

November 7, 2022

**BSE Limited**

Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai 400 001

**Security Code: 500878**

**National Stock Exchange of India Limited**

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

**Symbol: CEATLTD**

**NCD Symbol: CL23, CL25, CL26**

**CP Listed ISIN: INE482A14BF2, INE482A14BG0  
INE482A14BH8**

Dear Sirs / Madam,

**Sub: Outcome of the Board Meeting held on November 7, 2022**

Pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to inform you that the Board of Directors of the Company at its meeting held today, i.e. on Monday, November 7, 2022, *inter-alia*, considered and unanimously approved:

1. Unaudited Financial Results (Standalone and Consolidated) of the Company, for the quarter and half-year ended on September 30, 2022, which are enclosed herewith, together with the respective Limited Review Reports issued by the Statutory Auditors of the Company and taken on record by the Board.
2. An additional investment by way of capex of approx. Rs. 396 Crores (Rupees Three Hundred and Ninety Six Crores), to enhance capacity of farm radial tyres at the Ambarnath plant of the Company, by 55 Tons Per Day (TPD) capacity over a period of next two years. The investment is proposed to be funded through a mix of debt and internal accruals.

The Board also assented to the appointment of Mr. Anant Goenka as Interim Managing Director of Zensar Technologies Limited (Zensar), till Mr. Ajay Singh Bhutoria, Chief Executive Officer and Managing Director of Zensar, who has experienced health ailment, fully recovers to attend office.

Pursuant to Regulations 54(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. Circular No. SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2022/ 67 dated May 19, 2022, we also enclose the Security Cover Certificate as on September 30, 2022, certified by the Statutory Auditors of the Company.

The Board meeting commenced at 11.00 a.m. and concluded at 3.30 p.m.

We request you to kindly take the above on record.

Thanking you,

Sincerely,

For **CEAT Limited**



**Vallari Gupte**

**Company Secretary & Compliance Officer**

Encl: as above

# B S R & Co. LLP

Chartered Accountants

14th Floor, Central B Wing and North C Wing,  
Nesco IT Park 4, Nesco Center,  
Western Express Highway, Goregaon (East),  
Mumbai - 400 063, India

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## **Limited Review Report on unaudited standalone financial results of CEAT Limited for the quarter ended 30 September 2022 and year-to-date results for the period from 01 April 2022 to 30 September 2022 pursuant to Regulation 33 and Regulation 52(4) read with Regulation 63 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

### **To the Board of Directors of CEAT Limited**

1. We have reviewed the accompanying Statement of unaudited standalone financial results of CEAT Limited ("the Company") for the quarter ended 30 September 2022 and year-to-date results for the period from 1 April 2022 to 30 September 2022 ("the Statement").
2. This Statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "*Interim Financial Reporting*" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52(4) read with Regulation 63 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52(4) read with Regulation 63 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Registered Office:

## B S R & Co. LLP

5. The standalone financial statements of the Company for the year ended 31 March 2022 have been audited by the predecessor auditor whose report dated 05 May 2022 had expressed an unmodified opinion. The financial information of the Company for the corresponding quarter ended 30 September 2021 and the corresponding period from 01 April 2021 and 30 September 2021 has been reviewed by the predecessor auditor whose report dated 25 October 2021 had expressed an unmodified opinion.

Our conclusion is not modified in respect of this matter.

For **B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No.:101248W/W-100022

SADASHIV SHANKAR SHETTY  
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by SADASHIV  
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**Sadashiv Shetty**

*Partner*

Mumbai

07 November 2022

Membership No.: 048648

UDIN:22048648BCIBZV4271



## CEAT LIMITED

CIN : L25100MH1958PLC011041

Registered Office

RPG House, 463, Dr. Annie Besant Road, Mumbai 400 030.

