**0.7439**	**99.2561**

Categories of Shareholding as on March 31, 2024

Category	No. of Share	% of Equity Capital
Promoters and Promoter Group	1,90,95,398	47.21
Foreign Portfolio/Institutional Investors	81,51,719	20.15
FI, Banks and Insurance Companies	15,21,567	3.76
Mutual Funds	46,93,699	11.60
Resident Individuals	55,80,577	13.80
NRI/OCB	2,44,244	0.60
Bodies Corporate	9,41,079	2.33
Others	2,21,809	0.55
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, 2024.

Disclosure of commodity price risks / foreign exchange risk and hedging activities

Risk Management Policy of the Company with respect to Commodities and Forex

Volatility in commodity prices is managed by combining a robust price forecast mechanism with a buying model comprising of spot buying, forward buying and strategic long-term contracts. Inventory levels are maintained in alignment to this. Since significant quantum of raw materials are procured from international sources, appropriate hedging mechanisms are in place to insulate forex fluctuations.

The Company manages the volatility in the foreign currency prices through hedging mechanisms. The exposure risk arises primarily due to the import and export activities of the Company as well as short-term and long-term borrowings in foreign currency. The Company has put in place a Policy for Foreign Exchange and Interest Risk Management which is duly approved by the Board of the Company. The Foreign Exchange Risk Management programme of the Company is carried out as per the said Policy and the Company uses forward contracts, derivatives, structured derivatives and swaps as hedging instruments. The Company is suitably insulated against the risk arising out of foreign currency fluctuations through appropriate hedging mechanisms and the same is monitored by the Board on a timely basis. The Company is in 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 2023-24.

Plant Locations

Ambernath Plant	: Plot No G-2, Village - Bohonoli, Additional Ambernath MIDC, Ambernath (East), Dist Thane Maharashtra 421 506
Mumbai Plant	: Village Road, Bhandup (West), Opp, Nahur Station, Mumbai, Maharashtra 400 078
Nashik Plant	: 82, MIDC Satpur, Nashik, Maharashtra 422 007
Halol Plant	: Lilor Paldi Khakharia Road, Village- Getmuvala, Post- Chandrapura, Taluka- Halol -389350 Gujrat
Nagpur Plant	: Plot No. SZ-39, MIDC, Butibori, Nagpur, Maharashtra 441 108
Chennai Plant	: Kannanthangal Village, Maduramangalam Post, Sriperumbudur TK, Kancheepuram Dist., Tamil Nadu 602 108

Credit Ratings

During the year under review, the long-term credit rating of the Company was reaffirmed as `AA' with `Stable' outlook by its rating agencies viz. CARE Ratings Limited (`CARE') and India Ratings and Research Private Limited (`Ind-ra'). The rating has been reaffirmed even after considering the expected incremental long-term debt for the on-going expansions and greenfield project. The rating of AA indicates high degree of safety regarding timely servicing of financial obligations and very low credit risk. A `Stable' outlook indicates expected stability (or retention) of the credit ratings in the medium term on account of stable credit risk profile of the entity in the medium term.

The short-term facilities (working capital limit) of the Company have been granted the rating of `A1+' by CARE. The rating of `A1+' indicates very strong degree of safety regarding timely payment of financial obligations and carries the lowest credit risk.

The ratings on Commercial Paper issue of the Company have been reaffirmed as `A1+' by CARE and Ind-ra. Ind-ra confirmed the rating as IND AA / Stable for the purpose of issue of Non-convertible Debentures.

Disclosures with respect to Unclaimed Suspense Account

In accordance with Regulation 39 of the SEBI Listing Regulations (erstwhile Clause 5A of the Listing Agreement), the Company during the year 2013, had sent 3 (three) reminders to such shareholders whose shares were lying 'Undelivered / Unclaimed' with the Company and opened a demat suspense account with Keynote Capital Limited, a Depository Participant (hereinafter referred as 'Unclaimed Suspense Account'). As per the requirements of the said Regulations, the Company after completing the necessary formalities credited 1,40,918 such unclaimed equity shares of the Company pertaining to 4,738 shareholders to Unclaimed Suspense Account in the year 2013.

In compliance with provisions of the Act, all the shares have been transferred to Investor Eduction and Protection Fund Authority ('IEPF')and demat account is closed.

Suspense Escrow Demat Account

Pursuant to SEBI Circular dated January 25, 2022, the listed companies shall issue the securities in dematerialised form only, for processing any service requests from shareholders viz., issue of duplicate share certificates, endorsement, transmission, transposition, etc. After processing the service request, a letter of confirmation will be issued to the shareholders and shall be valid for a period of 120 days, within which the shareholder shall make a request to the Depository Participant for dematerializing those shares. If the shareholders fail to submit the dematerialisation request within 120 days, then the RTA/ Company shall credit those shares in the Suspense Escrow Demat account held by the Company. Shareholders can claim these shares transferred to Suspense Escrow Demat account on submission of necessary documentation.

Transfer of Unclaimed / Unpaid amounts and Shares to the Investor Education and Protection Fund (IEPF)

Pursuant to the provisions of Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the IEPF Rules'), dividend which remains unclaimed for consecutive 7 (seven) years from the date of transfer to unclaimed dividend account shall be transferred to the Investor Education and Protection Fund ('IEPF') Authority.

During the year under review, unclaimed dividend amounting to ₹ 36.80 lakhs for dividend of FY 2015-16 and ₹ 20.38 lakhs for dividend maintained in CEAT Limited – Unclaimed Securities Suspense Account pursuant to Clause 5A of the Listing Agreement were transferred to the IEPF Authority on May 10, 2023 and May 18, 2023.

Further, as provided under the IEPF Rules, the Company on May 23, 2023, in compliance with the due procedure of the said rules, transferred 18,503 shares of 507 Shareholders to the demat account of IEPF Authority in respect of which dividend had not been claimed for 7 (seven) consecutive years.

As required under the IEPF Rules, 10,355 shares of 37 cases (dividend amounting to ₹ 1,19,082.50 lakhs), were retained by the Company on account of specific orders of court or Tribunal or statutory Authority restraining any such transfer of shares and payment of dividend.

Shares including dividends and other benefits accruing thereon which have been transferred to IEPF Authority can be claimed from IEPF Authority after following the procedure prescribed under the provisions mentioned above and no claim shall lie against the Company or its Registrar & Transfer Agent.

Member(s) who have not encashed / claimed their dividend of FY 2016-17 or any subsequent financial years are requested to submit their claims to the office of the Registrar & Transfer Agent, on or before August 30, 2024, to avoid any transfer of dividend or shares to the IEPF Authority.

Mandatory Bank details for Payment of Dividend

As per Regulation 12 and Schedule I of the SEBI Listing Regulations, the Company is providing the facility for payment of dividend through electronic mode permissible by the Reserve Bank of India. The dividend amount will thereby, directly be credited to the Member's bank account, as per details made available to and/or maintained with Registrar and Transfer Agent, 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 NSDL Database Management Limited, Registrar & Transfer Agent of the (in case of shares held in physical mode) and Depository Participants (in case shares held in demat mode).

Registration of PAN for deduction of tax

Pursuant to the Finance Act, 2020, dividend income for resident shareholders in excess of ₹ 5,000/- for the financial year will be taxable in the hands of the shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to such shareholders at the prescribed rates. Members are requested to note that in case their PAN is not registered with the Company / RTA / DP, the tax will be deducted at a higher rate of 20%. Members are requested to update their PAN with Registrar & Transfer Agent (in case of shares held in physical mode) and Depository Participants (in case shares held in demat mode).

Voting through electronic means

Pursuant to Section 108 of the Act and the Rules made thereunder and provisions under the Listing Regulations, every listed company is required to provide its members, the facility to exercise their right to vote at general meetings by electronic means.

The Company has entered into an arrangement with NSDL, the authorised agency for this purpose, to facilitate such e-voting for its Members.

The shareholders would therefore be able to exercise their voting rights on the items put up in the Notice of AGM, through such e-voting method. Further, in accordance with the Companies (Management and Administration) Rules, 2014 and MCA Circulars, the Company will also provide e-voting facility for Members attending the AGM through VC or OAVM.

Shareholders, who are attending the meeting through VC or OAVM and who have not already cast their votes by remote e-voting shall only be able to exercise their right of voting at the meeting.

Cut-off date, as per the said Rules, shall be Thursday, August 22, 2024, and the remote e-voting shall be open for a period of three days, from Monday, August 26, 2024 (9.00 a.m. IST) till Wednesday, August 28, 2024 (5.00 p.m. IST).

The Board has appointed Mr. P. N. Parikh (FCS 327, CP 1228), or failing him Mr. Mitesh Dhabliwala (FCS 8331, CP 9511), of Parikh & Associates, Practising Company Secretaries, as Scrutiniser for the e-voting process. Detailed procedure is given in the Notice of the 65th AGM and is also placed on the Company's website at www.ceat.com.

Annexures to the Corporate Governance Report

Declaration on the Code of Conduct

[Regulation 34(3) read with Schedule V (Part D) to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

This is to declare that all the members of the Board of Directors and the Senior Management Personnel of the Company have for the year ended March 31, 2024, 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**

Arnab Banerjee
Managing Director & CEO
DIN:06559516

Place: Mumbai
Date :May 2, 2024

CEO & CFO Certificate

[Pursuant to Regulation 17 (8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We, Arnab Banerjee, Managing Director & Chief Executive Officer and Kumar Subbiah, Chief Financial Officer, hereby certify as under:

A. That we have reviewed financial statements and the cash flow statements for the year ended March 31, 2024 ("the year") and that to the best of our knowledge and belief:
   1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. That, to the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

C. We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to the financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operations of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit Committee:
   1. significant changes in internal control over financial reporting during the year, if any;
   2. significant changes in accounting policies during the year, if any and that the same have been disclosed in the notes to the financial statements; and
   3. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For **CEAT Limited**

Arnab Banerjee
Managing Director & CEO

For **CEAT Limited**

Kumar Subbiah
Chief Financial Officer

Place: Mumbai
Date: May 2, 2024

Practising Company Secretaries' Certificate on Corporate Governance

TO THE MEMBERS OF
CEAT LIMITED

We have examined the compliance of the conditions of Corporate Governance by CEAT Limited ('the Company') for the year ended on March 31, 2024, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, the representations made by the Directors and the management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India, we certify that the Company has generally complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2024.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Parikh & Associates**
Company Secretaries

Place: Mumbai
Date: May 02, 2024

Signature:

P.N.Parikh
Partner
FCS No: 327 CP No: 1228
UDIN: F000327F000295481
PR No.: 1129/2021

Certificate of Non-Disqualification of Directors

[pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members of
CEAT LIMITED
463, Dr. Annie Besant Road,
Worli, Mumbai 400030

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **CEAT Limited** having **CIN L25100MH1958PLC011041** and having registered office at 463,Dr. Annie Besant Road, Worli, Mumbai 400030 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No.	Name of Director	DIN	Date of Appointment in Company*
1.	H. V. Goenka	00026726	16/10/1981
2.	Anant Goenka	02089850	01/04/2012
3.	Arnab Banerjee	06559516	07/05/2013
4.	Atul C.Choksey	00002102	28/01/2000
5.	Haigreve Khaitan	00005290	29/07/1999
6.	Mahesh S. Gupta	00046810	02/05/2002
7.	Paras K. Chowdhary	00076807	25/10/2021
8.	Pierre E. Cohade	00468035	01/02/2018
9.	Ranjit Pandit	00782296	03/03/2015
10.	Milind Sarwate	00109854	14/03/2024
11.	Sukanya Kripalu	06994202	14/03/2024

*the date of appointment is as per the MCA Portal.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Parikh & Associates**
Company Secretaries

Place: Mumbai
Date: May 02, 2024

Signature:

P.N.Parikh
Partner
FCS No: 327 CP No: 1228
UDIN: F000327F000295523
PR No.: 1129/2021

Business Responsibility & Sustainability Report

SECTION A:

GENERAL DISCLOSURES

Details of the listed entity

1.	Corporate Identity Number (CIN) of Company	L25100MH1958PLC011041
2.	Name of the Company	CEAT Limited
3.	Year of incorporation	1958
4.	Registered office address	463, Dr. Annie Besant Road, Worli, Mumbai - 400 030
5.	Corporate Address	463, Dr. Annie Besant Road, Worli, Mumbai - 400 030
6.	E-mail	investors@ceat.com
7.	Telephone	022-2493 0621
8.	Website	www.ceat.com
9.	Financial year for which reporting is being done	2023-24
10.	Name of the Stock Exchange(s) where shares are listed	Equity Shares are listed on the BSE Limited and the National Stock Exchange of India Limited.
11.	Paid-up capital	₹ 4,045 lakhs
12.	Name and contact details of the person who may be contacted in case of any queries on the BRSR report	Mr. Anant Goenka, Chairman - Sustainability and Corporate Social Responsibility ('SCSR') Committee Email Id - cs@ceat.com Contact - 022-2493 0621
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Disclosures made in this report are on a Standalone basis and pertaining only to the operations of CEAT Limited in India.
14.	Name of assurance provider	Not Applicable
15.	Type of assurance obtained	Not Applicable

Products/services

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of the Main Activity	Description of the Business Activity	% of turnover the entity
1.	Manufacturing of Tyres, Tubes and Flaps	Manufacturing of tyres for passenger, commercial and off-road vehicles.	100%

17. Products/services sold by the entity (accounting for 90% of the entity's turnover):

S. No.	Product/Service	NIC Code	% of total turnover Contributed.
1.	Tyres, Tubes and Flaps	22111	100%

Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of Plants	Number of offices	Total
National	Plants: 6 (six)	Regional Offices: 38 (thirty-eight) Zonal Offices: 7 (seven)	51
International	Nil	Representative offices in Jakarta (Indonesia), Dubai (United Arab Emirates), Manila (The Philippines), and Frankfurt (Germany) (R&D Centre)	4

19. Markets served:

a. Number of locations

Locations	Total
National (No. of states)	PAN India
International (No. of countries)	110+

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Contribution of exports is 19% of the total turnover of the Company.

c. A brief on types of customers

CEAT Limited, headquartered in Mumbai, is in the business of manufacturing and selling a wide range of tyres for Original Equipment Manufacturers ('OEMs') and Retail Customers (in India and around the globe) through dealers, distributors, online channels/platforms. The Company also offers a wide range of tyres, tubes, and flaps under its portfolio for various segments like Passenger Cars & Utility Vehicles, 2W/3W, Commercial and Off-Highway Vehicles.

Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently-abled):

S. No.	Particulars	Total (A)	Male		Female		Transgender	
			No. (B)	% (B / A)	No. (C)	% (C / A)	No. (D)	% (D / A)
	Employees							
1.	Permanent (D)	6,743	5798	85.99%	945	14.01%	NA	NA
2.	Other than permanent (E)	1,597	1,528	95.68%	64	4.01%	5	0.31%
3.	**Total employees (D + E)**	**8,340**	**7,326**	**87.84%**	**1,009**	**12.10%**	**5**	**0.06%**
	Workers							
4.	Permanent (F)	1,850	1,850	100%	0	0%	NA	NA
5.	Other than permanent (G)	1,134	1,121	98.85%	13	1.15%	NA	NA
6.	**Total employees (F + G)**	**2,984**	**2,971**	**99.56%**	**13**	**0.44%**	NA	NA

b. Differently abled employees and workers

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	Differently-abled employees					
1.	Permanent (D)	29	24	82.76%	5	17.24%
2.	Other than permanent (E)	0	0	0%	0	0%
3.	**Total employees (D + E)**	**29**	**24**	**82.76%**	**5**	**17.24%**
	Differently abled workers					
4.	Permanent (F)	0	0	0%	0	0%
5.	Other than permanent (G)	0	0	0%	0	0%
6.	**Total workers (F + G)**	**0**	**0**	**0%**	**0**	**0%**

21. Participation/inclusion/representation of women

S. No.	Total (A)	No. and % of females	
		No. (B)	% (B / A)
Board of Directors	12*	2	16.67%
Key Management Personnel	3	1	33.33%

*Priya Nair (Independent Director) has resigned effective close of business hours on April 1, 2024.

*Ms. Daisy Chittilapilly is appointed as Independent Director, approved by members on June 06, 2024 through Postal Ballot.

*Mr. Praveen Pardeshi is appointed as Additional Director in the capacity of Independent Director w.e.f June 17, 2024, subject to approval of members.

Note: Key Management Personnel are MD and CEO, Chief Financial Officer and Company Secretary.

22. Turnover rate for permanent employees and workers (Disclose trends for 3 years)

Promoter Name	FY 2023-24			FY 2022-23			FY 2021-22		
	Male (A)	Female (B)	Total (C)	Male (A)	Female (B)	Total (C)	Male (A)	Female (B)	Total (C)
Permanent employees	28%	35%	29%	22%	31%	24%	21%	24%	21%
Permanent workers	5%	NA	5%	8%	NA	8%	4%	NA	4%

Holding, subsidiary and associate companies (including joint ventures)

23. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether Holdings/ subsidiary/ associate/ joint venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Associated CEAT Holdings Company (Pvt.) Limited	Subsidiary	100%	No
2	CEAT AKKhan Limited	Joint Venture	70%	No
3	Rado Tyres Limited	Subsidiary	58.56%	No
4	CEAT Specialty Tires Inc.	Subsidiary	100%	No
5	CEAT Specialty Tyres B.V	Subsidiary	100%	No
6	Taabi Mobility Limited	Subsidiary	100%	No
7	CEAT Auto Components Limited	Subsidiary	100%	No
8	Tyresnmore Online Pvt Limited	Subsidiary	100%	No
9	CEAT Brazil Tires Servicos Ltda	Subsidiary	100%	No

CSR details

24. Whether CSR is applicable as per section 135 of Companies Act, 2013 -

(i) Turnover (in ₹): ₹ 11,892.6 Cr.

(ii) Net worth (in ₹): ₹ 3,951.12 Cr.

Transparency and disclosures compliances

25. Complaints/grievances on any of the principles (principles 1 to 9) under the National Guidelines on Responsible Business Conduct (NGBRC):

Stakeholder group from whom the complaint is received	Grievance Redressal Mechanism in Place (Yes/No) If Yes, then provide web-link for grievance redress policy	FY 2023-24			FY 2022-23		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	There are separate policies for different stakeholders. The Company also provides a web-based platform to all its stakeholders for raising their concerns, if any https://www.ceat.com/corporate/sustainability.html	5	0	The Company is taking necessary efforts to address and resolve grievances in a timely manner	6	1	The Company is taking necessary efforts to address and resolve grievances in a timely manner
Investors (other than shareholders)		0	0		0	0	
Shareholders		12	5		12	1	
Employees and workers		9,501	515		19,010	514	
Customers		19,421	33		19,259	77	
Value chain partners		0	0		0	0	
Others (Please Specify)		-	-		-	-	

26. Overview of the entity's material responsible business conduct issues.

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	Approach to adapt or mitigate	Positive/negative implications
1	Energy and Emissions Management	Opportunity	With energy saving initiatives, renewable energy initiatives, process optimisation and overall operations efficiency and logistic network optimisation initiatives, the Company shall be able to optimise its energy consumption and reduce carbon emissions.	NA	Positive With energy saving initiatives, renewable energy initiatives, process optimisation and overall operations efficiency and logistic network optimisation initiatives, the Company shall be able to optimise its energy consumption and reduce carbon emissions.
2	Materials Management	Risk	1. Fluctuating raw material prices can affect profit margins. 2. Risk of geopolitical challenges could lead to disruption in supply chain.	Hedging and forward buying of various raw material to maintain sufficient inventory cover and Plan to ensure lesser dependency on single supply source.	Negative Raw material and commodity pricing fluctuations have direct correlation with the profit margins.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	Approach to adapt or mitigate	Positive/negative implications
3	Waste Management	Risk	The production process of tyres involves a number of feedstocks, chemicals, etc. Its improper handling can lead to an increase in waste generation.	Overall operational efficiency, adherence to the compliances with resource efficiency result in reduction in creation of waste and its management in a better manner to have lesser impact on environment.	Negative Managing waste at each stage of the manufacturing process has direct impact on achieving the resource efficiency and together with compliance of all the applicable regulations can have positive financial impact.
4	Water Management	Opportunity	With water stewardship initiatives the Company has achieved significant reduction in the water intensity.	NA	Positive Lesser usage of water would certainly lead to better resource management and positive financial impact.
5	Customer Satisfaction	Opportunity	Customer Centricity is one of the key focus areas of CEAT's business strategy.	NA	Positive Effective and regular engagement with customers has helped CEAT in delivering customer centric products and services, helping in higher revenues and better brand recognition.
6	Employee Wellbeing	Opportunity	People-centricity is one of the key focus areas of CEAT and CEAT is working towards being an aspirational employer brand.	NA	Positive Increase in efficiency, assisting in managing the employee cost.
7	Occupation Health and Safety Management	Opportunity	Manufacturing tyres is a cumbersome and complex process involving multiple stages of manual intervention, safety of employees is the utmost priority for the Company	NA	Positive Better employee safety eliminates fatality rates and reduces injuries, loss time injuries. This helps improve employee morale and better production capacities.
8	Diversity and Inclusion	Opportunity	Involvement and representation of women, transgenders, and persons with disability	NA	Positive Helps in fostering a culture of diversity and inclusion.
9	Economic Performance	Risk	Competition and increased cost of raw materials attribute to reduction in profit margins.	The Company is taking several steps as a process of mitigation by widening the scope of its market reach by introducing product mix and strategic planning in raw material purchase methods, etc.	Negative Inability to implement price hike and increased cost of raw materials attribute to impacting the profit margins, apart from other factors.
10	Digitisation	Opportunity	Digital interventions are eliminating the potential bottlenecks in the business operations along with creating multiple opportunities. CEAT's achievement of the 'Lighthouse' recognition for Industry 4.0 automation is reflection of its efforts in the right direction.	NA	Positive Use of digital tools reduces manual intervention and time, thereby rationalizing process cost CEAT deployed Fourth Industrial Revolution use cases like Advanced Analytics to optimise cycle times and digitalisation of the operator's touchpoints. As a result, the site reduced cycle times by 20%, process scrap by 46% and energy consumption by 15%
11	Product Innovation/ Smart Mobility	Opportunity	Integrating sustainability measures into product design and focusing on the shift to Electric Vehicles.	NA	Positive Optimum product range and smarter options leading to increased revenue and brand recognition
12	Corporate Governance/ Ethics	Opportunity	Ethical conduct of business is foundation for any organisation to achieve long-term value for all its stakeholders.	NA	Positive Ethical and transparent business processes help in monitoring risk and mitigation loss leading to long term and sustainable economic growth.

SECTION B:

MANAGEMENT AND PROCESS

This section is aimed at helping businesses demonstrate the structures, policies, and processes put in place towards adopting the NGRBC principles and core elements.

Disclosure questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7*	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web-link of the policies, if available.	The web-link of the policies are available on CEAT's sustainability Page. https://www.ceat.com/corporate/sustainability.html								
2. Whether the entity has translated the policy into procedures. (Yes / No	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Policies like Supplier Code of Conduct and Whistle Blower are extended to CEAT's value chain partners (vendors, suppliers, and customers).								
4. Name of the national and international codes/certifications/labels/standards (e.g. Forest stewardship council, Fairtrade, Rainforest alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) mapped to each principle.	ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 in all plants ISO 50001:2018 in Bhandup, Nashik, Halol, and Nagpur IAFT 16949:2016 is available on CEAT's website. Certifications such as GSO, E4, SNI, ISI and INMETRO								
5. Specific commitments, goals, and targets set by the entity	CEAT has set a target of reducing its carbon footprint by 50% by 2030. In addition, the Company has set a target to use 40% sustainable materials by 2030.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The Company is reporting on its ESG Performance under the six capitals of the Integrated Report. For details, please refer to the Natural Capital section.								
Governance, leadership, and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	Refer to the messages from Mr. H.V. Goenka, Chairman and Mr. Anant Goenka, Vice Chairman								
8. Details of the highest authority responsible for implementation and oversight of the business responsibility policy/policies	The Sustainability and the Corporate Social Responsibility Committee (SCSR) is responsible for implementation and governance of the policy (ies).								
9. Does the entity have a specified committee of the Board/ Director responsible for decision-making on sustainability-related issues? (Yes / No). If yes, provide details.	CEAT has Sustainability and Corporate Social Responsibility (SCSR) Committee. For details about the committee please refer to the Corporate Governance Report.								

10. Details of review of NGRBCs by the Company:

Subject for review	Indicate whether the review was undertaken by Director/committee of the board/ any other committee									Frequency (Annually/ half-yearly/ quarterly/ any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P7*	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P7*	P 8	P 9
Performance against above policies and follow up action	As a practice, BRSR policies of the Company are reviewed periodically or on a need basis by ESG Council and SCSR Committee. During this assessment, the efficacy of the policies is reviewed and necessary changes to policies and procedures are implemented.																	
Compliance with statutory requirements of relevance to the principles, and, the rectification of any non-compliances	The Company is in compliance with the extant regulations, as applicable																	

	P 1	P 2	P 3	P 4	P 5	P 6	P 7*	P 8	P 9
11 Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency.	The Company has framed the required policies and practices under each of the above principles and as such has not carried out any independent assessment of working of these policies for FY 2023-24.								

12. If answer to question (1) above is "No" i.e., not all principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7*	P 8	P 9
The entity does not consider the principles material to its business (Yes/No)	Not applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C:

PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorised as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally, and ethically responsible.

Principle 1:

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

Essential Indicators

1. **Percentage coverage by training and awareness programmes on any of the principles during the financial year:**

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of directors	26	Awareness is created about various policies and practices concerning human rights, ethics and integrity, health and safety for employees, prevention of sexual harassment etc. covering all the applicable principles of NGRBC. Apart from Functional Trainings, awareness sessions and trainings are also conducted under Learning & Development initiatives on various topics such as, POSH, Code of Conduct on Ethics and Governance, Anti-Corruption and Anti-Bribery, PwD Sensitisation, Career conversations, Environment, Health and Safety Management, Working Conditions, Energy Conservation, Environment Sustainability and Climate, Human Rights, Data Privacy and Cyber Security etc., including other applicable regulations. Digital portal is used to share learning materials for all the employees on an ongoing basis, which covers various policies, skill development and related learning content.	100%
Key managerial personnel	8		100%
Employees other than BoD and KMPs	3,873		100%
Workers	60		100%

2. **Details of fines/penalties/punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/judicial institutions in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):**

Monetary					
	NGRBC Principles	Name of the regulatory/ enforcement agencies/ judicial institution	Amount (INR)	Brief of the Case	Has an appeal been preferred? (Y/N)
Penalty/fine	Please refer to the Company's website for details on fines and penalties: https://www.ceat.com/investors/shareholder-information/stock-exchange-announcements.html				
Settlement Compounding Fee	There was no such instance that required disclosure on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.				

Non-Monetary				
	NGRBC Principles	Name of the regulatory/ enforcement agencies/ judicial institution	Brief of the Case	Has an appeal been preferred? (Y/N)
Imprisonment Punishment	There were no such instances that required disclosure on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.			
Others	Principle 6: Businesses should respect and make efforts to protect and restore the environment.	Maharashtra Pollution Control Board (MPCB)	Pursuant to Regulation 30 and 51 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company received an email from the Maharashtra Pollution Control Board on November 04, 2023 which directed the Company to close down operations at Bhandup Plant in view of certain alleged violations of the pollution control norms.	Yes, after the submission of the compliance report to MPCB, the Company was permitted to restart the operations at the Bhandup plant on November 13, 2023.

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision are preferred in cases where monetary or non-monetary action has been appealed.**

Case details	Name of the regulatory/ enforcement agencies/ judicial institutions
MPCB ordered temporary shutdown of operations at Bhandup facility alleging violations of pollution control norms: After the submission of the compliance report to MPCB, the Company was permitted to restart the operations at the Bhandup plant on November 13, 2023.	Maharashtra Pollution Control Board

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web link to the policy.**

Yes, the Company is part of the RPG Group, a group that has always stood for conducting business responsibly, honestly and ethically. RPG Group has laid down the Code of Corporate Governance and Ethics ('the Code') applicable and adopted by the Company. The Code has outlined internal as well as external stakeholders viz. customers, vendors, suppliers, outsourcing partners etc. and they can report directly on their concerns, suspected fraud or any irregularity in the Company practices, which are placed before Audit Committee on a quarterly basis.

A dedicated email ID ethics@rpg.in is provided for reporting grievances and violations of the said Code / Whistle Blower Policy to the Corporate Governance and Ethics Committee (CGEC). The Company also provides a web-based platform to all its stakeholders for raising their concerns, if any. (https://www.ceat.com/corporate/sustainability.html).

The Code and Whistle Blower Policy are available on https://www.ceat.com/investors/corporate-governance.html.

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption**

	FY 2023-24	FY 2022-23
Directors	NIL	NIL
KMPs	NIL	NIL
Employees	NIL	NIL
Workers	NIL	NIL

6. **Details of complaints with regard to conflict of interest:**

	FY 2023-24		FY 2022-23	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of conflict of interest of the directors	0	NA	0	NA
Number of complaints received in relation to issues of conflict of interest of the KMP's	0	NA	0	NA

7. **Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

Not Applicable

8. **Number of days of accounts payable ((Accounts payable *365)/Cost of goods/services procured) In the following format**

	FY 2023-24	FY 2022-23
Number of Days of account Payable	123	112

9. **Open-ness of Business**

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along with loans and advances and investment, with related parties, in the following format:

Parameters	Metrics	FY 2023-24	FY 2022-23
Concentration of purchase	a. Purchase from trading houses as % of total purchase	0.24%	0.39%
	b. Number of trading houses where purchases are made from	6	6
	c. Purchases from top 10 trading houses as % of total purchase from trading houses	100%	100%
Concentrations of sales	a. Sales to dealers/ distributors as % of total sales	*The required information being sensitive and intrinsic to the Company has not been reported.	*The required information being sensitive and intrinsic to the Company has not been reported.
	b. Number of dealers/distributors to whom sales are made		
	c. Sales to top 10 dealers/distributers as % of total sales to dealers/distributors		
Share of RPTs in	a. Purchases (purchases with related parties/total purchase)	0.66%	0.49%
	b. Sales (Sales to related parties/total sales)	1.09%	1.04%
	c. Loans and advances (Loans and advances with related parties/total Loans and advances)	20.43%	0.00%
	d. Investments (Investments to related parties/total Investments made)	89.51%	87.20%

Leadership Indicators

1. **Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

Total number of awareness programmes held	Topics/principles covered under the training	% of value chain partners covered (by value of business done with such partners) under the awareness programmes
1 Non-NR Vendor programme	CEAT has conducted 1 programme each for Non-NR vendors and NR vendors on ESG awareness. During the sessions, the Company also made the suppliers aware about the policies in the public domain related to Sustainability, Human Rights, Sustainable Procurement Guidelines, Supplier Code of Conduct, Health and Safety, and Quality Management parameters.	93% of the selected vendors participated
1 NR Vendor programme		100% of the vendors participated

2. **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.**

Yes, the Company being a part of the RPG Group, follows the policy of RPG Code of Conduct on Corporate Governance and Ethics, along with CEAT's Whistle Blower Policy and Vigil Mechanism, that acts as a guiding instrument to ensure effective and compliant implementation of the business activities by its people. The RPG Code of Conduct and its related policies are designed to accommodate regular monitoring and management of business activities and any potential conflict. The Company undertakes regular confirmations from the Board as mandated under the Companies Act and SEBI regulations.

Principle 2:

Businesses should provide goods and services in a manner that is sustainable and safe.

Essential Indicators

1. **Percentage of R&D and capital expenditure (CAPEX) investments in specific technologies to improve product and processes' environmental and social impacts to total R&D and capex investments made by the entity, respectively.**

	FY 2023-24	FY 2022-23	Details of improvements in environmental and social impacts
R&D	4.37%	5.57%	1) Sustainable raw material development and validation 2) Development and validation of EV for 2/3W, passenger and commercial tyres 3) Raw material development and validation for sustainability and low rolling resistance 4) Devulcanisation and reclaiming of bladder rubber 5) Improve traction, compaction and puncture resulted in better tyre life 6) Projects related to solar and wind energy
Capex	0.59%	4.10%	

2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

Yes, the Company continues to focus on integrating sustainability at each stage of the product life cycle. This concept is important and vital to the Company's success. The Company emphasises on concepts in designing and manufacturing of tyres enabled with digital technology, extended mobility, tyres with longer life, fuel efficient environment friendly tyres which also ensures customer safety and comfort.

The degree of sustainability is largely determined during the beginning of the life stage of the product lifecycle in which the product is designed and developed. Based on the very same principle, the Company has developed its products which are safe for environmental and sociological aspects throughout its lifecycle. It has developed several new green resources for various types of raw materials that follow international norms and standards like Regulation on the Registration, Evaluation, Authorisation and Restriction of Chemicals ('REACH'), End of Life Vehicles ('ELV') and Conflict Minerals Reporting Template ('CMRT').

The Company has several projects around product stewardship for manufacturing and supply chain. The Company has intelligent and low-weight tyres, reduction in rolling resistance for better fuel economy for consumers. The Company's product complies with substance of concerns, label rating of products with the local and global markets.

b. **If yes, what percentage of inputs were sourced sustainably?**

CEAT is a member of 'Global Platform for Sustainable Natural Rubber' (GPSNR) w.e.f April 2024. The Company strives to reduce material sourcing from deforestation or forest degraded regions to align with 100% EUDR compliance by December 2024. The Company is also reducing its carbon footprint through network optimisation by opting for coastal shipment route for 25% of local rubber requirements.

The Company has an effective procedure in place for evaluating vendors. The Company ensures that suppliers comply with all legal and regulatory requirements during the supplier onboarding process. For acquiring raw materials, only approved vendors are involved. The Company supports its suppliers in establishing quality, health, and safety, and environmental management systems. The Company has successfully completed ISO 20400 Sustainable Procurement audit in April 2024. Currently, OHSAS 18001/ISO 45001 and ISO 14001 certifications are held by all current vendors. In FY 2023–24, these approved suppliers provided 100% of the raw materials. The Company has set a target to use 40% sustainable materials by 2030. The Company's achievement as of March 2024 is 28.4%.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

To manage its e-waste, plastic garbage, and hazardous waste, which is being disposed off as indicated below, CEAT has enlisted the services of approved waste management service providers, including recyclers, co-processors, and incinerators.

1. **Plastic:** Scrap pertaining to plastic is sold to licensed recyclers of plastic. In addition, CEAT has been in compliance with EPR for the past two years regarding product packaging, as required by CPCB.
2. **E-waste and hazardous waste -** All these materials are sold to the authorised agencies of the corresponding state government pollution control board.

3. **Only government-**approved buyers are allowed to purchase other waste, such as tyres.

In FY 2023-24, the Company has successfully offset and completed the activity of buying credits that are compliant with the EPR regulation. CEAT reused, recycled and safely disposed 1,647 MT of plastic waste (including packaging) and 39.67 MT of e-waste.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the EPR plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Yes, in accordance with the Plastic Waste Management Rules, 2016 (PWMR), EPR is relevant to CEAT's operations. The Company has filed a comprehensive EPR strategy in compliance with PWMR, 2016 to the Pollution Control Boards and is registered as the Brand Owner.

It is essential to the Company's operations as a top tyre brand to make sure that pre- and post-consumer packaging is disposed of safely. Through EPR, the Company ensures the collection and secure disposal of its packaging waste.

CEAT is working with approved implementation partners, or producer responsibility organisations, to handle the end-of-life disposal, transportation, and collecting of plastic waste.

Leadership Indicators

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

NIC Code	Name of product / service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by an independent external agency (Yes/No)	Results communicated in the public domain (Yes/No) If yes, provide the web-link.
The Company has not conducted Life Cycle Assessment in FY 2023-24. The Company is in a process of conducting the LCA for the selected products in the near future.					

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/ services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Name of product / service	Description of the risk/concern	Action taken
Not Applicable		

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry**

Indicate input material	Recycled or reused input material to total material	
	FY 2023-24	FY 2022-23
HDPE Bags	0.03%	0.03%
Bead spacers	0.23%	0.20%
Bead Wire	0.15%	-

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed of.**

Promoter Name	FY 2023-24			FY 2022-23		
	Re-used	Recycled	Safely disposed	Re-used	Recycled	Safely disposed
Plastics (including packaging)	CEAT is committed to follow the government mandate as per CPCB and SPCB guidelines on Consent to Operate and obligation of Extended Producers Responsibility (EPR) for sustainable and safe end of life management of tyres. As per the mandated requirements, the Company purchases the EPR credits equivalent to year wise percentage tonnage obligation as prescribed by the EPR gazette and complies with it.					
E-waste						
Hazardous waste						
Other waste						

5. **Reclaimed products and their packaging materials (as a percentage of products sold) for each product category.**

Indicate Product Category	Reclaimed products and their packaging materials as % of total products sold in respective category
Reclaimed Rubber	2.25%

Principle 3:

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

Essential Indicators

1. a. **Details of measures for the well-being of employees.**

Category	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		No. (B)	% (B /A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E /A)	No. (F)	% (F/A)
Permanent employees											
Male	5,798	5,798	100%	5,798	100%	NA	NA	5,798	100%	0	0%
Female	945	945	100%	945	100%	945	100%	NA	NA	945	100%
Total	**6,743**	**6,743**	**100%**	**6,743**	**100%**	**945**	**14.01%**	**5,798**	**85.99%**	**945**	**14.01%**
Other than Permanent employees											
Male	1,528	1,528	100%	1,528	100%	NA	NA	1,528	100%	0	0%
Female	64	64	100%	64	100%	64	100%	NA	NA	64	100%
Transgender	5	5	100%	5	100%	NA	NA	NA	NA	5	100%
Total	**1,597**	**1,597**	**100%**	**1,597**	**100%**	**64**	**4.02%**	**1,528**	**95.97%**	**64**	**4.02%**

b. **Details of measures for the well-being of workers:**

Category	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		No. (B)	% (B /A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E /A)	No. (F)	% (F/A)
Permanent workers											
Male	1,850	1,850	100%	NA	NA	NA	NA	1,850	100%	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	**1,850**	**1,850**	**100%**	**NA**	**NA**	**NA**	**NA**	**1,850**	**100%**	**NA**	**NA**
Other than Permanent workers											
Male	1,121	1,121	100%	1,121	100%	NA	NA	1,121	100%	0	0%
Female	13	13	100%	13	100%	13	100%	NA	NA	13	100%
Total	**1,134**	**1,134**	**100%**	**1,134**	**100%**	**13**	**1.15%**	**1,121**	**98.85%**	**13**	**1.15%**

c. **Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:**

	FY 2023-24	FY 2022-23
Cost incurred on well- being measures as a % of total revenue of the Company	0.082%	0.069%

2. **Details of retirement benefits.**

Benefits	FY 2023-24			FY 2022-23		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	NA	100%	100%	NA
ESI*	18%	0%	Yes	18%	0%	Yes
Others – please specify	-	-	-	-	-	-

(*100 % of eligible employees with salary less than ₹ 21,000 per month are covered)

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

To make life easy at workplace for People with Disabilities, the Company has assured people centric workplace planning and management by incorporating the following parameters:

At manufacturing plants, there are auto glow emergency exit boards; auto glow red tape on pillars; auto glow arrow marking on shop floor, etc.

Apart from auto glow following additional initiatives are carried out:

1. Sensitisation sessions are held from time to time on disability.
2. Sign Language training is provided by the Company to fellow associates and managers including relevant stakeholders from contract staff, security, canteen, human resources, occupational health centres, etc.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web link to the policy.

The Company is committed to provide equal employment opportunities without any discrimination on the grounds of age, colour, origin, nationality, disability, religion, race, caste, gender, sex and sexual orientation. The Company believes that Diversity and Inclusivity (D&I) at workplace is an instrument for economic growth, sustainable competitive advantage, and societal progress. The Company's Equal Opportunity Policy is available at https://www.ceat.com/corporate/sustainability.html.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	NA*	NA*
Female	100%	100%	NA*	NA*
Total	100%	100%	NA*	NA*

*No instances of parental leave for workmen.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

S. No.	(If Yes, then give details of the mechanism in brief)
Permanent workers Other than permanent workers Permanent employees Other than permanent employees	Yes, The Company is committed to providing a safe and conducive work environment to all of its employees. Employees have access to an effective grievance redressal system through which they can voice any workplace problems. It provides digital forum, "Bol Bindass", and "R-SHIELD" for its employees to voice their complaints about daily operations. Employees can even file complaints through Red Book when they are offline. The Company has implemented "Sherlock" a Chat Bot, accessible through 5 modes including mobile application, desktop, MS Teams, MS Outlook and the Company's intranet, to address questions about HR policies and any related issues. The Company has formulated a Policy on Prevention of Sexual Harassment at Workplace for prevention, prohibition and redressal of sexual harassment at workplace and Internal Complaints Committee has also been set up to redress any such instances or complaints received.

7. Membership of employees and workers in association(s) or Unions recognised by the listed entity:

Benefits	FY 2023-24			FY 2022-23		
	Total employees workers in the respective category (A)	No. of employees/ workers in the respective category, who are part of the association(s) or Union (B)	% (B / A)	Total employees/ workers in the respective category (C)	No. of employees/ workers in the respective category, who are part of the association(s) or Union (D)	% (D / C)
Total permanent employees	6,743	0	0%	5,703	0	0%
Male	5,798	0	0%	4,788	0	0%
Female	945	0	0%	915	0	0%
Total permanent workers	1,850	1,850	100%	1,919	1,919	100%
Male	1,850	1,850	100%	1,919	1,919	100%
Female	NA	NA	NA	NA	NA	NA

8. Details of training given to employees and workers:

Category	FY 2023-24					FY 2022-23				
	Total (A)	On health and safety measures		On skill upgradation		Total (D)	On health and safety measures		On skill upgradation	
		No. (B)	% (B /A)	No. (C)	% (C /A)		No. (E)	% (E /D)	No.(F)	% (F /D)
Employees										
Male	5,798	5,798	100%	5,798	100%	5,437	5,437	100%	5,437	100%
Female	945	945	100%	945	100%	927	927	100%	927	100%
Total	**6,743**	**6,743**	**100%**	**6,743**	**100%**	**6,364**	**6,364**	**100%**	**6,364**	**100%**
Employees										
Male	1,850	1,850	100%	1,850	100%	1,843	1,843	100%	1,843	100%
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	**1,850**	**1,850**	**100%**	**1,850**	**100%**	**1,843**	**NA**	**1,843**	**1,843**	**100%**

9. Details of performance and career development reviews of employees and workers:

Benefits	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	5,798	5,798	100%	5,437	5,437	100%
Female	945	945	100%	927	927	100%
Total	**6,743**	**6,743**	**100%**	**6,364**	**6,364**	**100%**
Male	1,850	1,850	100%	1,843	1,843	100%
Female	NA	NA	NA	NA	NA	NA
Total	**1,850**	**1,850**	**100%**	**1,843**	**1,843**	**100%**

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, what is the coverage of such a system?

CEAT's manufacturing and production facilities are subject to the Occupational Health and Safety Management System (ISO 45001:2018), which is implemented in all manufacturing facilities and covers workers, employees, logistics (such as truck drivers and cleaners), service providers (such as contractual employees), visitors, transporters, vendors, and suppliers.

The Occupational Health and Safety Management System is implemented, monitored, and evaluated by the Company using a corporate environment, health, and safety policy as well as a plant-specific environment, health, and safety policy. The Company uses training and awareness initiatives, safety audits, and frequent safety committee meetings to keep an eye on performance, best practices, and issues connected to environmental health and safety.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

To document occurrences, CEAT offers a number of platforms, including a mobile app, toolbox talk, safety meetings, daily work management meetings, and redbooks. Reporting on occurrences is recommended for employees. Supervisors and safety officials take the necessary steps to reduce and prevent similar incidents in the future, taking into account the type and frequency of the incident. All factories receive records and communications regarding problems that have been reported and investigated, which facilitate the horizontal deployment of remedial actions.

CEAT regularly performs occupational health and safety inspections as well as job safety analysis to measure risk. Hazards associated with work are quantified by evaluations of activity-based hazards; among the most significant risks are those connected to the control of health-harmful substances, manual material handling, equipment danger, display screen equipment, fire, and transportation.

In order to evaluate risks both regularly and irregularly, the Company also uses work permits to undertake ergonomic assessments and task hazard analysis. To reduce the risks, the Company evaluates the performance and state of the current control systems. The top 15 hazards are recognised as significant risks with an efficient risk management plan using the risk-control matrix. A hierarchy of controls has been taken into consideration when creating the Company's risk mitigation plan. Thus, engineering controls and their replacement or deletion are given top attention. The leadership evaluates the most important risks first, then engineering, the plant manager, the heads of the procurement, manufacturing, quality, and human resources departments, and finally the head of the plant.

The Company's Hazard Identification and Risk Assessment ("HIRA") includes the following tasks: task hazard analysis through work permits; activity risk assessment; Control of substances hazardous to health (COSHH) assessment; manual material handling assessment; DSE assessment; fire risk assessment; traffic risk assessment; and ergonomic assessment.

At both the corporate and factory levels, the Company periodically analyses its safety dashboard. Internal auditors analyse the health and safety management system twice a year as part of the safety evaluation process. In order to do impartial third-party evaluations at each of the manufacturing plants, the Company also hires safety specialists and health and safety organisations. The Company regularly takes fire and electrical safety into consideration.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks.

Indeed, CEAT has a clear procedure and framework in place to motivate employees to report events, dangerous situations, and near-misses. Based on conventional safety procedures, CEAT offers a variety of training and awareness programs to guarantee that employees report occurrences. The workers get daily toolbox lectures about standard operating procedures linked to their work and job safety.

Signage and safety messages about potential work-related risks are provided by the plant safety team. Employees are required to report events on a monthly basis, and common incidents are evaluated, analysed, and closed with appropriate controls and procedures in place. The corresponding employees then provide feedback on the closure of the incident.

For the purpose of reporting dangers, unsafe circumstances, unsafe conduct, and near misses, logbooks, Redbook, and mobile apps are available.

d. Do the employees/ workers of the entity have access to non-occupational medical and healthcare services?

Yes, the Company's personal accident and health insurance policies cover all of its employees. Additionally, the Company's complies with all applicable regulations on non-occupational medical and healthcare services for employees, including those pertaining to Employees State Insurance Corporation (ESIC) benefits and provisions.

The Company has a Chief Fitness Officer (or "CFitO") who leads wellness and healthy lifestyle programs. Employees can get in touch with CFitO for any non-occupational medical needs.

At the manufacturing facilities, there is first aid and medical assistance along with the necessary and adequate Personal Protective Equipment (PPE).

11. Details of safety related incidents, in the following format:

Safety incident/number	Category	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one-million-person hour worked)	Employees	0	0
	Workers	0.10	0.14
Total recordable work-related injuries	Employees	0	0
	Workers	34	42
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

Note: Including in the contract workforce

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

The Company carefully considers the need for a safe and healthy work environment while designing its manufacturing facilities. With strong health and safety procedures and infrastructure, the Company has taken a number of steps to guarantee a safe and healthy work environment. Every employee receives general and job-specific health and safety training. According to the PPE Matrix, PPEs are given to workers, visitors, and employees. Internal and external safety professionals and authorities regularly do health and safety due diligence, inspections, and audits.

Industrial hygienists assess the workplace on a regular basis for heat stress, ventilation, noise levels, lighting, and respirable suspended particulate matter (or "RSPM"). Based on their results, an action plan is created and discussed at monthly operations review and safety committee meetings.

CEAT conducted the following work-related health and safety trainings:

- IMS (ISO 14001:2015 and ISO 45001:2018)
- Internal Auditors training
- Lock Out, Tag Out ('LOTO')
- Machine guarding
- Work permit system
- Electrical safety
- Fire safety noise and vibration hazard
- Chemical safety Ergonomics
- Control of substances hazardous to health
- Hazard identification and risk assessment
- Accident reporting and investigation
- Emergency preparedness
- Environment aspect impact analysis
- Environment, health and safety laws
- Safety in manual material handling
- PPE
- Material safety data sheets
- Waste management
- Work at height safety

13. Number of complaints on the following made by employees and workers

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working conditions	1,128	210		9,528	376	
Health & safety	111	56		144	3	

14. Assessments for the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices*	100%
Working conditions**	100%

*Nashik, Halol, Nagpur and Chennai plants were assessed by the third-parties while Bhandup and Ambernath plants were assessed by the entity.

** The assessments were conducted by the entity.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/ concerns arising from assessments of health & safety practices and working conditions.

Internal evaluations of health and safety procedures and working conditions are conducted on a regular basis by CEAT, and recommendations for improvement are shared with the relevant business units and factories. The necessary remedial actions are outlined in a detailed action plan that is regularly reviewed in accordance with the QBM methodology. The Company continuously strives to improve the working conditions, and health and safety for its employees and workers.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes, the Company provides group term life insurance to its employees and workers.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company has comprehensive Sustainable Procurement Guidelines under which it ensures that the value chain partners comply with applicable laws and regulations of each region and country as well as the spirit thereof.

3. Provide the number of employees/workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Employees	0	0	0	0
Workers	0	0	0	0

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

The Company has tied up with a transition service assistance programme for identified employees whose services are separated, for a period of 6 months. The Company supports them in preparing resume and provide coaching and assist them in their job search process.

5. **Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety conditions	40%*
Working conditions	40%*

*The Company assesses all the suppliers once in every 3 years. The reported percentage is the aggregated number of the last 2 years.

6. **Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

Not Applicable

Principle 4:

Businesses should respect the interests of and be responsive to all its stakeholders.

Essential Indicators

1. **Describe the processes for identifying key stakeholder groups of the entity.**

The Company believes that the stakeholders play an integral role in its business operations and recognises the importance of engaging with stakeholders on a regular basis, and the need to understand their concerns, for long-term business sustainability. CEAT takes an inclusive approach towards stakeholders by engaging with them through meaningful dialogue and identifying the topics that are of high priority.

CEAT's stakeholders include individuals or groups that can influence or are impacted by its business. It has a robust stakeholder engagement process to assess and cater to their specific needs.

Through this mechanism, the Company has currently identified following internal and external stakeholder groups: Customers, Employees, Suppliers, Investors, Industry Association, Communities and NGOs.

2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Stakeholder group	Whether identified as vulnerable & marginalised group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community meetings, Notice board, Website), Other	Frequency of engagement (Annually/ half-yearly/ quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Investors - Shareholders & Debenture holders	No	Annual General Meetings (AGM), investor calls, website,email, intimations through stock exchanges & other statutory authority, newspaper, advertisement	Quarterly/ Annually/ Regularly	Disseminating and sharing of information to enable investors to make informed decisions, update and seek their approval on various matters as may be required.
Customers	No	Advertisement, newspaper, SMS, website, pamphlets, channel partners and customer contact centre, social media	Regularly	Product information, sales service and grievance redressal
Employees	No	Notice Board, internal communication, email	Regularly	Employee wellbeing, career development, safeworking environment and learning and development
Collaborators/ Partners	No	In-person meetings and partnership portals.	Periodically	Long-term partnerships, fair revenue distribution
Industry Association	No	Industry conferences, media releases, memberships in associations, regional industry events	Periodically	Compliance with regulations, Business collaborations
Suppliers	No	Supplier management portals, supplier surveys	Periodically	Reliable payment schedules, robust procurement policies, sustainability
Communities/NGOs	No	CSR initiatives, community grievance mechanism, public hearings	Periodically	Contribution to society, activities for the local communities, community satisfaction survey

Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the board.**

The Board periodically reviews the modes of communication and consultation methodology with the stakeholders. Toll free numbers have been activated to establish contact and also feedback is collected through google forms / surveys / tele-calling methods, etc.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into the policies and activities of the entity.**

Yes, the Company interacts with the stakeholders (employees, customers, value chain partners, regulatory authorities) on a regular basis. During the interaction, the Company acknowledges the concerns of the stakeholders and applicable recommendations are assessed and adopted into the business activities of the Company. It also presents various developments across the business functions in all relevant aspects including ESG.