### Statement of Unaudited Standalone financial results for the quarter and six months ended September 30, 2022

(₹ in lakhs)

Particulars	Standalone					
	Quarter ended			Six months ended		Year ended
	30-Sep-22	30-Jun-22	30-Sep-21	30-Sep-22	30-Sep-21	31-Mar-22
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>1 INCOME</b>						
2 Revenue from operations	2,88,637	2,80,308	2,43,232	5,68,945	4,33,008	9,31,263
3 Other income	3,074	276	261	3,350	547	2,819
<b>4 Total income [2+3]</b>	<b>2,91,711</b>	<b>2,80,584</b>	<b>2,43,493</b>	<b>5,72,295</b>	<b>4,33,555</b>	<b>9,34,082</b>
<b>5 EXPENSES</b>						
a) Cost of materials consumed	2,00,174	2,03,746	1,61,678	4,03,920	2,90,489	6,18,690
b) Purchases of stock-in-trade	293	445	193	738	434	756
c) Changes in inventories of finished goods, work-in-progress and stock-in trade	(5,356)	(12,541)	(8,285)	(17,897)	(20,954)	(18,234)
d) Employee benefits expenses	16,378	16,961	16,998	33,339	34,523	68,426
e) Finance costs	5,678	5,140	4,869	10,818	9,395	20,397
f) Depreciation and amortisation expenses	11,511	11,138	12,060	22,649	21,705	43,514
g) Other expenses	56,562	55,275	51,021	1,11,837	90,237	1,91,518
<b>Total expenses</b>	<b>2,85,240</b>	<b>2,80,164</b>	<b>2,38,534</b>	<b>5,65,404</b>	<b>4,25,829</b>	<b>9,25,067</b>
<b>6 Profit / (Loss) before exceptional items and tax [4-5]</b>	<b>6,471</b>	<b>420</b>	<b>4,959</b>	<b>6,891</b>	<b>7,726</b>	<b>9,015</b>
7 Exceptional items (Refer note 3)	2,370	71	51	2,441	51	1,291
<b>8 Profit / (Loss) before tax [6-7]</b>	<b>4,101</b>	<b>349</b>	<b>4,908</b>	<b>4,450</b>	<b>7,675</b>	<b>7,724</b>
<b>9 Tax expenses</b>						
a) Current tax	-	-	386	-	533	(1,810)
b) Deferred tax expense / (credit)	1,110	94	926	1,204	1,551	4,101
<b>10 Profit / (Loss) for the period [8-9]</b>	<b>2,991</b>	<b>255</b>	<b>3,596</b>	<b>3,246</b>	<b>5,591</b>	<b>5,433</b>
<b>11 Other comprehensive income</b>						
<b>a) Items that will not be reclassified to profit or loss</b>						
i) Remeasurements gains / (losses) on defined benefit plans	464	424	(155)	888	(200)	592
ii) Income tax relating to above	(116)	(107)	39	(223)	50	(149)
<b>b) Items that will be reclassified to profit or loss</b>						
i) Net movement of cash flow hedges	169	1,029	(306)	1,198	119	(56)
ii) Income tax relating to above	(42)	(259)	77	(301)	(30)	14
<b>Total other comprehensive income / (loss) for the period</b>	<b>475</b>	<b>1,087</b>	<b>(345)</b>	<b>1,562</b>	<b>(61)</b>	<b>401</b>
<b>12 Total comprehensive income / (loss) for the period [comprising profit / (loss) and other comprehensive income / (loss) for the period] [10+11]</b>	<b>3,466</b>	<b>1,342</b>	<b>3,251</b>	<b>4,808</b>	<b>5,530</b>	<b>5,834</b>
13 Paid-up equity share capital (Face value of the share - ₹ 10 each)	4,045	4,045	4,045	4,045	4,045	4,045
14 Other equity excluding revaluation reserve as shown in the audited balance sheet of the previous year						3,10,982
15 Earnings per share (of ₹ 10 each) (not annualised except for year ended march)						
a) Basic (in ₹)	7.39	0.63	8.89	8.02	13.82	13.43
b) Diluted (in ₹)	7.39	0.63	8.89	8.02	13.82	13.43

**CEAT Limited**
**Standalone Statement of Assets and Liabilities as at September 30, 2022**

(₹ in lakhs)