For more information, refer annual report section on stakeholder engagement and materiality assessment.

3. **Provide details of instances of engagement with, and actions are taken to, address the concerns of vulnerable/ marginalised stakeholder groups.**

The Company conducted an in-person vendor meet including the ESG topic in March 2024 for supplier engagement with 159 vendors participating. CEAT's Vendor Satisfaction Survey revealed a happy supplier base of 89%, indicating a strong association across the supply chain. CEAT's vendor portal has vendor issue resolution module where query / concern raised by vendors are addressed.

The Company's focus is to improve and strengthen marginalised communities by addressing pressing environmental, social, and economic issues.

The Company distributed clean cooking stoves to the tribal people of Raigad District as part of its CSR initiatives. In addition to this, the Company is procuring natural rubber from the marginalised communities in Northeast India.

For more information, refer the Social and Relationship Capital.

Principle 5:

Businesses should respect and promote human rights

Essential Indicators

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Benefits	FY 2023-24			FY 2022-23		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	6,743	6,743	100%	6,364	6,364	100%
Other than permanent	1,597	1,597	100%	827	827	100%
Total employees	**8,340**	**8,340**	**100%**	**7,191**	**7,191**	**100%**
Permanent	1,850	1,850	100%	1,843	1,843	100%
Other than permanent	1,134	1,134	100%	NA	NA	NA
Total workers	**2,984**	**2,984**	**100%**	**1,843**	**1,843**	**100%**

2. **Details of minimum wages paid to employees and workers**

Benefits	FY 2023-24					FY 2022-23				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B /A)	No. (C)	% (C /A)		No. (E)	% (E /D)	No.(F)	% (F /D)
Employees										
Permanent										
Male	5,798	0	0%	5,798	100%	5,437	0	0%	5,437	100%
Female	945	0	0%	945	100%	927	0	0%	927	100%
Other than permanent										
Male	1,528	0	0%	1,528	100%	777	0	0%	777	100%
Female	64	0	0%	64	100%	44	0	0%	44	100%
Transgender	5	0	0%	5	100%	6	0	0%	6	100%
Workers										
Permanent										
Male	1,850	0	0%	1,850	100%	1,843	0	0%	1,843	100%
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other than permanent										
Male	1,121	0	0%	1,121	100%	NA	NA	NA	NA	NA
Female	13	0	0%	13	100%	NA	NA	NA	NA	NA

3. **Details of remuneration/salary/wages**

a. **Medium remuneration/wages:**

Gender	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
*Board of Directors (BoD)	10	22,95,000	2	11,25,000
**Key managerial personnel	2	4,91,22,829	1	82,57,150
Employees other than BoD and KMP	5,796	2,83,488	944	2,03,711
Workers	1,850	9,21,724	NA	NA

*Excludes Managing Director and CEO from BOD's & count included in KMP.

**The median remuneration excludes sitting fees and commission paid to the Directors during the reported FY24.

b. **Gross wages paid to females as % of total wages paid by the entity, in the following format:**

	FY 2023-24	FY 2022-23
Gross wages paid to females as % of total wage.	7.30%	7.13%

4. **Do you have a focal point (individual/ committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes, the ESG council periodically reviews and monitors the Human Rights Policy.

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

The Company has a detailed Human Rights Policy, wherein grievances can be raised with the Company as stated in the Policy. Concerns, if any, are taken by up to the ESG Council periodically.

6. **Number of complaints on the following made by employees and workers:**

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed During the year	Pending resolution at the end of year	Remarks
Sexual harassment	4	0	-	3	0	-
Discrimination at workplace	-	-	-	-	-	-
Child labour	-	-	-	-	-	-
Forced labour/Involuntary labour	-	-	-	-	-	-
Wages*	397	0	-	3,569	0	-
Other human rights related issues	-	-	-	-	-	-

*Includes concerns raised in the nature of queries, like status of payslip, details of deduction, unpaid leave calculation, etc.

7. **Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

	FY 2023-24	FY 2022-23
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	4	3
Complaints on POSH as a % of female employees / workers	0.39%	0.31%
Complaints on POSH upheld	4	3

8. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

CEAT believes that people are an integral part of the entire eco-system and the Company believes in protecting and respecting human rights by playing an affirmative role in the communities in which CEAT operates. The Company is committed to provide a platform where the fundamental rights of all stakeholders are protected while engaging with customers, employees, value chain partners, communities and investors as per the National / International policy frameworks.

The Company has set up Internal Complaints Committee (ICC) to independently evaluate the complaints as per Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal Act) 2013. Whistle Blower complaints are anonymised and shared with the Audit Committee of the Board at quarterly reviews.

Mr. Arnab Banerjee, MD & CEO and Mr. Somraj Roy, Senior Vice President - Human Resources addressed to a large scale gathering with all employees, wherein they emphasised the importance of having a zero-harassment workplace and also shared that regardless of level and grade, persons who have been found guilty have been separated from the organisation.

9. **Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

All business agreements and contracts which are entered into by the Company with any party include relevant clauses on the affirmation of applicable regulatory requirements which include human rights.

10. **Assessments of the year**

S. No.	% of your plants and offices that were assessed (by the entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	100%

11. **Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above.**

Internal evaluations of conformity with human rights policies and regulations are conducted on a regular basis by CEAT, and recommendations for enhancement are shared with the relevant business units and plants. The Company is always striving to make sure that its workers and staff follow relevant labor laws.

Leadership Indicators

1. **Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.**

The Company has not witnessed any concern that requires a change in business processes as a result of addressing human rights grievances/complaints.

2. **Details of the scope and coverage of any human rights due diligence conducted**

The Company's approach is to embed human rights in all parts of its business using ESG council expertise to guide and support the teams. This includes expertise within the Sustainability, Supply Chain, Procurement and Outsourcing teams. Human rights due diligence is necessary for businesses to proactively manage potential and actual adverse human rights impacts with which they are, or could be, involved.

3. **Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

CEAT recognises the importance of meeting the requirements of the Rights of Persons with Disabilities Act, 2016 and are taking proactive steps to support the needs of individuals with disabilities. The Company has implemented various measures to provide accessible infrastructure, including ramps, automated sliding doors and accessible guest room in several factories and offices. Additionally, the Company is preparing the remaining factories and offices for accessibility infrastructure and aim to achieve certification for 100% of the sites with the Minimum Mandatory Standards required under the Persons with Disabilities Act. CEAT believes that accessibility is an essential aspect of social responsibility and the Company is persistent in its efforts to create an inclusive environment for everyone.

4. **Details on assessment of value chain partners:**

The Responsible Partner Policy (RPP) sets out the requirements that must be met by the suppliers to enter into a business contract/agreement. The RPP and its Fundamental Principles embody the Company's commitment to responsible, transparent, and sustainable business.

Each fundamental principle of the RPP provides guidance on what is expected from the responsible and sustainable suppliers. The Company is committed to working with its suppliers on a journey of continuous improvement.

The Company also verifies the alignment and implementation of the RPP's mandatory requirements, using supplier self-declarations, online assessments and for designated high-risk countries and supplier types - independent verification, including third-party audits.

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual harassment	100*
Discrimination at workplace	
Child labour	
Forced/involuntary labour	
Wages	
Others (Working Hours, Safe and Healthy Working Environment, etc.)	

*The Company has a 'Supplier Quality Manual' which is a mandatory and confidential document to be signed by the suppliers during the on-boarding process as well as during regular intervals. The Supplier Quality Manual is a comprehensive document that includes all the important topics on all 3 parameters of Environment, Social, and Governance. The manual covers Human Rights (under social section) including the topics of Sexual Harassment, Discrimination at Workplace, Child labour, Forced/involuntary labour, Wages, Working Conditions, Safe and Healthy Working Environment, etc.

5. **Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above.**

CEAT expects its partners and their employees or contractors to report actual or suspected breaches of the Responsible Partner Policy. The Company investigates any non-conformity reported in good faith and discuss findings with the partner. If remediation is needed, the Company works with the partner to identify the root causes of the issue and to develop a time-bound corrective action plan to resolve the failure effectively and promptly. By working together with partners to overcome any issues, the Company supports the betterment of their businesses and, most importantly, promote respect for human rights.

Principle 6:

Businesses should respect and make efforts to protect and restore the environment.

Essential Indicators

1. **Details of total energy consumption (in Joules or multiples) and energy intensity:**

Parameter	FY 2023-24	FY 2022-23
For Renewable Sources (in GJ)		
Total electricity consumption (A) (Renewable Energy)	3,87,630	2,43,191
Total fuel consumption (B) (briquette)	14,58,579	15,10,639
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	**18,46,209**	**17,53,830**
From non-renewable sources (in GJ)		
Total electricity consumption (D) (grid electricity)	7,03,854	8,08,034
Total fuel consumption (E) (energy from coal, hsd, natural gas, ldo, fo)	10,71,132	9,38,955
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	**17,74,986**	**17,46,989**
Total energy consumed (A+B+C+D+E+F)	**36,21,195**	**35,00,819**
Energy intensity per rupee of turnover (in crore) (Total energy consumed / Revenue from operations)	304.49	310.82
Energy intensity per rupee of turnover (in crore) adjusted for Purchasing Power Parity (PPP)* (Total energy consumed / Revenue from operations adjusted for PPP)	**6,820.61**	**6,890.86**
Energy intensity in terms of physical output	7.85 GJ/MT	8.11 GJ/MT
Energy intensity (optional) – the relevant metric may be selected by the entity.		

*The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published by the IMF: FY 2023-24: 22.4 and FY 2022-23: 22.17 (Source: https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC).

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

2. **Does the entity have any sites/facilities identified as designated consumers (DCs) under the performance, achieve, and trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken if any.**

Not Applicable

3. **Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2023-24	FY 2022-23
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	67,206	54,262
(iii) Third-party water (municipal water supplies)	11,53,007	10,44,146
(iv) Seawater / desalinated water	0	0
(v) Others (Rain-water harvesting, etc.)	44,937	Not measured
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**12,65,150**	**10,98,408**
Total volume of water consumption (in kilolitres)	**12,15,583**	**10,98,408**
Water intensity per rupee of turnover (in crore) (water consumed / turnover)	102.21	97.52
Water intensity per rupee of turnover (in crore) adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)*	2,289.58	2,162.06
Water intensity in terms of physical output	2.63 KL/MT	2.54 KL/MT
Water intensity (optional) – the relevant metric may be selected by the entity		

*The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published by the IMF: FY 2023-24: 22.4 and FY 2022-23: 22.17 (Source: https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC).

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

4. **Provide the following details related to water discharged:**

Parameter	FY 2023-24	FY 2022-23
Water discharge by destination and level of treatment (in kiloliters).		
(i) To Surface water	0	0
- No Treatment	0	0
- With treatment-please specify level of treatment	0	0
(ii) To Groundwater	0	0
- No Treatment	0	0
- With treatment-please specify level of treatment	0	0
(iii) To Seawater	0	0
- No Treatment	0	0
- With treatment-please specify level of treatment	0	0
(iv) Sent to third parties	0	0
- No Treatment	0	0
- With treatment-please specify level of treatment	12,058*	19,161
(v) Others	0	0
- No Treatment	0	0
- With treatment-please specify level of treatment	0	0
Total water discharged (in kiloliters)	0	0

*The difference in the data is due to evaporation loss.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

5. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

Yes, Three Zero Liquid Discharge (or "ZLD") facilities are owned by CEAT. Through efficient use of water resources, CEAT is dedicated to ensuring water stewardship. The Company's Nagpur, Chennai and Ambernath plants are Zero Liquid Discharge (ZLD) certified facilities. Additionally, CEAT's Nashik and Halol plants are recycling and reusing the treated water within the premises.

6. **Please provide details of air emissions (other than GHG emissions) by the entity:**

Parameter	Unit	FY 2023-24	FY 2022-23
NOx	MT	98.68	102.36
SOx	MT	138.93	225.65
Particulate matter (PM)	MT	254.83	421.94
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	NA	NA	NA
Hazardous air pollutants (HAP)	NA	NA	NA
Others – Please specify.	NIL		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

7. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity:**

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO_2 equivalent	73,976	66,841
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO_2 equivalent	1,39,989	1,60,485
Total Scope 1 and Scope 2 emissions per rupee of turnover (in crore) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)		17.99	20.18
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (in crore) adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)*		403.01	447.46
Total Scope 1 and Scope 2 emission intensity in terms of physical output		0.46 MTCO2e/MT	0.53 MTCO2e/MT
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity			

**The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published by the IMF: FY 2023-24: 22.4 and FY 2022-23: 22.17 (Source: https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC).

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

8. **Does the entity have any project related to reducing greenhouse gas emission? If yes, then provide details.**

CEAT has commitment to reduce its emissions by 50% by 2030. To achieve this ambitious target, the Company is working on multiple aspects such as alternate fuels, energy efficiency, transition to renewable energy and network optimisation in logistics and supply chain in order to eliminate the avoidable emissions in the procurement, manufacturing and distribution phase.

The Company is consistently progressing towards resource efficient and green products. CEAT has introduced various segments of tyres with low rolling resistance which has resulted into the better mileage experience and emission reduction.

For more information you may refer the Natural Capital section and Supply Chain Sustainability section of the Integrated Report.

9. **Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2023-24	FY 2022-23
Total waste generated (in metric tonnes)		
Plastic waste **(A)**	1,164.43	734.03
E-waste **(B)**	39.67	4.46
Bio-medical waste **(C)**	0.07	3.65
Construction and demolition waste **(D)**	7	2,985
Battery waste **(E)**	3.03	9.1
Radioactive waste **(F)**	0	0
Other Hazardous waste: (Used/Spent oil, Oil-Soaked Cotton Waste, Discarded containers, barrels, Liners contaminated with hazardous wastes/chemicals, Medical Waste, etc.) **(G)**	829.76	746.68
Other Non-hazardous waste generated **(H)**. Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	15,493.83	14,906.20
Total (A+B + C + D + E + F + G + H)	**17,537.79**	**19,389.12**
Waste intensity per rupee of Turnover (in crore) (Total waste generated /Revenue from operations)	1.47	1.72
Waste intensity per rupee of turnover (in crore) adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)*	33.03	38.16
Waste intensity in terms of physical output	0.04 MT/MT	0.04 MT/MT
Waste intensity (optional) – the relevant metric may be selected by the entity.		
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	16,748.54	18,996.78
(ii) Re-used	249	0
(iii) Other recovery operations	147.84	74.49
Total	**17,145.38**	**19,071.27**
For each category of waste generated, total waste disposed of by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	193.08	97.09
(ii) Landfilling	89.81	30.41
(iii) Other disposal operations	70.42	-
Total	**353.31**	**127.50**

*The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published by the IMF: FY 2023-24: 22.4 and FY 2022-23: 22.17 (Source: https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC).

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

10. **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce the usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

The Company practices environmentally conscious and compliance waste management for both hazardous and non-hazardous wastes. Through the application of the 4R principle—Reduce, Reuse, Recover, and Recycle—in its operations, the Company hopes to minimise waste generation, establish industry standards for waste management practices, and eventually move towards zero waste to landfill. All business processes are assessed for possible waste creation prior to operation, in accordance with the regulatory standards. The Company then looks into alternative resources, technology, and procedures that will allow waste generation optimisation in order to handle those wastes. These procedures are regularly reviewed, the necessary improvement measures are put in place, and they are consistently observed during business operations.

According to EPR, CEAT is registered as the brand owner (PWMR). The Company is also working with the Automotive Tyre Manufacturers Association, or "ATMA," to develop a framework for managing tyres that are nearing the end of their useful lives.

11. **If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones, etc.) where environmental approvals/clearances are required, please specify details in the following format:**

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not Applicable			

12. **Details of Environmental Impact Assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

Name and brief details of project	EIA notification no.	Date	Whether conducted by independent external agency(Yes / No)	Results communicated in public domain (Yes / No)	Relevant web link
The Company has not undertaken EIA assessment in FY 2023-24					

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13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (prevention and control of pollution) Act, Air (prevention and control of pollution) Act, Environment Protection Act, and rules there under (Y/N). If not, provide details of all such non-compliances, In the following format:

S. No.	Specify the law/ regulation /guidelines which was not complied with	Provide details of the non-compliance	Any fines /penalties /action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken if any
1	Pollution control norms	Pursuant to Regulation 30 and 51 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company received an email from the Maharashtra Pollution Control Board on November 04, 2023 which directed the Company to close down operations at Bhandup facility in view of certain alleged violations of the pollution control norms.	The Maharashtra Pollution Control Board on November 04, 2023 which directed the Company to close down operations at Bhandup facility in view of certain alleged violations of the pollution control norms.	After the submission of the compliance report to MPCB, the Company was permitted to restart the operations at the Bhandup plant on November 13, 2023.

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

According to the Central Ground Water Board (CGWB) reports 2023: https://cgwb.gov.in/cgwbpnm/public/uploads/documents/17056512151889452705file.pdf, none of CEAT's plants fall under the water stress areas.

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area: NA

(ii) Nature of operations: NA

(iii) Water withdrawal, consumption and discharge: NA

Parameter	FY 2023-24	FY 2022-23
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	0	0
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres)	0	0
Total volume of water consumption (in kilolitres)	0	0
Water intensity per rupee of turnover (in crore) (Water consumed / turnover)	0	0
Water intensity (optional) – the relevant metric may be selected by the entity	0	0
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into surface water	0	0
- No Treatment	0	0
- With treatment-please specify level of treatment	0	0
(ii) Into groundwater	0	0
- No Treatment	0	0
- With treatment-please specify level of treatment	0	0
(iii) Into seawater	0	0
- No Treatment	0	0
- With treatment-please specify level of treatment	0	0
(iv) Sent to third parties	0	0
- No Treatment	0	0
- With treatment-please specify level of treatment	0	0
(v) Others	0	0
- No Treatment	0	0
- With treatment-please specify level of treatment	0	0
Total water discharged (in kilolitres)	0	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

2. Please provide details of total Scope 3 emissions & their intensity:

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO_2 equivalent	1,65,090	1,64,320
Total Scope 3 emissions per rupee of turnover (in crore)		**13.88**	**14.59**
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

3. With respect to the ecologically sensitive areas reported at Question 11 of essential indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along with prevention and remediation activities.

None of the plants fall in ecologically sensitive areas.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge/waste generated, please provide details of the same as well as the outcome of such initiatives:

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	CEAT Sustainmax Tyres	"Sustainmax" is a high-end Very-high Flexion (VF) tyre with 81.0% sustainable material, designed by CEAT keeping VF tyre properties like soil compaction, fuel efficiency, tear resistance and load carrying capacity intact". Sustainmax tyre designed with renewable raw materials sourced from bio source such as natural rubber, rice husk silica, bio-based resin, as well as recycled material such as recovered carbon black, reclaimed rubber, and polyester from scrapped PET bottles.	It is designed for delivering same load carrying capability as regular VF tyre. Additionally, tyre footprint is also similar compared to CEAT regular VF tyre, which ensure low level of soil compaction. For more information refer to Natural Capital.
2	BEE Labels	CEAT has launched 70+ SKUs that are BEE 5-star rated. For more information refer: https://www.ceat.com/campaign/star-rating.html	CEAT has BEE 5-star rated products that have superior grip, low-noise technology and low rolling resistance which is fuel-economical. For more details, refer Intellectual Capital section.

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes, the Company has a business continuity plan and disaster management plan for all its business operations. CEAT's risk management committee reviews the plan on regular basis and updates it as and when required. The Company assesses the risks and actions for mitigation on an annual basis.

The risk management committee helps in achieving its strategic approach, safeguards its interests, and fortifies its capacity to reduce and eliminate risks. It also makes it possible for business operations to continue generating value for its stakeholders without any interruption. With clearly defined policies, processes, and standards that facilitate planning and communication with all stakeholders, the risk management framework is managed efficiently.

For more details, refer the Management Discussion and Analysis section.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

CEAT regularly assesses and engages with its value chain partners. During the interaction, the Company highlights its progress and commitment on ESG and encourages the value chain partners to adopt the best practices around ESG which includes health and safety, human rights, environment management and regulatory compliance management.

7. Percentage of value chain partners (by the value of business done with such partners) that were assessed for environmental impacts.

The Company is assessing all its value chain partners for environment and social impacts on a regular basis.

Principle 7:

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/ associations.**

The Company is affiliated with 2 trade and industry chambers/associations.

b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such a body) the entity is a member of/ affiliated to.**

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Automotive Tyre Manufacturers Association ('ATMA')	National
2	Federation of Indian Chambers of Commerce & Industry ('FICCI')	National

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Name of authority	Brief of the case	Corrective action taken
Competition Commission of India	The Competition Commission of India ('CCI') on February 02, 2022 had released its order dated August 31, 2018 against the Company and other Tyre Manufacturers and also the Automotive Tyre Manufacturer Association (ATMA) concerning contravention of the provisions of the Competition Act, 2002 in the year 2011-12 and imposed a penalty of ₹ 252.16 crores on the Company. The Company had filed an appeal against the CCI Order before the Honourable National Company Law Appellate Tribunal (NCLAT). NCLAT in its order dated December 01, 2022, has remitted the matter back to the CCI to re-examine the order and to consider reviewing the penalty pointing out certain errors leading to wrong conclusions. CCI has filed an Appeal before the Supreme Court against the Order passed by the NCLAT. Company is also a Respondent in the said Appeal and has filed its reply to the CCI's appeal on 28.12.2023. No interim order has been passed by the Supreme Court. The Appeal is pending before the Supreme Court.	The order passed by the CCI has been remanded back to CCI by NCLAT. The Company believes that it has a strong case and there are no adverse orders against the Company for indulging in anticompetitive practices.

Leadership Indicators

1. **Details of public policy positions advocated by the entity:**

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in the public domain? (Yes/No)	Frequency of review by board (Annually/ half yearly/ quarterly / others – please specify)	Web-link, if available
1	With support from the industry associations and other platforms, CEAT highlights on the relevant public policy issues. CEAT uses the RPG Code of Conduct as a guideline for advocacy on the public policy. For more information, refer to CEAT Public Advocacy Policy: https://www.ceat.com/content/dam/ceat/pdf/CEAT%20Public%20Advocacy%20Policy.pdf				

Principle 8:

Businesses should promote inclusive growth and equitable development.

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and brief details of project	SIA notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant web link
Not Applicable					

2. **Provide information on the project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:**

S. No.	Name of project for which R&R is ongoing	State	District	No. of project affected families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (₹)
Not Applicable						

3. **Describe the mechanisms to receive and redress grievances of the community.**

CEAT regularly conducts Community Satisfaction Survey and people engaged in employment and community development programs participate in the Survey. In FY 2023-24, CEAT's Chennai plant conducted community satisfaction survey with 100 respondents and the degree of satisfaction aggregated to 92%.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/ small producers	4.1%	8.21%
Sourced directly from within the district and neighboring India	15.8%	14.9%

5. **Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost**

Location	FY 2023-24	FY 2022-23
Rural	11.86%	11.31%
Semi-Urban	0.00%	0.00%
Urban	1.56%	1.51%
Metropolitan	86.58%	87.18%

(Place to be categorised as per RBI Classification System - rural / semi-urban / urban / metropolitan)

Leadership Indicators

1. **Provide details of actions taken to mitigate any negative social impacts identified in the social impact assessments (Reference: Question 1 of essential indicators above):**

Details of negative social impact identified	Corrective action taken
Not Applicable as the Company has not conducted the impact assessment in FY 2023-24	

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

S. No.	State	Aspirational district	Amount spent (In ₹)
1	Maharashtra	Nandurbar	1,81,476
2	Maharashtra	Jalgaon	1,81,476

Note: CEAT has not started any new projects in the above designated aspirational districts in the reporting year. The Company has only monitored the progress of existing projects. The reported amount relates to the cost of monitoring these projects.

3. (a) **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised/ vulnerable groups?**

The Company has Sustainable Supply Chain Policy and Supplier Code of Conduct.

(b) **From which marginalised/vulnerable groups do you procure?**

The Company has a Sustainable Supply Chain Policy and Supplier Code of Conduct. The Company always creates opportunity for the local communities with respect to the local procurement in order to ensure sustainable sourcing of materials wherever applicable.

In addition, CEAT has established a strong network of rubber dealers. The Company provides regular training on quality upgradation to dealers, their workmen and their catchment farming community and sensitises them on ESG initiatives.

(c) **What percentage of total procurement (by value) does it constitute?**

The Company is in the process of assessing the total procurement by marginalised/vulnerable groups.

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

S. No.	Intellectual property based on traditional knowledge	Owned/acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
NA	In the reporting year, CEAT has not owned or acquired any intellectual property based on traditional knowledge from the communities.	NA	NA	NA

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property-related disputes wherein usage of traditional knowledge is involved.**

Name of the authority	Brief the Case	Corrective action taken
NA	NA	NA

6. **Details of beneficiaries of CSR projects:**

S. No.	CSR project	No. of persons benefited from CSR projects	% of beneficiaries from vulnerable and marginalised groups
1.	Education- Pehlay Akshar	7,153	100%
2.	Employability	516	100%
3.	Heritage	6,000+	100%
4	Community Development	89,631	100%

Principle 9:

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

Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

There are several ways for domestic customers (i.e., those in all of India) to file complaints. Through a toll-free number 1800 22 1213, they can get in touch with Customer Contact Centers and Channel Partners. As an alternative, customers can contact CEAT via customercare@ceat.com or the official website, WhatsApp, social media handles, and letters. A comprehensive policy on product stewardship and customer care is also available from the Company at https://www.ceat.com/corporate/sustainability.html.

CEAT's customer contact Center has a thorough grievance resolution procedure in place to address customer concerns that come in through all possible routes. In addition, an online portal to address the grievances and feedback of international business customers has been created.

End-to-end loop closure and timely resolution of grievances are facilitated by a pre-established escalation matrix.

Please refer to the Social and Relationship Capital section of the Integrated Report for further details.

2. **Turnover of products and/or services as a percentage of turnover from all products/services that carry information about:**

S. No.	As a % to total turnover
Environmental and social parameters relevant to the product	35.95%
Safe and responsible usage	100%
Recycling and/or safe disposal	CEAT is committed to follow the government mandate as per CPCB and SPCB guidelines on Consent to Operate and obligation of Extended Producers Responsibility (EPR) for sustainable and safe end of life management of tyres. As per the law, CEAT will purchase the EPR credits equivalent to year wise percentage tonnage obligation as prescribed by the EPR gazette and comply with it.

3. **Number of consumer complaints in respect of the following:**

	FY 2023-24			FY 2022-23		
	Receive during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	-	-	-	-	-	-
Advertising	0	0	NA	0	0	NA
Cyber-security	-	-	-	-	-	-
Delivery of essential services	-	-	-	-	-	-
Restrictive trade practices	-	-	-	-	-	-
Unfair trade practices	-	-	-	-	-	-
Other (consumer complaints)	19,421	33	0.17% pending as on March 31, 2024	19,259	77	0.40% pending as on March 31, 2023

4. **Details of instances of product recalls on account of safety issues.**

	Number	Reason for Recall
Voluntary recalls	0	Not Applicable
Forced recalls	0	Not Applicable

5. **Does the entity have a framework/policy on cyber security and risks related to data privacy? If available, provide a web link to the policy.**

   Yes. The Company has an Enterprise Risk Management framework covering cyber security and risk related to data privacy. The Company also has a Privacy Policy as well which is available at www.ceat.com. For any grievances related to cyber security and risks related to data privacy you may refer https://www.ceat.com/corporate/sustainability.html

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on the safety of products/services.**

   Throughout the year, there were no such incidents that required corrective actions.

7. **Provide the following information relating to data breaches:**

   a. **Number of instances of data breaches**

      The Company did not have any data breaches in FY 2023-24.

   b. **Percentage of data breaches involving personally identifiable information of customers**

      Not Applicable

   c. **Impact, if any, of the data breaches**

      Not Applicable

Leadership Indicators

1. **Channels/platforms where information on products and services of the entity can be accessed.**

   The information on products and services is available on Company's website www.ceat.com.

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

   The Company regularly undertakes safety campaigns to inform and educate consumers about safe and responsible usage of the products. Additionally, the Company has a detailed warranty policy https://www.ceat.com/warranty-information-page.html which is shared with the channel partners and end customers along with the FAQs.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

   CEAT has robust mechanism and policies to engage effectively with its customers in the value chain such as dealers, distributors and OEMs. All the communications related to business activities are made in advance with the relevant stakeholders through the customer and dealer portals, followed by email and telephonic communication.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity, or the entity as a whole? (Yes/No)**

   CEAT displays product information and ensures compliance with the relevant guidelines that are mandated as per law.

   The Company carries out Net Promoter Score (NPS) survey for the customers during purchase and claim stage. Furthermore, a yearly survey is sent to the channel partners & OEMs to evaluate the level of customer satisfaction.

Standalone
Financial Statements

Independent Auditor's Report

To the Members of CEAT Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of CEAT Limited (the "Company") which comprise the standalone balance sheet as at 31 March 2024, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter

See Note 26 to standalone financial statements

Revenue recognition on Sale of Products	How the matter was addressed in our audit
The Company recognises revenue from the sales of products when control over goods is transferred to the customer based on specific terms and conditions of sale contracts with respective customers. We have identified recognition of revenue on sale of products as a key audit matter as – ◈ revenue is a key performance indicator; and ◈ there is a presumed fraud risk of revenue being overstated through manipulation of the timing of transfer of control due to pressures to achieve performance targets as well as meeting external expectations.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: ◈ Assessed the appropriateness of the policies in respect of revenue recognition by comparing with applicable accounting standards. ◈ Performed testing of design, implementation and operating effectiveness of the Company's general Information Technology ('IT') controls over revenue recognition and key IT application controls by involving our IT specialists. ◈ Performed testing of design, implementation and operating effectiveness of the Company's key manual controls around revenue recognition. ◈ Performed substantive testing (including year-end cut-off testing) of recognition of revenue in the correct period by selecting statistical samples of revenue transactions recorded during and at the end of the financial year. ◈ Examined the underlying documents such as sales invoices/ contracts and dispatch/ shipping documents for the selected transactions. ◈ Assessed manual journals posted in revenue ledger to identify any unusual items.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and auditor's report thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, applicable under the applicable laws and regulations.

Management's and Board of Directors' Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

◈ Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

◈ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

◈ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

◈ Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

◈ Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for certain matters in respect of audit trail as stated in the paragraph 2B(f) below.

c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

f. the qualification relating to maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(A)(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) of below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its standalone financial statements - Refer Note 38 to the standalone financial statements.

b. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 41 to the standalone financial statements.

c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 47(v) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 47(vi) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 17 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

f. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility except that, the audit trail was not enabled at the database level to log any direct data changes. For accounting software for which audit trail feature is enabled, the audit trail facility has been operating throughout the year for all relevant transactions recorded in the software and we did not come across any instance of audit trail feature being tampered with during the course of our audit.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration payable by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration payable to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Sadashiv Shetty
Partner
Membership No.: 048648
ICAI UDIN:24048648BKFQHA3212

Place: Mumbai
Date: 02 May 2024

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Ceat Limited

for the year ended 31 March 2024

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year.For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments in companies, in respect of which the requisite information is as below. The Company has not made any investments in firms, limited liability partnership or any other parties.

(a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made during the year are, prima facie, not prejudicial to the interest of the Company. Further the Company has not provided guarantees, security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.

(c) According to the information and explanations given to us and based on the audit procedures conducted by us, the Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us and based on the audit procedures conducted by us, the Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.

(e) According to the information and explanations given to us and based on the audit procedures conducted by us, the Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.

(f) According to the information and explanations given to us and based on the audit procedures conducted by us, the Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.

(v) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has complied with the provisions of Sections 73 to 76 or other relevant provisions of the Act and the rules framed thereunder where applicable and the directives issued by the Reserve Bank of India as applicable, with regard to deposits or amounts which are deemed to be deposits. As informed to us, there have been no proceedings before the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal in this matter and no order has been passed by any of the aforesaid authorities in this regard.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Employees State Insurance, Provident Fund, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited with the appropriate authorities, though there have been slight delays in a few cases of profession tax .

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs, professional tax, provident fund or Cess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Direct Tax	Income Tax, Interest, penalty	1,131	2011-12	High Court	
Direct Tax	Income Tax, Interest, penalty	6,545	1998-99, 1999-00, 2000-01, 2001-02, 2007-08, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17, 2017-18, 2018-19, 2019-20, 2020-21, 2021-22	CIT (Appeals)	
Direct Tax	Income Tax, Interest, penalty	80	2017-2019	Indonesian Tax Authorities	
Direct Tax	Income Tax, Interest, penalty	15	2021-22	ITAT	
Sales Tax, VAT, CST	Tax/Interest and Penalty	1,437	1995-2018	Tribunal Appeal	
Sales Tax, VAT, CST	Tax/Interest and Penalty	126	1995-2018	High Court	
Sales Tax, VAT, CST	Tax/Interest and Penalty	992	1995-2018	Appellate authority	
Central/Excise/Custom Service Tax under the Finance Act 1994	Tax/Interest and Penalty	8,707	1991-2018	High Court	
Central/Excise/Custom Service Tax under the Finance Act 1994	Tax/Interest and Penalty	27,677	1991-2018	Adjudicating officer	
Central/Excise/Custom Service Tax under the Finance Act 1994	Tax/Interest and Penalty	6,249	1991-2018	Appellate authority and Tribunal	

Name of the statute	Nature of the dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Goods and service tax 2017	Tax/Interest and Penalty	900	1991-2018	Supreme Court	
Goods and service tax 2017	Tax/Interest and Penalty	13,674	2017-2021	Superintendent, Assistant Commissioner, Deputy commissioner and Joint Commissioner of CGST and SGST	
Goods and service tax 2017	Tax/Interest and Penalty	2,544	2017-2021	Commissioner appeals / Tribunal	

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associate or joint ventures as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate company (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

Also refer to the Other Information paragraph of our main audit report which explains that the other information comprising the information included in Company's annual report is expected to be made available to us after the date of this auditor's report.

(xx) (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is not applicable.

(b) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any ongoing project. Accordingly, clause 3(xx)(b) of the Order is not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Sadashiv Shetty
Partner
Membership No.: 048648
ICAI UDIN:24048648BKFQHA3212

Place: Mumbai
Date: 02 May 2024

Annexure B to the Independent Auditor's Report on the Standalone Financial Statements of Ceat Limited

for the year ended 31 March 2024

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of CEAT Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Sadashiv Shetty
Partner
Membership No.: 048648
ICAI UDIN:24048648BKFQHA3212

Place: Mumbai
Date: 02 May 2024

Standalone Balance Sheet

as at March 31, 2024

(₹ in lakhs)

Particulars	Note	As at March 31, 2024 Audited	As at March 31, 2023 Audited
I Assets			
(1) Non-current assets			
(a) Property, plant and equipment	3	5,92,539	5,71,612
(b) Capital work-in-progress	3	65,911	50,931
(c) Right-of-use asset	4	24,692	29,203
(d) Intangible assets	5	7,392	8,780
(e) Intangible assets under development	5	2,440	2,748
(f) Financial assets			
(i) Investments	6	15,573	13,027
(ii) Other financial assets	7	808	812
(g) Non-current tax assets (net)	21	2,645	1,414
(h) Other non-current assets	8	8,451	4,719
Total non-current assets (1)		**7,20,451**	**6,83,246**
(2) Current assets			
(a) Inventories	9	1,13,414	1,12,408
(b) Financial assets			
(i) Trade receivables	10	1,27,597	1,30,283
(ii) Cash and cash equivalents	11	3,220	5,024
(iii) Bank balances other than (ii) above	12	249	289
(iv) Other financial assets	13	6,540	4,287
(c) Other current assets	14	11,374	11,376
Total current assets (2)		**2,62,394**	**2,63,667**
Total assets [(1) + (2)]		**9,82,845**	**9,46,913**
II Equity And Liabilities			
(1) Equity			
(a) Equity share capital	15	4,045	4,045
(b) Other equity	16	3,91,067	3,30,515
Total equity (1)		**3,95,112**	**3,34,560**
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	95,660	1,44,056
(ii) Lease liabilities	4	10,170	13,055
(iii) Other financial liabilities	19	2,117	1,881
(b) Provisions	20	7,797	4,730
(c) Deferred tax liabilities (net)	21	43,894	37,998
Total non-current liabilities (2)		**1,59,638**	**2,01,720**
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	63,637	62,517
(ii) Lease liabilities	4	6,085	7,222
(iii) Trade payables	23		
- Total outstanding dues of micro enterprises and small enterprises		9,852	8,128
- Total outstanding dues of creditors other than micro enterprises and small enterprises		2,23,412	2,18,955
(iv) Other financial liabilities	24	85,273	83,737
(b) Other current liabilities	25	27,656	15,036
(c) Provisions	20	10,528	14,034
(d) Current tax liabilities (net)	21	1,652	1,004
Total current liabilities (3)		**4,28,095**	**4,10,633**
Total equity and liabilities [(1) + (2) + (3)]		**9,82,845**	**9,46,913**
Material accounting policies	2		

The accompanying notes are an integral part of the standalone financial statements.

For and on behalf of Board of Directors of CEAT Limited
CIN : L25100MH1958PLC011041

As per our report of even date
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No: 101248W/W-100022

Kumar Subbiah
Chief Financial Officer

H. V. Goenka
Chairman
[DIN:00026726]

Anant Goenka
Vice-Chairman
[DIN:02089850]

Sadashiv Shetty
Partner
Membership Number : 048648
Place: Mumbai
Date: May 02, 2024

Vallari Gupte
Company Secretary
Place: Mumbai
Date: May 02, 2024

Arnab Banerjee
Managing Director
[DIN:06559516]

Mahesh Gupta
Chairman- Audit Committee
[DIN:00046810]

Standalone Statement of Profit and Loss

for the year ended March 31, 2024

(₹ in lakhs)

Particulars	Note	2023-24	2022-23
Revenue from operations	26	11,89,260	11,26,326
Other income	27	2,627	3,866
I Total income		**11,91,887**	**11,30,192**
Expenses			
Cost of materials consumed	28	6,92,363	7,35,074
Purchases of stock-in-trade		614	990
Changes in inventories of finished goods, stock-in-trade and work-in-progress	29	(3,381)	(499)
Employee benefit expense	30	83,358	72,536
Finance costs	31	26,586	23,904
Depreciation and amortisation expenses	32	50,836	46,925
Other expenses	33	2,50,738	2,20,499
II Total expenses		**11,01,114**	**10,99,429**
III Profit before exceptional items and tax		**90,773**	**30,763**
IV Exceptional items	34	4,251	3,342
V Profit before tax		**86,522**	**27,421**
VI Tax expense	21	**21,092**	**6,794**
Current tax		15,188	(368)
Deferred tax		5,904	7,162
VII Profit for the year		**65,430**	**20,627**
VIII Other Comprehensive Income			
(a) Items that will not be reclassified to profit or loss			
(i) Remeasurements gains / (losses) on defined benefit plans		237	(990)
(ii) Income tax relating to above		(60)	249
(b) Items that will be reclassified to profit or loss			
(i) Effective portion of gains (losses) on hedging instruments in cash flow hedges		(268)	1,150
(ii) Income tax relating to above		67	(289)
Other comprehensive income / (loss) for the year		**(24)**	**120**
IX Total Comprehensive Income for the year (Comprising profit and other comprehensive income / (loss) for the year)		**65,406**	**20,747**
X Earnings per equity share (of face value of ₹ 10 each)	36		
(a) Basic (in ₹)		161.75	50.99
(b) Diluted (in ₹)		161.75	50.99
Material accounting policies	2		

The accompanying notes are an integral part of the standalone financial statements.

For and on behalf of Board of Directors of CEAT Limited
CIN : L25100MH1958PLC011041

As per our report of even date
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No: 101248W/W-100022

Kumar Subbiah
Chief Financial Officer

H. V. Goenka
Chairman
[DIN:00026726]

Anant Goenka
Vice-Chairman
[DIN:02089850]

Sadashiv Shetty
Partner
Membership Number : 048648
Place: Mumbai
Date: May 02, 2024

Vallari Gupte
Company Secretary
Place: Mumbai
Date: May 02, 2024

Arnab Banerjee
Managing Director
[DIN:06559516]

Mahesh Gupta
Chairman- Audit Committee
[DIN:00046810]

Standalone Statement of Cash Flow

for the year ended March 31, 2024

(₹ in lakhs)

Particulars	2023-24	2022-23
I CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	**86,522**	**27,421**
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortization expenses	50,836	46,925
Interest income	(413)	(778)
Finance costs	26,586	23,904
Dividend income	(1,372)	(2,255)
Provision/(Reversal) for obsolescence of stores and spares	-	(6)
Allowance/(Reversal) for doubtful debts and advances	101	69
Gain on sale of mutual funds	(29)	-
(Profit) / Loss on disposal of property, plant and equipment (net)	28	(48)
(Gain)/ loss arising on investments measured at fair value through profit or loss	34	(14)
Unrealised foreign exchange (gain) / loss (net)	(325)	711
Operating profit before working capital changes	**1,61,968**	**95,929**
Adjustments for :		
Decrease / (Increase) in inventories	(1,006)	16,249
Decrease / (Increase) in trade receivables	2,586	(15,043)
Decrease / (Increase) in other current assets and other current financial assets	(2,325)	(3,794)
Decrease / (Increase) in other non-current assets and other non-current financial assets	(266)	(81)
(Decrease) / Increase in trade payables	6,599	10,245
(Decrease) / Increase in current financial liabilites and other current liabilities	21,667	12,395
(Decrease) / Increase in current provisions	(4,127)	565
(Decrease) / Increase in non-current provisions	3,067	616
Cash flows from operating activities	**1,88,163**	**1,17,081**
Income taxes (paid) / refund	(15,772)	4,442
Net cash flow generated from operating activities (I)	**1,72,391**	**1,21,523**
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)	(86,651)	(88,916)
Proceeds from sale of property, plant and equipment	50	124
Withdrawal/(Investment) of margin money deposit with banks	-	95
Changes in other bank balances	7	78
Investment in subsidiaries	(2,580)	(61)
Purchase of other non current investments	-	(350)
Purchase of mutual funds	(47,040)	-
Proceeds from sale of mutual funds	47,069	-
Interest received	385	778
Dividend received	1,372	2,255
Net cash flow (used in) investing activities (II)	**(87,388)**	**(85,997)**

Standalone Statement of Cash Flow

for the year ended March 31, 2024

(₹ in lakhs)

Particulars	2023-24	2022-23
III CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(25,496)	(20,615)
Proceeds / (repayment) of short-term borrowings (net)	8,246	586
Proceeds from long-term borrowings	-	15,487
Repayment of long-term borrowings	(55,523)	(16,640)
Payment of Lease Liabilities	(9,180)	(9,357)
Dividend paid	(4,854)	(1,263)
Net cash flows (used in) financing activities (III)	**(86,807)**	**(31,802)**
Net increase / (decrease) in cash and cash equivalents (I + II + III)	**(1,804)**	**3,724**
Cash and cash equivalents at the beginning of the year	**5,024**	**1,300**
Cash and cash equivalents at the end of the year	**3,220**	**5,024**

Reconciliation forming Statement of Cash Flows

Changes in liabilities arising from financing activities

(₹ in lakhs)

Particulars	Short-term borrowings	Long-term borrowings*	Interest accrued but not due on borrowing
March 31, 2022	**21,414**	**1,85,726**	**1,347**
Interest accrued during the year	-	-	22,510
Cash flows	586	(1,153)	(20,615)
March 31, 2023	**22,000**	**1,84,573**	**3,242**
Interest accrued during the year	-	-	24,129
Cash flows	8,246	(55,523)	(25,496)
March 31, 2024	**30,246**	**1,29,050**	**1,875**

* includes current maturities of long-term borrowings

a) Refer note 4(b) for changes in lease liabilities arising from financing activities

The accompanying notes are an integral part of the standalone financial statements.

For and on behalf of Board of Directors of CEAT Limited
CIN : L25100MH1958PLC011041

As per our report of even date
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No: 101248W/W-100022

Sadashiv Shetty
Partner
Membership Number : 048648
Place: Mumbai
Date: May 02, 2024

Kumar Subbiah
Chief Financial Officer

Vallari Gupte
Company Secretary
Place: Mumbai
Date: May 02, 2024

H. V. Goenka
Chairman
[DIN:00026726]

Arnab Banerjee
Managing Director
[DIN:06559516]

Anant Goenka
Vice-Chairman
[DIN:02089850]

Mahesh Gupta
Chairman- Audit Committee
[DIN:00046810]

Standalone Statement of Changes in Equity

for the year ended March 31, 2024

A. Equity Share Capital

(₹ in lakhs)

Particulars	Amount
As at April 01, 2022	**4,045**
Changes during the year	-
As at March 31, 2023	**4,045**
Changes during the year	-
As at March 31, 2024	**4,045**

B. Other Equity

(₹ in lakhs)

Particulars	Reserves & Surplus					Item of Other Comprehensive income (OCI)	Other Equity
	Securities premium (refer note 16(a))	Capital Reserve (refer note 16(b))	Capital redemption reserve (refer note 16(c))	General Reserve (refer note 16(e))	Retained earnings (refer note 16(f))	Effective portion of cash flow hedges (refer note 16(d))	
As at April 01, 2022	**56,703**	**1,177**	**390**	**25,178**	**2,28,289**	**(755)**	**3,10,982**
Profit for the year	-	-	-	-	20,627	-	20,627
Other comprehensive income/(loss)	-	-	-	-	(741)	861	120
Payment of dividend (refer note 17)	-	-	-	-	(1,214)	-	(1,214)
As at March 31, 2023	**56,703**	**1,177**	**390**	**25,178**	**2,46,961**	**106**	**3,30,515**
Profit for the year	-	-	-	-	65,430	-	65,430
Other comprehensive income/(loss)	-	-	-	-	177	(201)	(24)
Payment of dividend (refer note 17)	-	-	-	-	(4,854)	-	(4,854)
As at March 31, 2024	**56,703**	**1,177**	**390**	**25,178**	**3,07,714**	**(95)**	**3,91,067**

Refer note no.16 - other equity

The accompanying notes are an integral part of the standalone financial statements.

For and on behalf of Board of Directors of CEAT Limited
CIN : L25100MH1958PLC011041

As per our report of even date
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No: 101248W/W-100022

Kumar Subbiah
Chief Financial Officer

H. V. Goenka
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Sadashiv Shetty
Partner
Membership Number : 048648
Place: Mumbai
Date: May 02, 2024

Vallari Gupte
Company Secretary
Place: Mumbai
Date: May 02, 2024

Arnab Banerjee
Managing Director
[DIN:06559516]

Mahesh Gupta
Chairman- Audit Committee
[DIN:00046810]

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note 1: Corporate Information

CEAT Limited (the 'Company') is a public limited company domiciled in India and incorporated under the provisions of the Companies Act applicable in India. The Company's principal business is manufacturing of automotive tyres, tubes and flaps. The Company started operations in 1958 as CEAT Tyres of India Limited and was renamed as CEAT Limited in 1990. The Company caters to both domestic and international markets. The Company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The registered office of the Company is located at RPG House, 463, Dr Annie Besant Road, Worli, Mumbai, Maharashtra 400030. The financial statements were approved for issue in accordance with a resolution of the Board of Directors on May 2, 2024.

Note 2: Basis of preparation, measurement and material accounting policies.

2.1 Basis of preparation and measurement

2.1.1 Basis of preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and presentation requirements of Division II of revised Schedule III of the Companies Act 2013 (Ind AS compliant Schedule III).

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements.

The financial statements are presented in "₹", the functional currency of the Company. Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the 'functional currency').

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirements of Schedule III of the Companies Act, 2013, unless otherwise stated. Wherever the amount represented '0' (zero) construes value less than Rupees fifty thousand.

2.1.2 Basis of Measurement

These financial statements are prepared under the historical cost convention except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments and
- Investment in others (refer accounting policy regarding financial instruments)

In addition, the carrying values of recognised assets and liabilities designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationships.

2.2 Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current / non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised within twelve months after the reporting period, or

Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.3 Revenue from operation & other income

2.3.1 Revenue from contracts with customers

Revenues from contracts with customers are recognised when the performance obligations towards customer have been met. Performance obligations are deemed to have been met when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company acts as the principle in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

An entity collects Goods and Services Tax ('GST') on behalf of the government and not on its own account. Hence it is excluded from revenue, i.e. Revenue is net of GST.

2.3.2 Sale of Goods

Revenue from sale of goods (Tyres, tubes and flaps) is recognised at the point of time when control of the goods is transferred to customer depending on terms of sales.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. Sales related obligations). In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, if any.

2.3.2.1 Variable consideration

Variable consideration includes various forms of discounts like volume discounts, price concessions, incentives, etc. on the goods sold to its dealers and distributors. In all such cases, accumulated experience is used to estimate and provide for the variability in revenue, using the expected value method and the revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur in future on account of refund or discounts.

2.3.2.2 Significant financing component

Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

2.3.3 Contract balances

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to note 2.15 – Financial Instruments in accounting policies.

2.4 Investments in subsidiaries and associates

Investments in subsidiaries and associates are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and associates, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

2.5 Government grants, subsidies and export incentives

Government grants / subsidies are recognised in statement of profit and loss as per income approach when there is reasonable assurance that the Company will comply with all the conditions attached to them and that the grant / subsidy will be received.

The Company has determined that reasonable assurance is established upon receipt of sanction letter approving the incentive amount in accordance with the respective State Industrial Promotion Subsidy.

The Company has chosen to adjust grant under the Export Promotion Capital Goods ('EPCG') scheme from the carrying value of non-monetary asset pursuant to amendment in Ind AS 20.

2.6 Taxes

2.6.1 Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in India where the Company operates and generates taxable income.

Current tax relating to items recognised outside the Statement of Profit and Loss is either in Other Comprehensive Income ('OCI') or in equity. Current tax items are recognised in correlation to the underlying transaction either in the Statement of Profit and Loss or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Interest expenses and penalties, if any, related to income tax are included in finance cost and other expenses respectively. Interest Income, if any, related to income tax is included in Other Income.

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the Company's domicile.

2.6.2 Deferred tax

Deferred tax is recognised in respect of temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit and loss.
- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint ventures when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit and loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the Statement of Profit and Loss is recognised either in OCI or in equity. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.7 Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. The cost of property, plant and equipment at 1 April 2015, the company's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under "Other non-current assets".

Depreciation is provided on a pro-rata basis on the straight-line method based on useful life estimated by the management and supported by independent assessment by professionals which may not be necessarily in the alignment with the useful lives prescribed by schedule II to the Companies Act, 2013. Depreciation commences when the asset is ready for its intended use. The Company has used the following useful lives to provide depreciation on its fixed assets.

Asset Class	Useful life
Freehold land	Non depreciable
Buildings (including temporary structures)	1 year - 60 years
Plant & Equipment	1 year - 20 years
Furniture & Fixture	1 year - 10 years
Vehicle	1 year - 8 years
Office Equipment	1 Year- 5 years

Notes to Standalone Financial Statements
for the year ended March 31, 2024

The identified components are depreciated over their useful lives, the remaining asset is depreciated over the life of the principal asset.

The management believes that the depreciation rates fairly reflect its estimation of the useful lives and residual values of the fixed assets.

The residual values, useful life and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.8 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the Statement of Profit and Loss in the period in which the expenditure is incurred. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. The cost of intangible assets at 1 April 2015, the Company's date of transition to Ind AS, was determined with reference to its carrying value recognized as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Intangible assets are amortised on a pro-rata basis on the straight-line method based on useful life estimated by the management as under:

Asset Class	Useful life
Software	1 Year – 6 years
Brand (refer 2.8.1)	20 years
Technical know-how (refer 2.8.1)	20 years
Product development (refer 2.8.2)	6 - 20 years
Design and Patent	4 – 25 years

2.8.1 Technical know-how and Brand

Technical know-how: The Company has originally generated technical know-how and assistance from International Tire Engineering Resources LLC, for setting up of Halol radial plant. Considering the life of the underlying plant / facility, this technical know-how, is amortised on a straight-line basis over a period of twenty years.

Brand: The Company has acquired global rights of "CEAT" brand from the Italian tyre maker, Pirelli. Prior to the said acquisition, the Company was the owner of the brand in only a few Asian countries including India. With the acquisition of the brand which is renowned worldwide, new and hitherto unexplored markets will be accessible to the Company. The Company will be in a position to fully exploit the export market resulting in increased volume and better price realisation. Therefore, the management believes that the Brand will yield significant benefits for a period of at least twenty years.

2.8.2 Research and development costs (Product development)

Research costs are charged to P&L as and when they are incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale.
- Its intention to complete and its ability and intention to use or sell the asset.
- How the asset will generate future economic benefits.
- The availability of resources to complete the asset.
- The ability to measure reliably the expenditure during development.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

2.9 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale ('qualifying asset') are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

To the extent that the Company borrows funds specifically for the purpose of obtaining a qualifying asset, the Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings.

To the extent that the Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the Company determines the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate

Notes to Standalone Financial Statements
for the year ended March 31, 2024

to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

2.10 Leases

The Company has entered into various arrangements like lease of premises and outsourcing arrangements which has been disclosed accordingly under Ind AS 116. At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The assessment of whether a contract conveys the right to control the use of an identified asset depends on whether the Company obtains substantially all the economic benefits from the use of the asset and whether the Company has the right to direct the use of the asset.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

2.10.1 Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over shorter of the lease term or the estimated useful life of the underlying asset as follows:

Asset Class	Useful life
Building	1 – 11 years
Land	95 Years
Others (includes buildings & Plant & machinery)	2 – 10 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The Company presents right-of-use assets separately in the Balance Sheet.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

2.10.2 Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of future lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless the cost is included in the carrying value of inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in current and non-current financial liabilities. Lease liability has been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

2.10.3 Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to the contracts which have a lease term of 12 months or less from the date of commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to the lease contracts that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2.11 Inventories

Inventories are valued at the lower of cost and net realisable value on item by item basis.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. Cost is determined on a weighted average basis:

- Cost of raw materials includes the transfer of gains and losses on qualifying cash flow hedges, recognised in OCI, in respect of the purchases of raw materials. Raw materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.
- Work-in-progress and finished goods includes direct materials, labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing cost.
- Traded goods and stores & spares include cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.12 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.12.1 Sales related obligations

The estimated liability for sales related obligations is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of obligations and management estimates regarding possible future incidence based on corrective actions on product failure. The timing of outflows will vary as and when the obligation will arise - being typically up to three years. Initial recognition is based on historical experience. The initial estimate of sales related obligations (related costs) is revised annually.

2.12.2 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.

2.12.3 Litigations

The Company is party to various lawsuits that are at administrative or judicial level or in their initial stages, involving tax and civil matters. The Company contests all claims in the court / tribunals / appellate authority levels and based on their assessment and that of their legal counsel, records a provision when the risk or loss is considered probable. The outflow is expected on cessations of the respective events.

2.13 Employee benefits

2.13.1 Defined contribution plan

Retirement benefit in the form of Provident Fund, Superannuation, Employees State Insurance Contribution and Labour Welfare fund are defined contribution scheme. The Company has no obligation, other than the contribution payable to the above mentioned funds. The Company recognises contribution payable to these funds / schemes as an expense when an employee renders the related service. If the contribution payable to the scheme for service received before the Balance Sheet date exceeds the contribution already paid, the deficit payable is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the Balance Sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

2.13.1.1 Defined benefit plan

For defined benefit plans, the amount recognised as 'Employee benefit expenses' in the Statement of Profit and Loss is the cost of accruing employee benefits promised to employees over the year and the costs of individual events such as past / future service benefit changes and settlements (such events are recognised immediately in the Statement of Profit and Loss). The amount of net interest expense calculated by applying the liability discount rate to the net defined benefit liability or asset is charged or credited to 'Finance costs' in the Statement of Profit and Loss. Any differences between the expected interest income on plan assets and the return achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised immediately in OCI and subsequently not reclassified to the Statement of Profit and Loss.

The defined benefit plan surplus or deficit on the Balance Sheet date comprises fair value of plan assets less the present value of the defined benefit liabilities using a discount rate by reference to market yields on Government bonds at the end of the reporting period.

All defined benefit plans obligations are determined based on valuations, as at the Balance Sheet date, made by independent actuary using the projected unit credit method. The classification of the Company's net obligation into current and non-current is as per the actuarial valuation report.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

2.13.2 Termination benefits

Termination benefits, in the nature of voluntary retirement benefits or termination benefits arising from restructuring are recognized in the Statement of Profit and Loss. The Company recognises termination benefits at the earlier of the following dates:

- When the Company can no longer withdraw the offer of those benefits; or
- When the Company recognises costs for a restructuring that is within the scope of Ind AS 37: Provisions, Contingent Liabilities and Contingent Assets and involves the payment of termination benefits.

Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

2.14 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.

2.14.1 Financial assets

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument.

2.14.1.1 Initial recognition and measurement

On initial recognition, a financial asset is recognised at fair value. In case of financial assets which are recognised at fair value through profit and loss (FVTPL) except for trade receivables without financing component which are measured at transaction price, its transaction cost is recognised in the Statement of Profit and Loss. In other cases, the transaction cost is attributed to the acquisition value of the financial asset.

2.14.1.2 Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in two categories:

2.14.1.2.1 Debt instruments at amortised cost

2.14.1.2.2 Equity instruments measured at FVTOCI

2.14.1.2.1 Debt instruments at amortised cost

A debt instrument is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest ('SPPI') on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to other receivables, loans and other financial assets.

2.14.1.2.2 Equity instruments

All investments in equity instruments within the scope of Ind AS 109 are initially measured at fair value. Equity instruments which are held for trading are classified as FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in the OCI subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

In case of equity instrument classified as FVTOCI, all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on derecognition of investment. However, the Company may transfer the cumulative gain or loss within equity.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

2.14.1.3 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.

2.14.1.4 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:

(i) Trade receivables

(ii) Financial assets measured at amortised cost (other than trade receivables)

(iii) Financial assets measured at fair value through other comprehensive income (FVTOCI).

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets [i.e. (ii) and (iii) above] and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates and changes in the forward-looking estimates are updated. For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss.

The Balance Sheet presentation for various financial instruments is described below:

- **Financial assets measured at amortised cost and contractual revenue receivables:** ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

The Company does not have any purchased or originated credit-impaired financial assets, i.e., financial assets which are credit impaired on purchase / origination.

2.14.2 Financial liabilities

2.14.2.1 Initial recognition and measurement

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. All financial liabilities are recognised initially at fair value and in the case of borrowings net of directly attributable transaction costs.

2.14.2.2 Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

2.14.2.2.1 Financial liabilities at amortised cost

This is the category most relevant to the Company. After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

2.14.2.3 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.

2.14.3 Derivative financial instruments and hedge accounting

The Company uses derivative financial instruments, such as forward currency contracts, to manage its foreign currency risks. These derivative instruments are designated as cash flow, fair value or net investment hedges and are entered into for period consistent with currency. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to the Statement of Profit and Loss.

2.14.3.1 Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the Statement of Profit or Loss.

The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognised in the Statement of Profit and Loss.

Amounts recognised as OCI are transferred to the Statement of Profit and Loss when the hedged transaction affects profit and loss, i.e. when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

2.14.4 Fair value measurement

The Company measures derivatives instruments like forward contracts at fair value at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

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.

2.14.5 Offsetting of financial instruments

Financial assets and financial liabilities can be offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.15 Cash and cash equivalents

Cash and cash equivalent in the Balance Sheet comprises cash at banks and on hand. For the purpose of cash flow statement, Cash & Cash equivalent consists of cash & short term deposits as defined above. The Cash flow statement is prepared using indirect method.

2.16 Dividend distribution to equity shareholders

The Company recognises a liability to pay dividend to equity shareholders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders.

2.17 Foreign currencies

The Company's financial statements are presented in ₹, which is also the Company's functional currency.

Transactions in foreign currencies are initially recorded by the Company at ₹ spot rate at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit and loss are also recognised in OCI or the Statement of Profit and Loss, respectively).

2.18 Earnings Per Share ('EPS')

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company after adjusting impact of dilution shares by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

2.19 Segment Reporting

The Executive Management Committee evaluates the Company's performance and allocates the resources based on an analysis of various performance indicators by business segments.

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

2.20 Contingent liabilities and assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

2.21 Significant accounting judgments, estimates and assumptions

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require an adjustment to the carrying amount of assets or liabilities in future periods. Difference between actual results and estimates are recognised in the periods in which the results are known / materialised.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company has based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

(a) Measurement of defined benefit obligations – note 37

(b) Measurement and likelihood of occurrence of provisions and contingencies – note 20

(c) Recognition of current tax and deferred tax assets – note 21

(d) Key assumptions used in fair valuations – note 43

(e) Measurement of lease liabilities and right-of-use asset – note 4

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note 3: Property, plant and equipment and Capital work-in-progress

Refer note 2.7 for accounting policy on Property, plant and equipment

(₹ in lakhs)

Particulars	Freehold land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipments	Total	Capital work in progress
Gross carrying amount / Deemed Cost								
As at April 01, 2022	**48,524**	**81,781**	**4,95,449**	**2,826**	**780**	**2,356**	**6,31,716**	**76,159**
Additions	137	9,559	95,299	388	92	340	1,05,815	80,587
Disposals	-	(67)	(4,140)	(21)	(16)	(64)	(4,308)	-
Capitalised	-	-	-	-	-	-	-	(1,05,815)
As at March 31, 2023	**48,661**	**91,273**	**5,86,608**	**3,193**	**856**	**2,632**	**7,33,223**	**50,931**
Additions	-	1,938	58,058	478	188	444	61,106	76,086
Disposals	-	(18)	(2,018)	(8)	(70)	(3)	(2,117)	-
Capitalised	-	-	-	-	-	-	-	(61,106)
As at March 31, 2024	**48,661**	**93,193**	**6,42,648**	**3,663**	**974**	**3,073**	**7,92,212**	**65,911**
Accumulated Depreciation								
As at April 01, 2022	**-**	**10,663**	**1,16,451**	**1,184**	**582**	**1,208**	**1,30,088**	**-**
Depreciation for the year	-	2,581	31,575	277	44	331	34,808	-
Disposals	-	(34)	(3,160)	(16)	(14)	(61)	(3,285)	-
As at March 31, 2023	**-**	**13,210**	**1,44,866**	**1,445**	**612**	**1,478**	**1,61,611**	**-**
Depreciation for the year	-	2,569	36,437	301	52	361	39,720	-
Disposals	-	(6)	(1,560)	(23)	(66)	(3)	(1,658)	-
As at March 31, 2024	**-**	**15,773**	**1,79,743**	**1,723**	**598**	**1,836**	**1,99,673**	**-**
Net Book Value:								
As at March 31, 2023	**48,661**	**78,063**	**4,41,742**	**1,748**	**244**	**1,154**	**5,71,612**	**50,931**
As at March 31, 2024	**48,661**	**77,420**	**4,62,905**	**1,940**	**376**	**1,237**	**5,92,539**	**65,911**

Net carrying amount

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Property, plant and equipment	5,92,539	5,71,612
Capital work in progress	65,911	50,931

Capital work in progress (CWIP) Ageing Schedule

As at March 31, 2024

(₹ in lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	41,692	13,508	8,551	2,160	65,911
Total	**41,692**	**13,508**	**8,551**	**2,160**	**65,911**

As at March 31, 2023

(₹ in lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	30,226	14,494	1,325	4,886	50,931
Total	**30,226**	**14,494**	**1,325**	**4,886**	**50,931**

The capacity expansions undertaken is modular in nature, wherein civil work and major upstream capex are incurred, followed by downstream capex to ramp up production in line with anticipated market demand. Based on long term demand and supply planning, management estimates the annual capex requirement and project timelines which are approved by the Board. There are no projects which are overdue based on such timelines or which have exceeded cost compared to plans.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note 3: Property, plant and equipment and Capital work-in-progress (Contd..)

1. During the year, the company has transfered the following expenses which are attributable to the construction activity and are included in the cost of capital work-in-progress / property, plant and equipment as the case may be. Consequently, expenses disclosed under the respective notes are net of such amounts.

(₹ in lakhs)

Particulars	Note	2023-24	2022-23
Finance cost	31	1,545	2,000
Professional and consultancy charges	33	47	102
Miscellaneous expenses	33	180	253
Employee benefit expenses	30	1,053	1,200
Travelling and conveyance	33	64	142
Total		**2,889**	**3,697**

2. The amount of borrowing cost capitalised during the year ended March 31, 2024 is ₹ 1,545 lakhs (March 31, 2023: ₹ 2,000 lakhs). The rates used to determine the amount of borrowing cost eligible for capitalisation was in the range of 7.33% to 7.72% (March 31, 2023: 5% to 7.34%) which is the effective interest rate of general borrowings.
3. Refer notes 18 and 22 for details on pledges and securities.

Note 4: Leases

Refer note 2.10 for accounting policy on Leases

Note 4(a): Right-of-use assets

(₹ in lakhs)

Particulars	Building	Land	Others *	Total
Net carrying value as at April 01, 2022	**6,525**	**10,078**	**5,854**	**22,457**
Additions during the year	4,471	9	10,525	15,005
Depreciation	(4,133)	(133)	(3,993)	(8,259)
Net carrying value as at March 31, 2023	**6,863**	**9,954**	**12,386**	**29,203**
Additions during the year	3,552	-	-	3,552
Depreciation	(4,006)	(133)	(3,924)	(8,063)
Net carrying value as at March 31, 2024	**6,409**	**9,821**	**8,462**	**24,692**

* Right-of-use assets and liabilities are arising out of outsourcing arrangements which consists of buildings and plant & machinery. These are used for the production and distribution of goods and generation of power under such arrangements.

Note 4(b): Lease liabilities

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening net carrying balance	20,277	13,209
Additions	3,552	14,995
Accretion of interest (refer note 31)	1,606	1,420
Payments	(9,180)	(9,347)
Total	**16,255**	**20,277**

Notes:

a) The rate used for discounting is in range of 7-10%.

b) Refer note 42 for information about fair value measurement and note 44(c) for information about liquidity risk relating to lease liabilities.

c) Significant Judgements in determining the lease term of contracts with renewal and termination options:

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note 4: Leases (Contd..)

The Company included the renewal period as part of the lease term for leases of buildings and other with shorter non-cancellable period. The Company typically exercises its option to renew for these leases because there will be a significant negative effect on the operations if a replacement asset is not readily available. The renewal periods for leases of building and others with longer non-cancellable periods are not included as part of the lease term as these are not reasonably certain to be exercised. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

d) The Company has lease contracts for plant & machinery that contains variable payments amounting to ₹ 18,215 lakhs (₹ 15,271 lakhs in March 31, 2023) shown under other expenses.

e) The Company has recognised ₹ 917 lakhs as miscellaneous expenses during the year (₹ 921 lakhs in March 31, 2023) which pertains to short term lease/ low value asset which was not recognised as part of ROU.

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current lease liabilities	10,170	13,055
Current lease liabilities	6,085	7,222
Total	**16,255**	**20,277**

Note 5: Intangible assets

Refer note 2.8 for accounting policy on Intangible assets

(₹ in lakhs)

Particulars	Software	Brand	Technical Know-how	Product development	Design and Patent	Total	Intangible assets under development
Gross carrying amount / Deemed Cost							
As at April 01, 2022	**11,966**	**4,404**	**704**	**5,300**	**-**	**22,374**	**4,661**
Additions	2,594	-	-	1,238	-	3,832	1,919
Disposal	(26)	-	-	-	-	(26)	-
Capitalised	-	-	-	-	-	-	(3,832)
As at March 31, 2023	**14,534**	**4,404**	**704**	**6,538**	**-**	**26,180**	**2,748**
Additions	1,257	-	-	236	172	1,665	1,357
Disposal	-	-	-	-	-	-	-
Capitalised	-	-	-	-	-	-	(1,665)
As at March 31, 2024	**15,791**	**4,404**	**704**	**6,774**	**172**	**27,845**	**2,440**
Accumulated amortization							
As at April 01, 2022	**8,521**	**1,926**	**300**	**2,818**	**-**	**13,565**	**-**
Amortisation for the year	2,896	289	47	625	-	3,857	-
Disposal	(22)	-	-	-	-	(22)	-
As at March 31, 2023	**11,395**	**2,215**	**347**	**3,443**	**-**	**17,400**	**-**
Amortisation for the year	2,116	289	47	545	56	3,053	-
Disposal	-	-	-	-	-	-	-
As at March 31, 2024	**13,511**	**2,504**	**394**	**3,988**	**56**	**20,453**	**-**
Net Book Value:							
As at March 31, 2023	**3,139**	**2,189**	**357**	**3,095**	**-**	**8,780**	**2,748**
As at March 31, 2024	**2,280**	**1,900**	**310**	**2,786**	**116**	**7,392**	**2,440**

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Intangible assets	7,392	8,780
Intangible assets under development	2,440	2,748

Notes to Standalone Financial Statements
for the year ended March 31, 2024

Note 5: Intangible assets (Contd..)

Intangible assets under development (IAUD) Ageing Schedule

As at March 31, 2024

(₹ in lakhs)

Particulars	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	429	435	434	1,142	2,440
Total	**429**	**435**	**434**	**1,142**	**2,440**

As at March 31, 2023

(₹ in lakhs)

Particulars	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	849	602	487	810	2,748
Total	**849**	**602**	**487**	**810**	**2,748**

The capacity expansions undertaken is modular in nature, wherein major upstream capex are incurred, followed by downstream capex to ramp up production in line with anticipated market demand. Based on long term demand and supply planning, management estimates the annual capex requirement and project timelines which are approved by the Board. There are no projects which are overdue based on such timelines or which have exceeded cost compared to plans.

Note 6: Investments

Note 6(a): Investments in subsidiaries and associates

Refer note 2.4 for accounting policy on Investments in subsidiaries and associates

(₹ in lakhs)

Particulars	Face Value	As at March 31, 2024	As at March 31, 2023
Non-current			
Unquoted equity shares (at cost) (Non Trade)			
Investment in Subsidiaries			
1,00,00,000 (March 31, 2023: 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, 2023: 10,49,99,994) equity shares of CEAT AKKHAN Limited	10 Taka	3,717	3,717
94,16,350 (March 31, 2023: 94,16,350) equity shares of Rado Tyres Limited	₹ 4	9	9
400 (March 31, 2023 : 400) equity shares of CEAT Specialty Tires INC.	1 $	26	26
50,000 (March 31, 2023 : 50,000) equity shares of CEAT Specialty Tyres BV	1 Euro	40	40
10,000(March 31, 2023 : 10,000) equity shares of CEAT Auto Components Limited	₹ 10	1	1
6,00,000 (March 31, 2023 : 6,00,000) equity shares of Taabi Mobility Limited	₹ 10	60	60
3,89,174 (March 31, 2023: Nil) equity shares of TYRESNMORE Online Pvt Limited (refer footnote a)	₹ 1	4,219	-
Investment in Associate (at cost classified as equity)			
Nil (March 31, 2023: 1,07,797) 0.001% compulsory convertible preference shares of Tyresnmore Online Private Limited (refer footnote a)	₹ 1	-	1,638
Nil (March 31, 2023: 100) equity shares of TYRESNMORE Online Pvt Limited (refer footnote a)	₹ 1	-	1
Total 6(a)		**12,430**	**9,850**

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note 6: Investments (Contd..)

Note 6(b): Investments in Others

Refer note 2.14 for accounting policy on Financial instruments

(₹ in lakhs)

Particulars	Face Value	As at March 31, 2024	As at March 31, 2023
Investment in Others (at fair value through profit and loss)			
16,95,000 (March 31, 2023: 16,95,000) equity shares of Bhadreshwar Vidyut Private Limited (formerly known as OPGS Power Gujarat Private Limited)	₹ 0.19	3	3
7,129 (March 31, 2023: 7,129) 0.001% Compulsorily Convertible Preference shares of E-Fleet Systems Private Limited	₹ 10	392	426
10 (March 31, 2023: 10) equity shares of E-Fleet Systems Private Limited	₹ 10	1	1
Unquoted preference shares (Non Trade)			
Investment in Others (at amortised cost)			
15,10,000 (March 31, 2023: 15,10,000) 12.5% cumulative redeemable preference shares of Rado Tyres Limited	₹ 100	1,510	1,510
Investment in Others (at fair value through other comprehensive income)			
26% share in Cleanwin Energy Five LLP		60	60
33,69,600 (March 31, 2023: 33,69,600) equity shares of TP Akkalkot Renewable limited	₹ 10	337	337
10,50,001 (March 31, 2023: 10,50,001) equity shares of Greenzest Solar Private Limited	₹ 10	840	840
Total 6(b)		**3,143**	**3,117**
Total [6(a) + 6(b)]		**15,573**	**13,027**
Aggregate amount of Unquoted investments		**15,573**	**13,027**

Information about subsidiaries

Name and principle business	Country of Incorporation	Proportion (%) of equity interest	
		As at March 31, 2024	As at March 31, 2023
CEAT Specialty Tires INC. - Marketing Support Services	USA	100.00	100.00
CEAT Specialty Tyres BV - Marketing Support Services & Trading of tyres, tubes and flaps	Netherlands	100.00	100.00
Associated Ceat Holdings Company (Pvt.) Ltd - Investing in companies engaged in manufacturing of tyres	Sri Lanka	100.00	100.00
CEAT AKKHAN Limited - Trading of tyres, tubes and flaps	Bangladesh	70.00	70.00
Rado Tyres Limited - Manufacturing of tyres	India	58.56	58.56
CEAT Auto Components Limited- Manufacturing auto components	India	100.00	100.00
Taabi Mobility Limited- Providing fleet management services	India	100.00	100.00
TYRESNMORE Online Pvt Ltd - Trading of tyres, tubes and flaps (Associate till August 3, 2023)	India	100.00	49.83*

*Includes compulsory convertible preference shares (potential voting right)

a) The Company entered into Share Subscription and Shareholders' Agreements (SSHA) on July 5, 2023 with TYRESNMORE Online Private Limited (TNM) and acquired an additional 10.83% shareholding through Compulsory Convertible Preference Shares ('CCPS') at a consideration of ₹ 899 lakhs, thereby increasing its stake from 49.83% to 60.66%.

On August 4, 2023, the Company acquired the remaining 39.34% stake and control from the promoters and other shareholders in TNM and converted it into a wholly owned subsidiary at a consideration of ₹ 300 lakhs.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note 7: Other financial assets

Refer note 2.14 for accounting policy on Financial instruments

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current		
Unsecured, considered good		
At fair value through other comprehensive income		
Derivative financial instrument	-	11
At amortised cost		
Security deposits	804	697
Security deposits (related parties) (refer note 39)	-	100
Margin money deposits (refer foot note a)	4	4
Unsecured, considered doubtful		
Security deposit	-	88
Receivables from subsidiaries (refer note 39)	209	209
Less: Allowance for doubtful deposits	-	(88)
Less: Allowance for doubtful receivables	(209)	(209)
Total	**808**	**812**

Notes:

a) The margin deposits are for bank guarantees given to statutory authorities.

b) Refer note 42 of information about fair value measurement.

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
The movement in allowance for doubtful deposits is as follows:		
Balance as at beginning of the year	**88**	**98**
Reclass to current financial assets	(88)	-
Reduction in allowance for doubtful deposits created during the year	-	(10)
Balance as at end of the year	**-**	**88**

Note 8: Other non-current assets

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Capital advances	4,015	2,510
Capital advances (Related parties) (refer note 39)	1,968	-
Security deposits with statutory authorities	2,468	2,209
Unsecured, considered doubtful		
Balances with government authorities and agencies	192	192
Less: Allowance for doubtful balances	(192)	(192)
Total	**8,451**	**4,719**

Note 9: Inventories

Refer note 2.11 for accounting policy on Inventories

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
a) Raw materials	36,024	37,070
Goods in transit	3,002	4,567
	39,026	**41,637**
b) Work-in-progress	8,747	7,919
c) Finished goods	63,387	60,801
d) Stock in trade	165	198
e) Stores and spares	2,087	1,820
Goods in transit	2	33
	2,089	**1,853**
Total	**1,13,414**	**1,12,408**

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note 9: Inventories (Contd..)

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Details of finished goods		
Automotive tyres	56,394	53,381
Tubes and others	6,993	7,420
Total	**63,387**	**60,801**

Notes:

1) During the financial year 2023-24, ₹ 3,727 lakhs (March 31, 2023: ₹ 3,329 lakhs) was charged to the statement of profit and loss on account of slow moving stock as per the Company's policy.

2) Refer note 22 for details on pledges and securities.

3) Inventories of finished goods have been reduced by ₹ 117 lakhs (31 March 2023: ₹ 182 lakhs) as a result of the write-down to net realisable value.

Note 10: Trade receivables

Refer note 2.14 for accounting policy on Financial instruments

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables from others	1,26,654	1,29,551
Trade receivables from related parties (refer note 39)	942	732
Total receivables	**1,27,597**	**1,30,283**

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Break-up for security details		
Secured, considered good (refer foot note a)	45,111	20,429
Unsecured, considered good	82,286	1,09,766
Trade Receivables which have significant increase in credit risk	399	175
Trade Receivables - credit impaired	1,072	1,147
	1,28,868	**1,31,517**
Less: Allowance for doubtful debts	(1,271)	(1,234)
Total	**1,27,597**	**1,30,283**

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
The movement in allowance for doubtful debts is as follows:		
Balance as at beginning of the year	1,234	1,355
Change in allowance for doubtful debts	95	70
Trade receivables written off during the year	(58)	(191)
Balance as at end of the year	**1,271**	**1,234**

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 39.

c) For terms and conditions relating to related party receivables, refer note 39.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note 10: Trade receivables (Contd..)

d) Trade receivables are non-interest bearing within the credit period which is generally 27 to 60 days.

e) Refer note 44(b) for information about credit risk of Trade receivables.

f) Refer note 22 for details on pledges and securities.

(₹ in lakhs)

Trade receivables ageing as on March 31, 2024	Current but not due	Outstanding for following periods from due date of payment					
		Less than 6 Months	6 months-1 year	1-2 years	2-3 years	More than 3 year	Total
Undisputed Trade Receivables-considered good	1,16,942	10,455	-	-	-	-	1,27,397
Undisputed Trade Receivables - which have significant increase in credit risk*	-	-	399	-	-	-	399
Undisputed Trade receivable-credit impaired#	-	-	-	53	38	418	509
Disputed Trade receivables - credit impaired#	21	1	12	-	42	487	563
Total	**1,16,963**	**10,456**	**411**	**53**	**80**	**905**	**1,28,868**

(₹ in lakhs)

Trade receivables ageing as on March 31, 2023	Current but not due	Outstanding for following periods from due date of payment					
		Less than 6 Months	6 months-1 year	1-2 years	2-3 years	More than 3 year	Total
Undisputed Trade Receivables-considered good	1,26,751	3,444	-	-	-	-	1,30,195
Undisputed Trade Receivables-which have significant increase in credit risk*	-	-	175	-	-	-	175
Undisputed Trade receivable-credit impaired#	-	-	-	110	56	501	667
Disputed Trade receivables - credit impaired#	-	-	-	3	56	420	480
Total	**1,26,751**	**3,444**	**175**	**113**	**112**	**922**	**1,31,517**

* Provision is created at 50% for significant credit risk balances.

Provision is created for entire credit impaired balances.

Note 11: Cash and cash equivalents

Refer note 2.15 for accounting policy on cash and cash equivalents

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with Banks		
In current accounts	867	3,047
Cheques on hand	2,352	1,875
In Deposit accounts	-	100
Cash on hand	1	2
Cash and cash equivalent as per statement of cash flow	**3,220**	**5,024**

Note 12: Bank balances other than cash and cash equivalents

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Balances held for unclaimed public fixed deposit and interest thereon (refer foot note a)	-	7
Balances unclaimed dividend accounts (refer foot note b)	249	282
Total	**249**	**289**

Notes

a) These balances are available for use only towards settlement of matured deposits and interest on deposits. Also includes Nil (March 31, 2023 ₹ 0.20 lakhs) outstanding for a period exceeding seven years, in respect of which a Government agency has directed the Company to hold.

b) These balances are available for use only towards settlement of corresponding unpaid dividend liabilities. The sum also includes ₹ 1.19 lakhs (March 31, 2023 ₹ 1.04 lakhs) outstanding for a period exceeding seven years retained in accordance with the provisions of Section Rule 6(3) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note 13: Other financial assets

Refer note 2.14 for accounting policy on Financial instruments

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Current		
Unsecured, considered good		
At fair value through other comprehensive income		
Derivative financial instrument	-	102
At amortised cost		
Advance receivable in cash	431	418
Other receivables	5,753	3,523
Interest receivable	29	1
Receivable from related parties (refer note 39)	322	231
Unamortised premium on forward contract	5	12
Unsecured, considered doubtful:		
Security deposits	148	-
Less : Allowance for doubtful deposits	(148)	-
Total	**6,540**	**4,287**

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
The movement in allowance for doubtful deposits is as follows:		
Balance as at beginning of the year	-	-
Reclass from non-current financial assets	88	-
Additional allowance for doubtful deposits created during the year	60	-
Balance as at end of the year	**148**	**-**

Note 14: Other current assets

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Advance receivable in kind or for value to be received	3,109	4,152
Balance with government authorities	2,370	2,785
Advance to employees	110	28
Prepaid Expense	5,785	4,411
Unsecured, considered doubtful		
Advance receivable in kind or for value to be received	104	104
Less: Allowance for advance receivable in kind or for value to be received	(104)	(104)
Total	**11,374**	**11,376**

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
The movement in allowance for advance receivable in kind or for value to be received is as follows:		
Balance as at beginning of the year	104	104
Additional allowance for advance receivable in kind or for value to be received created during the year	-	-
Reduction in allowance for advance receivable in kind or for value to be received during the year	-	-
Balance as at end of the year	**104**	**104**

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note 15: Equity share capital

Authorised share capital	Equity shares (Face value ₹ 10)		Preference Shares (Face value ₹ 10)		Unclassified Shares (Face value ₹ 10)	
	Numbers	₹ in lakhs	Numbers	₹ in lakhs	Numbers	₹ in lakhs
At April 01, 2022	7,51,50,000	7,515	39,00,000	390	1,00,00,000	1,000
Changes during the year	-	-	-	-	-	-
At March 31, 2023	7,51,50,000	7,515	39,00,000	390	1,00,00,000	1,000
Changes during the year	-	-	-	-	-	-
At March 31, 2024	**7,51,50,000**	**7,515**	**39,00,000**	**390**	**1,00,00,000**	**1,000**

Issued share capital

Equity shares of ₹ 10 each issued

	Numbers	(₹ in lakhs)
At April 01, 2022 (refer foot note a)	4,04,50,780	4,045
Alloted during the year	-	-
At March 31, 2023 (refer foot note a)	4,04,50,780	4,045
Alloted during the year	-	-
At March 31, 2024 (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 lakhs)
At April 01, 2022 (refer foot note a)	4,04,50,092	4,045
Alloted during the year	-	-
At March 31, 2023 (refer foot note a)	4,04,50,092	4,045
Alloted during the year	-	-
At March 31, 2024 (refer foot note a)	**4,04,50,092**	**4,045**

a) Includes 688 (March 31, 2023 - 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, 2024		As at March 31, 2023	
	Numbers	% holding in the class	Numbers	% holding in the class
Equity shares of ₹ 10 each fully paid				
Instant Holdings Limited	1,19,35,259	29.51%	1,19,35,259	29.51%
Swallow Associates LLP	44,84,624	11.09%	44,84,624	11.09%
Mirae Asset Large & Midcap Fund	40,07,502	9.91%	14,71,366	3.64%
Amansa Holdings Pvt Limited	-	0.00%	35,75,399	8.84%

d) As per the records of the Company as at March 31, 2024 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, 2024.

Notes to Standalone Financial Statements
for the year ended March 31, 2024

Note 15: Equity share capital (Contd..)

f) Details of shares held by promoter

Promoter Name	As at March 31, 2024			As at March 31, 2023		
	No. of shares	% of Total Shares	% Change during the year	No. of shares	% of Total Shares	% Change during the year
Promoter						
1. Anant Vardhan Goenka	14,185	0.04%	0.00%	14,185	0.04%	0.00%
2. Harsh Vardhan Goenka	1,33,934	0.33%	0.00%	1,33,934	0.33%	0.00%
Subtotal (a)	**1,48,119**	**0.37%**	**0.00%**	**1,48,119**	**0.37%**	**0.00%**
Promoter Group						
3. Instant Holdings Limited	1,19,35,259	29.51%	0.00%	1,19,35,259	29.51%	0.17%
4. Swallow Associates LLP	44,84,624	11.09%	0.00%	44,84,624	11.09%	0.00%
5. Stel Holdings Limited	14,80,157	3.66%	0.00%	14,80,157	3.66%	0.64%
6. Summit Securities Ltd	10,46,248	2.59%	0.00%	10,46,248	2.59%	0.97%
7. Chattarpati Apartments LLP	876	0.00%	0.00%	876	0.00%	0.00%
8. Radha Anant Goenka	10	0.00%	0.00%	10	0.00%	0.00%
9. Mala Goenka	10	0.00%	0.00%	10	0.00%	0.00%
10. Ektara Enterprises LLP	10	0.00%	0.00%	10	0.00%	0.00%
11. Vayu Udaan Aircraft LLP	10	0.00%	0.00%	10	0.00%	0.00%
12. Sofreal Mercantrade Pvt Ltd	10	0.00%	0.00%	10	0.00%	0.00%
13. Malabar Coastal Holdings LLP	10	0.00%	0.00%	10	0.00%	0.00%
14. Atlantus Dwellings And Infrastructure LLP	10	0.00%	0.00%	10	0.00%	0.00%
15. AVG Family Trust (Anant Vardhan Goenka in the Capacity Of Trustee)	10	0.00%	0.00%	10	0.00%	0.00%
16. RG Family Trust (Anant Vardhan Goenka in the Capacity Of Trustee)	10	0.00%	0.00%	10	0.00%	0.00%
17. Navya Goenka Trust (Harsh Vardhan Goenka in the Capacity Of Trustee)	10	0.00%	0.00%	10	0.00%	0.00%
18. Ishann Goenka Trust (Harsh Vardhan Goenka in the Capacity Of Trustee)	10	0.00%	0.00%	10	0.00%	0.00%
19. Sudarshan Electronics And Tv Ltd	-	0.00%	-100.00%	1	0.00%	0.00%
20. Stellar Energy Trust (Harsh Vardhan Goenka in the Capacity Of Trustee)	-	0.00%	-100.00%	1	0.00%	0.00%
21. Nucleus Life Trust (Harsh Vardhan Goenka in the Capacity Of Trustee)	1	0.00%	0.00%	1	0.00%	0.00%
22. Secura India Trust (Harsh Vardhan Goenka in the Capacity Of Trustee)	2	0.00%	100.00%	1	0.00%	0.00%
23. Prism Estates Trust (Harsh Vardhan Goenka in the Capacity Of Trustee)	1	0.00%	0.00%	1	0.00%	0.00%
Subtotal (b)	**1,89,47,278**	**46.84%**	**0.00%**	**1,89,47,279**	**46.84%**	**0.21%**
Total (a + b)	**1,90,95,397**	**47.21%**	**0.00%**	**1,90,95,398**	**47.21%**	**0.21%**

Note 16: Other equity

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Securities premium (refer foot note a)	56,703	56,703
Capital reserve (refer foot note b)	1,177	1,177
Capital redemption reserve (refer foot note c)	390	390
Effective portion of cash flow hedges (refer foot note d)	(95)	106
General reserve (refer foot note e)	25,178	25,178
Retained earnings (refer foot note f)	3,07,714	2,46,961
Total other equity	**3,91,067**	**3,30,515**

Refer Statement of Changes in Equity

a) Securities premium

Amount received on issue of shares in excess of the par value has been classified as security share premium.

Note 16: Other equity (Contd..)

b) Capital reserve

Capital reserve includes profit on amalgamation of entities.

c) Capital redemption reserve

Capital redemption reserve represents amount transferred from profit and loss account on redemption of preference shares during FY 1998-99.

d) Effective portion of cash flow hedges

It represents mark-to-market valuation of effective hedges as required by Ind AS 109.

e) General Reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriations purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income , items included in the general reserve will not be reclassified subsequently to the Statement of Profit and Loss.

f) Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to reserves, dividends or other distributions paid to shareholders.

Note 17: Distribution made and proposed

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Final dividend for the year ended on March 31, 2023: ₹ 12/- per share (March 31, 2022: ₹ 3/- per share)	4,854	1,214
Total	**4,854**	**1,214**

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Proposed dividends on equity shares		
Proposed dividend for the year ended on March 31, 2024: ₹ 30/- per share (March 31, 2023: ₹ 12/- per share)	12,135	4,854
Total	**12,135**	**4,854**

Proposed dividends on equity shares which are subject to approval at the Annual General Meeting are not recognised as a liability in the year in which it is proposed.

The Company declares and pays dividend in Indian rupees. The Finance Act 2020 has repealed the Dividend Distribution Tax. Companies are now required to pay / distribute dividend after deducting applicable taxes. The remittance of dividends outside India is also subject to withholding tax at applicable rates.

Note 18: Borrowings

(At amortised cost)

Refer note 2.14 for accounting policy on Financial instruments

(₹ in lakhs)

Particulars	Non-current		Current maturities	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Interest bearing loans and borrowings				
I. Secured				
i) Debentures				
Non-convertible debentures (refer foot note 1)	10,000	10,000	-	15,000

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note 18: Borrowings (Contd..)

(₹ in lakhs)

Particulars	Non-current As at March 31, 2024	Non-current As at March 31, 2023	Current maturities As at March 31, 2024	Current maturities As at March 31, 2023
ii) Term loans				
Indian rupee loan from banks*				
Citi Bank N.A. (refer foot note 2)	-	-	-	10,750
Kotak Mahindra Bank (refer foot note 3)	17,989	22,785	4,797	3,448
Bank of Baroda (refer foot note 4)	42,643	53,114	10,483	3,493
State Bank of India (refer foot note 5)	9,893	24,548	14,637	7,324
II. Unsecured:				
i) Debentures				
Non-convertible debentures (refer foot note 1)	15,000	15,000	-	-
ii) Term loans from banks				
Axis Bank (refer foot note 6)	-	3,000	3,000	-
HSBC Bank (refer foot note 7)	-	15,000	-	-
iii) Public deposits (refer foot note 8)	-	0	-	-
iv) Deferred sales tax incentive (refer foot note 9)	135	609	474	502
	95,660	**1,44,056**	**33,391**	**40,517**
Less: amount classified under current borrowings (refer note 22)	-	-	(33,391)	(40,517)
Total	**95,660**	**1,44,056**	**-**	**-**

* Indian rupee loan from banks carries floating interest rate ranging from 6.40% p.a. to 9.00% p.a. (as on March 31, 2023: 4.05% to 8.75%)

Notes to Borrowings:

1 Non-Convertible Debentures ("NCDs") ₹ 25,000 lakhs as on March 31, 2024 (March 31, 2023: ₹ 40,000 lakhs) allotted on October 13, 2020 (NCD Series 2) and September 19, 2022 (NCD Series 3) on private placement basis. First Tranche of NCD (allotted on October 07, 2020 (NCD Series 1)) is repaid on due date i.e. on October 06, 2023. Second tranche of NCD (NCD Series 2)is secured by way of first charge over movable and immovable fixed assets located at Ambernath plant and Third tranche of NCD (NCD Series 3) is un-secured. As at March 31, 2024, the NCDs carry an interest at 7.00% p.a. (NCD Series 2) and 7.99% p.a. (NCD Series 3) and is repayable as under:

- NCD Series 2: ₹ 10,000 lakhs (40% of the issue amount) repayable on October 13, 2025.
- NCD Series 3: ₹ 15,000 lakhs (60% of the issue amount) repayable on September 19, 2026.

2 Term loan from Citibank N.A. : Nil as on March 31, 2024 (March 31, 2023: ₹ 10,750 lakhs) is repaid on due date i.e. on September 22, 2023.

3 Term loan from Kotak Mahindra Bank Limited ₹ 22,800 lakhs as on March 31, 2024 (March 31, 2023: ₹ 26,250 lakhs) is secured by first pari passu charge over the immovable and movable fixed assets situated at Halol, Nashik, Nagpur and Chennai Plant. It is repayable as under:

Year	Repayment Schedule (In %)	Schedule of Payment
2021 - 22	2.50%	To be repaid in 28 structured quarterly instalments commencing (March 2022)
2022 - 23	10.00%	
2023 - 24	11.50%	
2024 - 25	16.00%	
2025 - 26	16.00%	
2026 - 27	16.00%	
2027 - 28	16.00%	
2028 - 29	12.00%	

4 Term Loan from Bank of Baroda ₹ 53,212 lakhs as on March 31, 2024 (March 31, 2023: ₹ 56,711 lakhs) is secured by first pari passu charge over the immovable and movable fixed assets situated at Halol, Nashik, Nagpur and Chennai Plant. It is repayable as under:

Year	Repayment Schedule (In %)	Schedule of Payment
2022 - 23	5.00%	To be repaid in 26 structured quarterly instalments commencing (June 2023)
2023 - 24	5.00%	
2024 - 25	15.00%	
2025 - 26	15.00%	
2026 - 27	20.00%	
2027 - 28	20.00%	
2028 - 29	20.00%	

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note 18: Borrowings (Contd..)

5 Term Loan from State Bank of India ₹ 24,736 lakhs as on March 31, 2024 (March 31, 2023: ₹ 32,116 lakhs) is secured by first pari passu charge over the immovable and movable fixed assets situated at Halol, Nashik, Nagpur and Chennai Plant. It is repayable as under:

Year	Repayment Schedule (In %)	Schedule of Payment
2022 - 23	10.00%	To be repaid in 12 structured quarterly instalments commencing (Dec 2022)
2023 - 24	21.00%	
2024 - 25	41.00%	
2025 - 26	28.00%	

6 Term Loan from Axis Bank Ltd ₹ 3,000 lakhs as on March 31, 2024 (March 31, 2023: ₹ 3,000 lakhs) is an un-secured loan. It is repayable as under:

Year	Repayment Schedule (In %)	Schedule of Payment
2024 - 25	100.00%	To be repaid in 2 equal instalments at the end of 30th and 36th month commencing from July 2024

7 Term Loan from HSBC Bank Ltd.: Nil as on March 31, 2024 (March 31, 2023: ₹ 15,000 lakhs) is pre-paid on April 30, 2023 ₹ 5,000 Lakhs and on October 30, 2023 ₹ 10,000 Lakhs.

Year	Repayment Schedule (In %)	Schedule of Payment
2024 - 25	100.00%	To be re-paid in one bullet installment in September 2025

8 **Public deposits :** Nil (March 31, 2023 ₹ 0.20 lakhs) outstanding for a period exceeding seven years, in respect of which a Government agency had directed the Company to hold. During the year, the Company received direction from the Government agency to release the amount to the deposit holder. However due to non-traceability of the deposit holder, it is transferred to Investment Education and Protection Fund.

9 Interest-free deferred sales tax is repayable in ten equal annual instalment commencing from April 26, 2011 and ending on April 30, 2025.

10 Outstanding balances shown in foot notes above, are grossed up to the extent of unamortised transaction cost.

11 Refer note 42 of information about fair value measurement and note 44(c) for information about liquidity risk relating to borrowings.

Note 19 : Other financial liabilities

Refer note 2.14 for accounting policy on Financial instruments

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Non current		
At fair value through other comprehensive income		
Derivative financial instrument	11	-
At amortised cost		
Payable to capital vendors (refer foot note b)	2,014	1,788
Deposits	92	93
Total	**2,117**	**1,881**

Notes:

a) Refer note 42 of information about fair value measurement and note 44(c) for information about liquidity risk relating to other financial liabilities.

b) These pertain to payable to capital vendors based on deferred payment terms.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note 20: Provisions

Refer note 2.13 for accounting policy on Provisions

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current provisions		
(A) Provision for employee benefits		
Provision for compensated absences (Refer foot note a)	3,692	3,970
(B) Others		
Provision for sales related obligation (Refer foot note b)	3,988	655
Provision for decommissioning liability (Refer foot note c)	117	105
	7,797	**4,730**
Current provisions		
(A) Provision for employee benefits		
Provision for compensated absences (Refer foot note a)	901	751
Provision for gratuity (refer note 37b)	156	2,007
(B) Others		
Provision for sales related obligation (Refer foot note b)	7,073	8,873
Provision for indirect tax and labour matters (Refer foot note d)	2,398	2,403
	10,528	**14,034**

a) Provision for compensated absences

Employee leaves are encashed as per the Company's leave encashment policy. A provision has been recognised for leave encashment liability based on the actuarial valuation of leave balance of employees as at year end.

Movement in provision for compensated absences	(₹ in lakhs)
As at March 31, 2022	**3,980**
Additions during the year	1,281
Utilised during the year	(540)
As at March 31, 2023	**4,721**
Additions during the year	469
Utilised during the year	(597)
As at March 31, 2024	**4,593**

b) Provision for sales related obligation

A provision is recognized for expected sales related obligation on product sold during the last three years, based on past experience of the level of returns and cost of claim. It is expected that significant portion of these costs will be incurred in the next financial year and within three years from the reporting date. Assumptions used to calculate the provision for sales related obligation were based on current sales levels and current information available about returns based on the three years period for all products sold. The rate used for discounting provision for sales related obligation is 9%. The table below gives information about movement in provision for sales related obligation.

Movement in provision for sales related obligation	(₹ in lakhs)
As at April 01, 2022	**9,025**
Additions during the year	15,010
Utilised during the year	(14,507)
As at March 31, 2023	**9,528**
Additions during the year	18,020
Unwinding of discount on provision of sales related obligation during the year	846
Utilised during the year	(17,333)
As at March 31, 2024	**11,061**

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note 20: Provisions (Contd..)

c) Provision for decommissioning liability

The Company has recognised a provision for decommissioning obligations associated with a land taken on lease at Nashik manufacturing facility for the production of tyres. In determining the fair value of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove the plant from the site and the expected timing of those costs. The Company estimates that the costs would be realised in year 2066 at the expiration of the lease and calculates the provision using the Discounted Cash Flow (DCF) method based on the following assumptions:

- Estimated range of cost per square meter: ₹ 45 – ₹ 50
- Discount rate: 11.50%

Movement in provision for decommissioning liability	(₹ in lakhs)
As at April 01, 2022	**94**
Unwinding of decommissioning liability during the year	11
As at March 31, 2023	**105**
Unwinding of decommissioning liability during the year	12
As at March 31, 2024	**117**

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 lakhs)
As at April 01, 2022	**2,397**
Additions during the year	116
Utilised during the year	(110)
As at March 31, 2023	**2,403**
Additions during the year	10
Utilised during the year	(15)
As at March 31, 2024	**2,398**

Note 21: Income taxes and deferred taxes

Refer note 2.6 for accounting policy on Taxes

Balance Sheet

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current tax assets (net)		
Advance payment of tax (net of provision)	2,645	1,414
Current tax liabilities (net)		
Provision for income tax (net of advance tax)	1,652	1,004
Deferred tax liability (net)	43,894	37,998

Statement of Profit and Loss

(₹ in lakhs)

Particulars	2023-24	2022-23
Current tax	15,188	(368)
Deferred tax	5,904	7,162
Income tax expense recognised in the Statement of Profit and Loss (refer foot note b)	**21,092**	**6,794**

Notes to Standalone Financial Statements
for the year ended March 31, 2024

Note 21: Income taxes and deferred taxes (Contd..)

Other Comprehensive Income (OCI) section

Deferred tax related to items recognised in OCI during the year

(₹ in lakhs)

Particulars	2023-24	2022-23
Income tax effect on actuarial losses for gratuity	(60)	249
Income tax effect on movement in effective portion of cash flow hedges	67	(289)
Income tax (expense) / income charged to OCI	**7**	**(40)**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2024 and March 31, 2023:

(₹ in lakhs)

Particulars	2023-24	2022-23
Accounting profit before tax	**86,522**	**27,421**
Income tax rate of 25.17% (31 March, 2023: 25.17%)	21,776	6,901
Reversal of provision for tax of earlier years	(612)	(368)
Deduction u/s 80M	(345)	-
Non-deductible expenses for tax purposes		
Depreciation on revaluation	93	101
Corporate Social Responsibility (CSR) expenses	147	152
Other non-deductible expenses	33	8
At the effective income tax rate of 24.38% (March 31, 2023: 24.78%)	**21,092**	**6,794**

Deferred tax

Deferred tax relates to the following

(₹ in lakhs)

Particulars	Balance Sheet		Statement of Profit and Loss	
	As at March 31, 2024	As at March 31, 2023	2023-24	2022-23
Accelerated depreciation for tax purposes	(48,477)	(44,589)	3,888	6,446
Voluntary Retirement Scheme (VRS)	948	1,110	162	(250)
Allowance for doubtful debts/advances	445	421	(24)	31
Carry forward Business loss	-	932	932	1,406
Others	3,190	4,128	946	(471)
Deferred tax expense/(income)			**5,904**	**7,162**
Net deferred tax assets/(liabilities)	**(43,894)**	**(37,998)**		

Reflected in the balance sheet as follows

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax asset	4,583	6,591
Deferred tax liability	(48,477)	(44,589)
Deferred tax liability (net)	**(43,894)**	**(37,998)**

Reconciliation of deferred tax liabilities (net)

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance as at April 01	**(37,998)**	**(30,795)**
Tax expense during the period recognised in statement of profit and loss	(5,904)	(7,162)
Tax (expense)/income during the period recognised in other comprehensive income	7	(40)
Others	1	(1)
Closing balance as at March 31	**(43,894)**	**(37,998)**

Notes:

a) The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and liabilities as well as the deferred tax assets and liabilities related to income taxes levied by the same taxation authority.