Particulars	As at September 30, 2022 Unaudited	As at March 31, 2022 Audited
<b>I Assets</b>		
<b>(1) Non-current assets</b>		
(a) Property, plant and equipment	5,31,967	5,11,706
(b) Capital work-in-progress	84,568	76,159
(c) Right-of-use asset	8,392	12,379
(d) Intangible assets	7,990	8,809
(e) Intangible assets under development	4,482	4,661
(f) Financial assets		
(i) Investments	12,953	12,602
(ii) Other financial assets	823	959
(g) Non-current tax assets (net)	1,029	5,855
(h) Other non-current assets	4,626	5,588
<b>Total non-current assets</b>	<b>6,56,830</b>	<b>6,38,718</b>
<b>(2) Current assets</b>		
(a) Inventories	1,52,140	1,28,651
(b) Financial assets		
(i) Trade receivables	1,22,158	1,15,287
(ii) Cash and cash equivalents	949	1,300
(iii) Bank balances other than cash and cash equivalents	437	367
(iv) Other financial assets	12,033	6,381
(c) Other current assets	9,434	5,386
<b>Total current assets</b>	<b>2,97,151</b>	<b>2,57,372</b>
<b>Total assets</b>	<b>9,53,981</b>	<b>8,96,090</b>
<b>II Equity And Liabilities</b>		
<b>(1) Equity</b>		
(a) Equity share capital	4,045	4,045
(b) Other equity	3,14,577	3,10,982
<b>Total equity</b>	<b>3,18,622</b>	<b>3,15,027</b>
<b>(2) Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	1,72,453	1,71,916
(ii) Lease liabilities	7,192	8,047
(iii) Other financial liabilities	4,270	4,163
(b) Provisions	4,097	4,114
(c) Deferred tax liability (net)	32,525	30,795
<b>Total non-current liabilities</b>	<b>2,20,537</b>	<b>2,19,035</b>
<b>(3) Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	54,135	35,224
(ii) Lease liabilities	1,840	5,162
(iii) Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	6,366	8,044
- Total outstanding dues of creditors other than micro enterprises and small enterprises	2,40,682	2,07,456
(iv) Other financial liabilities	83,050	80,837
(b) Provisions	13,554	12,479
(c) Current tax liabilities (net)	1,372	1,372
(d) Other current liabilities	13,823	11,454
<b>Total current liabilities</b>	<b>4,14,822</b>	<b>3,62,028</b>
<b>Total equity and liabilities</b>	<b>9,53,981</b>	<b>8,96,090</b>



## CEAT LIMITED

CIN : L25100MH1958PLC011041

Registered Office

RPG House, 463, Dr. Annie Besant Road, Mumbai 400 030.

### Statement of Unaudited Standalone Cash Flow for the six months ended September 30, 2022

(₹ in lakhs)

Particulars	Standalone	
	Six months ended	
	September 30, 2022 Unaudited	September 30, 2021 Unaudited
<b>I CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	4,450	7,675
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Depreciation and amortization expenses	22,649	21,705
Interest income	(717)	(59)
Finance costs	10,818	9,395
Dividend income	(2,202)	-
Provision for obsolescence of stores and spares	-	(50)
Allowance for doubtful debts and advances	82	(121)
Loss on disposal of property, plant and equipment (net)	7	197
Unrealised foreign exchange (gain) / loss (net)	428	(76)
<b>Operating profit before working capital changes</b>	<b>35,515</b>	<b>38,666</b>
<b>Adjustments for :</b>		
Decrease / (Increase) in inventories	(23,489)	(40,301)
Decrease / (Increase) in trade receivables	(6,527)	(9,937)
Decrease / (Increase) in other current assets and other financial assets	(8,071)	(1,839)
Decrease / (Increase) in other non-current assets and other financial assets	(170)	(164)
(Decrease) / Increase in trade payables	30,369	22,767
(Decrease) / Increase in current financial liabilities and other current liabilities	5,250	(626)
(Decrease) / Increase in non-current financial liabilities	-	(90)
(Decrease) / Increase in current provisions	1,963	1,152
(Decrease) / Increase in non-current provisions	(17)	171
<b>Cash flows from operating activities</b>	<b>34,823</b>	<b>9,799</b>
Direct taxes paid (net of refunds)	5,435	(1,462)
<b>Net cash flow generated from operating activities (I)</b>	<b>40,258</b>	<b>8,337</b>
<b>II CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment and intangible assets (including capital work-in progress, intangible assets under development and capital advance)	(46,077)	(46,773)
Withdrawal/(Investment) of margin money deposit with banks	83	-
Changes in other bank balances	(85)	(615)
Investment in subsidiaries & associate	(1)	(240)
Purchase of other non current investments	(350)	(398)
Interest received	109	60
Dividend received	610	-
<b>Net cash flow (used in) investing activities (II)</b>	<b>(45,711)</b>	<b>(47,966)</b>



## CEAT LIMITED

CIN : L25100MH1958PLC011041

Registered Office

RPG House, 463, Dr. Annie Besant Road, Mumbai 400 030.

### Statement of Unaudited Standalone Cash Flow for the six months ended September 30, 2022

(₹ in lakhs)

Particulars	Standalone	
	Six months ended	
	September 30, 2022 Unaudited	September 30, 2021 Unaudited
<b>III CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid	(8,506)	(7,169)
Proceeds of short-term borrowings (net)	13,689	32,235
Proceeds from long-term borrowings	15,434	30,810
Repayment of long-term borrowings	(9,675)	(4,802)
Payment of Lease Liabilities	(4,612)	(5,077)
Dividend paid	(1,228)	(7,395)
<b>Net cash flows generated from financing activities (III)</b>	<b>5,102</b>	<b>38,602</b>
<b>Net increase / (decrease) in cash and cash equivalents (I + II + III)</b>	<b>(351)</b>	<b>(1,027)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>1,300</b>	<b>1,956</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>949</b>	<b>929</b>

**Notes:**

1. The unaudited standalone financial results of the Company for the quarter and six months ended September 30, 2022 have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules thereafter.
2. The above unaudited standalone financial results of the Company for the quarter and six months ended September 30, 2022 have been reviewed by the Audit Committee at its meeting held on November 6, 2022 and thereafter approved by the Board of Directors at its meeting held on November 7, 2022. The statutory auditors have carried out a limited review of these results.
3. Following items form part of exceptional items:
  - a. The Company had introduced a Voluntary Retirement Scheme ('VRS') for its employees. The compensation in respect of employees who opted for VRS aggregated ₹ 2,317 lakhs for the quarter and six months ended September 30, 2022, ₹ 51 lakhs for the quarter and six months ended September 30, 2021 and ₹ 703 lakhs for year ended March 31, 2022 has been disclosed as an exceptional item.
  - 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 ₹ 53 lakhs for the quarter ended September 30, 2022, ₹ 71 lakhs for the quarter ended June 30, 2022, ₹ 124 lakhs for the six months ended September 30, 2022, nil for the quarter and six months ended September 30, 2021 and ₹ 588 lakhs for the quarter and year ended March 31, 2022.
4. The Company has considered the possible effects that may result from the COVID-19 pandemic in the preparation of these financial results including the recoverability of the carrying value of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of COVID-19, the Company has, at the date of approval of these financial results, used internal and external sources of information and expects that the carrying value of the assets will be recovered. The impact of COVID-19 on the Company's standalone financial results may differ from that estimated as at the date of approval of the same.
5. The Competition Commission of India ('CCI') on February 02, 2022 had released its order dated August 31, 2018 on the Company and other Tyre Manufacturers and also the Automotive Tyre Manufacturer Association concerning the contravention of the provisions of the Competition Act, 2002 in the year 2011-12 and imposed a penalty of ₹ 25,216 lakhs on the Company. The Company has filed an appeal against the CCI Order before the Honourable National Company Law Appellate Tribunal (NCLAT). The Company believes that it has a strong case and accordingly no provision is considered in these standalone financial results.
6. Additional disclosures as per regulation 52(4) and 54 of Securities Exchange Board of India (Listing, Obligations and Disclosure Requirements) Regulations, 2015 and relevant amendment rules thereafter:
  - i. The listed non-convertible debentures of the Company aggregating ₹ 25,000 lakhs, as at September 30, 2022, are secured by way of first pari passu charge over movable and immovable fixed assets of the Company situated at Ambarnath. The security cover thereof exceeds 125 percent of the principal amount and interest accrued thereon of the said debentures as at September 30, 2022.
  - ii. The Company has issued 1,500 unsecured non-convertible debentures of face value ₹10 lakhs each aggregating to ₹ 15,000 lakhs on private placement, during the quarter, the issuance being authorised by the Finance and Banking Committee of the Company in its meeting held on September 7, 2022 pursuant to the authority granted by the Board of Directors in its meeting held on July 20, 2022.
  - iii. The commercial papers of the Company, having face value of ₹ 20,000 lakhs, are outstanding and not due for repayment as at September 30, 2022.