Notes to Standalone Financial Statements
for the year ended March 31, 2024

Note 22: Borrowings

Refer note 2.14 for accounting policy on Financial instruments

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Current		
Secured		
Cash credit facilities from banks (repayable on demand) (refer foot note a)	1,453	-
Working capital demand loan (refer foot note a)	13,793	12,000
Current maturities of long-term borrowings		
Current maturities of long-term borrowings (refer note 18)	33,391	40,517
Unsecured:		
Commercial paper (refer foot note b)	15,000	10,000
Total	**63,637**	**62,517**

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 Company carrying interest in the range of 7.50% p.a. to 9.80% p.a. (March 31, 2023 : 4.50% to 9.70% p.a.)

b) The Company had issued commercial papers (total available limit ₹ 50,000 lakhs) at regular intervals for working capital purposes with interest ranging from 7.15% p.a. to 7.80% p.a. (March 31, 2023 : 4.14% to 7.70% p.a.)

c) Quarterly returns and statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

d) Refer note 44(c) for information about liquidity risk relating to borrowings.

Note 23: Trade payables

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro enterprise and small enterprises (refer foot note a):		
Overdue	5	5
Not due	9,847	8,123
Total outstanding dues of creditors other than micro enterprises and small enterprises:		
Trade payables to related parties (refer note 39)*	1,481	673
Trade payables to others	2,21,931	2,18,282
Total	**2,33,264**	**2,27,083**

* For terms and conditions with related parties, refer note 39

Notes

a) Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006 (the MSMED Act) are given as follows# :

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
i) The principal amount remaining unpaid to any supplier as at the end of each accounting year	9,852	8,128
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	0	1
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.

Notes to Standalone Financial Statements
for the year ended March 31, 2024

Note 23: Trade payables (Contd..)

b) Trade payables are non interest bearing and normally settled between 30 to 180 days.

c) Refer note 44(c) for information about liquidity risk relating to trade payables.

(₹ in lakhs)

Trade payable ageing as on March 31, 2024	Current but not due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 year	Total
Total outstanding dues of Micro enterprises and small enterprises	9,847	5	-	-	-	9,852
Total outstanding dues of creditors other than Micro enterprises and small enterprises	2,21,590	1,591	-	-	221	2,23,402
Disputed dues of creditors other than Micro enterprises and small enterprises	-	-	-	-	10	10
Total	**2,31,437**	**1,596**	**-**	**-**	**231**	**2,33,264**

(₹ in lakhs)

Trade payable ageing as on March 31, 2023	Current but not due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 year	Total
Total outstanding dues of Micro enterprises and small enterprises	8,123	5	-	-	-	8,128
Total outstanding dues of creditors other than Micro enterprises and small enterprises	2,17,847	857	-	-	228	2,18,932
Disputed dues of creditors other than Micro enterprises and small enterprises	-	9	-	-	14	23
Total	**2,25,970**	**871**	**-**	**-**	**242**	**2,27,083**

Note 24: Other financial liabilities

Refer note 2.14 for accounting policy on Financial instruments

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Current		
At fair value through other comprehensive income		
Derivative financial instrument	236	-
At amortised cost		
Employee related liabilities	15,508	10,933
Interest accrued but not due	1,875	3,242
Unpaid dividends (refer foot note a)	249	282
Unpaid matured deposits and interest accrued thereon (refer foot note a)	-	7
Deposits from dealers and others	53,862	49,389
Payable to capital vendors (others)	13,543	19,884
Total	**85,273**	**83,737**

Notes:

a) Refer foot note (a) and (b) below note 12: Bank balances other than cash and cash equivalents.

b) Refer note 42 for information about fair value measurement and note 44(c) for information about liquidity risk relating to other financial liabilities.

Notes to Standalone Financial Statements
for the year ended March 31, 2024

Note 25: Other current liabilities

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory dues	13,770	12,649
Advance received from customers *	3,166	2,387
Others	10,720	-
Total	**27,656**	**15,036**

* Represents contract liabilities

Note 26: Revenue from operations

Refer note 2.3 for accounting policy on Revenue recognition and 2.5 for government grant and export incentives

Set out below is the disaggregation of the Company's revenue from contracts with customers:

(₹ in lakhs)

Particulars	2023-24	2022-23
Revenue recognised at the point of time		
Automotive Tyres	10,96,253	10,34,379
Tubes and others	75,291	74,430
Other revenues	966	506
Revenue recognised over the period of time		
Royalty income (Refer note 39)	604	445
Total revenue from contracts with customers	**11,73,114**	**11,09,760**
Other operating revenue		
Sale of scrap	6,500	6,126
Government grants (refer foot note d)	9,646	10,440
Revenue from operations	**11,89,260**	**11,26,326**

Notes

a) Revenue disaggregation basis geography has been included in segment information (refer note 40)

b) Contract assets and liabilities

The Company has recognised the following revenue-related contract assets and liabilities:

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables (refer note 10)	1,27,597	1,30,283
Advance received from customers (refer note 25)	3,166	2,387

The Company receives payment from customers based on a billing schedule, as established in the contracts with customers. Trade receivable are recognised when the right to consideration becomes unconditional. Contract liability relates to payments received in advance of performance under the contract. Contract liabilities are recognised as revenue as (or when) the Company perform under the contract.

c) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price:

(₹ in lakhs)

Particulars	2023-24	2022-23
Revenue as per contracted price	12,04,487	11,40,035
Reductions towards variable consideration components *	(31,373)	(30,275)
Revenue from contracts with customers	**11,73,114**	**11,09,760**

* The reduction towards variable consideration comprises of discounts, indexations etc.

d) Government Grant:

i) In accordance with the accounting policy for Government grants, the Company has recognised an amount of ₹ 9,646 lakhs towards state incentives (March 31, 2023: ₹ 10,268 lakhs) which is included in other operating revenue.

ii) The Company has recognised a government grant as income on account of Export Incentive under Merchandise Exports from India Scheme (MEIS) from Directorate General of Foreign Trade, Government of India.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note 27: Other Income

Refer note 2.3 for accounting policy on Revenue recognition

(₹ in lakhs)

Particulars	2023-24	2022-23
Interest income on		
Bank deposits	5	2
Others	408	776
Dividend income from subsidiaries (refer note 39)	1,372	2,255
Other non-operating income	812	785
Gain on disposal of investments (net)	30	-
Gain on disposal of property, plant and equipment / asset held for sale (net)	-	48
Total	**2,627**	**3,866**

Note 28: Cost of material consumed

(₹ in lakhs)

Particulars	2023-24	2022-23
Raw Material		
Opening stock	41,637	58,155
Add: Purchases	6,89,752	7,18,556
	7,31,389	**7,76,711**
Less: Closing stock	(39,026)	(41,637)
Total	**6,92,363**	**7,35,074**

Details of raw materials consumed

(₹ in lakhs)

Particulars	2023-24	2022-23
Rubber	3,28,262	3,48,425
Fabrics	71,464	81,765
Carbon black	1,24,269	1,29,091
Chemicals	53,940	57,427
Others	1,14,428	1,18,366
Total	**6,92,363**	**7,35,074**

Details of closing inventories

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Rubber	21,374	23,027
Fabrics	3,825	4,310
Carbon black	3,972	3,233
Chemicals	4,019	4,640
Others	5,836	6,427
Total [refer note 9(a)]	**39,026**	**41,637**

Note 29: Changes in inventories of finished goods, work-in-progress and stock-in-trade

(₹ in lakhs)

Particulars	2023-24	2022-23
Opening Stock		
Work-in-progress	7,919	7,885
Finished goods	60,801	60,362
Stock in trade	198	172
	68,918	**68,419**
Closing Stock		
Work-in-progress	8,747	7,919
Finished goods	63,387	60,801
Stock in trade	165	198
	72,299	**68,918**
Total change in inventories	**(3,381)**	**(499)**

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note 30: Employee benefit expense

Refer note 2.13 for accounting policy on Retirement and other employee benefits

(₹ in lakhs)

Particulars	2023-24	2022-23
Salaries, wages and bonus	70,081	60,615
Contribution to provident and other funds	3,446	3,074
Gratuity expenses (refer note 37)	1,370	956
Staff welfare expenses	8,461	7,891
Total	**83,358**	**72,536**

Note 31: Finance costs

Refer note 2.9 for accounting policy on Borrowing costs and 2.10 for accounting policy on leases

(₹ in lakhs)

Particulars	2023-24	2022-23
Interest on debts and borrowings [refer note 3(2)]	23,475	20,465
Other finance charges	384	749
Interest on lease liabilities [refer note 4(b)]	1,606	1,420
Total interest expense	**25,465**	**22,634**
Unwinding of decommissioning liability	12	11
Unwinding of deferred payment obligation [refer note 20]	263	271
Unwinding of discount on provision of sales related obligation [refer note 20]	846	988
Total	**26,586**	**23,904**

Note 32: Depreciation and amortization expenses

Refer notes 2.7 for accounting policy on Property, plant and equipment, 2.8 for accounting policy on Intangible assets and 2.10 for accounting policy on leases

(₹ in lakhs)

Particulars	2023-24	2022-23
Depreciation of property, plant and equipment (refer note 3)	39,720	34,808
Amortisation of intangible assets (refer note 5)	3,053	3,858
Depreciation of right-of-use assets [refer note 4(a)]	8,063	8,259
Total	**50,836**	**46,925**

Note 33: Other expenses

(₹ in lakhs)

Particulars	2023-24	2022-23
Conversion charges	35,179	34,146
Stores and spares consumed	9,925	9,412
Power and fuel	37,516	37,541
Freight and delivery charges	46,537	45,087
Repairs and maintenance	11,021	9,644
Directors' sitting fees	60	48
Payment to auditors (refer foot note 1)	133	121
Cost audit fees	3	4
Advertisement and sales promotion expenses	24,974	21,235
Bad debts and advances written off	61	258
Allowance for bad debts and advances written back	(58)	(191)
	3	**67**
Allowance for doubtful debts and advances	101	69
Loss on disposal of property, plant and equipment (net)	28	-
Professional and consultancy charges	12,333	8,905
Commission to directors (refer note 39)	838	177
Corporate Social Responsibility (CSR) expenses (refer foot note 2)	583	604
Sales related obligations	18,020	15,010
Extended producers responsibility (refer foot note 34c)	7,267	-
Miscellaneous expenses	46,217	38,429
Total	**2,50,738**	**2,20,499**

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note 33: Other expenses (Contd..)

Notes:

1) Payment to auditors*

(₹ in lakhs)

Particulars	2023-24	2022-23
As auditor		
Audit fee	66	63
Limited review	42	35
In other capacity:		
Other services (including certification fees)	15	14
Reimbursement of expenses	10	9
Total payment to auditor	**133**	**121**

* Exclusive of Goods and Services Tax (GST)

2) Details of Corporate Social Responsibility (CSR) expenses

(₹ in lakhs)

Particulars	2023-24	2022-23
a) Gross amount required to be spent during the year	579	604

(₹ in lakhs)

b) Amount spent during the year on on-going projects ended on March 31, 2024 *	In cash	Yet to be paid in cash	Total
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	583	-	583
Total	**583**	**-**	**583**

(₹ in lakhs)

c) Amount spent during the year on other than on-going projects ended on March 31, 2024 *	In cash	Yet to be paid in cash	Total
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	-	-	-
Total	**-**	**-**	**-**

(₹ in lakhs)

d) Amount spent during the year on-going projects ended on March 31, 2023 *	In cash	Yet to be paid in cash	Total
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	398	206	604
Total	**398**	**206**	**604**

(₹ in lakhs)

e) Amount spent during the year other than on-going projects ended on March 31, 2023 *	In cash	Yet to be paid in cash	Total
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	-	-	-
Total	**-**	**-**	**-**

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note 33: Other expenses (Contd..)

f) Movement of CSR Balance

Particulars	Balance as on March 31, 2023		Amount required to be spend during the year	Amount spend during the year		Balance as on March 31, 2024	
	With Company	In seperate or unspend A/c		With Company	In seperate or unspend A/c	With Company	In seperate or unspend A/c
Ongoing Project	-	206	579	785	-	-	-
Other than Ongoing Project	-	-		-	-	-	-

Nature of CSR activities include promoting education, employment enhancing vocation skills, protection and restoration of National Heritage and promoting healthcare including preventive healthcare and Disaster management.

* Above includes Nil lakhs of Corporate Social Responsibility expense related to ongoing projects as at March 31, 2024 (March 31, 2023: ₹ 206 lakhs). The same was transferred to a special account designated as "Unspent Corporate Social Responsibility Account for FY23" ("UCSRA – FY23") of the Company within 30 days from end of financial year ended March 31, 2023.

Note 34: Exceptional items

(₹ in lakhs)

Particulars	2023-24	2022-23
Voluntary retirement scheme (VRS) (refer foot note a)	798	3,160
Extended Producer Responsibility (refer foot note c)	3,453	-
Expenses / Losses due to fluctuations in Srilanka currency (refer foot note b)	-	182
Total	**4,251**	**3,342**

Notes

a) The Company had introduced VRS for employees across the Company. During the year, 29 employees (March 31, 2023, 147 employees) opted for the VRS.

b) The exchange loss towards dividend and other receivables from its subsidiary / joint ventures in Sri Lanka on account of devaluation in Sri lanka currency is reflected as an exceptional item amounting to ₹ 182 lakhs for the year ended March 31, 2023.

c) On July 21, 2022, the Ministry of Environment, Forest and Climate Change issued notification containing Regulations on Extended Producer Responsibility (EPR) for Waste Tyre applicable to Tyre manufacturers and Recyclers. As per the notification, the Company has a present legal obligation as at March 31, 2024 for FY 2023-24 (quantified basis the production in FY 21-22) and for FY 2022-23 (quantified basis the production in FY 20-21) to purchase EPR certificates online from Recyclers of waste tyre, registered with the Central Pollution Control Board, to fulfil its obligations.

As at March 31, 2023 the Company could not estimate the liability reliably since the infrastructure for the same was not enabled and hence this obligation was not provided for. In the current year the enabling framework has been established for the Company to reliably estimate the liability and accordingly ₹ 10,720 lakhs has been provided in the books in the current year including ₹ 3,453 lakhs pertaining to FY 22-23 obligations, which has been disclosed as an exceptional item during the year ended March 31, 2024. The obligation pertaining to FY 23-24 has been disclosed separately in Other expenses.

The Company has provided the above on a prudence basis while the matter has been represented to the Government by the Company along with the Industry forum to defer the applicability and proposed certain changes in the modalities.

Note 35: Research and development costs

(₹ in lakhs)

Particulars	2023-24	2022-23
Capital expenditure	4,823	4,367
Revenue expenditure	12,493	11,906
Total	**17,316**	**16,273**

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.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note 36: Earnings per share ('EPS')

Refer note 2.18 for accounting policy on Earnings per share

The following reflects the income and share data used in the basic and diluted EPS computations:

(₹ in lakhs)

Particulars	2023-24	2022-23
Profit after tax for calculation of basic and diluted EPS	65,430	20,627
Weighted average number of equity shares (face value per share ₹ 10) in calculating basic EPS and diluted EPS	4,04,50,092	4,04,50,092
Basic EPS (of face value of ₹ 10 each)	161.75	50.99
Diluted EPS (of face value of ₹ 10 each)	161.75	50.99

Note 37: Post-retirements benefit plan

Refer note 2.13 for accounting policy on employee benefits

a) Defined contribution plan

Refer note 30 for Company's contribution to the defined contribution plans with respect to provident fund and other funds.

b) Defined benefit plan - Gratuity

Description of plan

The Company has a defined benefit gratuity plan which is funded with an Insurance Company in the form of a qualifying Insurance policy. The Company's defined benefit gratuity plan is a salary plan for employees which requires contributions to be made to a separate administrative fund. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, every employee who has completed five years of service gets a gratuity on separation at 15 days of last drawn salary for each completed year of service.

Governance

The fund has the form of a trust and it is governed by the Board of Trustees, which consists of employer and employee representatives. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy. Each year, the Board of Trustees reviews the level of funding.

Investment Strategy

The Board of trustees have appointed LIC of India, Birla Sun Life Insurance, India First Life Insurance, Kotak Mahindra Life Insurance & HDFC Life Insurance to manage its funds. The Board of Trustees aim to keep annual contributions relatively stable at a level such that no plan deficits (based on valuation performed) will arise. Every year, the insurance Company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company. In case of death, while in service, the gratuity is payable irrespective of vesting.

The following set out the amounts recognized in the Company's financial statements as at March 31, 2024 and March 31, 2023.

Balance Sheet

i) Net Assets / (Liability) as at year end

(₹ in lakhs)

Sr. No.	Particulars	As at March 31, 2024	As at March 31, 2023
1	Closing present value of the defined benefit obligation	14,386	13,530
2	Closing fair value of plan assets	14,230	11,523
	Net (Liability) / Assets recognized in the Balance Sheet	**(156)**	**(2,007)**

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note 37: Post-retirements benefit plan (Contd..)

(₹ in lakhs)

Sr. No.	Particulars	2023-24	2022-23
1	**Opening present value of defined benefit obligation**	**13,530**	**12,508**
2	Current service cost	1,369	956
3	Interest cost	1,010	900
4	Benefits paid	(1,134)	(1,332)
5	Remeasurement (gain) / loss in other comprehensive income		
	- Change in demographic Assumptions	-	493
	- Actuarial changes arising from changes in financial assumption	364	(760)
	- Experience adjustments	(753)	765
	Closing present value of defined benefit obligation	**14,386**	**13,530**

iii) Changes in fair value of plan assets

(₹ in lakhs)

Sr. No.	Particulars	2023-24	2022-23
1	**Opening fair value of plan assets**	**11,523**	**11,411**
2	Expected return on plan assets	860	821
3	Contributions made	2,000	1,100
4	Benefits paid	-	(1,316)
5	Return on plan assets, excluding amount recognised in net interest expense	(153)	(493)
	Closing fair value of plan assets	**14,230**	**11,523**

The Company's gratuity funds are invested through insurers.

Statement of Profit and Loss

iv) Expenses recognised during the year

(₹ in lakhs)

Sr. No.	Particulars	2023-24	2022-23
1	In income statement	1,520	1,035
2	In other comprehensive income	(237)	990
	Total expenses recognised during the period	**1,283**	**2,025**

v) Expenses recognized in the income statement

(₹ in lakhs)

Sr. No.	Particulars	2023-24	2022-23
1	Current service cost (refer note 30)	1,370	956
2	Interest cost on benefit obligation	150	79
	Net benefit expense	**1,520**	**1,035**

vi) Expenses recognized in other comprehensive income

(₹ in lakhs)

Sr. No.	Particulars	2023-24	2022-23
1	Remeasurement arising from changes in demographic assumptions	-	493
2	Remeasurement arising from changes in financial assumptions	364	(760)
3	Remeasurement arising from changes in experience adjustment	(754)	765
4	Return on plan assets, excluding amount recognized in net interest expense	153	493
	Components of defined benefit costs recognized in other comprehensive income	**(237)**	**990**

Notes to Standalone Financial Statements
for the year ended March 31, 2024

Note 37: Post-retirements benefit plan (Contd..)

vii) Actual return on plan assets for the year ended

(₹ in lakhs)

Sr. No.	Particulars	2023-24	2022-23
1	Expected return on plan assets	860	821
2	Actuarial (loss) / gain on plan assets	(153)	(493)
3	**Actual return on plan assets**	**707**	**328**

viii) The principal assumptions used in determining gratuity and leave encashment for the Company's plan are shown below

Particulars	2023-24	2022-23
Discount Rates (per annum)	7.20%	7.45%
Salary growth rate (per annum)	9% for Management Employees and 12% for Associates and Workmen (Bhandup and Nashik)*	9% for Management Employees and 12% for Associates and Workmen (Bhandup and Nashik)*
Mortality rate (% of Indian Assured Lives Mortality (2012-14) Modified Ultimate)	100%	100%
Disability Rate (% of mortality rate)	5.00%	5.00%
Withdrawal rates, based on service year: (per annum)		
- Below 5 years	0% to 18.33%	0% to 18.33%
- Equal and above 5 years	1.33% to 5.67%	1.33% to 5.67%

* Salary increment adopted for Bhandup and Nashik workmen is assumed once in every four years

The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields / rates available on applicable bonds as on the current valuation date.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The Company's best estimate of contribution during the next year is ₹ 1,623 lakhs.

ix) Sensitivity analysis of the defined benefit obligation

The sensitivity analysis below have been determined based on reasonably possible change of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Defined Benefit Obligation (Base)	14,386	13,530

A quantitative sensitivity analysis for significant assumption as at March 31, 2024 and March 31, 2023 is as shown below:

(₹ in lakhs)

Particulars	2023-24		2022-23	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	16,005	12,996	15,105	12,248
(% change compared to base due to sensitivity)	11.60%	(9.40%)	11.60%	(9.50%)
Salary Growth Rate (- / + 1%)	12,996	15,963	12,245	15,067
(% change compared to base due to sensitivity)	(9.40%)	11.30%	(9.50%)	11.40%
Attrition Rate (- / + 50% of attrition rates)	14,730	14,062	13,814	13,318
(% change compared to base due to sensitivity)	2.70%	(2.00%)	2.10%	(1.60%)
Mortality Rate (- / + 10% of mortality rates)	14,352	14,343	13,533	13,526
(% change compared to base due to sensitivity)	0.00%	0.00%	0.00%	0.00%

Notes to Standalone Financial Statements
for the year ended March 31, 2024

Note 37: Post-retirements benefit plan (Contd..)

These plans typically expose the Company to actuarial risks such as: Investment Risk, Interest Risk, Demographic Risk, Market Risk, Regulatory Risk and Salary Risk.

Risk	Exposure
Interest	The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).
Investment	The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.
Demographic	The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.
Salary Escalation	The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.
Asset Liability Mismatching or Market Risk	The duration of the liabilty is longer compared to duration of assets, exposing the Company to market risk for volatilities/fall in interest rate.
Regulatory Risk	Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (e.g. Increase in the maximum limit on gratuity of ₹ 20,00,000).

x) Weighted average duration and expected employers contribution for the next year for the defined benefit plan

The weighted average duration (based on discounted cash flows) of defined benefit obligation is 11 years.

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Within the next 12 months (next annual reporting period)	2,266	1,994
Between 2 and 5 years	4,901	4,626
Between 5 and 10 years	4,901	4,905
Beyond 10 years	30,274	31,019
Total	**42,342**	**42,544**

Compensated absenses

Refer note 20(a) for details on provision made towards compensated absences

Note 38: Commitments and contingencies

a. Contingent Liabilities

Refer note 2.20 for accounting policy on Contingent liabilities and assets (to the extent not provided for)

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
1. Direct and indirect taxation matters*		
Income tax (refer foot note a)	1,074	1,074
Excise duty / Service tax / GST / Customs (refer foot note b)	16,387	16,618
Sales tax (refer foot note c)	2,305	2,324
2. Bills discounted with banks	21,615	20,725
3. Claims against Company not acknowledged as debts*		
In respect of labour matters	958	988
Vendor disputes	294	294
4. Other claims* (refer foot note d)	3,168	3,210

*in respect of above matters, future cash outflows are determinable only on receipt of judgements pending at various forums / authorities.

Note:

a) Income tax cases includes disputes pertaining mainly to short deduction of TDS and other matters.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note 38: Commitments and contingencies (Contd..)

b) Excise / Service tax / GST cases include disputes pertaining to availment of CENVAT credit / input tax credit and other matters. Customs case includes dispute pertaining to MODVAT reversal (import under Value based Advance License).

c) Sales tax cases includes disputes pertaining mainly on account of input tax credit mismatch, VAT applicability on royalty / security deposits / octroi and other issues.

d) The Competition Commission of India ('CCI') on February 02, 2022 had released its order dated August 31, 2018 against the Company and other Tyre Manufacturers and also the Automotive Tyre Manufacturer Association (ATMA) concerning contravention of the provisions of the Competition Act, 2002 in the year 2011-12 and imposed a penalty of ₹ 25,216 lakhs on the Company. The Company had filed an appeal against the CCI Order before the Honourable National Company Law Appellate Tribunal (NCLAT). NCLAT in its order dated December 01, 2022, has remitted the matter back to the CCI to re-examine the order and to consider reviewing the penalty pointing out certain errors leading to wrong conclusions. CCI has filed an Appeal before the Supreme Court against the Order passed by the NCLAT. Company is also a Respondent in the said Appeal and has filed its reply to the CCI's appeal on December 28, 2023. No interim order has been passed by the Supreme Court. The Appeal is pending before the Supreme Court.

e) The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

b. Commitments

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance payments)	67,681	55,818

c. Others

The Company has availed the Sales Tax Deferral Loan and Octroi refund from the Directorate of Industries for Nashik Plant. Hence, the Company has to take prior permission of the appropriate authority for removal / transfer of any asset (falling under the above Schemes) from Nashik Plant. In case of violation of terms & conditions, the Company is required to refund the entire loan / benefit along with the interest @ 22.50% on account of Sales Tax deferral Loan and @ 15% on account of Octroi refund.

d. Material demands and disputes considered as "Remote" by the Company

The Company has been served with a Show Cause cum Demand Notice from the DGCEI (Directorate General of Central Excise Intelligence) Mumbai, on the ground that, the activity of making tyre set, i.e. inserting Tubes and Flaps inside the Tyres and tied up through Polypropylene Straps, amounts to manufacture / pre-packaged commodity under Section 2(f)(iii) of Central Excise Act, read with Section 2(l) of the Legal Metrology Act, 2009. Accordingly, the authorities worked out the differential duty amounting to ₹ 27,672 lakhs i.e., the difference between the amount of duty already paid on the basis of transaction value and duty payable on the basis of MRP under Section 4A, for the period from April 2011 to June 2017. The Company believes that Set of TT / TTF (Tyre and Tube / Tyre, Tube and Flap) is not a pre-packaged commodity in terms of provisions of Legal Metrology Act, 2009 read with Central Excise Act and Rules made thereunder. The Company has a strong case on the ground that, the said issue has been clarified by the Controller of the Legal Metrology Department vide its letter dated May 01, 1991 that "Tyre with tube & flaps tied with three thin polythene strips may not be treated as a pre-packed commodity within the meaning of rule 2(l) of the Standards of Weights and Measures (Packaged Commodities), Rules, 1977". The above clarification has been re-affirmed vide letter dated November 16, 1992 by the Legal Metrology authorities.

Note 39: Related party transactions

a) Names of related parties and related party relationship

Related parties where control exists

- Associated CEAT Holdings Company (Pvt.) Limited ("ACHL") (Subsidiary Company)
- CEAT AKKHAN Limited (Subsidiary Company)
- Rado Tyres Limited("Rado") (Subsidiary Company)
- CEAT Specialty Tires Inc. ("CSTI")(Subsidiary Company)
- CEAT Specialty Tyres B.V ("CSTBV")(Subsidiary Company)
- CEAT Auto Components Limited(Subsidiary Company)
- Taabi Mobility Limited ("Taabi")(Subsidiary Company)

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note 39: Related party transactions (Contd..)

- TYRESNMORE Online Pvt Ltd. ("TNM") (Subsidiary Company) w.e.f. August 04,2023
- CEAT Brazil Tires Servicos Ltda (Subsidiary Company) w.e.f. October 02,2023

Related parties with whom transactions have taken place during the current year and previous year

- CEAT Kelani Holdings (Pvt.) Limited ("CKHL") (Joint venture of ACHL)
- Associated CEAT Holdings Company (Pvt.) Limited ("ACHL") (Subsidiary Company)
- Ceat-Kelani International Tyres (Pvt.) Limited ("CKITL") (Subsidiary of CKHL) **
- Associated CEAT (Pvt.) Limited ("ACPL") (Subsidiary of CKHL)
- TYRESNMORE Online Pvt Ltd. ("TNM") (Subsidiary Company) w.e.f. August 04,2023
- RPG Enterprises Limited ("RPGE") (Directors, KMP or their close member are interested)
- RPG Lifesciences Limited ("RPGLS") (Directors, KMP or their close member are interested)
- Zensar Technologies Limited("Zensar") (Directors, KMP or their close member are interested)
- Raychem RPG (Pvt.) Limited ("Raychem") (Directors, KMP or their close member are interested)
- KEC International Limited ("KEC") (Directors, KMP or their close member are interested)
- KEC Spur Infrastructure Private Limited ("KEC Spur") (Directors, KMP or their close member are interested)
- Malabar Coastal Holdings LLP ("Malabar") (Directors, KMP or their close member are interested)
- B.N. Elias & Co. LLP ("B.N. Elias") (Directors, KMP or their close member are interested)
- Chattarpati Apartments LLP ("Chattarpati") (Directors, KMP or their close member are interested)
- Khaitan & Co. ("Khaitan") (Directors, KMP or their close member are interested)
- CEAT AKKHAN Limited (Subsidiary Company)
- Rado Tyres Limited ("Rado") (Subsidiary Company)
- CEAT Limited Superannuation Scheme ("Superannuation Scheme")(Post employment benefit fund)
- CEAT Limited Employees Gratuity Fund ("Gratuity trust")(Post employment benefit fund)
- CEAT Auto Components Limited (Subsidiary Company)
- CEAT Specialty Tires Inc. ("CSTI")(Subsidiary Company)
- CEAT Specialty Tyres B.V ("CSTBV")(Subsidiary Company)
- Artemis ventures Limited ("Artemis") (Directors, KMP or their close member are interested)
- Taabi Mobility Limited(Subsidiary Company)
- Key Management Personnel (KMP):

  i) Mr. Harsh Vardhan Goenka, Chairman

  ii) Mr. Anant Vardhan Goenka, Managing Director upto March 31, 2023 (redesignated as Vice chairman w.e.f. April 1, 2023)

  iii) Mr. Arnab Banerjee, Whole-time Director upto March 31, 2023 (redesignated as Managing Director and Chief Executive Officer w.e.f. April 1, 2023)

  iv) Mr Kumar Subbiah, Chief Financial Officer

  v) Ms. Vallari Gupte, Company Secretary

  vi) Mr. Paras K. Chowdhary, Non-Executive - Non Independent Director

  vii) Mr. Vinay Bansal, Independent Director (resigned w.e.f 01.06.2023)

  viii) Mr. Atul Choksey, Independent Director

  ix) Mr. Mahesh Gupta, Independent Director

  x) Mr. Haigreve Khaitan, Independent Director

  xi) Ms.Priya Nair, Independent Director

  xii) Mr. Milind Sarwate, Independent Director (appointed w.e.f 14.03.2024)

  xiii) Ms. Sukanya Kripalu, Independent Director (appointed w.e.f 14.03.2024)

**Ceat Kelani Radials Limited ("CKRL") (Subsidiary of CKHL) has been merged with Ceat-Kelani International Tyres (Pvt.) Limited ("CKITL") (Subsidiary of CKHL) wef 01.04.2023.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note 39: Related party transactions (Contd..)

b) The following transactions were carried out during the year with the related parties in the ordinary course of business:

(₹ in lakhs)

Transactions	Related Party	2023-24	2022-23
Reimbursement / (recovery) of expenses (net)	ACPL	(17)	15
	CKRL	-	(12)
	CKITL	190	-
	Raychem	(12)	(9)
	KEC	(161)	(45)
	Rado	(2)	(2)
	Zensar	10	18
	RPGE	300	243
	TNM	1	15
	RPGLS	(15)	(13)
	Total	**293**	**210**
Dividend income, excludes exchange fluctuations	ACHL	1,372	2,240
	CSTBV	-	5
	CSTI	-	10
	Total	**1,372**	**2,255**
Royalty income	ACPL	158	89
	CKITL	446	66
	CKRL	-	290
	Total	**604**	**445**
Purchase of traded goods / services	Raychem	8	-
	Zensar	38	-
	Total	**46**	**-**
Purchase of Raw Material	ACPL	22	42
	CKITL	86	62
	Total	**108**	**104**
Sales	CEAT AKKHAN Limited	8,297	8,677
	CKITL	1,797	1,110
	TNM	574	409
	KEC	21	-
	CSTBV	127	-
	KEC Spur	7	-
	Total	**10,823**	**10,196**
Investments (including share application money) made during the year	TNM	2,580	-
	CEAT Auto Components Limited	-	1
	Taabi	-	60
	Total	**2,580**	**61**
Technical development fees received	CKRL	-	128
	CKITL	566	30
	Total	**566**	**158**
Rent paid on residential premises / guest house, etc.	Malabar Coastal Holding	-	60
	Chattarpati	45	45
	B N Elias	24	26
	KEC	3	2
	Total	**72**	**133**
Operations & Maintenance of Solar panels	KEC	-	37
Building maintenance recovery	KEC	479	486
	RPGE	139	139
	RPGLS	149	130
	Total	**767**	**755**

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note 39: Related party transactions (Contd..)

(₹ in lakhs)

Transactions	Related Party	2023-24	2022-23
Rent recovery on residential premises	KEC	15	24
	RPGE	17	14
	Total	**32**	**38**
Contribution to Post-Employment Benefit Plans	Gratuity trust	2,000	1,011
	Superannuation Scheme	27	66
	Total	**2,027**	**1,077**
Receipt from Post-Employment Benefit Plans	Gratuity trust	-	1,317
	Superannuation Scheme	-	61
	Total	**-**	**1,378**
Purchase of capex / spares	KEC	480	42
Consultancy fees	Artemis	-	18
Marketing Support Services	CSTI	2,231	1,627
	CSTBV	1,457	1,026
	Total	**3,688**	**2,653**
Legal fees	Khaitan	59	155
License fees	RPGE	2,263	1,872

c) Balance outstanding at the year end

(₹ in lakhs)

Amount due to / from related party	Related Party	As at March 31, 2024	As at March 31, 2023
Advances recoverable / (payable) in cash or kind and other balances	ACPL	(5)	(22)
	CEAT AKKHAN Limited	209	209
	Malabar Coastal Holding	-	100
	CKITL	83	30
	TNM	-	567
	KEC	52	23
	CKRL	-	142
	Rado	1	-
	Zensar	(28)	(15)
	RPGE	(20)	15
	Raychem	12	11
	RPGLS	16	-
	Khaitan	(3)	-
	Total	**318**	**1,060**
Royalty receivable	ACPL	94	50
	CKITL	277	31
	CKRL	0	150
	Total	**371**	**231**
Trade payables	CEAT AKKHAN Limited	177	177
	CSTI	311	131
	CSTBV	155	89
	CKITL	-	63
	Artemis	-	18
	ACPL	-	18
	Total	**643**	**496**

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note 39: Related party transactions (Contd..)

(₹ in lakhs)

Amount due to / from related party	Related Party	As at March 31, 2024	As at March 31, 2023
Trade receivables	CKITL	633	137
	CSTBV	127	-
	CEAT AKKHAN Limited	-	349
	KEC	22	-
	KEC Spur	0	-
	ACPL	24	-
	TNM	136	246
	Total	942	732
Dividend receivable	CSTBV	0	5
Capital advance / (Capital creditors) (net)	Raychem	10	-
	KEC	1,958	-
	Total	1,968	-

d) Compensation of key management personnel of the Company

(₹ in lakhs)

Sr. No.	Related Party	2023-24	2022-23
1)	Short-term employee benefits	1,256	2,189
2)	Post-employment benefits	73	192
	Total Compensation paid to key management personnel	1,329	2,381

e) Balance outstanding at the year end for KMP

(₹ in lakhs)

Sr. No.	Amount due to related party	As at March 31, 2024	As at March 31, 2023
1)	Other payable to Mr. Anant Vardhan Goenka ##	-	308
2)	Commission Payable	838	177
	Total	838	485

Terms and conditions of transactions with related parties

The sales to and purchases and other transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

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.

Considering the possibility of inadequacy of profts, if any, the Company had paused the payment to Mr. Anant Goenka effective January 1, 2023, subject to approval of members which has been obtained subsequently by way of Postal Ballot on April 27, 2023.

f) 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 lakhs)

Related Party	As at March 31, 2024	As at March 31, 2023
KEC	1,952	287
Raychem	94	1
Total	2,046	288

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note 40: Segment information

Refer note 2.19 for accounting policy on Segment reporting

The Company's business activity falls within a single reportable business segment, viz. "Automotive Tyres, Tubes and Flaps".

Information about geographical areas

(₹ in lakhs)

Particulars	As at March 31, 2024			As at March 31, 2023		
	In India	Outside India	Total	In India	Outside India	Total
Revenue from contracts with customers	9,47,720	2,25,394	11,73,114	9,14,494	1,95,266	11,09,760
Non-current assets	7,20,451	-	7,20,451	6,83,246	-	6,83,246

During the financial year 2023-24 and 2022-23, no single external customer has generated revenue of 10% or more of the Company's total revenue.

During the financial year 2023-24 and 2022-23, no single country outside India has given revenue of more than 10% of total revenue.

Note 41: Hedging activities and derivatives

Derivatives designated as hedging instruments

The Company uses derivative financial instruments such as foreign currency forward contracts to hedge foreign currency risk arising from future transactions in respect of which firm commitments are made or which are highly probable forecast transactions. All these instruments are designated as hedging instruments and the necessary documentation for the same is made as per Ind AS 109.

Cash flow hedges

Foreign currency risk

Foreign exchange forward contracts measured at fair value through OCI are designated as hedging instruments in cash flow hedges of committed future purchases and highly probable forecast sales.

The foreign exchange forward contract balances vary with the level of expected foreign currency sales and purchases and changes in foreign exchange forward rates.

Hedged foreign currency exposure

(₹ in lakhs)

Derivative instrument	Purpose	Currency	As at March 31, 2024		As at March 31, 2023	
			Foreign Currency	₹	Foreign Currency	₹
Forward contract to sell foreign currency	Hedge of Foreign Currency sales	USD	292	24,384	209	17,172
		EUR	92	8,254	76	6,767
		AED	-	-	3	67
	Hedge of Foreign Currency High probable sales	USD	153	12,719	148	12,120
		EUR	29	2,606	-	-
Forward contract to buy foreign currency	Hedge of foreign currency purchase	USD	365	30,420	423	34,731
		EUR	38	3,399	63	5,675
		JPY	165	91	2,587	1,594
	Hedge of Foreign Currency Firm Commitment – PO based hedging	USD	470	39,190	495	40,703
		EUR	100	8,967	94	8,437
		GBP	-	-	0	16
		JPY	1,406	774	2,979	1,835

Unhedged foreign currency exposure*

(Amount in Foreign currency and ₹ in lakhs)

Particulars	Currency	As at March 31, 2024	As at March 31, 2023
Capex, Trade Payables and other financial liabilities	USD	4	-
	EUR	4	-
	JPY	38	-
Trade Receivables	USD	63	3
	EUR	35	-

* The trade payables / short term borrowings are naturally hedged (off-set) to the extent of exposure under trade receivables / advances for respective currencies.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note 41: Hedging activities and derivatives (Contd..)

The terms of the foreign currency forward contracts match the terms of the expected highly probable forecast transactions. As a result, no hedge ineffectiveness arise requiring recognition through the Statement of Profit and Loss.

The cash flow hedges as at March 31, 2024 were assessed to be highly effective and a net unrealised loss of ₹ 268 lakhs, with a deferred tax asset of ₹ 67 lakhs relating to the hedging instruments, is included in OCI. Comparatively, the cash flow hedges as at March 31, 2023 were assessed to be highly effective and a net unrealised gain of ₹1,150 lakhs, with a deferred tax liability of ₹ 289 lakhs relating to the hedging instruments, was included in OCI.

Note 42: Fair values

The management considers that the carrying value of financial assets and financial liabilities which are recognised at amortised cost are a reasonable approximation of their fair values.

Note 43: Fair value hierarchy

The fair value of financial instruments as referred to in note 42 above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

- **Level 1:** Quoted prices for identical instruments in an active market;
- **Level 2:** Directly or indirectly observable market inputs, other than Level 1 inputs; and
- **Level 3:** Inputs which are not based on observable market data.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities as at March 31, 2024 and March 31, 2023

(₹ in lakhs)

Particulars	Total	Fair Value measurement using		Valuation techniques and key inputs
		Level 2	Level 3	
As at March 31, 2024				
Financial assets at fair value				
a) Through profit & loss				
Investments in others (Refer note 6(b))	396	-	396	**Discounted cash flows:** The valuation model considers the present value of the expected future cashflows, discounted using a risk-adjusted discount rate.
b) Through other comprehensive income				
Investments in others (Refer note 6(b))	1,237	-	1,237	
Derivative financial instruments (non-current and current)	-	-	-	Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).
Financial liabilities at fair value				
a) Through other comprehensive income				
Derivative financial instruments (non-current and current)	247	247	-	
As at March 31, 2023				
Financial assets at fair value				
a) Through profit & loss				
Investments in others (Refer note 6(b))	430	-	430	**Discounted cash flows:** The valuation model considers the present value of the expected future cashflows, discounted using a risk-adjusted discount rate.
b) Through other comprehensive income				
Investments in others (Refer note 6(b))	1,237	-	1,237	
Derivative financial instruments (non-current and current)	113	-	113	Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).
Financial liabilities at fair value				
a) Through other comprehensive income				
Derivative financial instruments (non-current and current)	-	-	-	Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note 43: Fair value hierarchy (Contd..)

Calculation of Fair Values

The fair values of the financial assets and liabilities are defined as the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended March 31, 2023.

Financial assets and liabilities measured at fair value as at Balance Sheet date:

Derivative financial instruments: The fair values of the derivative financial instruments has been determined using valuation techniques with market observable inputs. The models incorporate various inputs including the credit quality of counter-parties, foreign exchange forward rates, etc.

Investment in others: The fair value is calculated using the Discounted Cashflow method where the significant unobservable input used is discount rate - 18.64%.

Significant Unobservable Inputs Used in Level 3 Fair Values

As at March 31, 2024	Significant unobservable inputs	Sensitivity of input to fair value measurement
Investment in Compulsorily Convertible Preference shares & equity shares of E-Fleet Systems Private Limited	Discount Rate : 18.64%	1% increase in discount rate will have reduction of ₹ 34 lakhs and 1% decrease in discount rate will have led to an equal but opposite impact

As at March 31, 2023	Significant unobservable inputs	Sensitivity of input to fair value measurement
Investment in Compulsorily Convertible Preference shares & equity shares of E-Fleet Systems Private Limited	Discount Rate : 18.64%	1% increase in discount rate will have reduction of ₹ 13 lakhs and 1% decrease in discount rate will have led to an equal but opposite impact

Reconciliation of Level 3 fair value measurements of financial assets and financial liabilities is given below

(₹ in lakhs)

Reconciliation of movements in Level 3 valuations	As at March 31, 2024	As at March 31, 2023
Opening value	1,667	1,303
Additions during the year	-	350
Gain / (loss) recognised in profit and loss on fair value adjustment (FVTPL)	(34)	14
Closing value	**1,633**	**1,667**

Note 44 : Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, cash and cash equivalents that derive directly from its operations. The Company also enters into derivative transactions.

The Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. The Board of Directors through its Risk Management Committee reviews and agrees policies for managing each of these risks, which are summarised below.

a) Market risk

The Company's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

- Interest rate risk;
- Foreign currency risk;
- Equity price risk; and
- Commodity risk

Notes to Standalone Financial Statements
for the year ended March 31, 2024

Note 44 : Financial risk management objectives and policies (Contd..)

The above risks may affect the Company's income and expenses, or the value of its financial instruments. The Company's exposure to and management of these risks are explained below.

The sensitivity of the relevant Statement of Profit or Loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2023 and March 31, 2022 including the effect of hedge accounting.

i. Interest rate risk

Risk	Exposure	Risk Management
Risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.	Relates primarily to the Company's long-term debt obligations with floating interest rates.	The Company manages its interest rate risk pertaining to domestic borrowings by maintaining a balanced portfolio of borrowings linked to various tenor benchmark of MCLR, Repo rate and T-Bills. The Company enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. As at March 31, 2024, after taking into account the effect of interest rate swaps, approximately 34% of the Company's total borrowings are at a fixed rate of interest (March 31, 2023: 30%).

The following table provides a break-up of Company's fixed and floating rate borrowing (gross off processing fees)

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Fixed rate borrowings	53,793	62,000
Floating rate borrowings	1,05,827	1,43,827
Total borrowings	**1,59,620**	**2,05,827**

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 lakhs)

Particulars	Increase / decrease in basis points	Effect on profit before tax
March 31, 2024		
₹ 1,05,827 lakhs	+ / - 100 bps	-1,058.27 / + 1,058.27
March 31, 2023		
₹ 1,43,827 lakhs	+ / - 100 bps	-1,438.27 / +1,438.27

ii. Foreign currency risk

Risk	Exposure	Risk Management
Risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.	Relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).	For the committed transactions, The Company manages its foreign currency risk by hedging transactions till the actual date of inflow & outflow. When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions, the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency. As at March 31, 2024, the Company has hedged 88% (March 31, 2023: 99%) of its foreign currency receivables / payables.

Notes to Standalone Financial Statements
for the year ended March 31, 2024

Note 44 : Financial risk management objectives and policies (Contd..)

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in USD and EURO rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

(₹ in lakhs)

Particulars	Change in Currency	Effect on profit before tax
March 31, 2024		
Recognized net receivable – USD 5.9 Mio	₹ + 1 / - 1	+ 59 / - 59
Recognized net receivable – EUR 3.1 Mio	₹ + 1 / - 1	+ 31 / - 31
Recognized net payable – JPY 3.8 Mio	₹ + 1 / - 1	+ 38 / - 38
March 31, 2023		
Recognized net receivable – USD 0.3 Mio	₹ + 1 / - 1	+ 3 / - 3

The movement in the pre-tax effect is a result of a change in the fair value of the financial asset / liability due to the exchange rate movement. The derivatives which have not been designated in a hedge relationship act as an economic hedge and will offset the underlying transactions when they occur. The same derivatives are not covered in the above table.

In Management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

iii. Equity price risk

There is no material equity risk relating to the Company's equity investments which are detailed in note 6. The Company's equity investments majorly comprises of strategic investments rather than trading purposes.

iv. Commodity price risk

Potential impact	Exposure	Risk Management
Fluctuations in price of essential raw materials.	Price volatility of rubber and carbon black which may affect continuous supply.	The Company's Board of Directors has reviewed and approved a risk management strategy regarding commodity price risk and its mitigation.

Commodity price sensitivity

The following table approximately details the Company's sensitivity to a 5% movement in the input price of rubber and carbon black. The sensitivity analysis includes only 5% change in commodity prices for quantity sold or consumed during the year, with all other variables held constant. A positive number below indicates an increase in profit or equity where the commodity prices decrease by 5%. For a 5% increase in commodity prices, there would be a comparable impact on profit or equity, and the balances below would be negative.

(₹ in lakhs)

Commodity	Increase in profit due to decrease in commodity price		Decrease in profit due to increase in commodity price	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Natural rubber	9,000	9,300	(9,000)	(9,300)
Synthetic rubber	7,500	8,100	(7,500)	(8,100)
Carbon black	6,200	6,500	(6,200)	(6,500)

b) Credit risk

Trade receivables

Risk:

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

Risk Management:

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note 44 : Financial risk management objectives and policies (Contd..)

Trade receivables are non-interest bearing and are generally on 27 days to 60 days credit term. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

Export receivables are against Letter of Credit, bank guarantees, payment against documents. For open credit exports insurance cover is taken. Generally deposits are taken from domestic debtors under replacement segment. The carrying amount and fair value of security deposit from dealers amounts to ₹ 53,862 lakhs (March 31, 2023: ₹ 49,389 lakhs) as it is payable on demand. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

(₹ in lakhs)

Particulars	As at March 31, 2024			As at March 31, 2023		
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%	100.00%
Gross carrying amount	1,27,397	399	1,072	1,29,985	175	1,147
Loss allowance provision	-	200	1,072	0	88	1147

c) Liquidity risk

The Company prepares cash flow on a daily basis to monitor liquidity. Any shortfall is funded out of short term loans. Any surplus is invested in appropriate mutual funds or bank deposits. The Company also monitors the liquidity on a longer term wherein it is ensured that the long term assets are funded by long term liabilities. The Company ensures that the duration of its current assets is in line with the current liabilities to ensure adequate liquidity in the 3-6 months period.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Liquidity exposure

(₹ in lakhs)

Particulars	< 1 year	1-5 years	> 5 years	Total
As at March 31, 2024				
Non current borrowings*	-	95,803	-	95,803
Current borrowings	63,637	-	-	63,637
Lease liability	7,236	10,398	1,325	18,959
Other financial liabilities	85,284	2,014	92	87,390
Trade and other payables	2,33,264	-	-	2,33,264
Total	**3,89,421**	**1,08,215**	**1,417**	**4,99,053**
Derivative financial instruments	236	11	-	247
Total	**3,89,657**	**1,08,226**	**1,417**	**4,99,300**
As at March 31, 2023				
Non current borrowings*	-	1,36,309	7,812	1,44,121
Current borrowings	62,517	-	-	62,517
Lease liability	8,677	12,816	2,288	23,781
Other financial liabilities	83,737	1,788	93	85,618
Trade and other payables	2,27,083	-	-	2,27,083
Total	**3,82,014**	**1,50,913**	**10,193**	**5,43,120**

* Non-current borrowings are before netting off of processing fees

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note 45: Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Borrowings (note 18 and 22)	1,59,297	2,06,573
Less: cash and cash equivalents (note 11)	(3,220)	(5,024)
Net debt	**1,56,077**	**2,01,549**
Equity (note 15 and 16)	3,95,112	3,34,560
Capital and net debt	**5,51,189**	**5,36,109**
Gearing ratio	**28%**	**38%**

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, 2024 and March 31, 2023.

Note 46: Material foreseeable losses

The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts.