iv. Other disclosures:

Sr. No.	Particulars	Quarter ended			Six months ended		Year ended
		30-Sep-22	30-Jun-22	30-Sep-21	30-Sep-22	30-Sep-21	31-Mar-22
(a)	Net profit / (loss) after tax (₹ in lakhs)	2,991	255	3,596	3,246	5,591	5,433
(b)	Earnings per share (of ₹ 10 each) (in ₹) (not annualised except for year ended march)	7.39	0.63	8.89	8.02	13.82	13.43
(c)	Operating margin (%) (EBITDA* / revenue from operations)	7.13	5.86	8.89	6.50	8.84	7.53
(d)	Net profit margin (%) (Net profit / (loss) after tax / revenue from operations)	1.04	0.09	1.48	0.57	1.29	0.58
(e)	Interest service coverage ratio (in times) [(EBITDA* – tax expenses) / interest costs** for the period]	3.44	3.25	4.36	3.35	3.98	3.48
(f)	Debt service coverage ratio (in times) (not annualised except for year ended march) [(EBITDA* – tax expenses) for the period / (interest costs** for the period + current maturities of long-term borrowings as at date)]	0.79	0.87	1.35	1.21	1.86	2.04
(g)	Bad debts to account receivable Ratio (%) (not annualised except for year ended march) (Bad debts for the period / average gross trade receivables)	-	-	-	-	0.02	0.02
(h)	Debtor turnover ratio (in times) (annualised) (Revenue from sale of goods or services / average trade receivables)	9.21	9.31	10.11	9.41	8.69	8.75
(i)	Inventory turnover ratio (in times) (annualised) (Cost of goods sold / average inventories of finished goods, work-in-progress and stock-in trade)	9.33	10.26	9.17	10.00	8.90	10.14
(j)	Capital redemption reserve (₹ in lakhs)	390	390	390	390	390	390
(k)	Net worth (₹ in lakhs) (Equity share capital + other equity)	3,18,622	3,15,156	3,14,723	3,18,622	3,14,723	3,15,027
(l)	Debt / equity ratio (in times) [Debt (debt comprises non-current borrowings and current borrowings) / net worth]	0.71	0.67	0.63	0.71	0.63	0.66
(m)	Current ratio (in times) (Current assets / current liabilities #)	0.72	0.71	0.75	0.72	0.75	0.71
(n)	Current liability ratio (in times) (Current liabilities # / total liabilities)	0.65	0.65	0.65	0.65	0.65	0.62
(o)	Total debts to total assets (in times) [(Non-current borrowings + current borrowings) / total assets]	0.24	0.23	0.23	0.24	0.23	0.23
(p)	Long term debt to working capital (in times) [(Non-current borrowings including current maturities of long-term borrowings) / working capital] (Working capital = current assets - current liabilities #)	##	##	##	##	##	##

\* EBITDA = Earnings before finance costs, tax expenses, depreciation and amortisation expenses, exceptional items and other income.

\*\* Interest costs include interest on borrowings and other finance charges and including interest capitalised.

# Current liabilities include capital creditors and dealer deposit.

## Net working capital is negative.

7. The Company's business activity falls within a single reportable business segment, viz. "Automotive Tyres, Tubes and Flaps".

By order of the Board of CEAT Limited

ANANT  
VARDHAN  
GOENKA

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ANANT VARDHAN  
GOENKA  
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Place: Mumbai  
Date: November 7, 2022

Anant Vardhan Goenka  
Managing Director

# B S R & Co. LLP

Chartered Accountants

14th Floor, Central B Wing and North C Wing,  
Nesco IT Park 4, Nesco Center,  
Western Express Highway, Goregaon (East),  
Mumbai - 400 063, India

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## Limited Review Report on unaudited consolidated financial results of CEAT Limited for the quarter ended 30 September 2022 and year-to-date results for the period from 1 April 2022 to 30 September 2022 pursuant to Regulation 33 and Regulation 52(4) read with Regulation 63 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

### To the Board of Directors of CEAT Limited

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of CEAT Limited ("the Parent"), and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") and its share of the net profit after tax and total comprehensive income of its associate and joint ventures for the quarter ended 30 September 2022 and year-to-date results for the period from 1 April 2022 to 30 September 2022 ("the Statement"), being submitted by the Parent pursuant to the requirements of Regulation 33 and Regulation 52(4) read with Regulation 63 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').
2. This Statement, which is the responsibility of the Parent's management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "*Interim Financial Reporting*" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52(4) read with Regulation 63 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the entities mentioned in Annexure I to the Statement.
5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 8 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52(4) read with Regulation 63 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Registered Office:

## B S R & Co. LLP

6. The consolidated financial statements of the Group for the year ended 31 March 2022 have been audited by the predecessor auditor whose report dated 05 May 2022 had expressed an unmodified opinion. The financial information of the Group for the corresponding quarter ended 30 September 2021 and the corresponding period from 1 April 2021 to 30 September 2021 has been reviewed by the predecessor auditor whose report dated 25 October 2021 had expressed an unmodified opinion.

Our conclusion is not modified in respect of this matter.

7. We did not review the interim financial results of two Subsidiaries included in the Statement, whose interim financial results reflects total assets (before consolidation adjustments) of Rs 11,564 lakhs as at 30 September 2022 and total revenues (before consolidation adjustments) of Rs 52 lakhs and Rs 61 lakhs, total net profit after tax (before consolidation adjustments) of Rs 34 lakhs and Rs 38 lakhs and total comprehensive income (before consolidation adjustments) of Rs 27 lakhs and Rs 24 lakhs, for the quarter ended 30 September 2022 and for the period from 1 April 2022 to 30 September 2022 respectively, and cash outflows (net) of Rs 346 lakhs for the period from 1 April 2022 to 30 September 2022, as considered in the unaudited consolidated financial results. The unaudited consolidated financial results also include the Group's share of net profit after tax of Rs 130 lakhs and Rs 826 lakhs and total comprehensive income Rs 130 lakhs and Rs 826 lakhs, for the quarter ended 30 September 2022 and for the period from 1 April 2022 to 30 September 2022 respectively as considered in the Statement, in respect of four joint ventures, whose financial results have not been reviewed by us. These financial results have been reviewed by other auditors whose reports have been furnished to us by the Parent's management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these joint ventures, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion is not modified in respect of this matter.

8. The Statement includes the interim financial results of five Subsidiaries which have not been reviewed, whose interim financial results reflects total assets (before consolidation adjustments) of Rs 14,220 lakhs as at 30 September 2022 and total revenue (before consolidation adjustments) of Rs 4,000 lakhs and Rs 8,055 lakhs, total net loss after tax (before consolidation adjustments) of Rs 416 lakhs and Rs 555 lakhs and total comprehensive loss (before consolidation adjustments) of Rs 416 lakhs and Rs 555 lakhs for the quarter ended 30 September 2022 and for the period from 1 April 2022 to 30 September 2022 respectively, and cash inflows (net) of Rs 64 lakhs for the period from 1 April 2022 to 30 September 2022, as considered in the Statement. The Statement also includes the Group's share of net loss after tax of Rs 73 lakhs and Rs 135 lakhs and total comprehensive loss of Rs 73 lakhs and Rs 135 lakhs, for the quarter ended 30 September 2022 and for the period from 1 April 2022 to 30 September 2022 respectively as considered in the unaudited consolidated financial results, in respect of one associate, based on its interim financial results which has not been reviewed. According to the information and explanations given to us by the Parent's management, these interim financial results are not material to the Group.