Note 47: Other Statutory Information

(i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company do not have any transactions with companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

(iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,

(iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

  (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

  (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

  (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

  (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(vii) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note 48: Ratio analysis and its elements

Ratio	Numerator	Denominator	31-Mar-24	31-Mar-23	% change	Reason for variance
Current ratio	Current Assets	Current Liabilities	0.61	0.64	(4.23)%	
Debt- Equity Ratio	Total Debt	Shareholder's Equity	0.40	0.62	(34.97)%	Decrease is mainly on account of repayment of long term borrowings.
Debt Service Coverage ratio	Earnings for debt service = (EBITDA * – Tax expenses) for the period	Debt service = Interest** & Lease Payments + Principal Repayments	2.13	1.25	70.56 %	Increase is mainly account of increase in operating margin.
Return on Equity ratio	Net Profits after taxes	Average Shareholder's Equity	18%	6%	198.90 %	Increase is mainly account of increase in operating margin.
Inventory Turnover ratio	Cost of goods sold	Average Inventory of finished goods, work-in-progress and stock-in trade	9.77	10.71	(8.81)%	
Trade Receivable Turnover Ratio	Net sales	Average Trade Receivable	9.09	9.03	0.62 %	
Trade Payable Turnover Ratio	Net credit purchases = RM purchases+Other expenses	Average Trade Payables	4.09	4.24	(3.63)%	
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	#	#	#	
Net Profit ratio	Net Profit/(loss) after tax	Revenue from operations	5.50	1.83	200.64 %	Increase is mainly account of increase in operating margin.
Return on Capital Employed	Earnings before interest, taxes and exceptional items	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	21.54%	10.42%	106.69 %	Increase is mainly account of increase in operating margin.
Return on Investment	Interest income on bank deposits	Bank deposits	2.5% to 5.5%	2.5% to 5.5%	-	

* EBITDA = Earnings before finance costs, tax expenses, depreciation and amortisation expenses, exceptional items and other income

** Interest costs include interest on borrowings, interest on lease liabilities and other financial charges, including interest capitalised and disclosed in exceptional items for the period

Net working capital is negative

For and on behalf of Board of Directors of CEAT Limited
CIN : L25100MH1958PLC011041

As per our report of even date
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No: 101248W/W-100022

Kumar Subbiah
Chief Financial Officer

H. V. Goenka
Chairman
[DIN:00026726]

Anant Goenka
Vice-Chairman
[DIN:02089850]

Sadashiv Shetty
Partner
Membership Number : 048648
Place: Mumbai
Date: May 02, 2024

Vallari Gupte
Company Secretary

Place: Mumbai
Date: May 02, 2024

Arnab Banerjee
Managing Director
[DIN:06559516]

Mahesh Gupta
Chairman- Audit Committee
[DIN:00046810]

Consolidated Financial Statements

Independent Auditor's Report

To the Members of CEAT Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of CEAT Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associate and its joint ventures, which comprise the consolidated balance sheet as at 31 March 2024, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of such subsidiaries, associate and joint ventures as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate and joint ventures as at 31 March 2024, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group, its associate and joint ventures in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter

See Note 24 to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
The Group recognises revenue from the sales of products when control over goods is transferred to the customer based on specific terms and conditions of sale contracts with respective customers. We have identified recognition of revenue on sale of products as a key audit matter as – ◈ revenue is a key performance indicator; and ◈ there is a presumed fraud risk of revenue being overstated through manipulation of the timing of transfer of control due to pressures to achieve performance targets as well as meeting external expectations.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: ◈ Assessed the appropriateness of the policies in respect of revenue recognition by comparing with applicable accounting standards. ◈ Performed testing of design, implementation and operating effectiveness of the Holding Company's general Information Technology ('IT') controls over revenue recognition and key IT application controls by involving our IT specialists. ◈ Performed testing of design, implementation and operating effectiveness of the Holding Company's key manual controls around revenue recognition. ◈ Performed substantive testing (including year-end cut-off testing) of recognition of revenue in the correct period by selecting statistical samples of revenue transactions recorded during and at the end of the financial year. ◈ Examined the underlying documents such as sales invoices/ contracts and dispatch/ shipping documents for the selected transactions. ◈ Assessed manual journals posted in revenue ledger to identify any unusual items.

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and auditor's reports thereon. The Holding Company's annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Holding Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associate and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and the respective Management and Board of Directors of its associate and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and the respective Management and Board of Directors of its associate and joint ventures are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and the respective Management and Board of Directors and of its associate and joint ventures are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

◈ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

◈ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

◈ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

◈ Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate and joint ventures to cease to continue as a going concern.

◈ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group and its associate and joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter(s)

a. We did not audit the financial statements of five subsidiaries, whose financial statements reflects total assets (before consolidation adjustments) of ₹ 14,126 Lakhs as at 31 March 2024, total revenues (before consolidation adjustments) of ₹ 1,939 Lakhs, total net loss after tax (before consolidation adjustment) of ₹ 823 Lakhs, total comprehensive loss (before consolidation adjustments) of ₹ 829 Lakhs and net cash inflows (before consolidation adjustments) amounting to ₹ 185 Lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit after tax of ₹ 2,097 Lakhs and other comprehensive income of ₹ 1,963 Lakhs for the year ended 31 March 2024, in respect of one associate and three joint ventures, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and associate is based solely on the reports of the other auditors.

b. Certain of these subsidiaries and joint ventures are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries, joint venture and associate located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries, joint venture and associate located outside India is based on the reports of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

c. The financial statements of four subsidiaries, whose financial statements reflects total assets (before consolidation adjustments) of ₹ 10,992 Lakhs as at 31 March 2024, total revenues (before consolidation adjustments) of ₹ 15,676 Lakhs and net cash inflows (before consolidation adjustments) amounting to ₹ 894 Lakhs for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. These unaudited financial statements have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Holding Company.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries, associate and joint ventures as were audited by other auditors, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:

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 of the aforesaid consolidated financial statements.

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditors.

c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representaion received from the directors as on 31 March 2024 taken on record by the Board of Directors of the Holding Company and reports of the statutory auditor of its subsidiary Company, none of the directors of the Group Companies incorporated in India is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

f. the qualification relating to maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(A)(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) of below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries and joint ventures, as noted in the "Other Matters" paragraph:

a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2024 on the consolidated financial position of the Group and joint ventures. Refer Note 43(a) to the consolidated financial statements.

b. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 46 and Note 51 to the consolidated financial statements in respect of such items as it relates to the Group and joint ventures.

c. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2024.

d (i) The management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies represented to us and the other auditors of such subsidiary companies, that, to the best of their knowledge and belief, as disclosed in the Note 52(iv) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary companies incorporated in India to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary companies incorporated in India ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies represented to us and the other auditors of such subsidiary companies, that, to the best of their knowledge and belief, as disclosed in the Note 52(v) to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary companies incorporated in India from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary companies incorporated in India shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed, by us and that performed by the auditors of the subsidiary companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The final dividend paid by the Holding Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 18 to the consolidated financial statements, the Board of Directors of the Holding Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

f. Based on our examination which included test checks, the Holding Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility except that, the audit trail was not enabled at the database level to log any direct data changes. For accounting software for which audit trail feature is enabled, the audit trail facility has been operating throughout the year for all relevant transactions recorded in the software and we did not come across any instance of audit trail feature being tampered with during the course of our audit.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, and based on the audit reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid/payable during the current year by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid/payable to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Sadashiv Shetty
Partner
Membership No.: 048648
ICAI UDIN:24048648BKFQHC9444

Place: Mumbai
Date: 02 May 2024

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of CEAT Limited

for the year ended 31 March 2024

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, the respective auditors in their reports given under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No	Name of the entity	CIN	Holding Company/ Subsidiary/ JV/ Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
1	Tyresnmore Online Private Limited	U25119DL2014PTC267768	Subsidiary w.e.f. 4 August 2023	vii(b) and xvii
2	CEAT Auto Components Limited	U35999MH2022PLC380969	Wholly Owned Subsidiary	xvii

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Sadashiv Shetty
Partner
Membership No.: 048648
ICAI UDIN:24048648BKFQHC9444

Place: Mumbai
Date: 02 May 2024

Annexure B to the Independent Auditor's Report on the consolidated financial statements of CEAT Limited

for the year ended 31 March 2024

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of CEAT Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which is its subsidiary companies, as of that date.

In our opinion, and based on the consideration of reports of the other auditors on internal financial controls with reference to financial statements of subsidiary companies, as were audited by the other auditors the Holding Company and such companies incorporated in India which are its subsidiary companies,, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Holding Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The respective Companies Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Holding Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to two subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

The internal financial controls with reference to financial statements insofar as it relates to two subsidiary companies, which are companies incorporated in India and included in these consolidated financial statements, have not been audited either by us or by other auditors. In our opinion and according to the information and explanations given to us by the Management, such unaudited components are not material to the Holding Company.

Our opinion is not modified in respect of above matters.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Sadashiv Shetty
Partner
Membership No.: 048648
ICAI UDIN:24048648BKFQHC9444

Place: Mumbai
Date: 02 May 2024

Consolidated Balance Sheet

as at March 31, 2024

(₹ in Lakhs)

Particulars	Note	As at March 31, 2024	As at March 31, 2023
I Assets			
(1) Non-current assets			
(a) Property, plant and equipment	3	5,92,681	5,71,627
(b) Capital work-in-progress	3	65,911	56,859
(c) Right-of-use assets	4	24,696	29,203
(d) Goodwill	41	2,311	-
(e) Intangible assets	5	7,420	8,781
(f) Intangible assets under development	5	2,442	2,748
(g) Investments accounted using equity method	6	16,576	15,290
(h) Financial assets			
(i) Investments	7	1,633	1,667
(ii) Other financial assets	8	808	1,012
(i) Non-current tax assets (net)	23	2,645	1,414
(j) Deferred tax assets (net)	23	-	127
(k) Other non-current assets	9	8,452	5,192
Total non-current assets (A)		**7,25,575**	**6,93,920**
(2) Current assets			
(a) Inventories	10	1,15,049	1,13,778
(b) Financial assets			
(i) Trade receivables	11	1,28,322	1,30,703
(ii) Cash and cash equivalents	12	5,516	6,062
(iii) Bank balances other than cash and cash equivalents	13	392	1,126
(iv) Other financial assets	14	6,830	4,312
(c) Other current assets	15	12,935	12,784
Total current assets		**2,69,044**	**2,68,765**
Assets held-for-sale	16	4,831	98
Total (B)		**2,73,875**	**2,68,863**
Total assets [(A) + (B)]		**9,99,450**	**9,62,783**
II Equity and liabilities			
(1) Equity			
(a) Equity share capital	17	4,045	4,045
(b) Other equity	18	4,00,216	3,39,919
Equity attributable to owners of parent		**4,04,261**	**3,43,964**
(c) Non-controlling interests	39	974	1,739
Total equity (A)		**4,05,235**	**3,45,703**
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	20	95,660	1,44,056
(ii) Lease liabilities	4	10,170	13,055
(iii) Other financial liabilities	21	2,117	1,881
(b) Provisions	22	7,860	4,788
(c) Deferred tax liabilities (net)	23	45,092	38,858
Total non-current liabilities (B)		**1,60,899**	**2,02,638**
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	24	67,230	65,214
(ii) Lease liabilities	4	6,090	7,222
(iii) Trade payables	25		
- Total outstanding dues of micro enterprises and small enterprises		9,852	8,128
- Total outstanding dues of creditors other than micro enterprises and small enterprises		2,23,359	2,18,705
(iv) Other financial liabilities	26	85,467	84,205
(b) Other current liabilities	27	28,604	15,065
(c) Provisions	22	10,542	14,382
(d) Current tax liabilities (net)	23	2,172	1,521
Total current liabilities (C)		**4,33,316**	**4,14,442**
Total equity and liabilities		**9,99,450**	**9,62,783**
Material accounting policies	2		

The accompanying notes are an integral part of the consolidated financial statements

For and on behalf of Board of Directors of CEAT Limited
CIN : L25100MH1958PLC011041

As per our report of even date
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No: 101248W/W-100022

Kumar Subbiah
Chief Financial Officer

H. V. Goenka
Chairman
[DIN:00026726]

Anant Goenka
Vice-Chairman
[DIN:02089850]

Sadashiv Shetty
Partner
Membership Number : 048648
Place: Mumbai
Date: May 02, 2024

Vallari Gupte
Company Secretary
Place: Mumbai
Date: May 02, 2024

Arnab Banerjee
Managing Director
[DIN:06559516]

Mahesh Gupta
Chairman - Audit Committee
[DIN:00046810]

Consolidated Statement of Profit and Loss

for the year ended March 31, 2024

(₹ in Lakhs)

	Particulars	Note No.	2023-24	2022-23
	Revenue from operations	28	11,94,348	11,31,488
	Other income	29	1,973	1,694
I	**Total income**		**11,96,321**	**11,33,182**
	Expenses			
	Cost of materials consumed	30	6,92,343	7,35,074
	Purchases of stock-in-trade		3,635	3,029
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	31	(3,541)	436
	Employee benefit expense	32	84,571	73,520
	Finance costs	33	26,906	24,210
	Depreciation and amortization expenses	34	50,883	46,931
	Other expenses	35	2,52,117	2,22,048
II	**Total expenses**		**11,06,914**	**11,05,248**
III	**Profit before share of profit of associate and joint venture, exceptional items and tax**		**89,407**	**27,934**
IV	Share of profit of associate and joint venture (net of tax)	40,41	2,080	822
V	**Profit before exceptional items and tax**		**91,487**	**28,756**
VI	Exceptional items	36	5,817	3,342
VII	**Profit before tax**		**85,670**	**25,414**
VIII	**Tax expense**	23		
	Current tax		15,777	186
	Deferred tax		6,365	6,989
			22,142	**7,175**
IX	**Profit for the period**		**63,528**	**18,239**
	Attributable to			
	(a) Owners of the parent		64,265	18,617
	(b) Non-controlling interests	39	(737)	(378)
X	**Other comprehensive income**			
	(a) Items that will not be reclassified to profit or loss			
	(i) Remeasurement gains / (losses) on defined benefit plans	42	39	(817)
	(ii) Income tax relating to above	23	(2)	197
	(b) Items that will be reclassified to profit or loss			
	(i) Effective portion of gains (losses) on hedging instruments in cash flow hedges		(268)	1,150
	(ii) Exchange differences on translating the financial statements of a foreign operation	51	1,055	(918)
	(iii) Income tax relating to movement in cash flow hedges	23	67	(289)
	Other comprehensive income / (loss) for the year		**891**	**(677)**
	Attributable to			
	(a) Owners of the parent		891	(677)
	(b) Non-controlling interests		-	-
XI	**Total comprehensive income for the year [Comprising profit and other comprehensive income / (loss) for the year]**		**64,419**	**17,562**
	Attributable to			
	(a) Owners of the parent		65,156	17,940
	(b) Non-controlling interests	39	(737)	(378)
XII	**Earnings per equity share (of face value of ₹ 10 each)**	38		
	(a) Basic (in ₹)		158.87	46.03
	(b) Diluted (in ₹)		158.87	46.03
	Material accounting policies	2		

The accompanying notes are an integral part of the consolidated financial statements

For and on behalf of Board of Directors of CEAT Limited
CIN : L25100MH1958PLC011041

As per our report of even date
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No: 101248W/W-100022

Kumar Subbiah
Chief Financial Officer

H. V. Goenka
Chairman
[DIN:00026726]

Anant Goenka
Vice-Chairman
[DIN:02089850]

Sadashiv Shetty
Partner
Membership Number : 048648
Place: Mumbai
Date: May 02, 2024

Vallari Gupte
Company Secretary
Place: Mumbai
Date: May 02, 2024

Arnab Banerjee
Managing Director
[DIN:06559516]

Mahesh Gupta
Chairman - Audit Committee
[DIN:00046810]

Consolidated Statement of Cash Flow

for the year ended March 31, 2024

(₹ in Lakhs)

	Particulars	2023-24	2022-23
I	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before tax and excluding share of profit / (loss) of associates and joint venture	**83,590**	**24,592**
	Adjustments to reconcile profit before tax to net cash flows:		
	Depreciation and amortization expenses	50,883	46,931
	Interest income	(469)	(861)
	Finance costs	26,906	24,210
	Gain arising on investments measured at fair value through profit or loss	(629)	(14)
	Exceptional items- Impairment of Asset	1,566	-
	Provision/(Reversal) for obsolescence of stores and spares	-	(6)
	Allowance/(Reversal) for doubtful debts and advances	104	259
	Gain on sale of Mutual fund	(29)	-
	Loss on sale of property, plant and equipment (net)	29	48
	Unrealised foreign exchange (gain) / loss (net)	(325)	711
	Foreign Currency Translation Reserve on Consolidation	(148)	(1,195)
	Operating profit before working capital changes	**1,61,478**	**94,675**
	Adjustments for :		
	Decrease / (Increase) in inventories	(1,270)	17,184
	Decrease / (Increase) in trade receivables	2,366	(15,508)
	Decrease / (Increase) in other current assets and other current financial assets	(2,643)	(2,937)
	Decrease / (Increase) in non-current asset and other non-current financial assets	(66)	(55)
	(Decrease) / Increase in trade payables	6,796	9,737
	(Decrease) / Increase in current and non-current financial liabilities and other current liabilities	22,290	12,136
	(Decrease) / Increase in current provisions	(3,801)	929
	(Decrease) / Increase in non-current provisions	3,072	620
	Cash flows from operating activities	**1,88,222**	**1,16,781**
	Income taxes (paid) / refund	(16,296)	3,768
	Net cash flow generated from operating activities (I)	**1,71,926**	**1,20,549**
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)	(86,731)	(87,913)
	Proceeds from sale of property, plant and equipment	50	124
	Withdrawal/(Investment) of margin money deposit with banks	-	95
	Changes in other bank balances	734	128
	Investment in associate	(1,199)	-
	Purchase of other non current investments	-	(332)
	Purchase of Mutual funds	(47,040)	-
	Proceeds from sale of Mutual Funds	47,069	-
	Interest received	442	861
	Dividend received from Joint Venture	1,305	2,126
	Net cash flow (used in) investing activities (II)	**(85,370)**	**(84,911)**
III	**Cash Flow From Financing Activities**		
	Interest paid	(26,686)	(20,925)
	Proceeds / (repayment) of short-term borrowings (net)	9,142	745
	Proceeds from long-term borrowings	-	15,487
	Repayment of long-term borrowings	(55,523)	(16,640)
	Payment of lease liabilities	(9,181)	(9,357)
	Dividend paid	(4,854)	(1,263)
	Net cash flow (used in) financing activities (III)	**(87,102)**	**(31,953)**
	Net increase / (decrease) in cash and cash equivalents (I + II + III)	**(546)**	**3,685**
	Cash and cash equivalents at the beginning of the year	**6,062**	**2,377**
	Cash and cash equivalents at the end of the year	**5,516**	**6,062**

Consolidated Statement of Cash Flow

for the year ended March 31, 2024

Changes in liabilities arising from financing activities

(₹ in Lakhs)

Particulars	Short-tem borrowings	Long-tem borrowings *	Interest accrued but not due on borrowing
As at April 01, 2022	**23,952**	**1,85,726**	**1,347**
Interest accrued during the year	-	-	22,820
Cash Flows	745	(1,153)	(20,925)
As at March 31, 2023	**24,697**	**1,84,573**	**3,242**
Interest accrued during the year	-	-	25,320
Cash Flows	9,142	(55,523)	(26,686)
As at March 31, 2024	**33,839**	**1,29,050**	**1,876**

* includes current maturities of long-term borrowings.

a) Refer note 4(b) for changes in lease liabilities arising from financing activities

The accompanying notes are an integral part of the consolidated financial statements

For and on behalf of Board of Directors of CEAT Limited
CIN : L25100MH1958PLC011041

As per our report of even date
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No: 101248W/W-100022

Sadashiv Shetty
Partner
Membership Number : 048648
Place: Mumbai
Date: May 02, 2024

Kumar Subbiah
Chief Financial Officer

Vallari Gupte
Company Secretary
Place: Mumbai
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Vice-Chairman
[DIN:02089850]

Mahesh Gupta
Chairman - Audit Committee
[DIN:00046810]

Consolidated Statement of Changes in Equity

for the year ended March 31, 2024

A. Equity Share Capital

(₹ in Lakhs)

Particulars	Amount
As at April 01, 2022	**4,045**
Changes during the year	-
Restated balance as at March 31, 2023	**4,045**
Changes during the year	-
As at March 31, 2024	**4,045**

b. Other Equity

(₹ in Lakhs)

Particulars	Reserves & Surplus					Items of other comprehensive income		Other equity attributable to owners of the parent	Non-controlling interests	Total Other equity
	Securities premium (refer note 18(a))	Capital reserve (refer note 18(b))	Capital redemption reserve (refer note 18(c))	General reserve (refer note 18(f))	Retained earnings (refer note 18(g))	Effective portion of cash flow hedges (refer note 18(d))	Exchange differences on translating the financial statements of a foreign operation (refer note 18(e))			
As at March 31, 2022	**56,703**	**1,420**	**390**	**25,166**	**2,47,012**	**(755)**	**(6,700)**	**3,23,236**	**2,354**	**3,25,590**
Profit for the year	-	-	-	-	18,617	-	-	18,617	(378)	18,239
Other comprehensive income/(loss)	-	-	-	-	(623)	861	(917)	(679)	-	(679)
Increase / (Decrease) in capital reserve	-	(41)	-	-	-	-	-	(41)	-	(41)
Transfer to general reserve	-	-	-	12	(12)	-	-	-	-	-
Payment of dividend (refer note 19)	-	-	-	-	(1,214)	-	-	(1,214)	-	(1,214)
Forex gain / (loss) on restatement of non-controlling interest	-	-	-	-	-	-	-	-	(237)	(237)
As at March 31, 2023	**56,703**	**1,379**	**390**	**25,178**	**2,63,780**	**106**	**(7,617)**	**3,39,919**	**1,739**	**3,41,658**

Consolidated Statement of Changes in Equity

for the year ended March 31, 2024

(₹ in Lakhs)

Particulars	Reserves & Surplus					Items of other comprehensive income		Other equity attributable to owners of the parent	Non-controlling interests	Total Other equity
	Securities premium (refer note 18(a))	Capital reserve (refer note 18(b))	Capital redemption reserve (refer note 18(c))	General reserve (refer note 18(f))	Retained earnings (refer note 18(g))	Effective portion of cash flow hedges (refer note 18(d))	Exchange differences on translating the financial statements of a foreign operation (refer note 18(e))			
Profit for the year	-	-	-	-	64,265	-	-	64,265	(737)	63,528
Other comprehensive income/(loss)	-	-	-	-	37	(201)	1,055	891	-	891
Increase / (Decrease) in capital reserve	-	(5)	-	-	-	-	-	(5)	-	(5)
Payment of dividend (refer note 19)	-	-	-	-	(4,854)	-	-	(4,854)	-	(4,854)
Forex gain / (loss) on restatement of non-controlling interest	-	-	-	-	-	-	-	-	(28)	(28)
As at March 31, 2024	**56,703**	**1,374**	**390**	**25,178**	**3,23,228**	**(95)**	**(6,562)**	**4,00,216**	**974**	**4,01,190**

Refer note no. 18- Other equity

The accompanying notes are an integral part of the consolidated financial statements

For and on behalf of Board of Directors of CEAT Limited
CIN : L25100MH1958PLC011041

As per our report of even date
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Place: Mumbai
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Arnab Banerjee
Managing Director
[DIN:06559516]

Mahesh Gupta
Chairman - Audit Committee
[DIN:00046810]

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

Note 1: Group Corporate Information

The consolidated financial statements comprise financial statements of CEAT Limited ("the Company") and its subsidiaries (collectively, "the Group"), associates and jointly controlled entity for the year ended March 31, 2024. The Company is a public limited company domiciled in India and incorporated under the provisions of the Companies Act applicable in India. The Company's principal business is manufacturing of automotive tyres, tubes and flaps. The Group started operations in 1958 as CEAT Tyres of India Limited and was renamed as CEAT Limited in 1990. The Company caters to both domestic and international markets. The Company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The registered office of the Company is located at RPG House, 463, Dr Annie Besant Road, Worli, Mumbai, Maharashtra 400030. The consolidated financial statements were approved for issue in accordance with a resolution of the Board of Directors on May 02, 2024.

The following subsidiaries, associate and jointly controlled entities have been considered in the consolidated financial statements

a) Subsidiaries

Name	Principle activities	Country of incorporation	% of equity interest	
			March 31, 2024	March 31, 2023
CEAT Specialty Tyres Inc.	Marketing Support Services	United States of America	100.00%	100.00%
CEAT Specialty Tyres B.V	Marketing Support Services	Netherlands	100.00%	100.00%
Associated CEAT Holdings Company (Pvt.) Ltd.	Investing in companies engaged in manufacturing of tyres	Sri Lanka	100.00%	100.00%
CEAT AKKHAN Limited	Trading of tyres, tubes and flaps	Bangladesh	70.00%	70.00%
Rado Tyres Limited	Manufacturing of tyres	India	58.56%	58.56%
CEAT Auto Components Limited	Manufacturing auto components	India	100.00%	100.00%
TYRESNMORE Online Pvt Ltd	Trading of tyres, tubes and flaps	India	100.00%	*49.83%
Taabi Mobility Limited	Providing fleet management services	India	100.00%	100.00%

* Includes compulsory convertible preference shares (potential voting right)

b) Joint venture

Name	Principle activities	Country of incorporation	% of equity interest	
			March 31, 2024	March 31, 2023
CEAT Kelani Holding (Pvt) Limited [Joint venture of Associated CEAT Holdings Company (Pvt.) Ltd.]	Manufacturing of tyres	Sri Lanka	50%	50%

Note 2: Basis of preparation, measurement and material accounting policies

2.1 Basis of preparation and measurement

2.1.1 Basis of preparation

The financial statements of the Group have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and presentation requirements of Division II of revised Schedule III of the Companies Act 2013 (Ind AS compliant Schedule III).

The consolidated financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the consolidated financial statements. The consolidated financial statements are presented in "₹", the functional currency of the Group. Items included in the financial statements of the Group are recorded using the currency of the primary economic environment in which the Group operates (the 'functional currency').

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest Lakhs as per the requirements of Schedule III of the Companies Act, 2013, unless otherwise stated. Wherever the amount represented '0' (zero) construes value less than Rupees fifty thousand.

2.1.2 Basis of Measurement

These consolidated financial statements are prepared under the historical cost convention except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments and
- 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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2024. The Group's investment in jointly controlled entities and associate are accounted for using the equity method. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

- Combine items like of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.
- Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

2.3 Business Combination

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at fair value as on acquisition date and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values.

Notes to Consolidated Financial Statements
for the year ended March 31, 2024

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.

2.4 Investment in joint venture and associate

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The considerations made in determining whether joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in joint venture and associate are accounted for using the equity method. Under the equity method, the investment in a joint venture or associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of joint venture or associate since the acquisition date. Goodwill relating to joint venture or associate is included in the carrying amount of the investment and is not tested for impairment individually.

The consolidated statement of profit and loss reflects the Group's share of the results of operations of joint venture and associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of joint venture or associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and joint venture or associate are eliminated to the extent of the interest in joint venture or associate.

The aggregate of the Group's share of profit or loss of a joint venture and associate is shown on the face of the consolidated statement of profit and loss.

The financial statements of joint venture and associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture or associate. At each reporting date, the Group determines whether there is objective evidence that the investment in joint venture or associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of joint venture or associate and its carrying value, and then recognises the loss as 'Share of profit of a joint venture and associate' in the statement of profit or loss.

2.5 Current versus non-current classification

The Group presents assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

Notes to Consolidated Financial Statements
for the year ended March 31, 2024

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

2.6 Revenue from operation & other income

2.6.1 Revenue from contracts with customers

Revenues from contracts with customers are when the performance obligations towards customer have been met. Performance obligations are deemed to have been met when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group acts as the principle in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

An entity collects Goods and Services Tax ('GST') on behalf of the government and not on its own account. Hence it is excluded from revenue, i.e. Revenue is net of GST.

2.6.2 Sale of Goods:

Revenue from sale of goods (Tyres, tubes and flaps) is recognised at the point of time when control of the goods is transferred to customer depending on terms of sales.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. Sales related obligations). In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, if any.

2.6.3 Variable consideration

Variable consideration includes various forms of discounts like volume discounts, price concessions, incentives, etc. on the goods sold to its dealers and distributors. In all such cases, accumulated experience is used to estimate and provide for the variability in revenue, using the expected value method and the revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur in future on account of refund or discounts.

2.6.4 Significant financing component

Generally, the Group receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

2.6.5 Contract balances- Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to note 2.17 Financial Instruments in accounting policies.

2.7 Government grants, subsidies and export incentives

Government grants / subsidies are recognised in statement of profit and loss as per income approach when there is reasonable assurance that the Group will comply with all the conditions attached to them and that the grant / subsidy will be received.

The Company has determined that reasonable assurance is established upon receipt of sanction letter approving the incentive amount in accordance with the respective State Industrial Promotion Subsidy.

The Group has chosen to adjust grant under the Export Promotion Capital Goods ('EPCG') scheme from the carrying value of non-monetary asset pursuant to amendment in Ind AS 20.

Export Incentive under Merchandise Export from India Scheme ('MEIS') is recognised in the consolidated statement of profit and loss as a part of other operating revenues on receipt basis.

2.8 Taxes

2.8.1 Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in India where the Group operates and generates taxable income.

Current tax relating to items recognised outside the consolidated statement of profit and loss is either in Other Comprehensive Income ('OCI') or in equity. Current tax items are recognised in correlation to the underlying transaction either in consolidated statement of profit and loss or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Interest expenses and penalties, if any, related to income tax are included in finance cost and other expenses respectively. Interest Income, if any, related to income tax is included in Other Income.

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Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the Group's domicile.

2.8.2 Deferred tax

Deferred tax is recognised in respect of temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit and loss.
- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit and loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside consolidated statement of profit and loss is recognised either in OCI or in equity. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.9 Non-current assets held for sale

The Group classifies Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all of the following criteria are met

- Decision has been made to sell;
- The assets are available for immediate sale in its present condition;
- The assets are being actively marketed; and,
- Sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as 'held for sale' are measured at the lower of it carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

2.10 Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the consolidated statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured

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reliably. The cost of property, plant and equipment at 1 April 2015, the company's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit and loss when the asset is derecognised.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under "Other non-current assets".

Depreciation is provided on a pro-rata basis on the straight-line method based on useful life estimated by the management and supported by independent assessment by professionals which may not be necessarily in the alignment with the useful lives prescribed by schedule II to the Companies Act, 2013. Depreciation commences when the asset is ready for its intended use. The Group has used the following useful lives to provide depreciation on its fixed assets.

Asset Class	Useful life
Freehold land	Non depreciable
Leasehold land	Lease term – 95 years
Buildings (including temporary structures)	1 year - 60 years
Plant & Equipment	1 year - 20 years
Furniture & Fixture	1 year - 10 years
Vehicle	1 year - 8 years
Office Equipment	1 Year- 5 years

The identified components are depreciated over their useful lives, the remaining asset is depreciated over the life of the principal asset.

The management believes that the depreciation rates fairly reflect its estimation of the useful lives and residual values of the fixed assets.

The residual values, useful life and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.11 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the Statement of Profit and Loss in the period in which the expenditure is incurred. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. The cost of intangible assets at 1 April 2015, the Company's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit and loss when the asset is derecognised.

Intangible assets are amortised on a pro-rata basis on the straight-line method based on useful life estimated by the management as under:

Asset Class	Useful life
Software	1 Year – 6 years
Brand (refer 2.11.1)	20 years
Technical know-how (refer 2.11.1)	20 years
Product development (refer 2.11.2)	6- 20 years
Design and Patent	4 – 25 years

2.11.1 Technical know-how and Brand

Technical know-how: The Group has originally generated technical know-how and assistance from International Tire Engineering Resources LLC, for setting up of Halol radial plant. Considering the life of the underlying plant / facility, this technical know-how, is amortised on a straight-line basis over a period of twenty years.

Brand: The Group has acquired global rights of "CEAT" brand from the Italian tyre maker, Pirelli. Prior to the said acquisition, the Group was the owner of the brand in only a few Asian countries including India. With the acquisition of the brand which is renowned worldwide, new and hitherto unexplored markets will be accessible to the Group. The Group will be in a position to fully exploit the export market resulting in increased volume and better price realisation. Therefore, the management believes that the Brand will yield significant benefits for a period of at least twenty years.

2.11.2 Research and development costs (Product development)

Research costs are charged to P&L as and when they are incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale.
- Its intention to complete and its ability and intention to use or sell the asset.
- How the asset will generate future economic benefits.
- The availability of resources to complete the asset.
- The ability to measure reliably the expenditure during development.

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The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

2.12 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale ('qualifying asset') are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

To the extent that the Group borrows funds specifically for the purpose of obtaining a qualifying asset, the Group determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings.

To the extent that the Group borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the Group determines the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

2.13 Leases

The Group has entered into various arrangements like lease of premises and outsourcing arrangements which has been disclosed accordingly under Ind AS 116. At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The assessment of whether a contract conveys the right to control the use of an identified asset depends on whether the Group obtains substantially all the economic benefits from the use of the asset and whether the Group has the right to direct the use of the asset.

Group as a lessee:

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

2.13.1 Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over shorter of the lease term or the estimated useful life of the underlying asset as follows:

Asset Class	Useful life
Building	1 – 11 years
Land	95 Years
Others (includes buildings & Plant & machinery)	2 – 10 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The Group presents right-of-use assets separately in the Balance Sheet.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

2.13.2 Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of future lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless the cost is included in the carrying value of inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in current and non-current financial liabilities. Lease liability has been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

2.13.3 Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to the contracts which have a lease term of 12 months or less from the date of commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to the lease contracts that are considered to be low value.

Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2.14 Inventories

Inventories are valued at the lower of cost and net realisable value on item by item basis.

The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. Cost is determined on a weighted average basis.

- Cost of raw materials includes the transfer of gains and losses on qualifying cash flow hedges, recognised in OCI, in respect of the purchases of raw materials. Raw materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.
- Work-in-progress and finished goods includes direct materials, labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing cost.
- Traded goods and stores & spares include cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.15 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.15.1 Sales related obligations

The estimated liability for sales related obligations is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of obligations and management estimates regarding possible future incidence based on corrective actions on product failure. The timing of outflows will vary as and when the obligation will arise - being typically up to three years. Initial recognition is based on historical experience. The initial estimate of sales related obligations (related costs) are revised annually.

2.15.2 Decommissioning liability

The Group records a provision for decommissioning costs of land taken on lease at one of the manufacturing facility for the production of tyres. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the consolidated statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

2.15.3 Litigations

The Group is party to various lawsuits that are at administrative or judicial level or in their initial stages, involving tax and civil matters. The Group contests all claims in the court / tribunals / appellate authority levels and based on their assessment and that of their legal counsel, records a provision when the risk or loss is considered probable. The outflow is expected on cessations of the respective events.

2.16 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 Group has no obligation, other than the contribution payable to the above mentioned funds. The Group recognises contribution payable to these funds / schemes as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the Balance Sheet date exceeds the contribution already paid, the deficit payable is recognised as a liability after deducting the contribution already paid. If the contribution already paid

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exceeds the contribution due for services received before the Balance Sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

2.16.2 Defined benefit plan

For defined benefit plans, the amount recognised as 'Employee benefit expenses' in the consolidated statement of profit and loss is the cost of accruing employee benefits promised to employees over the year and the costs of individual events such as past / future service benefit changes and settlements (such events are recognised immediately in the consolidated statement of profit and loss). The amount of net interest expense calculated by applying the liability discount rate to the net defined benefit liability or asset is charged or credited to 'Finance costs' in the consolidated statement of profit and loss. Any differences between the expected interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised immediately in OCI and subsequently not reclassified to the consolidated statement of profit and loss.

The defined benefit plan surplus or deficit on the Balance Sheet date comprises fair value of plan assets less the present value of the defined benefit liabilities using a discount rate by reference to market yields on Government bonds at the end of the reporting period.

All defined benefit plans obligations are determined based on valuations, as at the Balance Sheet date, made by independent actuary using the projected unit credit method. The classification of the Group's net obligation into current and non-current is as per the actuarial valuation report.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

2.16.3 Termination benefits

Termination benefits, in the nature of voluntary retirement benefits or termination benefits arising from restructuring are recognised in the consolidated statement of profit and loss. The Group recognises termination benefits at the earlier of the following dates:

- When the Group can no longer withdraw the offer of those benefits; or
- When the Group recognises costs for a restructuring that is within the scope of Ind AS 37: Provisions, Contingent Liabilities and Contingent Assets and involves the payment of termination benefits.

Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

2.17 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

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument.

2.17.1.1 Initial recognition and measurement

On initial recognition, a financial asset is recognised at fair value. In case of financial assets which are recognised at fair value through profit and loss (FVTPL) except for trade receivables without financing component which are measured at transaction price, its transaction cost is recognised in the consolidated statement of profit and loss. In other cases, the transaction cost is attributed to the acquisition value of the financial asset.

2.17.1.2 Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in two categories:

2.17.1.2.1 Debt instruments at amortised cost

2.17.1.2.2 Equity instruments measured at FVTOCI

2.17.1.2.1 Debt instruments at amortised cost

A debt instrument is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest ('SPPI') on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the consolidated statement of profit and loss. The losses arising from impairment are recognised in the consolidated statement of profit and loss. This category generally applies to trade and other receivables, loans and other financial assets.

2.17.1.2.2 Equity instruments

All investments in equity instruments within the scope of Ind AS 109 are initially measured at fair value. Equity instruments which are held for trading are classified as FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in the OCI subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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In case of equity instrument classified as FVTOCI, all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the consolidated statement of profit and loss, even on derecognition of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the consolidated statement of profit and loss.

2.17.1.3 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 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.

2.17.1.4 Impairment of financial assets

In accordance with Ind AS 109, the Group applies Expected Credit Loss ('ECL') model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

(i) Trade receivables

(ii) Financial assets measured at amortised cost (other than trade receivables)

(iii) Financial assets measured at fair value through other comprehensive income (FVTOCI).

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets [i.e. (ii) and (iii) above] and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates and changes in the forward-looking estimates are updated. For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

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ECL impairment loss allowance (or reversal) recognised during the period is recognised as income / expense in the consolidated statement of profit and loss. This amount is reflected under the head 'other expenses' in the consolidated statement of profit and loss.

The Balance Sheet presentation for various financial instruments is described below:

- **Financial assets measured at amortised cost and contractual revenue receivables:** ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

The Group does not have any purchased or originated credit-impaired financial assets, i.e., financial assets which are credit impaired on purchase / origination.

2.17.2 Financial liabilities

2.17.2.1 Initial recognition and measurement

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. All financial liabilities are recognised initially at fair value and in the case of borrowings net of directly attributable transaction costs.

2.17.2.2 Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

2.17.2.2.1 Financial liabilities at amortised cost

This is the category most relevant to the Group. After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the consolidated statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of profit and loss.

2.17.2.3 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 consolidated statement of profit and loss.

2.17.3 Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments, such as forward currency contracts, to manage its foreign currency risks. These derivative instruments are designated as cash flow, fair value or net investment hedges and are entered into for period consistent with currency. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to the consolidated statement of profit and loss.

2.17.3.1 Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the consolidated statement of profit or loss.

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognised in the consolidated statement of profit and loss.

Amounts recognised as OCI are transferred to the consolidated statement of profit and loss when the hedged transaction affects profit and loss, i.e. when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

2.17.4 Fair value measurement

The Group measures derivatives instruments like forward contracts at fair value at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

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for the year ended March 31, 2024

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 consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1:** Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- **Level 2:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- **Level 3:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.17.5 Offsetting of financial instruments

Financial assets and financial liabilities can be offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.18 Cash and cash equivalents

Cash and cash equivalent in the Balance Sheet comprises cash at banks and on hand. For the purpose of cash flow statement, Cash & Cash equivalent consists of cash & short term deposits as defined above. The Cash flow statement is prepared using indirect method.

2.19 Dividend distribution to equity shareholders

The Group recognises a liability to pay dividend to equity shareholders of the Group when the distribution is authorised, and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders.

2.20 Foreign currencies

The Group's financial statements are presented in ₹, which is also the Group's functional currency.

Transactions in foreign currencies are initially recorded by the Group at ₹ spot rate at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the consolidated statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit and loss are also recognised in OCI or the consolidated statement of profit and loss, respectively).

2.21 Earnings Per Share ('EPS')

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Group by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Group after adjusting impact of dilution shares by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

2.22 Segment Reporting

The Executive Management Committee evaluates the Group's performance and allocates the resources based on an analysis of various performance indicators by business segments.

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

2.23 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 Group or a present obligation that is not recognised because it is not probable that an outflow of resources

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for the year ended March 31, 2024

will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the consolidated financial statements.

2.24 Significant accounting judgments, estimates and assumptions

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require an adjustment to the carrying amount of assets or liabilities in future periods. Difference between actual results and estimates are recognised in the periods in which the results are known / materialised.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group has based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

(a) Measurement of defined benefit obligations – Note 42

(b) Measurement and likelihood of occurrence of provisions and contingencies – Note 22

(c) Recognition of current tax and deferred tax assets – Note 23

(d) Key assumptions used in fair valuations – Note 48

(e) Measurement of lease liabilities and right-of-use asset – Note 4

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

Note 3: Property, plant and equipment and Capital work-in-progress

Refer note 2.10 for accounting policy on Property, plant and equipment

(₹ in Lakhs)

Particulars	Freehold land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipments	Total	Capital work in progress
Gross carrying amount / Deemed Cost								
As at April 01, 2022	**48,524**	**81,781**	**4,95,381**	**2,826**	**806**	**2,370**	**6,31,688**	**82,927**
Additions	137	9,559	95,300	388	92	340	1,05,816	79,748
Disposals	-	(67)	(4,156)	(22)	(16)	(66)	(4,327)	-
Capitalised	-	-	-	-	-	-	-	(1,05,816)
As at March 31, 2023	**48,661**	**91,273**	**5,86,525**	**3,192**	**882**	**2,644**	**7,33,177**	**56,859**
Additions	-	1,938	58,064	479	188	446	61,115	75,995
Acquisition of a subsidiary*	-	-	95	2	53	6	156	-
Disposals	-	(18)	(2,029)	(14)	(70)	(7)	(2,138)	-
Capitalised	-	-	-	-	-	-	-	(61,114)
Asset Held for Sale**	-	-	(13)	(14)	-	(11)	(38)	(5,829)
As at March 31, 2024	**48,661**	**93,193**	**6,42,642**	**3,645**	**1,053**	**3,078**	**7,92,272**	**65,911**
Accumulated Depreciation:								
As at April 01, 2022	**-**	**10,664**	**1,16,371**	**1,200**	**580**	**1,222**	**1,30,037**	**-**
Depreciation for the year	-	2,581	31,578	279	44	332	34,814	-
Disposals	-	(34)	(3,173)	(16)	(14)	(64)	(3,301)	-
As at March 31, 2023	**-**	**13,211**	**1,44,776**	**1,463**	**610**	**1,490**	**1,61,550**	**-**
Depreciation for the year	-	2,570	36,447	302	63	365	39,747	-
Disposals	-	(6)	(1,568)	(29)	(66)	(7)	(1,676)	-
Asset Held for Sale**	-	-	(9)	(12)	-	(9)	(30)	-
As at March 31, 2024	**-**	**15,775**	**1,79,646**	**1,724**	**607**	**1,839**	**1,99,591**	**-**
Net Book Value:								
As at March 31, 2023	**48,661**	**78,062**	**4,41,749**	**1,729**	**272**	**1,154**	**5,71,627**	**56,859**
As at March 31, 2024	**48,661**	**77,418**	**4,62,996**	**1,921**	**446**	**1,239**	**5,92,681**	**65,911**

*Refer note 41

**Refer note 16 on asset held for sale

Net book value

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Property, plant and equipment	5,92,681	5,71,627
Capital work in progress	65,911	56,859

Capital work in progress (CWIP) Ageing Schedule

As at March 31, 2024

(₹ in Lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	41,692	13,508	8,551	2,160	65,911
Total	**41,692**	**13,508**	**8,551**	**2,160**	**65,911**

As at March 31, 2023

(₹ in Lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	30,226	14,494	1,325	10,814	56,859
Total	**30,226**	**14,494**	**1,325**	**10,814**	**56,859**

Notes to Consolidated Financial Statements

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Note 3: Property, plant and equipment and Capital work-in-progress (Contd..)

The capacity expansions undertaken is modular in nature, wherein civil work and major upstream capex are incurred, followed by downstream capex to ramp up production in line with anticipated market demand. Based on long term demand and supply planning, management estimates the annual capex requirement and project timelines which are approved by the Board. There are no projects which are overdue based on such timelines or which have exceeded cost compared to plans.

Notes:

1. During the year, the Group has transfered the following expenses which are attributable to the construction activity and are included in the cost of capital work-in-progress / property, plant and equipment as the case may be. Consequently, expenses disclosed under the respective notes are net of such amounts.

(₹ in Lakhs)

Particulars	Note	2023-24	2022-23
Finance Cost	33	1,545	2,000
Professional and consultancy charges	35	47	102
Miscellaneous expenses	35	180	253
Employee benefit expenses	32	1,053	1,200
Travelling and conveyance	35	64	142
Total		**2,889**	**3,697**

2. The amount of borrowing cost capitalised during the year ended March 31, 2024 is ₹ 1,545 Lakhs (March 31, 2023: ₹ 2,000 Lakhs). The rates used to determine the amount of borrowing cost eligible for capitalisation was in the range of 7.33% to 7.72% (March 31, 2023: 5% to 7.34%) which is the effective interest rate of general borrowings.

3. Refer note 20 and 24 for details on pledges and securities.

Note 4: Leases

Refer note 2.13 for accounting policy on Leases

Note 4(a): Right-of-use assets

(₹ in Lakhs)

Particulars	Building	Land	Others *	Total
Net carrying value as at April 01, 2022	**6,525**	**10,078**	**5,854**	**22,457**
Additions during the year	4,471	9	10,525	15,005
Depreciation	(4,133)	(133)	(3,993)	(8,259)
Net carrying value as at March 31, 2023	**6,863**	**9,954**	**12,386**	**29,203**
Additions during the year	3,559	-	-	3,559
Depreciation	(4,009)	(133)	(3,924)	(8,066)
Net carrying value as at March 31, 2024	**6,413**	**9,821**	**8,462**	**24,696**

* Right-of-use assets and liabilities are arising out of outsourcing arrangements which consists of buildings and plant & machinery. These are used for the production and distribution of goods and generation of power under such arrangements.

Note 4(b): Lease liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening net carrying balance	20,278	13,209
Additions	3,559	14,996
Accretion of interest (refer note 33)	1,606	1,420
Payments	(9,183)	(9,347)
Total	**16,260**	**20,278**

Notes:

a) The rate used for discounting is in range of 7 - 10%.

b) Refer note 47 for information about fair value measurement and note 49(c) for information about liquidity risk relating to lease liabilities.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

Note 4: Leases (Contd..)

c) Significant Judgements in determining the lease term of contracts with renewal and termination options:

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

The Group included the renewal period as part of the lease term for leases of buildings and other with shorter non-cancellable period. The Group typically exercises its option to renew for these leases because there will be a significant negative effect on the operations if a replacement asset is not readily available. The renewal periods for leases of building and others with longer non-cancellable periods are not included as part of the lease term as these are not reasonably certain to be exercised. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

d) The Group has lease contracts for plant & machinery that contains variable payments amounting to ₹ 18,215 Lakhs (₹ 15,271 Lakhs in March 31, 2023) shown under other expenses.

e) The Group has recognised ₹ 1,110 Lakhs as miscellaneous expenses during the year (₹ 1,091 Lakhs in March 31, 2023) which pertains to short term lease/ low value asset which was not recognised as part of ROU.

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current lease liabilities	10,170	13,055
Current lease liabilities	6,090	7,222
Total	**16,260**	**20,277**

Note 5: Intangible assets

Refer note 2.11 for accounting policy on Intangible assets

(₹ in Lakhs)

Particulars	Software	Brand	Technical Know-how	Product development	Design and Patent	Total	Intangible assets under development
Gross carrying amount / Deemed Cost							
As at April 01, 2022	**13,516**	**4,404**	**704**	**3,788**	**-**	**22,412**	**4,661**
Additions	2,595	-	-	1,238	-	3,833	1,920
Disposal	(26)	-	-	-	-	(26)	-
Capitalised	-	-	-	-	-	-	(3,833)
As at March 31, 2023	**16,085**	**4,404**	**704**	**5,026**	**-**	**26,219**	**2,748**
Additions	1,257	-	-	236	172	1,665	1,359
Acquisition of a subsidiary*	45	-	-	-	-	45	-
Disposal	-	-	-	-	-	-	-
Capitalised	-	-	-	-	-	-	(1,665)
As at March 31, 2024	**17,387**	**4,404**	**704**	**5,262**	**172**	**27,929**	**2,442**
Accumulated amortization							
As at April 01, 2022	**8,703**	**1,926**	**299**	**2,674**	**-**	**13,602**	**-**
Amortization for the year	2,897	289	47	625	-	3,858	-
Disposal	(22)	-	-	-	-	(22)	-
As at March 31, 2023	**11,578**	**2,215**	**346**	**3,299**	**-**	**17,438**	**-**
Amortization for the year	2,133	289	47	545	56	3,070	-
Disposal	-	-	-	-	-	-	-
As at March 31, 2024	**13,711**	**2,504**	**393**	**3,844**	**56**	**20,508**	**-**
Net Book Value:							
As at March 31, 2023	4,507	2,189	358	1,727	-	8,781	2,748
As at March 31, 2024	**3,676**	**1,900**	**311**	**1,418**	**116**	**7,420**	**2,442**

*Refer Note 41

Notes to Consolidated Financial Statements
for the year ended March 31, 2024

Note 5: Intangible assets (Contd..)

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Intangible assets	7,420	8,781
Intangible assets under development	2,442	2,748

Intangible assets under development (IAUD) Ageing Schedule

As at March 31, 2024

(₹ in Lakhs)

Particulars	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	431	435	434	1,142	2,442
Total	**431**	**435**	**434**	**1,142**	**2,442**

As at March 31, 2023

(₹ in Lakhs)

Particulars	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	849	602	487	810	2,748
Total	**849**	**602**	**487**	**810**	**2,748**

The capacity expansions undertaken is modular in nature, wherein major upstream capex are incurred, followed by downstream capex to ramp up production in line with anticipated market demand. Based on long term demand and supply planning, management estimates the annual capex requirement and project timelines which are approved by the Board. There are no projects which are overdue based on such timelines or which have exceeded cost compared to plans.

Note 6: Investments accounted using equity method

Refer note 2.4 for accounting policy on investments in joint venture and associate

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Investment in Joint venture (refer note 40)		
CEAT Kelani Holding Company (Pvt.) Limited	16,576	14,631
Investment in Subsidiary (Associate till August 03, 2023) (refer note 41)		
TYRESNMORE Online Pvt Ltd	-	659
Total	**16,576**	**15,290**

a) Significant judgments are involved in determining the significant influence over investees

Note 7: Investments

Refer note 2.17 for accounting policy on Financial instruments

(₹ in Lakhs)

Particulars	Face Value	As at March 31, 2024	As at March 31, 2023
Unquoted investment in others (at fair value through profit and loss)			
16,95,000 (March 31, 2023: 16,95,000) equity shares of Bhadreshwar Vidyut Private Limited (formerly known as OPGS Power Gujarat Private Limited)	₹0.19	3	3
7,129 (March 31, 2023: 7,129) 0.001% Compulsorily Convertible Preference shares of E-Fleet Systems Private Limited	₹ 10	392	426
10 (March 31, 2023: 10) equity shares of E-Fleet Systems Private Limited	₹ 10	1	1

Notes to Consolidated Financial Statements
for the year ended March 31, 2024

Note 7: Investments (Contd..)

(₹ in Lakhs)

Particulars	Face Value	As at March 31, 2024	As at March 31, 2023
Investment in Others (at fair value through other comprehensive income)			
26% Share in Cleanwin Energy Five LLP		60	60
33,69,600 (March 31, 2023: 33,69,600) equity shares of TP Akkalkot Renewable Limited	₹ 10	337	337
10,50,001 (March 31, 2023: 10,50,001) equity shares of Greenzest Solar Private Limited		840	840
Total		**1,633**	**1,667**
Aggregate amount of Unquoted investments		**1,633**	**1,667**

Note 8: Other financial assets

Refer note 2.17 for accounting policy on Financial instruments

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current		
Unsecured, considered good		
At fair value through other comprehensive income		
Derivative financial instrument	-	11
At amortised cost		
Security deposits	804	897
Security deposits (related parties) (refer note 44)	-	100
Margin money deposits (refer foot note a)	4	4
Unsecured, considered doubtful:		
Security deposits	-	88
Less : Allowance for doubtful deposits	-	(88)
Total	**808**	**1,012**

Notes:

a) The margin money deposits are for bank guarantees given to statutory authorities.

b) Refer note 47 for information about fair value measurement.

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
The movement in allowance for doubtful deposit is as follows:		
Balance as at beginning of the year	**88**	**98**
Reclass to current financial assets	(88)	-
Reduction in allowance for doubtful deposits during the year	-	(10)
Balance as at the end of the year	**-**	**88**

Note 9: Other non-current assets

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Capital advances (others)	4,015	2,981
Capital advances (related parties) (refer note 44)	1,968	-
Security deposits with statutory authorities	2,469	2,211
Unsecured, considered doubtful		
Balance with government authorities and agencies	192	192
Less : Allowance made for doubtful balances	(192)	(192)
Total	**8,452**	**5,192**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

Note 10: Inventories

Refer note 2.14 for accounting policy on Inventories

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
a) Raw materials	36,024	37,070
Goods in transit	3,002	4,567
	39,026	**41,637**
b) Work-in-progress	8,747	7,919
c) Finished goods	64,945	60,801
d) Stock-in-trade	241	986
Goods in transit	-	583
	241	**1,569**
e) Stores and spares	2,087	1,818
Goods in transit	3	34
	2,090	**1,852**
Total	**1,15,049**	**1,13,778**
Details of finished goods		
Automotive tyres	57,952	53,381
Tubes and others	6,993	7,420
Total	**64,945**	**60,801**

Notes:

1) During the financial year 2023-24, ₹ 3,727 Lakhs (March 31, 2023: ₹ 3,329 Lakhs) was charged to the consolidated statement of profit and loss on account of slow moving stock as per the Group's policy.

2) Refer note 24 for details on pledges and securities.

3) Inventories of finished goods have been reduced by ₹ 117 Lakhs (31 March 2023: ₹ 182 Lakhs) as a result of the write-down to net realisable value.

Note 11: Trade receivables

Refer note 2.17 for accounting policy on financial instruments

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables from others	1,27,643	1,30,566
Trade receivables from related parties (refer note 44)	679	137
Total	**1,28,322**	**1,30,703**

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Break-up for security details		
Secured, considered good (refer foot note a)	45,264	20,970
Unsecured, considered good	82,858	1,09,645
Trade Receivables which have significant increase in credit risk	399	175
Trade Receivables - credit impaired	1,083	1,151
	1,29,604	**1,31,941**
Less: Allowance for doubtful debts	(1,282)	(1,238)
Total	**1,28,322**	**1,30,703**

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
The movement in allowance for doubtful debts is as follows:		
Balance as at beginning of the year	1,238	1,362
Change in allowance for doubtful debts	102	67
Trade receivables written off during the year	(58)	(191)
Balance as at the end of the year	**1,282**	**1,238**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

Note 11: Trade receivables (Contd..)

Notes:

a) These debts are secured to the extent of security deposit obtained from the dealers

b) No trade receivable are due from directors or other officers of the holding company either severally or jointly with any other person nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member other than those disclosed in note 44.

c) For terms and conditions with related parties, refer note 44

d) Trade receivables are non-interest bearing within the credit period which is generally 27 to 60 days.

e) Refer note 49(b) for information about credit risk relating to trade receivables

f) Refer note 24 for details on pledges and securities.

g) Ageing for trade receivables outstanding as at March 31, 2024 and March 31, 2023 is as follows:

(₹ in Lakhs)

Trade receivables ageing as on March 31, 2024	Current but not due	Outstanding for following periods from due date of payment					
		Less than 6 Months	6 months-1 year	1-2 years	2-3 years	More than 3 year	Total
Undisputed Trade Receivables-considered good	1,17,396	10,719	5	-	-	-	1,28,120
Undisputed Trade Receivables - which have significant increase in credit risk*	-	-	399	-	-	-	399
Undisputed Trade receivable-credit impaired #	-	-	-	53	38	422	513
Disputed Trade receivables - credit impaired #	20	1	12	-	42	497	572
Total	**1,17,416**	**10,720**	**416**	**53**	**80**	**919**	**1,29,604**

(₹ in Lakhs)

Trade receivables ageing as on March 31, 2023	Current but not due	Outstanding for following periods from due date of payment					
		Less than 6 Months	6 months-1 year	1-2 years	2-3 years	More than 3 year	Total
Undisputed Trade Receivables-considered good	1,26,751	3,868	-	-	-	-	1,30,619
Undisputed Trade Receivables-which have significant increase in credit risk*	-	-	175	-	-	-	175
Undisputed Trade receivable-credit impaired #	-	-	-	110	56	501	667
Disputed Trade receivables - credit impaired #	-	-	-	3	56	421	480
Total	**1,26,751**	**3,868**	**175**	**113**	**112**	**922**	**1,31,941**

* Provision is created at 50% for significant credit risk balances.

\# Provision is created for entire credit impaired balances.

Note 12: Cash and cash equivalents

Refer note 2.18 for accounting policy on Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with Banks		
In current accounts	2,397	3,602
Cheques on hand	2,352	1,875
Cash on hand	6	4
Deposits with original maturity of less than 3 months	761	581
Cash and cash equivalents as per statement of cash flow	**5,516**	**6,062**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

Note 13: Bank balances other than cash and cash equivalents

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Deposits with maturity of more than 3 months but remaining maturity of less than 12 months	143	837
Balances held for unclaimed public fixed deposits and interest thereon (refer foot note a)	-	7
Balances held for unclaimed dividend accounts (refer foot note b)	249	282
Total	**392**	**1,126**

Notes:

a) These balances are available for use only towards settlement of matured deposits and interest on deposits. Also includes Nil (March 31, 2023: ₹ 0.20 Lakhs) outstanding for a period exceeding seven years, in respect of which a Government agency has directed the Group to hold.

b) These balances are available for use only towards settlement of corresponding unpaid dividend liabilities. The sum also includes ₹ 1.19 Lakhs (March 31, 2023: ₹ 1.04 Lakhs) outstanding for a period exceeding seven years retained in accordance with the provisions of Section Rule 6(3) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

Note 14: Other financial assets

Refer note 2.17 for accounting policy on Financial instruments

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Current		
Unsecured, considered good		
At fair value through other comprehensive income		
Derivative financial instrument	-	102
At amortised cost		
Advance receivable in cash	601	445
Other receivables	5,824	3,520
Interest receivable	29	2
Receivable from related party (refer note 44)	371	231
Unamortised premium on forward contract	5	12
Unsecured, considered doubtful:		
Security deposits	148	-
Less : Allowance for doubtful deposits	(148)	-
Total	**6,830**	**4,312**

a) Refer note 47 for information about fair value measurement.

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
The movement in allowance for doubtful deposit is as follows:		
Balance as at beginning of the year	-	-
Reclass from non-current financial assets	88	-
Additional allowance for doubtful deposits created during the year	60	-
Balance as at the end of the year	**148**	**-**

Note 15: Other current assets

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Advance receivable in kind or for value to be received	3,162	4,176
Balance with government authorities	3,792	4,069
Advance to employees	110	28
Prepaid expense	5,871	4,511

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

Note 15: Other current assets (Contd..)

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered doubtful		
Advance receivable in kind or for value to be received	104	104
Less: Allowance for advance receivable in kind or for value to be received	(104)	(104)
Total	**12,935**	**12,784**

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
The movement in allowance for Advance receivable in kind or for value to be received is as follows:		
Balance as at beginning of the year	**104**	**104**
Additional allowance for advance receivable in kind or for value to be received created during the year	-	-
Reduction in allowance for advance receivable in kind or for value to be received during the year	-	-
Balance as at the end of the year	**104**	**104**

Note 16: Assets held-for-sale

Refer note 2.9 for accounting policy on Assets held-for-sale

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Free hold land, building and other assets (refer foot note a and b)	4,831	98
Total	**4,831**	**98**

Note:

a) The holding company is undergoing a transition in business model to direct distribution via a distributor in Bangladesh and thus decided to discontinue its import and trading operation through CEAT AKKHAN LTD from FY 25 onwards, consequential to which the board of directors of partially owned subsidiary- CEAT AKKHAN Limited approved the proposal to discontinue its operation and decided to sell all its assets and thus have reclassified its assets to asset held for sale. Below are the details of realizable value of asset of CEAT AKKhan Limited classified as held for sale -

(₹ in Lakhs)

Particulars	As at March 31, 2024
Net assets held for sale (refer note 3)	5,836
Impairment loss recognized during the year (refer note 36)	(1,104)
Total	**4,733**

b) During the previous years, the partially owned subsidiary - RADO Tyres limited (""RADO"") had received the order from Labour & Skills (A) Department, Government of Kerala, granting permission under the Industrial Dispute Act, 1947 to close the Factory located at Nellikuzhi, near Kothamangalam. In the opinion of the management there were no further business opportunities for RADO to explore.

On the basis of the above the Board of directors of RADO has decided that the most appropriate course of action for RADO is to sell its assets such as plant and machinery, equipment, spares and other assets located at its factory near Kothamangalam.

Given these circumstances, RADO's Board has considered prudent to reclassify the above assets having realizable value of ₹ 98 Lakhs (March 31, 2023: ₹ 98 Lakhs) to the head assets held for sale .

Notes to Consolidated Financial Statements
for the year ended March 31, 2024

Note 17: Equity share capital

Authorised share capital	Equity shares (Face value ₹ 10) Numbers	₹ in Lakhs	Preference Shares (Face value ₹ 10) Numbers	₹ in Lakhs	Unclassified Shares (Face value ₹ 10) Numbers	₹ in Lakhs
As at April 01, 2022	7,51,50,000	7,515	39,00,000	390	1,00,00,000	1,000
Changes during the year	-	-	-	-	-	-
As at March 31, 2023	7,51,50,000	7,515	39,00,000	390	1,00,00,000	1,000
Changes during the year	-	-	-	-	-	-
As at March 31, 2024	**7,51,50,000**	**7,515**	**39,00,000**	**390**	**1,00,00,000**	**1,000**

Issued share capital

Equity shares of ₹ 10 each issued	Numbers	(₹ in Lakhs)
At April 01, 2022 (refer foot note a)	4,04,50,780	4,045
Allotted during the year	-	-
At March 31, 2023 (refer foot note a)	4,04,50,780	4,045
Allotted during the year	-	-
At March 31, 2024 (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 Lakhs)
At April 01, 2022 (refer note a)	4,04,50,092	4,045
Allotted during the year	-	-
At March 31, 2023 (refer note a)	4,04,50,092	4,045
Allotted during the year	-	-
At March 31, 2024 (refer note a)	**4,04,50,092**	**4,045**

a) Includes 688 (March 31, 2023 - 688) equity shares offered on right basis and kept in abeyance.

b) Terms/ rights attached to equity shares

The holding company has only one class of equity shares having face value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per equity share. Dividend is recommended by the Board of Directors and is subject to the approval of the members at the ensuing Annual General Meeting except interim dividend. The Board of Directors have a right to deduct from the dividend payable to any member, any sum due from him to the Company.

In the event of winding-up, the holders of equity shares shall be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.

The shareholders have all other rights as available to equity shareholders as per the provision of the Companies Act, applicable in India read together with the Memorandum of Association and Articles of Association of the company, as applicable.

c) Details of shareholders holding more than 5% shares in the company

Name of the shareholders	As at March 31, 2024 Numbers	% holding in the class	As at March 31, 2023 Numbers	% holding in the class
Equity shares of ₹ 10 each fully paid				
Instant Holdings Limited	1,19,35,259	29.51%	1,19,35,259	29.51%
Swallow Associates LLP	44,84,624	11.09%	44,84,624	11.09%
Mirae Asset Large & Midcap Fund	40,07,502	9.91%	14,71,366	3.64%
Amansa Holdings Pvt Limited	-	0.00%	35,75,399	8.84%

d) As per the records of the Company as at March 31, 2024, 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, 2024.

Notes to Consolidated Financial Statements
for the year ended March 31, 2024

Note 17: Equity share capital (Contd..)

f) Details of shares held by promoter are as follows:

Promoter Name	As at March 31, 2024 No. of shares	% of Total Shares	% Change during the year	As at March 31, 2023 No. of shares	% of Total Shares	% Change during the year
Promoter						
1. Anant Vardhan Goenka	14,185	0.04%	0.00%	14,185	0.04%	0.00%
2. Harsh Vardhan Goenka	1,33,934	0.33%	0.00%	1,33,934	0.33%	0.00%
Subtotal (a)	**1,48,119**	**0.37%**	**0.00%**	**1,48,119**	**0.37%**	**0.00%**
Promoter Group						
3. Instant Holdings Limited	1,19,35,259	29.51%	0.00%	1,19,35,259	29.51%	0.17%
4. Swallow Associates LLP	44,84,624	11.09%	0.00%	44,84,624	11.09%	0.00%
5. Stel Holdings Limited	14,80,157	3.66%	0.00%	14,80,157	3.66%	0.64%
6. Summit Securities Ltd	10,46,248	2.59%	0.00%	10,46,248	2.59%	0.97%
7. Chattarpati Apartments LLP	876	0.00%	0.00%	876	0.00%	0.00%
8. Radha Anant Goenka	10	0.00%	0.00%	10	0.00%	0.00%
9. Mala Goenka	10	0.00%	0.00%	10	0.00%	0.00%
10. AVG Family Trust (Anant Vardhan Goenka in the Capacity Of Trustee)	10	0.00%	0.00%	10	0.00%	0.00%
11. RG Family Trust (Anant Vardhan Goenka in the Capacity Of Trustee)	10	0.00%	0.00%	10	0.00%	0.00%
12. Navya Goenka Trust (Harsh Vardhan Goenka in the Capacity Of Trustee)	10	0.00%	0.00%	10	0.00%	0.00%
13. Ishann Goenka Trust (Harsh Vardhan Goenka in the Capacity Of Trustee)	10	0.00%	0.00%	10	0.00%	0.00%
14. Ektara Enterprises LLP	10	0.00%	0.00%	10	0.00%	0.00%
15. Vayu Udaan Aircraft LLP	10	0.00%	0.00%	10	0.00%	0.00%
16. Sofreal Mercantrade Pvt Ltd	10	0.00%	0.00%	10	0.00%	0.00%
17. Malabar Coastal Holdings LLP	10	0.00%	0.00%	10	0.00%	0.00%
18. Atlantus Dwellings And Infrastructure LLP	10	0.00%	0.00%	10	0.00%	0.00%
19. Sudarshan Electronics And Tv Ltd	-	0.00%	-100.00%	1	0.00%	0.00%
20. Stellar Energy Trust (Harsh Vardhan Goenka in the Capacity Of Trustee)	-	0.00%	-100.00%	1	0.00%	0.00%
21. Nucleus Life Trust (Harsh Vardhan Goenka in the Capacity Of Trustee)	1	0.00%	0.00%	1	0.00%	0.00%
22. Secura India Trust (Harsh Vardhan Goenka in the Capacity Of Trustee)	2	0.00%	100.00%	1	0.00%	0.00%
23. Prism Estates Trust (Harsh Vardhan Goenka in the Capacity Of Trustee)	1	0.00%	0.00%	1	0.00%	0.00%
Subtotal (b)	**1,89,47,278**	**46.84%**	**0.00%**	**1,89,47,279**	**46.84%**	**0.21%**
Total (a + b)	**1,90,95,397**	**47.21%**	**0.00%**	**1,90,95,398**	**47.21%**	**0.21%**

Note 18: Other equity

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Securities premium (refer note a)	56,703	56,703
Capital reserve (refer note b)	1,374	1,379
Capital redemption reserve (refer note c)	390	390
Effective portion of cash flow hedges (refer note d)	(95)	106
Exchange differences on translating the financial statements of a foreign operation(refer note e)	(6,562)	(7,617)
General reserve (refer note f)	25,178	25,178
Retained earnings (refer note g)	3,23,228	2,63,780
Total other equity	**4,00,216**	**3,39,919**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

Note 18: Other equity (Contd..)

Refer Statement of Changes in Equity

a) Securities premium

Amount received on issue of shares in excess of the par value has been classified as security share premium.

b) Capital reserve

Capital reserve includes profit on amalgamation of entities and on account of consolidation of the Company's Bangladesh Subsidiary, CEAT AKKHAN Limited, in 2013-14.

c) Capital redemption reserve

Capital redemption reserve represents amount transferred from profit and loss account on redemption of preference shares during financial year 1998-99.

d) Effective portion of cash flow hedges

It represents mark-to-market valuation of effective hedges as required by Ind AS 109.

e) Exchange differences on translating the financial statements of a foreign operation

It represents aggregate exchange difference arising on consolidation of the foreign subsidiaries. For the purpose of consolidation, the balance sheet items are translated at closing exchange rate as at the balance sheet date and revenue items are translated at average exchange rate as at the date of transaction, including the difference of rupee and subsidiaries reporting currency is accumulated to foreign currency translation reserve.

f) General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to the consolidated statement of profit and loss.

g) Retained earnings

Retained earnings are the profits that the Group has earned till date, less any transfers to reserves, dividends or other distributions paid to shareholders.

Note 19: Distribution made and proposed

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Cash dividend on equity shares declared and paid		
Final dividend for the year ended on March 31, 2023: ₹ 12 per share (March 31, 2022: ₹ 3 per share)	4,854	1,214
Total	**4,854**	**1,214**

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Proposed dividends on equity shares		
Proposed dividend for the year ended on March 31, 2024: ₹ 30/- per share (March 31, 2023: ₹ 12/- per share)	12,135	4,854
Total	**12,135**	**4,854**

Proposed dividends on equity shares which are subject to approval at the Annual General Meeting are not recognised as a liability in the year in which it is proposed.

The Company declares and pays dividend in Indian rupees. The Finance Act 2020 has repealed the Dividend Distribution Tax. Companies are now required to pay / distribute dividend after deducting applicable taxes. The remittance of dividends outside India is also subject to withholding tax at applicable rates.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

Note 20: Borrowings

(at amortised cost)

Refer note 2.17 for accounting policy on Financial instruments

(₹ in Lakhs)

Particulars	Non-current		Current maturities	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Interest bearing loans and borrowings				
I. Secured				
i) Debentures				
Non-convertible debentures (refer foot note 1)	10,000	10,000	-	15,000
ii) Term loans				
Indian rupee loan from banks*	-	-	-	-
Citi Bank N.A. (refer foot note 2)	-	-	-	10,750
Kotak Mahindra Bank (refer foot note 3)	17,989	22,785	4,797	3,448
Bank of Baroda (refer foot note 4)	42,643	53,114	10,483	3,493
State Bank of India (refer foot note 5)	9,893	24,548	14,637	7,324
II. Unsecured:				
i) Debentures				
Non-convertible debentures (refer foot note 1)	15,000	15,000	-	-
ii) Term loans from banks				
Indian rupee loan from banks*				
Axis Bank (refer foot note 6)	-	3,000	3,000	-
HSBC Bank (refer foot note 7)	-	15,000	-	-
iii) Public deposits (refer foot note 8)	-	0	-	-
iv) Deferred sales tax incentive (refer foot note 9)	135	609	474	502
	95,660	**1,44,056**	**33,391**	**40,517**
Less: amount classified under current borrowings (refer note 22)	-	-	(33,391)	(40,517)
Total	**95,660**	**1,44,056**	**-**	**-**

*Indian rupee loan from banks carries floating interest rate ranging from 6.40% p.a. to 9.00% p.a. (As on March 31,2023: 4.05% p.a. to 8.75% p.a.)

Notes:

1) Non-Convertible Debentures (""NCDs"") ₹ 25,000 Lakhs as on March 31, 2024 (March 31, 2023: ₹ 40,000 Lakhs) allotted on October 13, 2020 (NCD Series 2) and September 19, 2022 (NCD Series 3) on private placement basis. First Tranche of NCD (allotted on October 07, 2020 (NCD Series 1)) is repaid on due date i.e. on October 06, 2023. Second tranche of NCD (NCD Series 2)is secured by way of first charge over movable and immovable fixed assets located at Ambernath plant and Third tranche of NCD (NCD Series 3) is un-secured. As at March 31, 2024, the NCDs carry an interest at 7.00% p.a. (NCD Series 2) and 7.99% p.a. (NCD Series 3) and is repayable as under:
   - NCD Series 2: ₹ 10,000 Lakhs (40% of the issue amount) repayable on October 13, 2025.
   - NCD Series 3: ₹ 15,000 Lakhs (60% of the issue amount) repayable on September 19, 2026.
2) Term loan from Citibank N.A. : Nil as on March 31, 2024 (March 31, 2023: ₹ 10,750 Lakhs) is repaid on due date i.e. on September 22, 2023.
3) Term loan from Kotak Mahindra Bank Limited ₹ 22,800 Lakhs as on March 31, 2024 (March 31, 2023: ₹ 26,250 Lakhs) is secured by first pari passu charge over the immovable and movable fixed assets situated at Halol, Nashik, Nagpur and Chennai Plant. It is repayable as under:

Year	Repayment Schedule (In %)	Schedule of Payment
2021 - 22	2.50%	To be repaid in 28 structured quarterly instalment commencing (March 2022)
2022 - 23	10.00%	
2023 - 24	11.50%	
2024 - 25	16.00%	
2025 - 26	16.00%	
2026 - 27	16.00%	
2027 - 28	16.00%	
2028 - 29	12.00%	

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

Note 20: Borrowings (Contd..)

4) Term Loan from Bank of Baroda ₹ 53,212 Lakhs as on March 31, 2024 (March 31, 2023: ₹ 56,711 Lakhs) is secured by first pari passu charge over the immovable and movable fixed assets situated at Halol, Nashik, Nagpur and Chennai Plant. It is repayable as under:

Year	Repayment Schedule (In %)	Schedule of Payment
2022 - 23	5.00%	To be repaid in 26 structured quarterly instalments commencing (June 2023)
2023 - 24	5.00%	
2024 - 25	15.00%	
2025 - 26	15.00%	
2026 - 27	20.00%	
2027 - 28	20.00%	
2028 - 29	20.00%	

5) Term Loan from State Bank of India ₹ 24,736 Lakhs as on March 31, 2024 (March 31, 2023: ₹ 32,116 Lakhs) is secured by first pari passu charge over the immovable and movable fixed assets situated at Halol, Nashik, Nagpur and Chennai Plant. It is repayable as under:

Year	Repayment Schedule (In %)	Schedule of Payment
2022 - 23	10.00%	To be repaid in 12 structured quarterly instalments commencing (Dec 2022)
2023 - 24	21.00%	
2024 - 25	41.00%	
2025 - 26	28.00%	

6) Term Loan from Axis Bank Ltd ₹ 3,000 Lakhs as on March 31, 2024 (March 31, 2023: ₹ 3,000 Lakhs) is an un-secured loan. It is repayable as under:

Year	Repayment Schedule (In %)	Schedule of Payment
2024 - 25	100.00%	To be repaid in 2 equal instalments at the end of 30th and 36th month commencing from Drawdown (July 2024)

7) Term Loan from HSBC Bank Ltd.: Nil as on March 31, 2024 (March 31, 2023: ₹ 15,000 Lakhs) is pre-paid on April 30, 2023 ₹ 5,000 Lakhs and on October 30, 2023 ₹ 10,000 Lakhs.

Year	Repayment Schedule (In %)	Schedule of Payment
2024 - 25	100.00%	To be re-paid in one bullet instalment in Sept 2025

8 **Public deposits :** Nil (March 31, 2023 ₹ 0.20 Lakhs) outstanding for a period exceeding seven years, in respect of which a Government agency had directed the Group to hold. During the year, the Group received direction from the Government agency to release the amount to the deposit holder. However due to non-traceability of the deposit holder, it is transferred to Investment Education and Protection Fund.

9 Interest-free deferred sales tax is repayable in ten equal annual instalment commencing from April 26, 2011 and ending on April 30, 2025.

10 Outstanding balances shown in foot notes above, are grossed up to the extent of unamortised transaction cost.

11 Refer note 47 of information about fair value measurement and note 49(c) for information about liquidity risk relating to borrowings.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

Note 21: Other financial liabilities

Refer note 2.17 for accounting policy on Financial instruments

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current		
At fair value through other comprehensive income		
Derivative financial instrument	11	-
At amortised cost		
Payable to capital vendors (refer note b)	2,014	1,788
Deposits	92	93
Total other financial liabilities	**2,117**	**1,881**

Notes:

a) Refer note 47 for information about fair value measurement and note 49(c) for information about liquidity risk relating to other financial liabilities.

b) These pertain to payable to capital vendors based on deferred payment terms.

Note 22: Provisions

Refer note 2.15 for accounting policy on Provisions

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current provisions		
(A) Provision for employee benefits		
Provision for compensated absences (refer foot note a)	3,709	3,970
(B) Others		
Provision for gratuity [refer note 42(b)]	46	-
Provision for sales related obligations (refer note b)	3,988	713
Provision for decommissioning liability (refer note c)	117	105
	7,860	**4,788**
Current provisions		
(A) Provision for employee benefits		
Provision for compensated absences (refer foot note a)	903	751
Provision for gratuity [refer note 42(b)]	168	2,205
(B) Others		
Provision for sales related obligations (refer note b)	7,073	9,023
Provision for litigations (refer foot note d)	2,398	2,403
	10,542	**14,382**

a) Compensated absences

Employee leaves are encashed as per the Group's leave encashment policy. A provision has been recognised for leave encashment liability based on the actuarial valuation of leave balance of employees as at year end.

Movement in provision for compensated absences	(₹ in Lakhs)
As at April 01, 2022	**3,980**
Additions during the year	1,281
Utilised during the year	(540)
As at March 31, 2023	**4,721**
Additions during the year	490
Utilised during the year	(599)
As at March 31, 2024	**4,612**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

Note 22: Provisions (Contd..)

b) Provision for sales related obligation

A provision is recognized for expected sales related obligation on product sold during the last three years, based on past experience of the level of returns and cost of claim. It is expected that significant portion of these costs will be incurred in the next financial year and within three years from the reporting date. Assumptions used to calculate the provision for sales related obligation were based on current sales levels and current information available about returns based on the three years period for all products sold. The rate used for discounting provision for sales related obligation is 9%. The table below gives information about movement in provision for sales related obligation.

Movement in provision for sales related obligation	(₹ in Lakhs)
As at April 01, 2022	**9,233**
Additions during the year	15,092
Utilised during the year	(14,589)
As at March 31, 2023	**9,736**
Additions during the year	17,858
Unwinding of discount on provision of sales related obligation during the year	846
Utilised during the year	(17,379)
As at March 31, 2024	**11,061**

c) Provision for decommissioning liability

The Group has recognised a provision for decommissioning obligations associated with a land taken on lease at Nashik manufacturing facility for the production of tyres. In determining the fair value of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove the plant from the site and the expected timing of those costs. The Group estimates that the costs would be realised in year 2066 at the expiration of the lease and calculates the provision using the Discounted Cash Flow (DCF) method based on the following assumptions:

- Estimated range of cost per square meter: ₹ 45 – ₹ 50
- Discount rate: 11.50%

Movement in provision for decommissioning liability	(₹ in Lakhs)
As at April 01, 2022	**94**
Unwinding during the year	11
As at March 31, 2023	**105**
Unwinding during the year	12
As at March 31, 2024	**117**

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 indirect tax and labour matters	(₹ in Lakhs)
As at April 01, 2022	**2,397**
Additions during the year	116
Utilised during the year	(110)
As at March 31, 2023	**2,403**
Additions during the year	10
Utilised during the year	(15)
As at March 31, 2024	**2,398**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

Note 23: Income tax and deferred taxes

Refer note 2.8 for accounting policy on Taxes

Consolidated Balance Sheet

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Non current tax assets (net)		
Advance payment of tax (net of provision)	2,645	1,414
Current tax liabilities (net)		
Provision for income tax (net of advance tax)	2,172	1,521
Deferred tax liabilities (net)	45,092	38,858
Deferred tax assets (net) (refer foot note a)	-	127

Consolidated statement of profit and loss

(₹ in Lakhs)

Particulars	2023-24	2022-23
Current tax	15,777	186
Deferred tax	6,365	6,989
Income tax expense reported in the consolidated statement of profit and loss (refer foot note c)	**22,142**	**7,175**

Other Comprehensive Income (OCI)

Deferred tax related to items recognised in OCI during the year

(₹ in Lakhs)

Particulars	2023-24	2022-23
Income tax effect on actuarial losses for gratuity	(2)	197
Income tax effect on effective portion of cash flow hedges	67	(289)
Income tax (expense) / income charged to OCI	**65**	**(92)**

Reconciliation of Effective Tax Rate

(₹ in Lakhs)

Particulars	2023-24	2022-23
Book profit before tax	**85,670**	**25,414**
Income tax rate of 25.17% (March 31, 2023: 25.17%)	21,560	6,396
Reversal of provision for tax of earlier years	(612)	(368)
Deduction under section 80M	(345)	-
Impact of share of profit from joint venture and associates	(523)	(207)
Effect of undistributed earnings of subsidiaries	286	(97)
Difference in tax rates for certain entities of the group	1,103	632
Others	405	558
Non-deductible expenses for tax purposes:		
Depreciation on revaluation	93	101
Corporate social responsibility (CSR) Expenses	147	152
Other non-deductible expenses	29	8
At the effective income tax rate of 25.85% (March 31, 2023: 28.23%)	**22,142**	**7,175**

Notes to Consolidated Financial Statements
for the year ended March 31, 2024

Note 23: Income tax and deferred taxes (Contd..)

Deferred tax

Deferred tax relates to the following

(₹ in Lakhs)

Particulars	Balance Sheet		Statement of Profit and Loss	
	As at March 31, 2024	As at March 31, 2023	2023-24	2022-23
Accelerated depreciation for tax purposes	(48,477)	(44,580)	3,897	6,447
Voluntary Retirement Scheme (VRS)	948	1,110	162	(250)
Allowance for doubtful debts/advances	445	422	(23)	32
Carry forward of business loss		932	932	1,406
Undistributed profit of Subsidiary	(1,192)	(960)	232	(111)
Others	3,184	4,345	1,165	(535)
Deferred tax expense / (income)			**6,365**	**6,989**
Net deferred tax assets / (liabilities)	**(45,092)**	**(38,731)**		

Reflected in the Balance Sheet as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax assets	4,577	6,809
Deferred tax liability	(49,669)	(45,540)
Deferred tax liability (net)	**(45,092)**	**(38,731)**

Reconciliation of deferred tax liabilities (net)

(₹ in Lakhs)

Particulars	2023-24	2022-23
Opening balance as of April 01	**(38,731)**	**(31,689)**
Tax (expense) / income recognised in the Statement of Profit and Loss	(6,365)	(6,989)
Tax (expense) / income recognised in Other Comprehensive Income	65	(92)
Others	(61)	39
Closing balance as at March 31	**(45,092)**	**(38,731)**

Notes:

a) The figure includes deferred tax asset of Nil (March 31, 2023: ₹ 127 Lakhs) 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 as well as deferred tax assets and 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 Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Current		
Secured		
Cash credit facilities from banks (repayable on demand) (refer foot note a)	2,732	1,476
Buyer's credit from banks (refer foot note a)	2,314	1,221
Working capital demand loan (refer foot note a)	13,793	12,000
Current maturities of long-term borrowings		
Current maturities of long-term borrowings (refer note 20)	33,391	40,517
Unsecured		
Commercial paper (refer foot note b)	15,000	10,000
Total	**67,230**	**65,214**

Notes to Consolidated Financial Statements
for the year ended March 31, 2024

Note 24: Borrowings (Contd..)

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 carrying interest in the range of 7.50% p.a. to 9.80% p.a (March 31, 2023: 4.50% p.a. to 9.70% p.a). In case of foreign subsidiaries, the short-term borrowings carry interest in the range of 9.00% p.a to 13.11% p.a (March 31, 2023: 8.00 % to 9.00 % p.a).

b) The Group had issued commercial papers (total available limit ₹ 50,000 Lakhs) at regular intervals for working capital purposes with interest ranging from 7.15% p.a. to 7.80% p.a. (March 31, 2023 : 4.14% p.a. to 7.70% p.a.)

c) Refer note 49(c) for information about liquidity risk relating to borrowings.

d) Quarterly returns and statements of current assets filed by the holding company with banks or financial institutions are in agreement with the books of accounts.

Note 25: Trade payables

Refer note 2.17 for accounting policy on Financial instruments

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro enterprise and small enterprises (refer foot note a):		
Overdue	5	5
Not due	9,847	8,123
Total outstanding dues of creditors other than micro enterprises and small enterprises:		
Other trade payables	2,23,359	2,18,429
Trade payables to related parties (refer note 44)	-	276
Total	**2,33,211**	**2,26,833**

Notes :

a) Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006 (the MSMED Act) are given as follows *:

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
i) The principal amount remaining unpaid to any supplier as at the end of each accounting year	9,852	8,128
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	0	1
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 180 days.

c) Refer note 49(c) for information about liquidity risk relating to trade payables.

d) Ageing for trade payable outstanding as at March 31, 2024 and March 31, 2023 is as follows:

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

Note 25: Trade payables

(₹ in Lakhs)

Trade payable ageing as on March 31, 2024	Current but not due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 year	Total
Total outstanding dues of Micro enterprises and small enterprises	9,847	5	-	-	-	9,852
Total outstanding dues of creditors other than Micro enterprises and small enterprises	2,21,129	2,176	-	-	44	2,23,349
Disputed dues of creditors other than Micro enterprises and small enterprises	-	-	-	-	10	10
Total	**2,30,976**	**2,181**	**-**	**-**	**54**	**2,33,211**

(₹ in Lakhs)

Trade payable ageing as on March 31, 2023	Current but not due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 year	Total
Total outstanding dues of Micro enterprises and small enterprises	8,123	5	-	-	-	8,128
Total outstanding dues of creditors other than Micro enterprises and small enterprises	2,17,596	858	-	-	228	2,18,682
Disputed dues of creditors other than Micro enterprises and small enterprises	-	9	-	-	14	23
Total	**2,25,719**	**872**	**-**	**-**	**242**	**2,26,833**

Note 26: Other financial liabilities

Refer note 2.17 for accounting policy on Financial instruments

(₹ in Lakhs)

Current	As at March 31, 2024	As at March 31, 2023
At fair value through other comprehensive income		
Derivative financial instrument	236	-
At amortised cost		
Employee related liability	15,697	11,061
Interest accrued but not due on borrowings	1,876	3,242
Interest accrued but not due on Security deposit	1	14
Unpaid dividends (refer foot note a)	249	282
Unpaid matured deposits and interest accrued thereon (refer foot note a)	-	7
Payable to capital vendors (others)	13,546	19,886
Deposits from dealers and Others	53,862	49,713
Total	**85,467**	**84,205**

Notes:

a) Refer foot note a) and b) below note 13: Bank balances other than cash and cash equivalents.

b) Refer note 47 for information about fair value measurement and note 49(c) for information about liquidity risk relating to other financial liabilities.

Note 27: Other current liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory dues	13,798	12,669
Advance received from customers *	4,086	2,396
Others	10,720	-
Total	**28,604**	**15,065**

* Represents contract liabilities

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

Note 28: Revenue from operations

Refer note 2.6 for accounting policy on Revenue recognition and 2.7 for Government grants, subsidies and export incentives

Set out below is the disaggregation of the Group's revenue from contracts with customers:

(₹ in Lakhs)

Particulars	2023-24	2022-23
Revenue recognised at the point of time		
Automotive Tyres	11,01,248	10,39,520
Tubes and others	75,291	74,430
Other revenues	1,028	510
Revenue recognised over the period of time		
Royalty income (refer note 44)	604	445
Total revenue from contracts with customers	**11,78,171**	**11,14,905**
Other operating revenue		
Sale of scrap	6,531	6,143
Government grants (refer foot note d)	9,646	10,440
Revenue from operations	**11,94,348**	**11,31,488**

Notes:

a) Revenue disaggregation basis geography has been included in segment information (refer note 45).

b) Contract assets and liabilities

The Group has recognized the following revenue-related contract assets and liabilities:

(₹ in Lakhs)

Particulars	2023-24	2022-23
Trade receivables (refer note 11)	1,28,322	1,30,703
Advance received from customers (refer note 27)	4,086	2,396

The Group receives payment from customers based on a billing schedule, as established in the contracts with customers. Trade receivable are recognised when the right to consideration becomes unconditional. Contract liability relates to payments received in advance of performance under the contract. Contract liabilities are recognised as revenue as (or when) the Group perform under the contract.

c) Reconciling the amount of revenue recognised in the consolidated statement of profit and loss with the contracted price:

(₹ in Lakhs)

Particulars	2023-24	2022-23
Revenue as per contracted price	12,09,544	11,45,180
Reductions towards variable consideration components *	(31,373)	(30,275)
Revenue from contracts with customers	**11,78,171**	**11,14,905**

* The reduction towards variable consideration comprises of discounts, indexations etc.

d) Government Grant:

i) In accordance with the accounting policy for Government grants, the Group has recognised an amount of ₹ 9,646 Lakhs towards state incentives (March 31, 2023: ₹ 10,268 Lakhs) which is included in other operating revenue.

ii) The Group has recognised a government grant as income on account of Export Incentive under Merchandise Exports from India Scheme (MEIS) from Directorate General of Foreign Trade, Government of India.

Note 29: Other income

Refer note 2.6 for accounting policy on revenue recognition

(₹ in Lakhs)

Particulars	2023-24	2022-23
Interest income on:		
Bank deposits	60	85
Others	409	776
Other non-operating income	1,475	785
Gain on disposal of property, plant and equipment / asset held for sale (net)	-	48
Gain on disposal of investments (net)	29	-
Total	**1,973**	**1,694**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

Note 30: Cost of material consumed

(₹ in Lakhs)

Particulars	2023-24	2022-23
Raw material		
Opening stock	41,638	58,155
Add: Purchases	6,89,731	7,18,556
	7,31,369	**7,76,711**
Less: Closing stock	(39,026)	(41,637)
Total	**6,92,343**	**7,35,074**

Details of raw materials consumed

(₹ in Lakhs)

Particulars	2023-24	2022-23
Rubber	3,28,262	3,48,425
Fabrics	71,464	81,765
Carbon black	1,24,269	1,29,091
Chemicals	53,940	57,427
Others	1,14,408	1,18,366
Total	**6,92,343**	**7,35,074**

Details of Closing inventories

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Rubber	21,374	23,027
Fabrics	3,825	4,310
Carbon black	3,972	3,233
Chemicals	4,019	4,640
Others	5,836	6,427
Total [refer note 10(a)]	**39,026**	**41,637**

Note 31: Changes in inventories of finished goods, work-in-progress and stock-in-trade

(₹ in Lakhs)

Particulars	2023-24	2022-23
Opening Stock		
Finished goods*	60,838	60,363
Work-in-progress	7,919	7,885
Stock-in-trade*	1,635	2,477
	70,392	**70,725**
Closing Stock		
Finished goods	64,945	60,801
Work-in-progress	8,747	7,919
Stock-in-trade	241	1,569
	73,933	**70,289**
Total change in inventories	**(3,541)**	**436**

*Opening stock of Finished goods and Stock-in-trade includes opening stock on acquisition of TYRESNMORE Online Private Limited (TNM) (Refer note 41). Details are as per below-

(₹ in Lakhs)

Opening Stock Details	As at August 01, 2023
Finished Goods	37
Stock-in-trade	66
Total	**103**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

Note 32: Employee benefit expenses

Refer note 2.16 for accounting policy on employee benefits

(₹ in Lakhs)

Particulars	2023-24	2022-23
Salaries, wages and bonus	71,128	61,255
Contribution to provident and other funds	3,477	3,093
Gratuity expenses (refer note 42)	1,382	956
Staff welfare expenses	8,584	8,216
Total	**84,571**	**73,520**

Note 33: Finance costs

Refer note 2.12 for accounting policy on Borrowing costs, 2.15 on Provisions and 2.13 on Leases.

(₹ in Lakhs)

Particulars	2023-24	2022-23
Interest on debts and borrowings [refer note 3(2)]	23,795	20,771
Other finance charges	384	749
Interest on lease liabilities [refer note 4(b)]	1,606	1,420
Total Interest expense	**25,785**	**22,940**
Unwinding of decommissioning liability	12	11
Unwinding of deferred payment obligation	263	271
Unwinding of discount on provision of sales related obligations	846	988
Total finance cost	**26,906**	**24,210**

Note 34: Depreciation and amortization expenses

Refer note 2.10 for accounting policy on property, plant and equipments, 2.11 on intangible assets and 2.13 on leases

(₹ in Lakhs)

Particulars	2023-24	2022-23
Depreciation on property, plant and equipment (refer note 3)	39,748	34,814
Amortization on intangible assets (refer note 5)	3,070	3,858
Depreciation on Right-of-use assets [refer note 4(a)]	8,065	8,259
Total	**50,883**	**46,931**

Note 35: Other expenses

(₹ in Lakhs)

Particulars	2023-24	2022-23
Conversion charges	35,179	34,146
Stores and spares consumed	9,925	9,412
Power and fuel	37,557	37,542
Freight and delivery charges	46,835	45,681
Rates and taxes	7,642	343
Insurance	1,924	1,637
Repairs and maintenance	11,119	9,649
Directors' fees	60	48
Payment to auditors (refer foot note 1)	152	129
Cost audit fees	3	3
Advertisement and sales promotion expenses	25,055	21,226
Bad debts and advances written off	61	258
Allowance for bad debts and advances written back including utilisation of provision [refer note 22(d)]	(58)	(191)
	3	**67**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

Note 35: Other expenses (Contd..)

(₹ in Lakhs)

Particulars	2023-24	2022-23
Allowance for doubtful debts and advances	104	259
Loss on disposal of property, plant and equipment (net)	29	-
Professional and consultancy charges	12,973	9,465
Commission to directors (refer note 44)	838	177
Corporate social responsibility (CSR) expenses (refer foot note 2)	583	604
Sales related obligations	17,858	15,092
Extended Producer Responsibility (Refer Note 36 (b))	7,267	-
Miscellaneous expenses	37,011	36,568
Total	**2,52,117**	**2,22,048**

Notes:

1) Payment to the auditors *

(₹ in Lakhs)

Particulars	2023-24	2022-23
As auditor		
Audit fee	80	71
Limited review	44	35
In other capacity:		
Other services (including certification fees)	18	14
Reimbursement of expenses	10	9
Total	**152**	**129**

* Exclusive of Goods and Services Tax (GST) and other indirect taxes relevant to foreign subsidiary

2) Details of Corporate Social Responsibility (CSR) expenditure

(₹ in Lakhs)

Particulars	2023-24	2022-23
a) Gross amount required to be spent during the year	579	604

(₹ in Lakhs)

Particulars	In cash	Yet to be paid in cash	Total
b) Amount spent during the year on on-going projects ended on March 31, 2024 *		-	
(i) Construction / acquisition of any asset	-		-
(ii) On purposes other than (i) above	583	-	583
Total	**583**	**-**	**583**

(₹ in Lakhs)

Particulars	In cash	Yet to be paid in cash	Total
c) Amount spent during the year on other than on-going projects ended on March 31, 2024 *			
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	-	-	-
Total	**-**	**-**	**-**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

Note 35: Other expenses (Contd..)

(₹ in Lakhs)

Particulars	In cash	Yet to be paid in cash	Total
d) Amount spent during the year ending on March 31, 2023*			
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	398	206	604
Total	**398**	**206**	**604**

(₹ in Lakhs)

Particulars	In cash	Yet to be paid in cash	Total
e) Amount spent during the year ending on March 31, 2023*			
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	-	-	-
Total	**-**	**-**	**-**

f) Movement of CSR Balance

Particulars	Balance as on March 31, 2023		Amount required to be spend during the year	Amount spend during the year		Balance as on March 31, 2024	
	With Company	In seperate or unspend A/c		With Company	In seperate or unspend A/c	With Company	In seperate or unspend A/c
Ongoing Project	-	206	579	785	-	-	-
Other than Ongoing Project	-	-		-	-	-	-

Nature of CSR activities include promoting education, employment enhancing vocation skills, protection and restoration of National Heritage and promoting healthcare including preventive healthcare and Disaster management.

* Above includes Nil Lakhs of Corporate Social Responsibility expense related to ongoing projects as at March 31, 2024 (March 31, 2023: ₹ 206 Lakhs). The same was transferred to a special account designated as "Unspent Corporate Social Responsibility Account for FY23" ("UCSRA – FY23") of the Group within 30 days from end of financial year ended March 31, 2023.

Note 36: Exceptional items

(₹ in Lakhs)

Particulars	2023-24	2022-23
Voluntary retirement scheme (VRS) (refer foot note a)	798	3,160
Extended Producer Responsibility (refer foot note b)	3,453	-
Impairment of assets (refer foot note c)	1,566	-
Expenses / losses due to fluctuations in Sri Lankan currency (refer foot note d)	-	182
Total	**5,817**	**3,342**

a) The Company had introduced VRS for employees across the Group.During the year, 29 employees (March 31, 2023: 147 employees) opted for the VRS.

b) On July 21, 2022, the Ministry of Environment, Forest and Climate Change issued notification containing Regulations on Extended Producer Responsibility (EPR) for Waste Tyre applicable to Tyre manufacturers and Recyclers. As per the notification, the Company has a present legal obligation as at March 31, 2024 for FY 2023-24 (quantified basis the production in FY 21-22) and for FY 2022-23 (quantified basis the production in FY 20-21) to purchase EPR certificates online from Recyclers of waste tyre, registered with the Central Pollution Control Board, to fulfil its obligations.

As at March 31, 2023 the Company could not estimate the liability reliably since the infrastructure for the same was not enabled and hence this obligation was not provided for. In the current year the enabling framework has been established for the Company to reliably estimate the liability and accordingly ₹ 10,720 Lakhs has been provided in the books in the current year including ₹ 3,453 Lakhs pertaining to FY 22-23 obligations, which has been disclosed as an exceptional item during the year ended March 31, 2024. The obligation pertaining to FY 23-24 has been disclosed separately in Other expenses.

Notes to Consolidated Financial Statements
for the year ended March 31, 2024

Note 36: Exceptional items (Contd..)

The Company has provided the above on a prudence basis while the matter has been represented to the Government by the Company along with the Industry forum to defer the applicability and proposed certain changes in the modalities.

c) Pursuant to Company's decision to restructure its business model in Bangladesh, and effective February 01, 2024 the Company entered into an arrangement with a distributor in Bangladesh. Consequently, certain assets in CEAT AKKHAN Limited, a subsidiary of the Company in Bangladesh, aggregating ₹ 1,566 Lakhs (including Capital work-in-progress and Capital advances) have been provided for in the books during the quarter and year ended March 31, 2024.

d) The economic situation in Sri Lanka has deteriorated significantly and consequently there has been a significant devaluation of the currency. The exchange loss of Nil (March 31, 2023- ₹ 182 Lakhs) towards dividend and other receivables from its subsidiary / joint ventures in Sri Lanka is reflected as an exceptional item for the year ended March 31, 2024.

Note 37: Research and development costs

(₹ in Lakhs)

Particulars	2023-24	2022-23
Capital expenditure	4,823	4,367
Revenue expenditure	12,493	11,906
Total	**17,316**	**16,273**

The above expenditure of research and development has been determined on the basis of information available with the Group and as certified by the management.

Note 38: Earnings per share

Refer note 2.21 for accounting policy on Earnings per share ("EPS")

The following reflects the income and share data used in the basic and diluted EPS computations:

(₹ in Lakhs)

Particulars	2023-24	2022-23
Profit after tax for calculation of basic and diluted EPS	64,265	18,617
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)	**158.87**	**46.02**
Diluted earnings per share (Face value of ₹ 10 each)	**158.87**	**46.02**

Note 39: Non-controlling interests

Financial information of subsidiaries that have material non-controlling interests is provided below:

i) Proportion of equity interest held by non-controlling interests

Name	Country of Incorporation	% of Equity interest	
		2023-24	2022-23
Rado Tyres Limited	India	41.44%	41.44%
CEAT AKKHAN Limited	Bangladesh	30.00%	30.00%

Information regarding non-controlling interest

(₹ in Lakhs)

Particulars	2023-24	2022-23
Accumulated balances of material non-controlling interests:		
Rado Tyres Limited	(374)	(380)
CEAT AKKHAN Limited	1,348	2,119
Total	**974**	**1,739**
Total comprehensive income allocated to material non-controlling interests:		
Rado Tyres Limited	5	3
CEAT AKKHAN Limited	(742)	(381)
Total	**(737)**	**(378)**

Notes to Consolidated Financial Statements
for the year ended March 31, 2024

Note 39: Non-controlling interests (Contd..)

ii) The summarized financial information of these subsidiaries is provided below (before inter-company eliminations).

a) Summarized statement of profit and loss

(₹ in Lakhs)

For the year ended March 31, 2024	Rado Tyres Limited	CEAT AKKHAN Limited
Revenue	33	11,992
Profit / (Loss) for the year	13	(2476)
Total comprehensive income	**13**	**(2476)**
Attributable to:		
Owners of parent	8	(1734)
Non-controlling interest	5	(742)

(₹ in Lakhs)

For the year ended March 31, 2023	Rado Tyres Limited	CEAT AKKHAN Limited
Revenue	25	13,382
Profit / (Loss) for the year	8	(1272)
Total comprehensive income	**8**	**(1272)**
Attributable to:		
Owners of parent	5	(891)
Non-controlling interest	3	(381)

b) Summarized balance sheet

(₹ in Lakhs)

As at March 31, 2024	Rado Tyres Limited	CEAT AKKHAN Limited
Non-Current Assets	2	0
Assets held-for-sale	98	-
Current Assets	516	10,079
Non-Current Liabilities	(1,510)	-
Current Liabilities	(9)	(5,586)
Total equity	**(903)**	**4,493**
Attributable to:		
Owners of parent	(529)	3,145
Non-controlling interest	(374)	1,348

(₹ in Lakhs)

As at March 31, 2023	Rado Tyres Limited	CEAT AKKHAN Limited
Non-Current Assets	100	6,940
Current Assets	502	4,879
Non-Current Liabilities	(1,510)	(57)
Current Liabilities	(8)	(4,700)
Total equity	**(916)**	**7,062**
Attributable to:		
Owners of parent	(536)	4,943
Non-controlling interest	(380)	2,119

Notes to Consolidated Financial Statements
for the year ended March 31, 2024

Note 39: Non-controlling interests (Contd..)

c) Summarized cash flow information

(₹ in Lakhs)

For the year ended March 31, 2024	Rado Tyres Limited	CEAT AKKHAN Limited
Operating	(23)	(1,967)
Investing	33	1,925
Financing	-	938
Net increase / (decrease) in cash and cash equivalents	**10**	**896**

(₹ in Lakhs)

For the year ended March 31, 2023	Rado Tyres Limited	CEAT AKKHAN Limited
Operating	(23)	121
Investing	18	(760)
Financing	-	466
Net increase / (decrease) in cash and cash equivalents	**(5)**	**(173)**

Note 40: Interest in Joint Venture

The group has 50% interest in CEAT Kelani Holding (Pvt) Limited, a joint venture incorporated in Sri Lanka. The joint venture entity has wholly owned subsidiaries who are involved in the manufacture of tyres. The Group's interest in CEAT Kelani Holdings (Pvt) Limited is accounted for using the equity method in the consolidated financial statements. Summarized financial information of the joint venture based on its financial statements and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below.

i) Details of interest held by Company

Name	Principal activities	Country of incorporation	% of Equity interest	
			March 31, 2024	March 31, 2023
CEAT Kelani Holding (Pvt) Limited	Manufacturing of tyres	Sri Lanka	50%	50%

ii) Summarized balance sheet

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Non-Current Assets	21,179	19,309
Current Assets*	24,471	24,246
Non-Current Liabilities	(2,687)	(2,048)
Current Liabilities	(13,919)	(16,773)
Foreign currency translation differences	5,224	5,542
Net Assets (A)	**34,268**	**30,276**
Percentage of the Group's ownership (B)	50%	50%
Group's share in Net worth [A x B]	**17,134**	**15,138**
Goodwill	1,396	1,266
Revaluation reserve	(1,954)	(1,773)
Carrying amount of investments	**16,576**	**14,631**

* Current assets of CEAT Kelani Holding (Pvt) Limited includes Cash & Cash equivalent of ₹ 8,782 Lakhs (As on March 31, 2023: ₹ 7,124 Lakhs)

Notes to Consolidated Financial Statements
for the year ended March 31, 2024

Note 40: Interest in Joint Venture (Contd..)

iii) Summarized statement of profit and loss

(₹ in Lakhs)

Particulars	2023-24	2022-23
Revenue	45,432	34,669
Finance Costs	(1,005)	(1,847)
Depreciation and amortization	(1,836)	(1,412)
Profit before tax	**5,797**	**3,492**
Income tax expenses	(1,248)	(1,194)
Profit after tax (A)	**4,549**	**2,298**
Other comprehensive income	(268)	242
Total comprehensive income	**4,281**	**2,540**
Percentage of the Group's ownership (B)	50%	50%
Profit considered for consolidation [A x B]	**2,275**	**1,149**

The Group has no contingent liabilities or capital commitments relating to its interest in CEAT Kelani Holding (Pvt) Limited as at March 31, 2024 and March 31, 2023. The joint venture has no contingent liabilities or capital commitments as at March 31, 2024 and March 31, 2023.