Our conclusion is not modified in respect of this matter.

For **B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No.:101248W/W-100022

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**Sadashiv Shetty**

*Partner*

Mumbai

07 November 2022

Membership No.: 048648

UDIN:22048648BCICPR6902

## Annexure I

List of entities included in unaudited consolidated financial results.

<b>Sr. No</b>	<b>Name of component</b>	<b>Relationship</b>
1	CEAT Limited	Holding Company
2	Associated CEAT Holdings Company (Pvt) Limited	Subsidiary
3	CEAT AKKHAN Limited	Subsidiary
4	Rado Tyres Limited	Subsidiary
5	CEAT Specialty Tires INC	Subsidiary
6	CEAT Specialty Tyres BV	Subsidiary
7	CEAT Auto Components Limited	Subsidiary (incorporated on 20 April 2022)
8	Taabi Mobility Limited	Subsidiary (incorporated on 16 September 2022)
9	TYRESNMORE Online Pvt Limited	Associate
10	CEAT Kelani Holdings (Pvt.) Limited	Joint Venture
11	Associated CEAT (Pvt.) Limited	Joint Venture
12	CEAT Kelani International Tyres (Pvt.) Limited	Joint Venture
13	CEAT Kelani Radials (Pvt.) Limited	Joint Venture



## CEAT LIMITED

CIN : L25100MH1958PLC011041

Registered Office

RPG House, 463, Dr. Annie Besant Road, Mumbai 400 030.

### Statement of Unaudited Consolidated financial results for the quarter and six months ended September 30, 2022

(₹ in lakhs)