Note 41: Business Combination

i) The Company entered into Share Subscription and Shareholders' Agreements (SSHA) on July 5, 2023 with TYRESNMORE Online Private Limited (TNM) and acquired an additional 10.83% shareholding through Compulsory Convertible Preference Shares ('CCPS') at a consideration of ₹ 899 Lakhs, thereby increasing its stake from 49.83% to 60.66%.

On August 4, 2023, the Company acquired the remaining 39.34% stake and control from the promoters and other shareholders in TNM and converted it into a wholly owned subsidiary at a consideration of ₹ 300 Lakhs. On obtaining the control on August 4, 2023, the Company had re-measured the existing stake at fair value and has recognised the re-measurement gain of ₹ 663 Lakhs in the consolidated statement of profit and loss in accordance with Ind AS 103 – "Business Combinations".

At August 4, 2023, the fair value of assets and liabilities acquired by the Company have been determined and accounted for in accordance with IND AS 103. The excess of the total purchase consideration (₹ 2,344 Lakhs) over the fair value of the net assets acquired (₹ 33 Lakhs) has been allocated to Goodwill.

Summarized statement of business combination on date of acquisition is as set out below-

Details of Purchase consideration and Goodwill are as follows-

(₹ in Lakhs)

Particulars	Total
Consideration paid as per SHA	300
Fair Value of Exiting Stake	2,044
Total Consideration	2,344
Net Assets Value (Refer foot note a)	(33)
Goodwill	**2,311**

Note a)

(₹ in Lakhs)

Identifiable Net Assets	Total
Plant and Machinery	95
Office Equipment	6
Furniture and Fixtures	2
Vehicles	53
Inventories	103
Intangible Assets	45
Other Assets	368
Total liabilities	(639)
Total	**33**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

Note 41: Business Combination (Contd..)

ii) Details of interest held by Group

Particulars	Principal activities	Country of incorporation	% of Equity interest March 31, 2024	% of Equity interest March 31, 2023
TYRESNMORE Online Pvt Ltd	Trading of tyres, tubes and flaps	India	*100%	** 49.83%

* On August 4, 2023, the holding company acquired further stake and control in TNM and converted it into wholly owned subsidiary.

** Includes compulsory convertible preference shares (potential voting right).

The group interest in associates is accounted for using the equity method till August 4, 2023 in the consolidated financial statements. Summarized financial information of associates for the year ended March 31, 2023 is based on its financial statements as set out below-

a) Summarized balance sheet

(₹ in Lakhs)

Particulars	As at March 31, 2023
Non-Current Assets	145
Current Assets*	263
Non-Current Liabilities	(123)
Current Liabilities	(856)
Total equity (A)	**(571)**
Percentage of the Group's ownership (B)	49.83%
Group's share in Net worth [A x B]	**(285)**
Goodwill	943
Carrying amount of investment	**659**

* Current assets of TYRENMORE Online Pvt Limited includes Cash & Cash equivalent of as on March 31,2023 : ₹ 71 Lakhs

b) Summarized statement of profit and loss

(₹ in Lakhs)

Particulars	2022-23
Revenue	1,426
Finance Costs	9
Depreciation and amortization	25
Profit / (Loss) for the period	(657)
Other comprehensive income	6
Total comprehensive income	**(651)**
Profit / (Loss) considered for consolidation	(657)
Percentage of the Group's ownership	49.83%
Group share in Profit / (Loss) considered for consolidation #	**(327)**

49.83 % loss is considered for consolidation from the date of acquisition of additional interest

The Group has no contingent liabilities or capital commitments relating to its interest in TYRESNMORE Online Pvt Ltd as at March 31, 2023. The associate has no contingent liabilities or capital commitments as at March 31, 2023.

Note 42: Post-retirement benefit plan

Refer note 2.16 for accounting policy on employee benefits

a) Defined contribution plan

Refer note 32 for Group's contribution to the defined contribution plans with respect to provident fund and other funds.

b) Defined benefit plan - Gratuity

Description of plan

The Group has a defined benefit gratuity plan which is funded with an Insurance Company in the form of a qualifying Insurance policy. The Group's defined benefit gratuity plan is a salary plan for employees which requires contributions to be made to a separate administrative fund. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, every employee who has completed five years of service gets a gratuity on separation at 15 days of last drawn salary for each completed year of service.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

Note 42: Post-retirement benefit plan (Contd..)

Governance

The fund has the form of a trust and it is governed by the Board of Trustees, which consists of employer and employee representatives. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy. Each year, the Board of Trustees reviews the level of funding.

Investment Strategy

The Board of trustees have appointed LIC of India, Birla Sun Life Insurance, India First Life Insurance, Kotak Mahindra Life Insurance & HDFC Life Insurance to manage its funds. The Board of Trustees aim to keep annual contributions relatively stable at a level such that no plan deficits (based on valuation performed) will arise. Every year, the insurance Company carries out a funding valuation based on the latest employee data provided by the Group. Any deficit in the assets arising as a result of such valuation is funded by the Group. In case of death, while in service, the gratuity is payable irrespective of vesting.

The following set out the amounts recognized in the Group's financial statements as at March 31, 2024 and March 31, 2023.

Consolidated balance sheet

i) Net Assets / (Liability) as at year end

(₹ in Lakhs)

Sr. No.	Particulars	As at March 31, 2024	As at March 31, 2023
1	Closing Present value of the defined benefit obligation	14,444	13,530
2	Closing fair value of plan assets	14,230	11,523
	Net Assets / (Liability) recognized in the Balance Sheet	**(214)**	**(2,007)**

ii) Change in present value of the defined benefit obligation

(₹ in Lakhs)

Sr. No.	Particulars	2023-24	2022-23
1	**Opening present value of defined benefit obligation**	**13,530**	**12,508**
2	Increase on account of acquisition of Subsidiary*	31	-
3	Current Service Cost	1,382	956
4	Interest Cost	1,012	900
5	Benefits paid	(1,128)	(1,332)
6	Remeasurement (Gain) / Loss in other comprehensive income		
	- Actuarial changes arising from changes in demographic assumptions	-	493
	- Actuarial changes arising from changes in financial assumption	365	(760)
	- Experience adjustments	(748)	765
	Closing present value of defined benefit obligation	**14,444**	**13,530**

*Refer Note 41

iii) Changes in fair value of plan assets

(₹ in Lakhs)

Sr. No.	Particulars	2023-24	2022-23
1	**Opening fair value of plan assets**	**11,523**	**11,411**
2	Expected return on plan assets	860	821
3	Contributions made	2,000	1,100
4	Benefits paid	-	(1,316)
5	Return on plan assets, excluding amount recognised in net interest expense	(153)	(493)
	Closing fair value of plan assets	**14,230**	**11,523**

The Group's gratuity funds are invested through insurers

Notes to Consolidated Financial Statements
for the year ended March 31, 2024

Note 42: Post-retirement benefit plan (Contd..)

Consolidated statement of profit and loss

iv) Expenses recognised during the year

(₹ in Lakhs)

Sr. No.	Particulars	2023-24	2022-23
1	In Income Statement	1,532	1,035
2	In Other Comprehensive Income	(39)	817
	Total Expenses recognised during the period	**1,493**	**1,852**

v) Expenses recognized in the income statement

(₹ in Lakhs)

Sr. No.	Particulars	2023-24	2022-23
1	Current service cost (refer note 32)	1,382	956
2	Interest cost on benefit obligation	150	79
	Net benefit expense	**1,532**	**1,035**

vi) Expenses recognized in Other comprehensive income

(₹ in Lakhs)

Sr. No.	Particulars	2023-24	2022-23
1	Remeasurement arising from changes in demographic assumptions	-	493
2	Remeasurement arising from changes in financial assumptions	556	(933)
3	Remeasurement arising from changes in experience adjustment	(748)	765
4	Return on plan assets, excluding amount recognized in net interest expense	153	493
	Components of defined benefit (gain) / cost recognised in other comprehensive income	**(39)**	**817**

vii) Actual return on plan assets for the year ended

(₹ in Lakhs)

Sr. No.	Particulars	2023-24	2022-23
1	Expected return on plan assets	860	821
2	Actuarial gain / (loss) on plan assets	(153)	(493)
	Actual return on plan assets	**707**	**328**

viii) The principal assumptions used in determining gratuity and leave encashment for the Group's plan are shown below

Particulars	2023-24	2022-23
Discount Rates (per annum)	7.20%	7.45%
Salary growth rate (per annum)	9% for Management Employees and 12% for Associates and Workmen (Bhandup and Nashik)*	9% for Management Employees and 12% for Associates and Workmen (Bhandup and Nashik)*
Mortality rate [% of Indian Assured Lives Mortality (2012-14) Modified Ultimate]	100.00%	100.00%
Disability Rate (% of mortality rate)	5.00%	5.00%
Withdrawal rates, based on service year: (per annum)		
- Below 5 years	0% to 18.33%	0% to 18.33%
- Equal and above 5 years	1.33% to 5.67%	1.33% to 5.67%

* Salary increment adopted for Bhandup and Nashik workmen is assumed once in every four years

Notes to Consolidated Financial Statements
for the year ended March 31, 2024

Note 42: Post-retirement benefit plan (Contd..)

The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields / rates available on applicable bonds as on the current valuation date.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The Group's best estimate of contribution during the next year is ₹ 1,623 Lakhs.

ix) Sensitivity analysis of the defined benefit obligation

The sensitivity analysis below have been determined based on reasonably possible change of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Defined Benefit Obligation (Base)	14,444	13,530

A quantitative sensitivity analysis for significant assumption as at March 31, 2024 and March 31, 2023 is as shown below:

(₹ in Lakhs)

Particulars	2023-24		2022-23	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	16,005	12,996	15,105	12,248
(% change compared to base due to sensitivity)	11.60%	(9.40%)	11.60%	(9.50%)
Salary Growth Rate (- / + 1%)	12,996	15,963	12,245	15,067
(% change compared to base due to sensitivity)	(9.40%)	11.30%	(9.50%)	11.40%
Attrition Rate (- / + 50% of attrition rates)	14,730	14,062	13,814	13,318
(% change compared to base due to sensitivity)	2.70%	(2.00%)	2.10%	(1.60%)
Mortality Rate (- / + 10% of mortality rates)	14,352	14,343	13,533	13,526
(% change compared to base due to sensitivity)	0.00%	0.00%	0.00%	0.00%

These plans typically expose the Group to actuarial risks such as: Investment Risk, Interest Risk, Demographic Risk and Salary Risk.

Risk	Exposure
Interest	The plan exposes the Group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).
Investment	The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.
Demographic	The Group has used certain mortality and attrition assumptions in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumption.
Salary Escalation	The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.
Asset Liability Mismatching or Market Risk	The duration of the liabilty is longer compared to duration of assets, exposing the Company to market risk for volatilities/fall in interest rate.
Regulatory Risk	Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (e.g. Increase in the maximum limit on gratuity of ₹ 20,00,000).

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

Note 42: Post-retirement benefit plan (Contd..)

x) **Weighted average duration and expected employers contribution for the next year for the defined benefit plan**

The weighted average duration (based on discounted cash flows) of defined benefit obligation is 11 years.

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Within the next 12 months (next annual reporting period)	2,266	1,994
Between 2 and 5 years	4,901	4,626
Between 5 and 10 years	4,901	4,905
Beyond 10 years	30,274	31,019
Total	**42,342**	**42,544**

Compensated absences

Refer note 22(a) for details on provision made towards compensated absences.

Note 43: Commitments and contingencies

a) Contingent Liabilities

Refer note 2.23 for accounting policy on contingent liability and contingent asset (to the extent not provided for)

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
1. Direct and indirect taxation matters *		
Income tax (refer foot note a)	1,074	1,074
Excise duty / Service tax / GST / Customs (refer foot note b)	16,391	16,618
Sales tax / VAT (refer foot note c)	2,305	2,324
2. Bills discounted with banks	21,615	20,725
3. Claims against the Group not acknowledged as debts *		
In respect of labour matters	958	988
Vendor disputes	294	294
4. Other claims * (refer foot note d)	3,168	3,210

* In respect of above matters, future cash outflows are determinable only on receipt of judgements pending at various forums / authorities.

Note:

a) Income tax cases includes disputes pertaining mainly to short deduction of TDS and other matters.

b) Excise / Service tax / GST cases include disputes pertaining to availment of CENVAT credit / input tax credit and other matters. Customs case includes dispute pertaining to MODVAT reversal (import under Value based Advance License).

c) Sales tax cases includes disputes pertaining mainly on account of input tax credit mismatch, VAT applicability on royalty / security deposits / octroi and other issues.

d) The Competition Commission of India ('CCI') on February 02, 2022 had released its order dated August 31, 2018 against the Parent Company and other Tyre Manufacturers and also the Automotive Tyre Manufacturer Association (ATMA) concerning contravention of the provisions of the Competition Act, 2002 in the year 2011-12 and imposed a penalty of ₹ 25,216 Lakhs on the Parent Company. The Parent Company had filed an appeal against the CCI Order before the Honourable National Company Law Appellate Tribunal (NCLAT). NCLAT in its order dated December 01, 2022, has remitted the matter back to the CCI to re-examine the order and to consider reviewing the penalty pointing out errors leading to wrong conclusions. CCI has filed an Appeal before the Supreme Court against the Order passed by the NCLAT. Parent Company is also a Respondent in the said Appeal and has filed its reply to the CCI's appeal on December 28, 2023. No interim order has been passed by the Supreme Court. The Appeal is pending before the Supreme Court.

e) The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements.

The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

Note 43: Commitments and contingencies (Contd..)

b) Commitments

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advance payments)	65,606	58,743

c) Others

The Group has availed the Sales Tax Deferral Loan and Octroi refund from the Directorate of Industries for Nashik Plant. Hence, the Group has to take prior permission of the appropriate authority for removal/transfer of any asset (falling under the above Schemes) from Nashik Plant. In case of violation of terms & conditions, the Group is required to refund the entire loan/benefit along with the interest @ 22.50% on account of Sales Tax deferral Loan and @ 15% on account of Octroi refund.

d) Material demands and disputes considered as "Remote" by the Group

The Group has been served with a Show Cause cum Demand Notice from the DGCEI (Directorate General of Central Excise Intelligence) Mumbai, on the ground that, the activity of making tyre set, i.e. inserting Tubes and Flaps inside the Tyres and tied up through Polypropylene Straps, amounts to manufacture / pre-packaged commodity under Section 2(f)(iii) of Central Excise Act, read with Section 2(l) of the Legal Metrology Act, 2009. Accordingly, the authorities worked out the differential duty amounting to ₹ 27,672 Lakhs, i.e., the difference between the amount of duty already paid on the basis of transaction value and duty payable on the basis of MRP under Section 4A, for the period from April 2011 to June 2017. The Group believes that Set of TT / TTF (Tyre and Tube / Tyre, Tube and Flap) is not a pre-packaged commodity in terms of provisions of Legal Metrology Act, 2009 read with Central Excise Act and Rules made thereunder. The Group has a strong case on the ground that, the said issue has been clarified by the Controller of the Legal Metrology Department vide its letter dated May 01, 1991 that "Tyre with tube & flaps tied with three thin polythene strips may not be treated as a pre-packed commodity within the meaning of rule 2(l) of the Standards of Weights and Measures (Packaged Commodities), Rules, 1977". The above clarification has been re-affirmed vide letter dated November 16, 1992 by the Legal Metrology authorities.

Note 44: Related party transactions

a) Names of related parties and related party relationship

Related parties with whom transactions have taken place during the current year and previous year

- CEAT Kelani Holdings (Pvt.) Limited ("CKHL") (Joint venture of ACHL)
- Ceat-Kelani International Tyres (Pvt.) Limited ("CKITL") (Subsidiary of CKHL) **
- Associated CEAT (Pvt.) Limited ("ACPL") (Subsidiary of CKHL)
- TYRESNMORE Online Pvt Ltd. ("TNM") (Subsidiary Company) w.e.f. August 04,2023
- RPG Enterprises Limited ("RPGE") (Directors, KMP or their close member are interested)
- RPG Lifesciences Limited ("RPGLS") (Directors, KMP or their close member are interested)
- Zensar Technologies Limited("Zensar") (Directors, KMP or their close member are interested)
- Raychem RPG (Pvt.) Limited ("Raychem") (Directors, KMP or their close member are interested)
- KEC International Limited ("KEC") (Directors, KMP or their close member are interested)
- KEC Spur Infrastructure Private Limited ("KEC Spur") (Directors, KMP or their close member are interested)
- Malabar Coastal Holdings LLP ("Malabar") (Directors, KMP or their close member are interested)
- B.N. Elias & Co. LLP ("B.N. Elias") (Directors, KMP or their close member are interested)
- Chattarpati Apartments LLP ("Chattarpati") (Directors, KMP or their close member are interested)
- Khaitan & Co. ("Khaitan") (Directors, KMP or their close member are interested)
- CEAT Limited Superannuation Scheme ("Superannuation Scheme")(Post employment benefit fund)
- CEAT Limited Employees Gratuity Fund ("Gratuity trust")(Post employment benefit fund)
- Artemis ventures Limited ("Artemis") (Directors, KMP or their close member are interested)

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

Note 44: Related party transactions (Contd..)

- Key Management Personnel (KMP):

i) Mr. Harsh Vardhan Goenka, Chairman

ii) Mr. Anant Vardhan Goenka, Managing Director upto March 31, 2023 (redesignated as Vice chairman w.e.f. April 1, 2023)

iii) Mr. Arnab Banerjee, Whole-time Director upto March 31, 2023 (redesignated as Managing Director and Chief Executive Officer w.e.f. April 1, 2023)

iv) Mr Kumar Subbiah, Chief Financial Officer

v) Ms. Vallari Gupte, Company Secretary

vi) Mr. Paras K. Chowdhary, Non-Executive - Non Independent Director

vii) Mr. Vinay Bansal, Independent Director (resigned w.e.f 01.06.2023)

viii) Mr. Atul Choksey, Independent Director

ix) Mr. Mahesh Gupta, Independent Director

x) Mr. Haigreve Khaitan, Independent Director

xi) Ms.Priya Nair, Independent Director

xii) Mr. Milind Sarwate, Independent Director (appointed w.e.f 14.03.2024)

xiii) Ms. Sukanya Kripalu, Independent Director (appointed w.e.f 14.03.2024)

** Ceat Kelani Radials Limited ("CKRL") (Subsidiary of CKHL) has been merged with Ceat-Kelani International Tyres (Pvt.) Limited ("CKITL") (Subsidiary of CKHL) wef 01.04.2023.

b) The following transactions were carried out during the year with the related parties in the ordinary course of business:

(₹ in Lakhs)

Transactions	Related Party	2023-24	2022-23
Reimbursement / (recovery) of expenses (net)	ACPL	(17)	15
	CKRL	-	(12)
	CKITL	190	-
	Raychem	(12)	(9)
	KEC	(161)	(45)
	Zensar	10	18
	RPGE	300	243
	TNM	##	15
	RPGLS	(15)	(13)
	Total	**295**	**212**
Royalty income	ACPL	158	89
	CKITL	446	66
	CKRL	-	290
	Total	**604**	**445**
Purchase of traded goods / services	Raychem	8	-
	Zensar	38	-
	Total	**46**	**-**
Purchase of Raw Material	ACPL	22	42
	CKITL	86	62
	Total	**108**	**104**
Sales	CKITL	1,797	1,110
	TNM	##	409
	KEC	21	-
	KEC Spur	7	-
	Total	**1,825**	**1,519**
Technical development fees received	CKRL	-	128
	CKITL	566	30
	Total	**566**	**158**
Rent paid on residential premises / guest house, etc	KEC	3	2
	Malabar Coastal Holding	-	60
	Chattarpati	45	45
	B N Elias	24	26
	Total	**72**	**133**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

Note 44: Related party transactions (Contd..)

(₹ in Lakhs)

Transactions	Related Party	2023-24	2022-23
Operations & Maintenance of Solar panels	KEC	-	37
Building maintenance recovery	KEC	479	486
	RPGE	139	139
	RPGLS	149	130
	Total	**767**	**755**
Rent recovery on residential premises	KEC	15	24
	RPGE	17	14
	Total	**32**	**38**
Contribution to Post-Employment Benefit Plans	Gratuity trust	2,000	1,011
	Superannuation trust	27	66
	Total	**2,027**	**1,077**
Receipt from Post-Employment Benefit Plans	Gratuity trust	-	1,317
	Superannuation Scheme	-	61
	Total	**-**	**1,378**
Purchase of capex / spares	KEC	480	42
Consultancy fees	Artemis	-	18
Legal fees	Khaitan & Co.	59	155
License fees	RPGE	2,263	1,872

Refer note 41

c) Balance outstanding at the year end

(₹ in Lakhs)

Amount due to / from related party	Related Party	As at March 31, 2024	As at March 31, 2023
Advances recoverable / (payable) in cash or kind and other balances	ACPL	(5)	(22)
	CKITL	83	30
	KEC	52	23
	RPGE	(20)	15
	Raychem	12	11
	Zensar	(28)	(15)
	RPGLS	16	-
	TNM	##	567
	CKRL	-	142
	Malabar	-	100
	Khaitan	(3)	-
	Total	**107**	**851**
Royalty receivable	ACPL	94	50
	CKITL	277	31
	CKRL	-	150
	Total	**371**	**231**
Trade payables	ACPL	-	18
	CKITL	-	63
	Artemis	-	18
	Total	**-**	**99**
Trade receivables	CKITL	633	137
	ACPL	24	-
	KEC	22	-
	KEC Spur	0	-
	TNM	##	-
	Total	**679**	**137**
Capital advance / (Capital creditors) (net)	Raychem	10	-
	KEC	1,958	-
	Total	**1,968**	**-**

Refer note 41

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

Note 44: Related party transactions (Contd..)

d) Compensation of key management personnel of the Group

(₹ in Lakhs)

Sr. No.	Related Party	2023-24	2022-23
1)	Short-term employee benefits	1,256	2,189
2)	Post-employment benefits	73	192
	Total Compensassion Paid To Key Management Personnel	**1,329**	**2,381**

Payment made to key management personnel and Directors of the subsidiaries are not included in the above statement where such key management personnel and Directors are the employee of the company or its subsidiaries.

e) Balance outstanding at the year end for KMP

(₹ in Lakhs)

Sr. No.	Amount due to related party	As at March 31, 2024	As at March 31, 2023
1)	Other payable to Mr. Anant Vardhan Goenka ##	-	308
2)	Commission Payable	838	177
	Total	**838**	**485**

##Considering the possibility of inadequacy of profts, if any, the Company had paused the payment to Mr. Anant Goenka effective January 1, 2023, subject to approval of members which has been obtained subsequently by way of Postal Ballot on April 27, 2023.

f) Terms and conditions of transactions with related parties

The sales to and purchases and others transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

Provision for contribution to gratuity fund, leave encashment on retirement and other defined benefits which are made based on actuarial valuation on an overall Group basis are not included in remuneration to key management personnel.

Managerial remuneration is computed as per the provisions of section 198 of the Companies Act, 2013. The amount outstanding are unsecured and will be settled in cash.

g) Capital commitments with related parties

The estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advance payments) pertaining to the related parties are as follows:

(₹ in Lakhs)

Related Party	As at March 31, 2024	As at March 31, 2023
KEC	1,952	287
Raychem	94	1
Total	**2,046**	**288**

Note 45: Segment information

Refer note 2.22 for accounting policy on Segment reporting

The Group's business activity falls within a single reportable business segment, viz. "Automotive Tyres, Tubes and Flaps".

i) Information about geographical areas:

(₹ in Lakhs)

Particulars	2023-24			2022-23		
	In India	Outside India	Total	In India	Outside India	Total
Revenue from contracts with customers	9,49,173	2,28,998	**11,78,171**	9,14,938	1,99,967	**11,14,905**
Non-current assets	7,13,008	12,567	**7,25,575**	6,76,386	17,534	**6,93,920**

During the year 2023-24 and 2022-23, no single external customer has generated revenue of 10% or more of the Group's total revenue.

During the year 2023-24 and 2022-23, no single country outside India has given revenue of more than 10% of total revenue.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

Note 46: Hedging activities and derivatives

Derivatives designated as hedging instruments

The Group uses derivative financial instruments such as foreign currency forward contracts to hedge foreign currency risk arising from future transactions in respect of which firm commitments are made or which are highly probable forecast transactions. It also uses Cross Currency Interest Rate Swaps ('CCIRS') to hedge interest rate and foreign currency risk arising from variable rate foreign currency denominated loans. All these instruments are designated as hedging instruments and the necessary documentation for the same is made as per Ind AS 109.

Cash flow hedges

Foreign currency risk

The foreign exchange forward contract balances vary with the level of expected foreign currency sales and purchases and changes in foreign exchange forward rates.

Hedged foreign currency exposure

(Amount in Foreign currency and ₹ are in Lakhs)

Derivative instrument	Purpose	Currency	As at March 31, 2024		As at March 31, 2023	
			Foreign Currency	₹	Foreign Currency	₹
Forward contract to sell foreign currency (FC)	Hedge of Foreign Currency sales	USD	292	24,384	209	17,172
		EUR	92	8,254	76	6,767
		AED	-	-	3	67
	Hedge of Foreign Currency High probable sales	USD	148	12,120	148	12,120
		EUR	29	2,606	-	-
Forward contract to buy foreign currency (FC)	Hedge of foreign currency purchase	USD	423	34,731	423	34,731
		EUR	63	5,675	63	5,675
		GBP	-	-	-	-
		JPY	2,587	1,594	2,587	1,594
	Hedge of Foreign Currency Firm Commitment – Purchase Order based hedging	USD	470	39,190	495	40,703
		GBP	-	-	0	-
		EUR	100	8,967	94	8,437
		JPY	1,406	774	2,979	1,835

Unhedged Foreign currency Exposure

(Amount in Foreign currency in Lakhs)

Particulars	Currency	2023-24	2022-23
Payable to capital vendor, Trade Payables and other financial liabilities	USD	4	-
	EUR	4	-
	JPY	38	-
Trade Receivables	USD	63	3
	EUR	35	-

* 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, 2024 were assessed to be highly effective and a net unrealised loss of ₹ 128 Lakhs, with a deferred tax asset of ₹ 32 Lakhs relating to the hedging instruments, is included in OCI. Comparatively, the cash flow hedges as at March 31, 2023 were assessed to be highly effective and a net unrealised gain of ₹1,150 Lakhs, with a deferred tax liability of ₹ 289 Lakhs relating to the hedging instruments, was included in OCI

Note 47: Fair values

The management considers that the carrying value of financial assets and financial liabilities which are recognised at amortised cost are a reasonable approximation of their fair values.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

Note 48: Fair values hierarchy

The fair value of financial instruments as referred to in note 47 above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

- **Level 1:** Quoted prices for identical instruments in an active market;
- **Level 2:** Directly or indirectly observable market inputs, other than Level 1 inputs; and
- **Level 3:** Inputs which are not based on observable market data.

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities as at March 31, 2024 and March 31, 2023

(₹ in Lakhs)

Particulars	Total	Fair Value measurement using Level 2	Fair Value measurement using Level 3	Valuation techniques and key inputs
As at March 31, 2024				
Financial assets at fair value				
a) Through profit & loss				
Investments	396	-	396	**Discounted cash flows:** The valuation model considers the present value of the expected future cashflows, discounted using a risk-adjusted discount rate.
b) Through other comprehensive income				
Investments	1,237	-	1,237	
Derivative financial instruments (non-current and current)	-	-	-	Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).
Financial liabilities at fair value				
a) Through other comprehensive income				
Derivative financial instruments (non-current and current)	247	247	-	
As at March 31, 2023				
Financial assets at fair value				
a) Through profit & loss				
Investments	430	-	430	**Discounted cash flows:** The valuation model considers the present value of the expected future cashflows, discounted using a risk-adjusted discount rate.
b) Through other comprehensive income				
Investments	1,237	-	1,237	
Derivative financial instruments (non-current and current)	113	-	113	Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).

Calculation of Fair Values

The fair values of the financial assets and liabilities are defined as the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended March 31, 2023.

Financial assets and liabilities measured at fair value as at Balance Sheet date:

Derivative financial instruments: The fair values of the derivative financial instruments has been determined using valuation techniques with market observable inputs. The models incorporate various inputs including the credit quality of counter-parties, foreign exchange forward rates, etc.

Investment: The fair value is calculated using the Discounted Cashflow method where the significant unobservable input used is discount rate - 18.64%.

Significant Unobservable Inputs Used in Level 3 Fair Values

As at March 31, 2024	Significant unobservable inputs	Sensitivity of input to fair value measurement
Investment in Compulsorily Convertible Preference shares & equity shares of E-Fleet Systems Private Limited	Discount Rate : 18.64%	1% increase in discount rate will have reduction of ₹ 34 Lakhs and 1% decrease in discount rate will have led to an equal but opposite impact

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

Note 48: Fair values hierarchy (Contd..)

As at March 31, 2023	Significant unobservable inputs	Sensitivity of input to fair value measurement
Investment in Compulsorily Convertible Preference shares & equity shares of E-Fleet Systems Private Limited	Discount Rate : 18.64%	1% increase in discount rate will have reduction of ₹ 13 Lakhs and 1% decrease in discount rate will have led to an equal but opposite impact

Reconciliation of Level 3 fair value measurements of financial assets and financial liabilities is given below

(₹ in Lakhs)

Reconciliation of movements in Level 3 valuations	As at March 31, 2024	As at March 31, 2023
Opening value	1,667	1,321
Additions during the year	-	332
Gain recognised in profit and loss on fair value adjustment (FVTPL)	(34)	14
Closing value	**1,633**	**1,667**

Note 49: Financial risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade and other receivables, cash and cash equivalents that derive directly from its operations. The Group's 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

The Group's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

- Interest rate risk;
- Foreign currency risk;
- Equity price risk; and
- Commodity risk

The above risks may affect the Group's income and expenses, or the value of its financial instruments. The Group's exposure to and management of these risks are explained below.

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, 2024 and March 31, 2023 including the effect of hedge accounting.

i. Interest rate risk

Risk	Exposure	Risk Management
Risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.	Relates primarily to the Group's long-term debt obligations with floating interest rates.	The Group manages its interest rate risk pertaining to domestic borrowings by maintaining a balanced portfolio of borrowings linked to various tenor benchmark of MCLR, Repo rate and T-Bills. The Group enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. As at March 31, 2024, after taking into account the effect of interest rate swaps, approximately 34% of the Group's total borrowings are at a fixed rate of interest (March 31, 2023: 30%).

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

Note 49: Financial risk management objectives and policies (Contd..)

The following table provides a break-up of Group's fixed and floating rate borrowing (gross off processing fees)

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Fixed rate borrowings	53,793	62,000
Floating rate borrowings	1,05,827	1,43,827
Total borrowings	**1,59,620**	**2,05,827**

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 Lakhs)

Particulars	Increase / decrease in basis points	Effect on profit before tax
March 31, 2024		
₹ 1,05,827 Lakhs	+ / - 100 bps	-1,058.27 / + 1,058.27
March 31, 2023		
₹ 1,43,827 Lakhs	+ / - 100 bps	- 1,438.27 / + 1,438.27

ii. Foreign currency risk

Risk	Exposure	Risk Management
Risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.	Relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency)	For the committed transactions, The Group manages its foreign currency risk by hedging transactions till the actual date of inflow & outflow. When a derivative is entered into for the purpose of being a hedge, the 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. As at March 31, 2024, the Group has hedged 88% (March 31, 2023: 99%) of its foreign currency receivables / payables.

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in USD and EURO rates, with all other variables held constant. The impact on the 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 Lakhs)

Particulars	Change in Currency	Effect on profit before tax
March 31, 2024		
Recognized net receivable – USD 5.9 Mio	₹ + 1 / - 1	+ 59 / - 59
Recognized net receivable – EUR 3.1 Mio	₹ + 1 / - 1	+ 31 / - 31
Recognized net payable – JPY 3.8 Mio	₹ + 1 / - 1	+ 38 / - 38
March 31, 2023		
Recognized net receivable – USD 0.3 Mio	₹ + 1 / - 1	+ 3.0 / - 3.0

The movement in the pre-tax effect is a result of a change in the fair value of the financial asset/liability due to the exchange rate movement. The derivatives which have not been designated in a hedge relationship act as an economic hedge and will offset the underlying transactions when they occur. The same derivatives are not covered in the above table.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

Note 49: Financial risk management objectives and policies (Contd..)

iii. Equity price risk

There is no material equity risk relating to the Group's equity investments which are detailed in note 6. The Group's equity investments majorly comprises of strategic investments rather than trading purposes.

iv. Commodity price risk

Potential impact	Exposure	Risk Management
Fluctuations in price of essential raw materials	Price volatility of rubber and carbon black which may affect continuous supply.	The Group's Board of Directors has reviewed and approved a risk management strategy regarding commodity price risk and its mitigation.

Commodity price sensitivity

The following table approximately details the Group's sensitivity to a 5% movement in the input price of rubber and carbon black. The sensitivity analysis includes only 5% change in commodity prices for quantity sold or consumed during the year, with all other variables held constant. A positive number below indicates an increase in profit or equity where the commodity prices decrease by 5%. For a 5% increase in commodity prices, there would be a comparable impact on profit or equity, and the balances below would be negative.

(₹ in Lakhs)

Commodity	Increase in profit due to decrease In commodity price		Decrease in profit due to increase In commodity price	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Natural rubber	9,000	9,300	(9,000)	(9,300)
Synthetic rubber	7,500	8,100	(7,500)	(8,100)
Carbon black	6,200	6,500	(6,200)	(6,500)

b) Credit risk

Trade receivables

Risk: Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

Risk Management: Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management.

Trade receivables are non-interest bearing and are generally on 27 days to 60 days credit term. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The Group has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

Export receivables are against Letter of Credit, bank guarantees, payment against documents. For open credit exports insurance cover is taken. Generally deposits are taken from domestic debtors under replacement segment. The carrying amount and fair value of security deposit from dealers amounts to ₹ 53,862 Lakhs (March 31, 2023: ₹ 49,713 Lakhs) as it is payable on demand. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

(₹ in Lakhs)

Ageing	As at March 31, 2024			As at March 31, 2023		
	Less than 180 days	More than 180 but less than 360 days	More than 360 days	Less than 180 days	More than 180 but less than 360 days	More than 360 days
Expected loss rate	0.00%	50.00%	100%	0.00%	50.00%	100%
Gross carrying amount	1,28,122	399	1,083	1,30,615	175	1,151
Loss allowance provision	-	200	1,083	-	88	1,151

c) Liquidity risk

The Group prepares cash flow on a daily basis to monitor liquidity. Any shortfall is funded out of short term loans. Any surplus is invested in appropriate mutual funds or bank deposits. The Group also monitors the liquidity on a longer term wherein it is ensured that the long term assets are funded by long term liabilities. The Group ensures that the duration of its current assets is in line with the current liabilities to ensure adequate liquidity in the 3-6 months period.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

Note 49: Financial risk management objectives and policies (Contd..)

Liquidity exposure

(₹ in Lakhs)

Particulars	< 1 year	1-5 years	> 5 years	Total
As at March 31, 2024				
Non-derivative financial liabilities				
Non current borrowings *	-	95,803	-	95,803
Current borrowings	67,230	-	-	67,230
Lease Liabilities	7,241	10,398	1,325	18,964
Other Financial Liabilities	85,478	2,014	92	87,584
Trade payables	2,33,211	-	-	2,33,211
Total	**3,93,160**	**1,08,215**	**1,417**	**5,02,792**
Derivative financial instruments	236	11	-	247
Total	**3,93,396**	**1,08,226**	**1,417**	**5,03,039**
As at March 31, 20243				
Non-derivative financial liabilities				
Non current borrowings *	-	1,36,309	7,812	1,44,121
Current borrowings	65,214	-	-	65,214
Lease Liabilities	8,677	12,816	2,288	23,781
Other Financial Liabilities	84,205	1,788	93	86,086
Trade payables	2,26,833	-	-	2,26,833
Total	**3,84,929**	**1,50,913**	**10,193**	**5,46,035**

* Non-current borrowings are before netting off of processing fees

Note 50: Capital management

For the purpose of the Group capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Borrowings (note 20 & 24)	1,62,890	2,09,270
Less: cash and cash equivalents (note 12)	(5,516)	(6,062)
Net debt (A)	**1,57,374**	**2,03,208**
Equity attributable to owners of parent (note 17 and 18)	4,04,261	3,43,964
Equity and net debt (B)	**5,61,635**	**5,47,172**
Gearing ratio (A) / (B)	**28%**	**37%**

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, 2024 and March 31, 2023.

Note 51: 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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

Note 52: Other Statutory Information

(i) The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(ii) The Group do not have any transactions with companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

(iii) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(iv) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(v) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(vi) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

Note 53: Information required for consolidated financial statement pursuant to Schedule III of the Companies Act, 2013

Name of Entity	Relationship	As at March 31, 2024 Net Assets i.e. Total Assets minus Total Liabilities		2023-24 Share in Profit or Loss					
		As % of consolidated net assets	₹ in Lakhs	As % of consolidated Profit or Loss (before OCI)	₹ in Lakhs	As % of consolidated other comprehensive income	₹ in Lakhs	As % of consolidated Profit or Loss (after OCI)	₹ in Lakhs
CEAT Limited	Parent	98%	3,95,108	103%	65,427	(3%)	(24)	102%	65,403
Rado Tyres Limited	Indian Subsidiary	0%	(903)	0%	13	0%	-	0%	13
CEAT Auto Components Limited	Indian Subsidiary	0%	1	0%	(0)	0%	-	(0%)	(0)
Taabi Mobility Limited	Indian Subsidiary	0%	60	0%	0	0%	-	0%	0
CEAT Specialty Tires INC.	Foreign Subsidiary	0%	366	0%	113	0%	-	0%	113
CEAT Specialty Tyres BV	Foreign Subsidiary	0%	223	0%	92	0%	-	0%	92
CEAT AKKHAN Limited	Foreign Subsidiary	1%	4,493	(4%)	(2,476)	0%	-	(4%)	(2,476)
Associated CEAT Holding Pvt Limited (ACHL)	Foreign Subsidiary	3%	12,578	4%	2,283	(15%)	(134)	3%	2,149
Tyresnmore Online Private Limited	Indian Subsidiary	0%	521	(1%)	(844)	0%	(6)	(1%)	(850)
Non-controlling interest in all subsidiaries									
Rado Tyres Limited	Indian Subsidiary	(0%)	(374)	0%	6	0%	-	0%	6
CEAT AKKHAN Limited	Foreign Subsidiary	0%	1,348	(1%)	(743)	0%	-	(1%)	(743)
Consolidation adjustments		(2%)	(8,186)	(1%)	(343)	118%	1,055	1%	712
Total		**100%**	**4,05,235**	**100%**	**63,528**	**101%**	**891**	**100%**	**64,419**

For and on behalf of Board of Directors of CEAT Limited
CIN : L25100MH1958PLC011041

As per our report of even date
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No: 101248W/W-100022

Sadashiv Shetty
Partner
Membership Number : 048648
Place: Mumbai
Date: May 02, 2024

Kumar Subbiah
Chief Financial Officer

Vallari Gupte
Company Secretary

Place: Mumbai
Date: May 02, 2024

H. V. Goenka
Chairman
[DIN:00026726]

Arnab Banerjee
Managing Director
[DIN:06559516]

Anant Goenka
Vice-Chairman
[DIN:02089850]

Mahesh Gupta
Chairman - Audit Committee
[DIN:00046810]

Annexure - I

Form AOC - 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries / associate company

Part A: Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹ Lakhs)

1	Sl No.	1	2	3	4	5	6	7	8
2	Name of the subsidiary	Associated CEAT Holdings Company (Pvt.) Limited	CEAT AKKhan Limited	Rado Tyres Limited	CEAT Specialty Tyres Inc.	CEAT Specialty Tyres B.V	CEAT Auto Components Limited	Taabi Mobility Limited	TYRESNMORE Online Pvt Ltd
3	The date when subsidiary was acquired (Date of remittance of funds)	October 27, 2009	May 30, 2012	September 27, 2013	July 11, 2017	July 24, 2018	April 20, 2022	September 16, 2022	August 04, 2023
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform
5	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	1 LKR = ₹ 0.2777	1 BDT = ₹ 0.7624	₹ Not Applicable	1 USD = ₹ 83.40	1 EUR = ₹ 89.87	₹ Not Applicable	₹ Not Applicable	₹ Not Applicable
6	Share capital	278	11,436	643	0	45	1	60	4
7	Reserves & surplus	12,300	(6,943)	(1,547)	366	178	(0)	0	517
8	Total assets	12,583	10,079	616	563	350	1	63	862
9	Total Liabilities	6	5,586	1,519	198	128	0	3	341
10	Investments	12,567	-	0	-	-	-	-	-
11	Turnover	13	11,992	33	2,231	1,454	-	2	1,891
12	Profit before taxation	12	(1,835)	13	165	108	(0)	1	(839)
13	Provision for taxation	4	641	-	52	15	-	0	5
14	Profit after taxation	8	(2,476)	13	113	92	(0)	0	(844)
15	Proposed Dividend	-	-	-	-	-	-	-	-
16	% of shareholding	100%	70%	58.56%	100%	100%	100%	100%	100%

1. Names of subsidiaries which are yet to commence operations. - Not Applicable
2. Names of subsidiaries which have been liquidated or sold during the year. - Not Applicable

Note: Above figures are based on standalone financial information of the subsidiary.

For and on behalf of Board of Directors of CEAT Limited
CIN : L25100MH1958PLC011041

Kumar Subbiah
Chief Financial Officer

Vallari Gupte
Company Secretary

Place: Mumbai
Date: May 02, 2024

H. V. Goenka
Chairman
[DIN:00026726]

Arnab Banerjee
Managing Director
[DIN:06559516]

Anant Goenka
Vice-Chairman
[DIN:02089850]

Mahesh Gupta
Chairman - Audit Committee
[DIN:00046810]

Notice

NOTICE is hereby given that the Sixty-Fifth Annual General Meeting of CEAT Limited will be held on **Thursday, August 29, 2024, at 3:00 p.m.** (IST) through Video Conferencing ('VC') / Other Audio-Visual Means ('OAVM') to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt:
   a. the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2024, together with the Reports of Board of Directors and Auditors thereon; and
   b. the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2024, together with the Report of Auditors thereon.
2. To declare dividend of ₹ 30/- (Rupees Thirty) per equity share of face value of ₹ 10/- (Rupees Ten) each for the Financial Year ended March 31, 2024.
3. To appoint a Director in place of Mr. Paras Kumar Chowdhary, Non-Executive, Non-Independent Director (DIN: 00076807), who retires by rotation, in terms of Section 152(6) of the Companies Act, 2013 ('the Act') and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. Ratification of remuneration payable to M/s D.C. Dave & Co., Cost Auditor of the Company for the Financial Year ending March 31, 2025

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 148 and any other applicable provisions, if any of the Act read with Rules made thereunder (including any amendment(s), modification(s) or variation(s) thereto), the remuneration of upto a limit of ₹ 5,00,000 (Rupees Five Lakhs only) plus applicable taxes and reimbursement of out-of-pocket expenses at actuals, payable to M/s D. C. Dave & Co., Cost Accountants (Firm Registration No. 000611) appointed by the Board of Directors of the Company at its meeting held on May 2, 2024 on the recommendation of the Audit Committee, as Cost Auditors of the Company for conducting the audit of the cost records of the Company for the Financial Year ending March 31, 2025, be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such actions and to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to this Resolution."

5. Re-appointment of Mr. Arnab Banerjee (DIN: 06559516) as Managing Director and Chief Executive Officer of the Company

To consider and if thought fit, to pass the following resolution an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Act and rules made thereunder read with Schedule V of the Act (including any statutory modifications or re-enactment(s) thereof, for the time being in force), applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ('SEBI Listing Regulations') as amended and Articles of Association of the Company and subject to such other approval(s), sanction(s) and permission(s) as may be applicable / required from any of the authorities and subject to such other conditions and modifications as may be prescribed or imposed by any of them in granting such approval(s), sanction(s) and permission(s) and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, the consent of members be and is hereby accorded for re-appointment of Mr. Arnab Banerjee (DIN: 06559516) as the Managing Director and Chief Executive Officer ('MD & CEO') of the Company, for a period of 1 (one) year commencing from April 1, 2025 and ending on March 31, 2026 (both days inclusive) on such remuneration as detailed in the Explanatory Statement with authority to the Board of Directors (hereinafter referred to as 'the Board', which term shall deem to include any Committee constituted or to be constituted by the Board) to alter, modify or revise from time to time, the terms and conditions of re-appointment and remuneration.

RESOLVED FURTHER THAT the Board of Directors upon the recommendation of the Nomination and Remuneration Committee be and is hereby authorised to alter or enhance, including periodical increase in his remuneration as may be permissible within the overall limits as prescribed under Section 197 of the Act and rules made thereunder, the SEBI Listing Regulations and other applicable laws, regulations, as amended from time to time and alter such terms & conditions as set out in the Agreement, as it may deem appropriate in compliance with the applicable regulatory provisions.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorised 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 questions or doubts that may arise in this regard."

6. Appointment of Mr. Praveen Pardeshi (DIN: 01658052) as Non-Executive, Independent Director of the Company

To consider and if thought fit, to pass the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 149, 150 and 152, Schedule IV and other applicable provisions, if any, of the Act and the Rules made thereunder and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) (including any statutory modification(s) or re-enactment thereof for the time being in force), the provisions of Articles of Association of the Company and based on the recommendations of the Nomination and Remuneration Committee and the Board of Directors of the Company, approval of the Members be and is hereby accorded to the appointment of Mr. Praveen Pardeshi (Mr. Pravinsingh Pardeshi) (DIN: 01658052), who was appointed as an Additional Director (in the capacity of non-executive, Independent Director) of the Company by the Board on June 17, 2024, and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and is eligible for appointment under the provisions of the Act, the Rules made thereunder and the SEBI Listing Regulations, and in respect of whom the Company has received a Notice in writing under Section 160(1) of the Act proposing his candidature for the office of a Director, as an Independent Director, not liable to retire by rotation, for a term of five consecutive years from June 17, 2024 up to June 16, 2029 (both days inclusive).

RESOLVED FURTHER THAT pursuant to the provisions of Section 149, 197 and any other applicable provisions of the Act and Rules made thereunder, Mr. Pardeshi be paid such fees and commission as the Board or Committees thereof may approve from time to time and subject to such limits prescribed or as may be prescribed from time to time.

RESOLVED FURTHER THAT the Chairman, Vice-Chairman, Managing Director and Chief Executive Officer, Chief Financial Officer or Company Secretary be and are hereby severally authorised to take all such actions and to do all such acts, deeds, matters, and things as may be deemed necessary, proper, desirable and expedient for giving effect to this Resolution(s)."

7. Authorisation for Issuance of Non- Convertible Debentures up to ₹ 500 crores on private placement basis

To consider and if thought fit, to pass the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 23, 42, 71 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any amendment, modification or variations thereto) and applicable provisions of any other laws, rules, regulations, guidelines, circulars, if any, prescribed by the Government of India, Reserve Bank of India, the Securities and Exchange Board of India, as amended from time to time and subject to the provisions of 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) for making offer(s) or invitation(s) to subscribe secured / unsecured, non-convertible debentures / bonds or such other securities ('debt securities') through private placement basis in one or more series / tranches, for an amount not exceeding ₹ 5,00,00,00,000 (Rupees Five Hundred Crores only) at such price or on such terms and conditions as the Board may from time to time determine and consider proper and beneficial to the Company including listing of such debt securities with Stock Exchange(s), size and time of issue, issue price, tenure, interest rate, premium / discount, consideration, utilisation of the issue proceeds and all matters connected with or incidental thereto.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such actions and to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to this Resolution."

Under the Authority of the Board of Directors

Kumar Subbiah
Chief Financial Officer

Place: Mumbai
Date: June 17, 2024

CEAT Limited
CIN: L25100MH1958PLC011041
Registered Office: 463, Dr. Annie Besant Road, Worli, Mumbai 400 030, Maharashtra

NOTES:

1. Pursuant to the General Circulars 09/2023, 10/2022, 2/2022, 20/2020 and other circulars issued by the Ministry of Corporate Affairs ('MCA') (collectively referred to as 'MCA Circulars'), the companies are permitted to conduct the Annual General Meeting ('AGM') during the calendar year 2024 through Video Conferencing ('VC') or Other Audio Visual Means ('OAVM'), dispensing the requirement of physical presence of Members at the meeting venue. In compliance with the provisions of the Companies Act, 2013 ('the Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the SEBI Listing Regulations') and MCA Circulars, the AGM of the Company is being held through VC / OAVM and the proceedings of which shall be deemed to be conducted at the Registered Office of the Company at 463, Dr. Annie Besant Road, Worli, Mumbai 400 030. The detailed procedure for participating in the meeting through VC / OAVM is appended herewith and also available on Company's website www.ceat.com.

2. As this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of Members has been dispensed with and the attendance of the Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act. As such, the facility for the appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip including route map are not appended to this Notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC / OAVM and participate thereat and cast their votes through e-voting.

   In case of joint holders, the Member whose name appears as the first holder in the order of the names as per the Register of Members of the Company and attending the meeting will be entitled to vote on the resolutions.

3. The information required to be provided as per section 102 of the Act, Secretarial Standard - 2 on General Meetings issued by The Institute of Company Secretaries of India and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are furnished in the explanatory statement which is annexed hereto.

4. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the Members during the AGM. All the documents referred to in the Notice and Explanatory Statement, shall be available for inspection through electronic mode by the Members, in accordance with the applicable statutory requirements basis the request being sent on investors@ceat.com.

5. The Company has engaged the services of National Securities Depository Limited ('NSDL'), as the authorised agency for conducting the AGM through VC / OAVM and providing remote e-voting and e-voting facility for / during the AGM of the Company.

6. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change; in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long period. Periodic statement of holdings should be obtained from the concerned Depository participant ('DP') and holdings should be verified from time to time.

7. Members holding shares in the same name or in the same order of names, under different folios are requested to consolidate their shareholding into single folio by submitting the original share certificate along with the Amalgamation Form to the Company's RTA viz. NSDL Database Management Limited ('RTA') at 4th Floor, Tower 3, One International Center, Senapati Bapat Marg, Prabhadevi, Mumbai - 400 013.

8. SEBI vide its Circular No. SEBI/HO/MIRSD/DOP1/ CIR/P/2018/73 dated April 20, 2018, has mandated that for making dividend payments, companies whose securities are listed on the Stock Exchanges shall use permissible modes for electronic remittance of dividend. Further, pursuant to MCA General Circular 20/2020 dated May 5, 2020, companies are directed to credit the dividend directly to the bank accounts of the Members using Electronic Clearing Services. Therefore:

   A. Members holding shares in the demat mode are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and complete bank account details viz core banking A/c no., type and branch, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, email ID, contact numbers etc. to their DP. Changes intimated to the DP will then be automatically reflected in the Company's records.

   B. Members holding shares in physical form are requested to intimate such changes to the Company's RTA by submission of a Service Request Form ISR-1 duly filled and signed by the Member together with the supporting documents as stated therein.

   C. Subject to the provisions of Section 126 of the Act, dividend on equity shares, if declared at the AGM, will be credited / dispatched on or before **Friday, September 27, 2024,** as under:

      - to all those beneficial owners holding shares in electronic form, as per the beneficial ownership data made available to the Company by National Securities Depository Limited ('NSDL') and the Central Depository Services (India) Limited ('CDSL') as of the end of the day of **Friday, August 9, 2024;** and
      - to all those Shareholders holding shares in physical form, whose names stand registered in the Company's Register of Members as Members on the end of the day on **Friday, August 9, 2024**.

9. In case of non-updation of PAN or Choice of Nomination or Contact Details or Mobile Number or Bank Account Details or Specimen Signature in respect of physical folios, dividend/ interest etc. shall be paid only through electronic mode with effect from April 01, 2024 upon furnishing all the aforesaid details in entirety.

10. If a security holder updates the PAN, Choice of Nomination, Contact Details including Mobile Number, Bank Account Details and Specimen Signature after April 01, 2024, then the security holder would receive all the dividends/interest etc. declared during that period (from April 01, 2024 till date of updation) pertaining to the securities held after the said updation automatically.

11. Pursuant to Finance Act, 2020, dividend income is taxable in the hands of certain shareholders effective April 1, 2020 and the Company is required to deduct tax at source / withholding tax from dividend paid to such Members at the prescribed rates. A detailed communication to the Members in this regard is available on Company's website. The Members may please refer to the same and comply to ensure appropriate deduction of tax and in any case update Residential status, PAN, Category of holding, etc. with their DP or in case shares are held in physical form, with the Company's RTA. Members may refer to the provisions under the Income Tax Act, 1961, for detailed information on tax deduction on dividend.

12. As per the SEBI Listing Regulations, the Company shall use any electronic mode of payment approved by the Reserve Bank of India for making payment to the Members. Where the dividend cannot be paid through electronic mode, the same will be paid by warrants or any other permitted instrument with bank account details printed thereon. In case of non-availability of bank account details, address of the Members will be printed on such instrument.

13. SEBI has mandated submission of Permanent Account Number ('PAN') by every participant in the securities market. Members holding shares in electronic form are therefore requested to submit the PAN to their DPs and Members holding shares in physical form can submit their PAN details to the Company's RTA.

    SEBI Circular SEBI/HO/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023 read together with SEBI Circular(s) SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2021/655 dated November 3, 2021, SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2021/687 dated December 14, 2021, mandates all the listed companies to record the valid PAN, Address with PIN code, Email ID, Mobile Number, Bank Account Details, Specimen Signature and Nomination by holders of physical securities. Members were requested to ensure that above details are updated with the RTA.

14. The Members may further note that through SEBI Notification dated January 24, 2022, read with SEBI Circular dated January 25, 2022, the listed companies are required to issue the securities in dematerialised form only while processing the requests for Issue of duplicate securities certificate, Claim from Unclaimed Suspense Account, Renewal / Exchange of securities certificate, Endorsement, Sub-division / Splitting of securities certificate, Consolidation of securities certificates/ folios, Transmission, Transposition. Also, in view of the Regulation 40 of the SEBI Listing Regulations, as amended with effect from January 24, 2022, securities of listed companies can now be transferred only in the demat mode. Members holding shares in physical form are therefore requested to convert their holdings into the demat mode to avoid loss of shares or fraudulent transactions and avail better investor servicing.

15. Pursuant to Section 72 of the Act, Members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 with the Company's RTA. In respect of shares held in electronic form, the Members may please contact their respective DP.

16. In terms of Section 124(5) and 124(6) of the Act, dividend amount and the corresponding shares for the financial year ended March 31, 2017, remaining unclaimed for a period of 7 (seven) years will be transferred in September 2024 to the Investor Education and Protection Fund ('IEPF') established by the Central Government.

17. Members who have not claimed dividends in respect of the financial year 2017-18 and onwards are requested to approach the Company / Company's RTA, for claiming the same as early as possible, to avoid the transfer of the relevant shares to the demat account of the IEPF Authority.

    The shares once transferred to IEPF Account including dividends and other benefits accruing thereon can be claimed from IEPF Authority after following the procedure prescribed under the IEPF Rules and no claim shall lie against the Company.

18. The term 'Members' has been used to denote Shareholders of CEAT Limited.

19. ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCEDURE FOR REGISTRATION OF EMAIL ID FOR OBTAINING COPY OF ANNUAL REPORT AND FUTURE CORRESPONDENCE:

In compliance with the applicable Circulars issued by MCA and SEBI, Notice of the AGM along with the Annual Report of FY 2023-24 is being sent only through electronic mode to those Members whose email IDs are registered with the Company / Depositories. Members may note that the Notice and Annual Report of FY 2023-24 will also be available on the Company's website www.ceat.com under 'Annual Reports' tab, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and also on the website of National Securities Depository Limited ('NSDL') i.e. www.evoting.nsdl.com.

REGISTRATION OF EMAIL ID:

i) FOR MEMBERS HOLDING PHYSICAL SHARES:

The Members of the Company holding equity shares of the Company in physical form and who have not registered their email ID may get their email IDs registered with Company's RTA by submitting Investor Service Request Form (Form ISR1) duly filled and signed as per the specimen signature registered with the Company along with self-attested ID Proof and address proof and supporting mentioned thereon. The Investor Service Request form can be downloaded from website of our RTA from the following link https://www.ndml.in/forms.php#rta

ii) FOR MEMBERS HOLDING SHARES IN DEMAT MODE:

The Members holding shares in demat mode are requested to register their email IDs, with the

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respective DP by following the procedure prescribed by the concerned DP.

For more details on Members' matters, please refer to the 'General Shareholder Information' section included in the Corporate Governance Report.

20. PARTICIPATION AT THE AGM AND VOTING

A. The details of the process and manner for participating in the AGM through VC / OAVM are explained herein below:

i. Members will be provided with a facility to attend the AGM through VC / OAVM through the NSDL e-voting system. Members may access the same by following the steps mentioned for 'Access to NSDL e-voting system'. After successful login by following the given procedure, Members can see link of 'VC / OAVM link' placed under 'Join meeting' menu against Company name. Members are requested to click on VC / OAVM link placed under Join Meeting menu.

The link for VC / OAVM will be available in Shareholder / Member login where the **EVEN of the Company** 129408 will be displayed.

ii. Please note that the Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password, may retrieve the same by following the remote e-voting instructions mentioned in the Notice to avoid last minute rush.

iii. The Members can join the AGM in the VC / OAVM mode 30 minutes before the scheduled commencement time of the Meeting and window for joining the Meeting shall be kept open throughout the proceedings of the AGM.

iv. Members are encouraged to join the Meeting through Laptops / i-Pads connected through broadband for a better experience. Further Members will be required to allow Camera and use internet with a good speed to avoid any disturbance during the meeting. Please note that Members connecting from mobile devices or tablets or through laptop via mobile hotspot may experience Audio / Video loss due to fluctuation in their respective network connections. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

v. Members who would like to express their views / ask questions during the AGM may register themselves as a speaker by sending the request from their registered email ID mentioning their Name, DP ID and Client ID / folio number, PAN, mobile number on investors@ceat.com from 9.00 a.m. (IST) on Friday, August 16, 2024 till 5.00 p.m. (IST) on Sunday, August 18, 2024. Those Members who have registered themselves as a speaker will only be allowed to express their views / ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time at the AGM.

vi. The Members who do not wish to speak during the AGM but have queries on Financial Statements or any other matter to be placed at the AGM may send the same latest by Sunday, August 18, 2024, mentioning their Name, DP ID and Client ID / folio number, PAN, mobile number at investors@ceat.com These queries will be replied suitably either at the AGM or by email.

vii. Institutional / Corporate Members are required to send scanned copy (PDF / JPG Format) of the relevant Board Resolution, whereby the Authorised Representative has been appointed to attend the AGM through VC / OAVM on its behalf and to vote through e-voting during the AGM pursuant to Section 113 of the Act. The said resolution / authorisation shall be sent through the registered email ID to the Scrutiniser's email ID: ceat.scrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

viii. Members who need assistance before or during the AGM with respect to use of technology, can:

- Send a request at evoting@nsdl.co.in or use Tel. no.: 022 - 4886 7000 / and 022 - 2499 7000; or
- Contact Ms. Pallavi Mhatre, Senior Manager, NSDL at the designated email ID: evoting@nsdl.co.in or
- Contact Ms. Sarita Mote, Assistant Manager, NSDL at the designated email ID: evoting@nsdl.co.in

ix. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

B. Remote e-voting and Voting at AGM:

i. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the latest being dated September 25, 2023, Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.

ii. In line with the Ministry of Corporate Affairs ('MCA') Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.ceat.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.

iii. The Members who have cast their vote by remote e-voting prior to the AGM, may also attend the AGM but shall not be entitled to cast their vote on such resolution again at the AGM.

iv. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date i.e. Thursday, August 22, 2024. Any person holding shares in physical form and non-individual shareholders, who acquire shares of the Company and becomes a Member of the Company after the notice is sent through e-mail and holding shares as on the cut-off date i.e.Thursday, August 22, 2024, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if you are already registered with NSDL for remove e-voting, then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using 'Forgot User Details / Password' or 'Physical User Reset Password' option available on www.evoting.nsdl.com or call on Tel. no. 022 - 4886 7000 and 022 - 2499 7000. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as on the cut-off date i.e. Thursday, August 22, 2024, may follow steps mentioned in the Notice of the AGM under 'Access to NSDL e-voting system'.

v. The Company has appointed Mr. P. N. Parikh (FCS 327, CP 1228), or failing him Mr. Mitesh Dhabliwala (FCS 8331, CP 9511) of Parikh & Associates, Practising Company Secretaries, to act as the Scrutiniser, to the remote e-voting process and e-voting at the AGM in a fair and transparent manner.

vi. The Scrutiniser shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-voting (votes cast during the AGM and votes cast through remote e-voting) and make, not later than two working days of conclusion of the AGM, a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.

vii. Pursuant to Regulation 44 of the SEBI Listing Regulations as amended, the voting results will be declared within two working days from the conclusion of the AGM. The results declared along with the Scrutiniser's Report shall be uploaded on the website of the Company www.ceat.com and the website of NSDL e-voting i.e. www.nsdl.com and communicated to the Stock Exchanges where the shares of the Company are listed. The resolutions shall be deemed to be passed at the AGM of the Company.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:

The remote e-voting period begins on **Monday, August 26, 2024 at 9:00 a.m.** and ends on **Wednesday, August 28, 2024 at 5:00 p.m.** The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Thursday, August 22, 2024 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being i.e. Thursday, August 22, 2024.

The Details of the process and manner for remote e-voting and joining the AGM are explained herein below:

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020, on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	LOGIN METHOD
Individual Shareholders holding securities in demat mode with NSDL.	Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp
	Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	HELPDESK DETAILS
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDeAS, you can log-in at https://eservices.nsdl.com with your existing IDeAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	YOUR USER ID IS:
For Members who hold shares in demat account with NSDL.	Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12************** then your user ID is 12**************
For Members holding shares in Physical Form	EVEN Number followed by Folio Number registered with the Company For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

Password details for shareholders other than Individual shareholders are given below:

If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

How to retrieve your 'initial password'?

If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

Now, you will have to click on "Login" button.

After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

Select **"EVEN"** of **CEAT Limited - 129408** for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/ OAVM" link placed under "Join Meeting".

Now you are ready for e-Voting as the Voting page opens.

Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

Upon confirmation, the message "Vote cast successfully" will be displayed.

You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser by e-mail to ceat.scrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/ Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Ms. Pallavi Mhatre, Senior Manager, NSDL or Ms. Sarita Mote, Assistant Manager, NSDL at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to investors@ceat.com.

In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to investors@ceat.com . If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

Alternatively, shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

In terms of SEBI circular dated December 9, 2020, on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER: -

The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

Only those Members, who will be present in the meeting through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.

Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

The details of the person who may be contacted for any grievances connected with the facility for e-voting on the day of the AGM shall be the same person mentioned for remote e-voting.

Annexure to the Notice

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 IN RESPECT OF SPECIAL BUSINESS IN THE NOTICE:

The following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos. 4 to 7 of the accompanying Notice:

Item No. 4 of the Notice:

The Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, mandate audit of the cost accounting records of the Company in respect of certain products. Accordingly, the Board of Directors, based on the recommendation of the Audit Committee, at its meeting held on May 2, 2024, appointed M/s D. C. Dave & Co., Cost Accountants (Firm Registration No. 000611) as the Cost Auditor of the Company for the financial year ending March 31, 2025, at a remuneration of upto ₹ 5,00,000/- (Rupees Five Lakhs only) plus applicable taxes and out-of-pocket expenses, if any, incurred in connection with the audit. In terms of the provisions of Section 148(3) of the Act 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 remuneration payable to the Cost Auditor for the Financial Year ending March 31, 2025, as stated above.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way concerned or interested, whether financially or otherwise, in the resolution set out in Item No. 4 of the Notice.

The Board recommends the Ordinary Resolution under Item No. 4 of the Notice for approval of Members.

Item No. 5 of the Notice:

The Members of the Company approved appointment of Mr. Arnab Banerjee as Managing Director and Chief Executive Officer ('MD and CEO') of the Company for a period of 2 years on terms and conditions as set out in the Agreement, vide an Ordinary Resolution passed through Postal Ballot on April 27, 2023. The said term expires on March 31, 2025. At the meeting held on June 17, 2024, the Board of Directors upon recommendation of the Nomination and Remuneration Committee re-appointed Mr. Arnab Banerjee as the MD and CEO for a further term of 1 (one) year w.e.f. April 1, 2025, upto March 31, 2026 (both days inclusive) on the terms and conditions set out in the agreement to be executed between the Company and Mr. Banerjee, subject to approval by Members.

The remuneration of Mr. Arnab Banerjee as MD and CEO shall be in accordance with the provisions of Sections 197 and 198 read with Schedule V of the Companies Act, 2013 ('Act') and subject to approval of Members as below:

Sr. No.	Particulars	Amount
1	Salary (₹/p.m.) Eligible for revision every year as determined by the Board which will be merit based and take into account the Company's performance as well.	11,59,331.80
2	Other Allowances (₹/p.m.) Eligible for revision every year as determined by the Board which will be merit based and take into account the Company's performance as well.	25,27,034.50
3	Performance Bonus / Variable Pay as per the Company policy and as determined by the Board.	
4	Retirals: Provident Fund - @12% of basic salary Gratuity Fund - As per the Company's Policy	

Subject to the control and supervision of the Board of Directors, Mr. Banerjee, shall be in-charge of management of affairs of the Company and shall perform such duties and exercise such powers as may be entrusted to him from, time to time, by the Board and Members, except such matters which are specifically required to be undertaken by the Board under the applicable provisions of the Articles of Association of the Company or under the Act and the rules made thereunder or under the SEBI Listing Regulations, as amended from time to time. He shall continue to be a Key Managerial Personnel of the Company.

The re-appointment and remuneration of Mr. Arnab Banerjee is in compliance with the provisions of Sections 196, 197, 203 the rules made thereunder and other relevant and applicable provisions, if any, of the Act, the Articles of Association of the Company and the SEBI Listing Regulations. Mr. Banerjee, MD & CEO of the Company, shall not be paid any fees for attending meetings of the Board or Committee(s) thereof.

Taking into account his expertise in general management and business operations skills, thought leadership, strategy, sales and marketing, the Board recommends re-appointment of Mr. Arnab Banerjee as the MD & CEO of the Company, for a further period of 1(one) year w.e.f. April 1, 2025.

Mr. Arnab Banerjee is neither disqualified from being appointed as Director in terms of the provisions of the Act nor debarred from being appointed to the office of Director by virtue of any order of SEBI or any such other authority and is also eligible to act as Managing Director and CEO of the Company pursuant to applicable provisions of the Act.

Members' approval is hereby sought for the re-appointment of Mr. Arnab Banerjee as MD & CEO of the Company for a period of 1 (one) year effective April 1, 2025, and fix the remuneration payable to him in that capacity in accordance with the remuneration policy of the Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Mr. Banerjee himself is, in any way, concerned or interested, whether financially or otherwise, in the resolution set out in Item No. 5 of the Notice.

The Board recommends the Ordinary Resolution, as set out at Item No. 5 of the Notice, for approval by the Members of the Company.

Item No. 6 of the Notice:

With a view to ensuring smooth transition in Board succession, the Board believes in having diverse Board Members. The Nomination and Remuneration Committee considers candidates having experience and expertise across industries for appointment to the Board. It also deliberates on various factors including the current tenure of Directors, skill matrix including skill-gaps, if any, diversity, time-commitment and statutory requirements while considering appointment of any person on the Board.

The Board of Directors pursuant to Sections 149, 150, 152 and 161 of the Act and Article 102 of the Articles of Association of the Company and based on recommendations of the Nomination and Remuneration Committee and subject to approval of members, appointed Mr. Praveen Pardeshi as an Additional Director in the capacity of Non-Executive Independent Director of the Company, with effect from June 17, 2024 for a term of five consecutive years i.e. up to June 16, 2029 (both days inclusive).

Mr. Praveen Pardeshi is a Retired Indian Administrative Service (IAS) officer with over 34 years of experience in the service of 1985 batch Maharashtra Cadre. He has served in various senior executive roles including Additional Secretary to the Chief Minister of Maharashtra, the Principal Secretary of Revenue and Forest Department, Maharashtra, and Municipal commissioner of Greater Mumbai. At present he is working as a Member (Administration), Capacity Building Commission, Government of India (New Delhi) as Secretary, overseeing the Honourable Prime Minister Mr. Narendra Modi's flagship initiative "Mission Karmyogi". He led the training of 100,000 citizen-facing railways staff and over 400 UT police personnel to impart citizen-centric values. He has been appointed as the Chief Executive Officer (CEO) of the think tank Maharashtra Institution for Transformation (MITRA) since July 2023. MITRA is being overseen by the Hon'ble Chief Minister of Maharashtra and is formed on the lines of Niti Aayog.

Mr. Pardeshi was all India first in the Indian Administrative Services batch of 1985. During his stint, he also held various senior leadership positions within the United Nations as the Chief of the Transition Recovery unit, UNDP Geneva, and Senior Coordinator of the United Nations International Strategy for Disaster Reduction (UNISDR). He has subsequently headed the regional offices of the Support and Coordination Unit of UNISDR. Mr. Pardeshi was the Global Program Coordinator for the Defeat-NCD Partnership within the United Nations Institute of Training and Research (UNITAR). He has been a key player in post-disaster and conflict recovery programs of UNDP and the public administration, governance reform, wildlife conservation, and public health efforts against COVID-19 in Maharashtra, India. He was appointed as the District Collector and District Magistrate for Latur District, and supervised law and order, along with drought management. In September 1993, Latur District was devastated by an earthquake of 6.7 Richter scale with Killari village as the epicentre. He managed the Earthquake relief works following the Killari Earthquake and successfully implemented a Killari Earthquake reconstruction project.

He also holds Master of Science degree in Social Policy and Planning in Developing Countries from London School of Economics and Political Science. Before getting a master's degree in development economics from DSE, he was an Economics graduate from Delhi University.

As per disclosures and confirmations submitted by Mr. Praveen Pardeshi :

- He is not disqualified from being appointed as a Director under sections 164(1) and 164(2) of the Act;
- He is not debarred from holding the office of Director by virtue of SEBI Order or any such authority pursuant to BSE Circular No. LIST/COMP/14/2018-19 or the National Stock Exchange of India Limited Circular No. NSE/CML/2018/24, both dated 20th June 2018 pertaining to the enforcement of SEBI Orders regarding the appointment of Directors by the listed companies;
- He has given his consent in writing to act as a Director of the Company;
- He is not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact his ability to discharge his duties with an objective independent judgement and without any external influence, in terms of Regulation 25(8) of the SEBI Listing Regulations or have any conflict of interest;
- He meets the criteria of independence including that he does not have or had any pecuniary relationship with the Company, other than receipt of remuneration as a director, as prescribed under section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations, as presently applicable;
- His Directorships/ Committee memberships are within the statutorily permitted limits;
- He does not hold any directorship in any other RPG group company.
- He is registered with the Independent Directors Databank maintained by the Indian Institute of Corporate Affairs ("IICA").

In terms of section 160 of the Act, the Company has received a Notice in writing proposing the candidature of Mr. Praveen Pardeshi for the office of Director and Independent Director of the Company.

Mr. Praveen Pardeshi possesses the required skill sets in particular in the field of thought leadership, public policy & government regulations, account, finance, legal and human resource management. Currently, Mr. Pardeshi does not serve on the board of any listed Companies except CEAT. The Company believes that he is in a position to devote sufficient time required towards fulfilling his responsibilities as an independent director. With more than 34 years of diverse experience Mr. Pardeshi brings on board unmatched skills, exposure and experience which shall be immensely helpful to the Company and his insights basis the multifaceted exposure would enrich board deliberations and overall guidance to the management.

In the opinion of the Board, Mr. Pardeshi fulfils the conditions prescribed in the Act and the Rules framed thereunder and the SEBI Listing Regulations and is independent of the Management.

Mr. Pardeshi being an Independent Director; will be entitled to sitting fees for attending meetings of the Board & Committees thereof and also commission as approved by the Members of the Company, from time to time.

The Board of Directors, based on the recommendation of the Nomination and Remuneration Committee and considering his thought leadership, public policy & government regulations, account, finance, legal and human resource management skills set, background and rich experience, opines that his association as an Independent Director will be immensely beneficial to the Company and recommends to the Members, the appointment of Mr. Pardeshi as an Independent Director of the Company.

Copy of the draft Letter of Appointment of the Independent Director setting out the terms and conditions of his appointment is available for inspection electronically, basis the request being sent on investors@ceat.com.

Pursuant to Regulation 17(1C) of SEBI Listing Regulations, approval of shareholders is being sought within a period of three months from the date of appointment.

None of the Directors or Key Managerial Personnel of the Company or their relatives, except Mr. Praveen Pardeshi himself is, in any way, concerned or interested, whether financially or otherwise, in the resolution as set out in the Notice.

The Board recommends the Special Resolution, as set out at Item No. 6 of the Notice, for approval by the Members of the Company.

Item No. 7 of the Notice:

Pursuant to the Sections 23, 42, 71 and other applicable provisions of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014, the Company is required to obtain prior approval of its Members by means of a Special Resolution for any offer or invitation to subscribe to non-convertible debentures to be made by the Company on a private placement basis. Special Resolution can be obtained once in a year for all the offer(s) or invitation(s) for such debentures during that year.

In order to augment long-term resources and for general corporate purposes *inter-alia*, financing of the on-going capital expenditure for expansion of capacity, reduction of overall interest and finance cost as well as for general purposes including the restructuring / replacement of high cost debt, the Company intends to offer an invitation for the subscription for secured / unsecured, non-convertible debentures / bonds or such other debt securities, in one or more series / tranches on private placement basis, not exceeding ₹ 500,00,00,000/- (Rupees Five Hundred Crores only) as it may deem appropriate.

The Members of the Company had by passing a Special Resolution at the Annual General Meeting held on July 5, 2023, granted similar approval to the Board to offer and issue Non- convertible Debentures on private placement basis for an aggregate amount up to ₹ 500,00,00,000/- (Rupees Five Hundred Crores only) in one or more tranches, valid until July 4, 2024.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way concerned or interested, whether financially or otherwise, in the resolution set out in Item No.7 of the Notice.

The Board recommends the Special Resolution as set out in Item No. 7 of the Notice for approval of the Members.

Under the Authority of the Board of Directors

Place: Mumbai
Date: June 17, 2024

Kumar Subbiah
Chief Financial Officer

CEAT Limited
CIN: L25100MH1958PLC011041
Registered Office: 463, Dr. Annie Besant Road, Worli, Mumbai 400 030, Maharashtra

DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT IN THE FORTHCOMING ANNUAL GENERAL MEETING

Details as required pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, as applicable are provided hereunder.

Name of the Director	Mr. Paras Kumar Chowdhary	Mr. Arnab Banerjee	Mr. Praveen Pardeshi
DIN	00076807	06559516	01658052
Designation/ Category of Directorship	Non-Executive, Non-Independent Director	Managing Director & Chief Executive Officer	Non-Executive, Independent Director
Date of Birth(Age)	October 1, 1951 (72 years)	September 25, 1964 (59 years)	November 3, 1961 (62 years)
Date of first appointment on the Board	January 18, 2001	May 7, 2013	June 17, 2024
Terms and Conditions of appointment / re-appointment	Re-appointment in terms of Section 152(6) of the Companies Act, 2013	Re-appointment as MD & CEO for a further period of 1 year from April 1, 2025 to March 31, 2026 (both days inclusive) Other terms and conditions including remuneration form part of the Explanatory Statement	Appointment as Independent Director, in terms of applicable provisions of the Act and SEBI Listing Regulations for a period of 5 years w.e.f. June 17, 2024, subject to approval of members by way of a special resolution.
Experience and Expertise and brief resume	Mr. Chowdhary, has over 35 years of experience in senior management positions in tyre industry, including Managing Director of the Company for more than 11 years. 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 of that company. Mr. Chowdhary is recognised as one of the foremost experts in the tyre industry in India. Mr. Chowdhary was appointed as the Managing Director of the Company on January 18, 2001, and his term as Managing Director ended on April 1, 2012. Mr. Chowdhary who was appointed as an Additional Director of the Company w.e.f. April 1, 2012, was also appointed as the Whole-time Director designated as Chief Management Advisor for a period of one year from April 1, 2012, to March 31, 2013. On expiry of his term as Whole-time Director, he continued as the Non-executive, Non-independent Director w.e.f. April 1, 2013. Consequently, in the year 2016, being eligible under the applicable provisions of the Act and the Listing Regulations, he was appointed as an Independent Director on the Board of the Company w.e.f. August 9, 2016. Subsequently on completion of his tenure and being eligible in the year 2021, he was appointed as Non-Executive - Non-Independent Director, liable for retirement by rotation.	Mr. Arnab Banerjee has executive experience of over 30 years during which he has worked in CEAT, Marico and Berger Paints. Mr. Arnab Banerjee is an alumnus of the Harvard Business School, IIM Kolkata and IIT Kharagpur. He also holds a Professional Certified Coach (PCC) Certification. He joined CEAT in the year 2005 as Vice President, Sales and Marketing. Over the years he has shouldered multiple responsibilities and has been the Chief Operating Officer at CEAT since 2018 prior to taking over his current role. Everything about customers is his passion.	Mr. Praveen Pardeshi is a Retired Indian Administrative Service (IAS) officer with over 34 years of experience in the service of 1985 batch Maharashtra Cadre. He has served in various senior executive roles including Additional Secretary to the Chief Minister of Maharashtra, the Principal Secretary of Revenue and Forest Department, Maharashtra, and Municipal commissioner of Greater Mumbai. At present he is working as a Member (Administration), Capacity Building Commission, Government of India (New Delhi) as Secretary, overseeing the Honourable Prime Minister Mr. Narendra Modi's flagship initiative "Mission Karmyogi". He is appointed as the Chief Executive Officer (CEO) of the think tank Maharashtra Institution for Transformation (MITRA) since July 2023. MITRA is being overseen by the Hon'ble Chief Minister of Maharashtra and is formed on the lines of Niti Aayog. Mr. Pardeshi was all India first in the Indian Administrative Services batch of 1985. During his stint, he also held various senior leadership positions within the United Nations as the Chief of the Transition Recovery unit, UNDP Geneva, and Senior Coordinator of the United Nations International Strategy for Disaster Reduction (UNISDR). He has subsequently headed the regional offices of the Support and Coordination Unit of UNISDR. Mr. Pardeshi was the Global Program Coordinator for the Defeat-NCD Partnership within the United Nations Institute of Training and Research (UNITAR). He was appointed as the District Collector and District Magistrate for Latur District, and supervised law and order, along with drought management.
Qualifications	Bachelor's degree in physics (Hons.)	Alumnus of the Harvard Business School (AMP190), IIM Kolkata and IIT Kharagpur. Holds Associate Certified Coach (ACC) Certification.	◈ Master of Science degree in Social Policy and Planning in Developing Countries from London School of Economics and Political Science. ◈ Master's Degree in Development Economics from Delhi School of Economics
Inter se relationship with other Directors, Manager and other Key Managerial Personnel of the Company	None		
Listed Entities from which the person has resigned during past 3 years.	Nil		
Directorship held in other companies (excluding foreign companies)	1. PCBL Ltd 2. R P G Enterprises Limited 3. Einzigartig Electoral Trust	1. CEAT Auto Components Limited 2. TAABI Mobility Private Limited 3. Automative Tyres Manufacturers Limited 4. Spencer International Hotels Limited	Village Social Transformation Foundation
Committee position held in other companies	PCBL Ltd • Audit Committee • Risk Management Committee	Nil	Nil
Details of remuneration last drawn.	Please refer to the Report on Corporate Governance		
Details of remuneration sought to be paid.	Sitting fees and commission will be paid, as approved by the Board	As set out in the Explanatory Statement.	Sitting fees and commission will be paid, as approved by the Board
No. of Meetings of the Board attended during the year	6	6	N.A.

Name of the Director	Mr. Paras Kumar Chowdhary	Mr. Arnab Banerjee	Mr. Praveen Pardeshi
Shareholding in the Company			
No. of shares held:			
(a) Own	3000	Nil	Nil
(b) For other persons on a beneficial basis	Nil	Nil	Nil
Skills and capabilities required for the role and Manner in which the proposed person meets such requirements	Please refer the Corporate Governance Report for details on skills and capabilities of Directors.		

GRI Content Index

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	PAGE NO.
General disclosures			
GRI 2: General Disclosures 2021	2-1 Organisational details	BRSR	130
	2-2 Entities included in the organisation's sustainability reporting	About the Report and BRSR	15, 130
	2-3 Reporting period, frequency and contact point	About the Report	15
	2-4 Restatements of information	About the Report	15
	2-5 External assurance	-	-
	2-6 Activities, value chain and other business relationships	SEMA, Social & Relationship Capital, BRSR	22-25,66-75,148
	2-7 Employees	Human Capital and BRSR	44 - 55, 131
	2-8 Workers who are not employees	Human Capital and BRSR	44 - 55, 131
	2-9 Governance structure and composition	Corporate Governance Report	108 - 114
	2-10 Nomination and selection of the highest governance body	Corporate Governance Report	114
	2-11 Chair of the highest governance body	Corporate Governance Report	108 - 111
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance Report	109
	2-13 Delegation of responsibility for managing impacts	Corporate Governance Report	112 - 114
	2-14 Role of the highest governance body in sustainability reporting	BRSR	130
	2-15 Conflicts of interest	BRSR	139
	2-16 Communication of critical concerns	Corporate Governance Report	109
	2-17 Collective knowledge of the highest governance body	Corporate Governance Report	111
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance Report	114
	2-19 Remuneration policies	Corporate Governance Report	99
	2-20 Process to determine remuneration	Corporate Governance Report	99
	2-21 Annual total compensation ratio	Annexure to the Board Report and BRSR	105, 131
	2-22 Statement on sustainable development strategy	Value Creation Model	16
	2-23 Policy commitments	BRSR - Section B	136 - 137
	2-24 Embedding policy commitments	BRSR - Section B	136 - 137
	2-25 Processes to remediate negative impacts	SEMA and BRSR	22 - 25, 133
	2-26 Mechanisms for seeking advice and raising concerns	BRSR	133
	2-27 Compliance with laws and regulations	BRSR	138 - 140
	2-28 Membership associations	BRSR	158
	2-29 Approach to stakeholder engagement	SEMA and BRSR	22 - 25, 133
	2-30 Collective bargaining agreements	Human Capital and BRSR	52, 149
Material topics			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	SEMA and BRSR	22 - 25, 133
	3-2 List of material topics	SEMA and BRSR	22 - 25, 133
Economic performance			
GRI 3: Material Topics 2021	3-3 Management of material topics	SEMA and BRSR	22 - 25, 133
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Financial Capital	27
	201-2 Financial implications and other risks and opportunities due to climate change	Natural Capital	CEAT has not determined the financial implications due to climate change in FY 2023-24.
	201-3 Defined benefit plan obligations and other retirement plans	Notes to Financial Statements	264
	201-4 Financial assistance received from government	Financial Capital	29
Market presence			
GRI 3: Material Topics 2021	3-3 Management of material topics	SEMA and BRSR	22 - 25, 133
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	BRSR	150
	202-2 Proportion of senior management hired from the local community	Human Capital	45 - 46, 49
Indirect economic impacts			
GRI 3: Material Topics 2021	3-3 Management of material topics	SEMA and BRSR	22 - 25, 133
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Social and Relationship Capital	72 -75
	203-2 Significant indirect economic impacts	Social and Relationship Capital	72 -75

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	PAGE NO.
	Procurement practices		
GRI 3: Material Topics 2021	3-3 Management of material topics	SEMA and BRSR	22 - 25, 133
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Social and Relationship Capital and BRSR	68, 159
	Anti-corruption		
GRI 3: Material Topics 2021	3-3 Management of material topics	SEMA and BRSR	22 - 25, 133
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	BRSR	139
	205-2 Communication and training about anti-corruption policies and procedures	BRSR	139
	205-3 Confirmed incidents of corruption and actions taken	BRSR	139
	Anti-competitive behavior		
GRI 3: Material Topics 2021	3-3 Management of material topics	SEMA and BRSR	22 - 25, 133
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Board's Report and BRSR	138 -140
	Tax		
GRI 3: Material Topics 2021	3-3 Management of material topics	SEMA and BRSR	22 - 25, 133
GRI 207: Tax 2019	207-1 Approach to tax	Financial Capital	31
	207-2 Tax governance, control, and risk management	Financial Capital	31
	207-3 Stakeholder engagement and management of concerns related to tax	Financial Capital	31
	207-4 Country-by-country reporting	Financial Statements	Not applicable
	Materials		
GRI 3: Material Topics 2021	3-3 Management of material topics	SEMA and BRSR	22 - 25, 133
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Natural Capital	59 - 60
	301-2 Recycled input materials used	Natural Capital	59 - 60
	301-3 Reclaimed products and their packaging materials	Natural Capital	59 - 60
	Energy		
GRI 3: Material Topics 2021	3-3 Management of material topics	SEMA and BRSR	22 - 25, 133
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Natural Capital and BRSR	60 - 61, 152
	302-2 Energy consumption outside of the organisation	Natural Capital and BRSR	60 - 61, 152
	302-3 Energy intensity	Natural Capital and BRSR	60 - 61, 152
	302-4 Reduction of energy consumption	Natural Capital	60 - 61
	302-5 Reductions in energy requirements of products and services	Natural Capital	60 - 61
	Water and effluents		
GRI 3: Material Topics 2021	3-3 Management of material topics	SEMA and BRSR	22 - 25, 133
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Natural Capital and BRSR	63, 153
	303-2 Management of water discharge-related impacts	Natural Capital and BRSR	63, 153
	303-3 Water withdrawal	Natural Capital and BRSR	63, 153
	303-4 Water discharge	Natural Capital and BRSR	63, 153
	303-5 Water consumption	Natural Capital and BRSR	63, 153
	Biodiversity		
GRI 3: Material Topics 2021	3-3 Management of material topics	SEMA and BRSR	22 - 25, 133
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not Applicable	Not Applicable
	304-2 Significant impacts of activities, products and services on biodiversity		
	304-3 Habitats protected or restored		
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations		
	Emissions		
GRI 3: Material Topics 2021	3-3 Management of material topics	SEMA and BRSR	22 - 25, 133
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Natural Capital and BRSR	62, 154
	305-2 Energy indirect (Scope 2) GHG emissions	Natural Capital and BRSR	62, 154
	305-3 Other indirect (Scope 3) GHG emissions	Natural Capital	62
	305-4 GHG emissions intensity	Natural Capital and BRSR	62, 154
	305-5 Reduction of GHG emissions	Natural Capital and BRSR	62, 154
	305-6 Emissions of ozone-depleting substances (ODS)	The Company is in a process of inventorising its emissions from the refrigerants with respect to the ozone-depleting substances.	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Natural Capital and BRSR	62, 154

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	PAGE NO.
	Waste		
GRI 3: Material Topics 2021	3-3 Management of material topics	SEMA and BRSR	22 - 25, 133
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Natural Capital and BRSR	64, 154
	306-2 Management of significant waste-related impacts	Natural Capital and BRSR	64, 154
	306-3 Waste generated	Natural Capital and BRSR	64, 154
	306-4 Waste diverted from disposal	Natural Capital and BRSR	64, 154
	306-5 Waste directed to disposal	Natural Capital and BRSR	64, 154
	Supplier environmental assessment		
GRI 3: Material Topics 2021	3-3 Management of material topics	SEMA and BRSR	22 - 25, 133
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Social and Relationship Capital	69
	308-2 Negative environmental impacts in the supply chain and actions taken	Social and Relationship Capital	69
	Employment		
GRI 3: Material Topics 2021	3-3 Management of material topics	SEMA and BRSR	22 - 25, 133
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Human Capital	49
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Human Capital and BRSR	47, 143
	401-3 Parental leave	Human Capital and BRSR	47, 143
	Labor/management relations		
GRI 3: Material Topics 2021	3-3 Management of material topics	SEMA and BRSR	22 - 25, 133
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Human Capital	52
	Occupational health and safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	SEMA and BRSR	22 - 25, 133
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Human Capital and BRSR	52 - 55, 145
	403-2 Hazard identification, risk assessment, and incident investigation	Human Capital and BRSR	52 - 55, 145
	403-3 Occupational health services	Human Capital and BRSR	52 - 55, 146
	403-4 Worker participation, consultation, and communication on occupational health and safety	Human Capital	52 - 55
	403-5 Worker training on occupational health and safety	Human Capital	52 - 55
	403-6 Promotion of worker health	BRSR	146
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Human Capital and BRSR	52 - 55, 143
	403-8 Workers covered by an occupational health and safety management system	Human Capital	52 - 55
	403-9 Work-related injuries	Human Capital and BRSR	52 - 55, 146
	403-10 Work-related ill health	BRSR	146
	Training and education		
GRI 3: Material Topics 2021	3-3 Management of material topics	SEMA and BRSR	22 - 25, 133
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Human Capital	51
	404-2 Programs for upgrading employee skills and transition assistance programs	Human Capital and BRSR	51, 145
	404-3 Percentage of employees receiving regular performance and career development reviews	BRSR	145
	Diversity and equal opportunity		
GRI 3: Material Topics 2021	3-3 Management of material topics	SEMA and BRSR	22 - 25, 133
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Human Capital, Corporate Governance Report and BRSR	47 - 49, 132, 134
	405-2 Ratio of basic salary and remuneration of women to men	BRSR	150
	Non-discrimination		
GRI 3: Material Topics 2021	3-3 Management of material topics	SEMA and BRSR	22 - 25, 133
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Human Capital and BRSR	52, 150
	Freedom of association and collective bargaining		
GRI 3: Material Topics 2021	3-3 Management of material topics	SEMA and BRSR	22 - 25, 133
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Human Capital and BRSR	52, 151

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	PAGE NO.
Child labor			
GRI 3: Material Topics 2021	3-3 Management of material topics	SEMA and BRSR	22 - 25, 133
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Human Capital and BRSR	52, 150
Forced or compulsory labor			
GRI 3: Material Topics 2021	3-3 Management of material topics	SEMA and BRSR	22 - 25, 133
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human Capital and BRSR	52, 150
Security practices			
GRI 3: Material Topics 2021	3-3 Management of material topics	SEMA and BRSR	22 - 25, 133
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Human Capital	52
Local communities			
GRI 3: Material Topics 2021	3-3 Management of material topics	SEMA and BRSR	22 - 25, 133
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	SEMA and Social and Relationship Capital	22 - 25, 72 - 75
	413-2 Operations with significant actual and potential negative impacts on local communities	Social and Relationship Capital	72 - 75
Supplier social assessment			
GRI 3: Material Topics 2021	3-3 Management of material topics	SEMA and BRSR	22 - 25, 133
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Social and Relationahip Capital	69
	414-2 Negative social impacts in the supply chain and actions taken	Social and Relationahip Capital	69
Customer health and safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	SEMA and BRSR	22 - 25, 133
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Social and Relationship Capital and BRSR	72, 161
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Social and Relationship Capital and BRSR	72, 161
Marketing and labeling			
GRI 3: Material Topics 2021	3-3 Management of material topics	SEMA and BRSR	22 - 25, 133
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Social and Relationship Capital and BRSR	72, 161
	417-2 Incidents of non-compliance concerning product and service information and labeling	Social and Relationship Capital and BRSR	72, 161
	417-3 Incidents of non-compliance concerning marketing communications	Social and Relationship Capital and BRSR	72, 161
Customer privacy			
GRI 3: Material Topics 2021	3-3 Management of material topics	SEMA and BRSR	22 - 25, 133
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	BRSR	161

UNGC Principles

UNGC Principles	Section in Report	Page Number
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.	Human Capital	52
Principle 2: : Make sure that they are not complicit in human right abuses.	Human Capital	52
Principle 3: : Business should uphold the freedom of association and the effective recognition of the right to collective bargaining	Human Capital and BRSR	52, 151
Principle 4: The elimination of all forms of forced and compulsory labour	Human Capital and BRSR	52, 150
Principle 5: : The effective abolition of child labour	Human Capital and BRSR	52, 150
Principle 6: The elimination of discrimination in respect of employment and occupation	Human Capital and BRSR	52, 150
Principle 7: : Business should support a precautionary approach to environmental challenges	Value Creation Model	16 - 21
Principle 8: : Undertake initiatives to promote greater environmental responsibility	Stakeholder Engagement and Materiality Analysis, Natural Capital	22 - 25, 56 - 65
Principle 9: Encourage the development and diffusion of environmentally friendly technologies	Intellectual Capital, Natural Capital	36 - 43, 56 - 65
Principle 10: Business should work against corruption in all its forms, including extortion and bribery.	Corporate Governance Report and BRSR	108, 139

SASB Sustainability Disclosure Topics & Accounting Metrics

Topic	Accounting metric	Section	Page Number
Energy Management	TR-AP-130a 1 Total energy consumed	Natural Capital, BRSR	60-61,152
	TR-AP-130a.1 Percentage grid electricity	Natural Capital	60-61
	TR-AP-130a.1 Percentage renewable	Natural Capital	61
Waste Managment	TR-AP-150a.1 Total amount of waste from manufacturing	Natural Capital	64,154-155
	TR-AP-150a.1 Percentage hazardous	Natural Capital	64,154-155
	TR-AP-150a.1 Percentage recycled	Natural Capital	64,154-155
Materials Sourcing	TR-AP-440a.1 Description of the management of risks associated with the use of critical materials	Natural Capital and Social and Relationship Capital	59-60,72
Materials Efficiency	TR-AP-440b.2 Percentage of input materials from recycled or remanufactured content	Natural Capital	59-60

SDG Linkage

Sustainable Development Goals (SDG's)	Section in Report	Page Number
SDG 3: Good health and well-being – Ensure healthy lives and promote well-being for all at all age	Human Capital	44-55
	BRSR	142-148
	Social and Relationship Capital	66-75
SDG 4: Quality education – Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	Social and Relationship Capital	66 -75
SDG 5: Gender equality – Achieve gender equality and empower all women and girls	Human Capital	44-55
	Social and Relationship Capital	66-75
SDG 6: Clean water and sanitation – Ensure availability and sustainable management of water and sanitation for all	Natural Capital	56-65
	Social and Relationship Capital	56-65
SDG 7: Affordable and clean energy – Ensure access to affordable, reliable, sustainable and modern energy for all	Natural Capital	56-65
SDG 8: Decent work and economic growth – Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Human Capital	44-55
	Financial Capital	26-31
	Intellectual Capital	36-43
SDG 9: Industry, innovation and infrastructure – Build resilient infrastructure, promote sustainable industrialisation and foster innovation	Natural Capital	56-65
	Intellectual Capital	36-43
	Financial Capital	26-31
SDG 10: Reduced inequalities – Reduce inequality within and among countries	Human Capital	44-55
	Social and Relationship Capital	66-75
SDG 11: Sustainable cities and communities – Make cities and human settlement inclusive, safe, resilient and sustainable	Social and Relationship Capital	66-75
SDG 12: Responsible production and consumption – Ensure sustainable consumption and production patterns	Manufacutured Capital	32-35
	Natural Capital	56-65
	Intellectual Capital	36-43
	BRSR	141-142

NGRBC Principles

NGRBC Principles	Section in Report	Page Number
Principle 1: Businesses should conduct and govern themselves with integrity in a manner that is Ethical, Transparent and Accountable	Board's Report and Corporate Governance Report	96, 108
Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe	Intellectual and Natural Capital	36-43,56-65
Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains	Human Capital and BRSR	44-55,142-148
Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders	Stakeholder Engagement and Materiality Assessment and BRSR	22-25,148-149
Principle 5: Businesses should respect and promote human rights	Human Capital and BRSR	44-55,149-152
Principle 6: Businesses should respect and make efforts to protect and restore the environment	Natural Capital	56-65
Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent	Stakeholder Engagement and Materiality Assessment,	22-25
Principle 8: Businesses should promote inclusive growth and equitable development	Stakeholder Engagement and Materiality Assessment,	22-25
Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner	Manufactured Capital	32-35

Notes

Notes

Corporate Information

Executive Committee

Mr. Arnab Banerjee
Managing Director & Chief Executive Officer

Mr. Kumar Subbiah
Chief Financial Officer

Mr. Amit Tolani
Chief Executive - CEAT Specialty

Mr. Jayasankar Kuruppal
Sr. Vice President - Manufacturing

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

Mr. Somraj Roy
Sr. Vice President- Human Resources

Company Secretary and Compliance Officer

Ms. Vallari Gupte
Resigned w.e.f. May 7, 2024

Mr. Gaurav Tongia
Appointed w.e.f. July 1, 2024

Statutory Auditors

B S R & Co. LLP

Secretarial Auditors

Parikh & Associates, Practising Company Secretaries

Cost Auditors

D.C. Dave & Co.

Registrar & Transfer Agent

NSDL Database Management Limited

4th Floor, Tower 3, One International Center,
Senapati Bapat Marg,
Prabhadevi, Mumbai 400 013

Debenture Trustees

Vistra ITCL (India) Limited

IL&FS Financial Center Plot No. C–22, G Block, Bandra Kurla Complex Bandra (East), Mumbai - 400 051

Catalyst Trusteeship Limited

Windsor, 6th Floor, Office No - 604,
C.S.T. Road, Kalina, Santacruz (East),
Mumbai – 400 098

Bankers

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

Audit Committee

Mr. Mahesh S. Gupta - Chairman
Mr. Paras K. Chowdhary - Member
Mr. Atul Choksey - Member
Mr. Milind Sarwate - Member

Stakeholders' Relationship Committee

Mr. Anant Goenka - Chairman
Mr. Mahesh S. Gupta - Member
Mr. Paras K. Chowdhary - Member
Mr. Arnab Banerjee - Member

Risk Management Committee

Mr. Mahesh S. Gupta - Chairman
Mr. Paras K. Chowdhary - Member
Mr. Anant Goenka - Member
Mr. Milind Sarwate - Member

Sustainability and Corporate Social Responsibility Committee

Mr. Anant Goenka - Chairman
Mr. Paras K. Chowdhary - Member
Ms. Sukanya Kripalu – Member
Ms. Priya Nair# - Member

Nomination and Remuneration Committee

Mr. Mahesh S. Gupta - Chairman
Mr. Paras K. Chowdhary - Member
Mr. Atul Choksey - Member
Ms. Sukanya Kripalu - Member

Finance and Banking Committee

Mr. Arnab Banerjee - Chairman
Mr. H. V. Goenka - Member
Mr. Anant Goenka - Member

#Ms. Priya Nair, Non-executive Independent Director resigned w.e.f. April 1, 2024.

CEAT Limited

CIN: L25100MH1958PLC011041

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

Website: www.ceat.com

Email: investors@ceat.com

Plants:

- 82, MIDC, Satpur, Nashik, Maharashtra - 422 007
- Village Road, Bhandup (West), Opp. Nahur Station, Mumbai, Maharashtra 400 078
- Plot No G-2, Village - Bohonoli, Ambernath MIDC, Ambernath (East), Maharashtra - 421 506
- Plot No. SZ-39, Industrial Area, MIDC, Butibori, Nagpur, Maharashtra - 441 108
- Lilor Paldi Khakharia Road, Village Getmuvala, Post Chandrapura, Taluka Halol, 389 350 Gujarat
- Kannanthangal Village, Maduramangalam post, Sriperumbudur TK, Kancheepuram Dist Tamil Nadu - 602 108

CEAT

hello **happiness**

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An RPG Company