Particulars	Consolidated					
	Quarter ended			Six months ended		Year ended
	30-Sep-22 Unaudited	30-Jun-22 Unaudited	30-Sep-21 Unaudited	30-Sep-22 Unaudited	30-Sep-21 Unaudited	31-Mar-22 Audited
<b>1 INCOME</b>						
2 Revenue from operations	2,89,448	2,81,838	2,45,176	5,71,286	4,35,815	9,36,341
3 Other income	977	276	276	1,253	566	1,140
<b>4 Total income [2 + 3]</b>	<b>2,90,425</b>	<b>2,82,114</b>	<b>2,45,452</b>	<b>5,72,539</b>	<b>4,36,381</b>	<b>9,37,481</b>
<b>5 EXPENSES</b>						
a) Cost of materials consumed	2,00,174	2,03,746	1,61,659	4,03,920	2,90,471	6,18,690
b) Purchases of stock-in-trade	909	942	500	1,851	1,583	2,868
c) Changes in inventories of finished goods, work-in-progress and stock-in trade	(5,751)	(12,190)	(7,460)	(17,941)	(20,928)	(18,799)
d) Employee benefits expenses	16,687	17,269	17,187	33,956	34,979	69,380
e) Finance costs	5,772	5,213	4,957	10,985	9,557	20,695
f) Depreciation and amortisation expenses	11,512	11,141	12,062	22,653	21,708	43,520
g) Other expenses	57,115	55,545	51,259	1,12,660	90,965	1,93,223
<b>Total expenses</b>	<b>2,86,418</b>	<b>2,81,666</b>	<b>2,40,164</b>	<b>5,68,084</b>	<b>4,28,335</b>	<b>9,29,577</b>
<b>6 Profit / (Loss) before share of profit of joint venture and associates, exceptional items and tax [4 - 5]</b>	<b>4,007</b>	<b>448</b>	<b>5,288</b>	<b>4,455</b>	<b>8,046</b>	<b>7,904</b>
7 Share of profit from joint ventures and associate	64	608	519	672	1,219	2,875
<b>8 Profit / (Loss) before exceptional items and tax [6 + 7]</b>	<b>4,071</b>	<b>1,056</b>	<b>5,807</b>	<b>5,127</b>	<b>9,265</b>	<b>10,779</b>
9 Exceptional Items (Refer note 3)	2,370	71	51	2,441	51	1,291
<b>10 Profit / (Loss) before tax [8 - 9]</b>	<b>1,701</b>	<b>985</b>	<b>5,756</b>	<b>2,686</b>	<b>9,214</b>	<b>9,488</b>
<b>11 Tax expenses</b>						
a) Current Tax	186	130	492	316	860	(1,197)
b) Deferred tax (credit) / charge	871	(13)	1,036	858	1,821	3,627
<b>12 Profit / (Loss) for the period [10 - 11]</b>	<b>644</b>	<b>868</b>	<b>4,228</b>	<b>1,512</b>	<b>6,533</b>	<b>7,058</b>
Attributable to :						
Owners of the Parent	783	925	4,198	1,708	6,596	7,120
Non-controlling interests	(139)	(57)	30	(196)	(63)	(62)
<b>13 Other comprehensive income</b>						
<b>a) Items that will not be reclassified to profit or loss</b>						
(i) Remeasurement gains / (losses) on defined benefit plans	455	416	(158)	871	(206)	550
(ii) Income tax relating to above	(115)	(105)	39	(220)	51	(141)
<b>b) Items that will be reclassified to profit or loss</b>						
(i) Net movement of cash flow hedges and foreign exchange translation reserve (Refer note 4)	320	(714)	(364)	(394)	598	(4,625)
(ii) Income tax relating to cash flow hedges	(42)	(259)	77	(301)	(30)	14
<b>Total other comprehensive loss for the period</b>	<b>618</b>	<b>(662)</b>	<b>(406)</b>	<b>(44)</b>	<b>413</b>	<b>(4,202)</b>
Attributable to :						
Owners of the Parent	618	(662)	(406)	(44)	413	(4,202)
Non-controlling interests	-	-	-	-	-	-
<b>14 Total Comprehensive Income / (Loss) for the period [Comprising profit / (loss) and other comprehensive loss for the period] [12 + 13]</b>	<b>1,262</b>	<b>206</b>	<b>3,822</b>	<b>1,468</b>	<b>6,946</b>	<b>2,856</b>
Attributable to :						
Owners of the parent	1,401	263	3,792	1,664	7,009	2,918
Non-controlling interests	(139)	(57)	30	(196)	(63)	(62)
15 Paid-up equity share capital (Face value of the Share - ₹ 10 each)	4,045	4,045	4,045	4,045	4,045	4,045
16 Other equity excluding revaluation reserve as shown in the audited balance sheet of the previous year						3,23,236
17 Earnings Per Share (of ₹ 10 each) (not annualised except for year ended March)						
a) Basic ( in ₹ )	1.93	2.29	10.38	4.22	16.31	17.60
b) Diluted ( in ₹ )	1.93	2.29	10.38	4.22	16.31	17.60

**CEAT LIMITED**
**Consolidated Statement of Assets and Liabilities as at September 30, 2022**

(₹ in lakhs)

Particulars	As at September 30, 2022 Unaudited	As at 31, 2022 Audited March
<b>ASSETS</b>		
<b>(1) Non-current assets</b>		
(a) Property, plant and equipment	5,31,985	5,11,729
(b) Capital work-in-progress	90,738	82,927
(c) Right-of-use asset	8,392	12,379
(d) Intangible assets	7,991	8,810
(e) Intangible assets under development	4,482	4,661
(f) Investments accounted using equity method	13,831	17,102
(g) Financial assets		
(i) Investments	1,653	813
(ii) Other financial assets	1,032	1,187
(h) Non current tax assets (net)	1,029	5,855
(i) Deferred tax asset (net)	75	80
(j) Other non-current assets	5,304	6,323
<b>Total non-current assets</b>	<b>6,66,512</b>	<b>6,51,866</b>
<b>(2) Current assets</b>		
(a) Inventories	1,54,489	1,30,956
(b) Financial assets		
(i) Trade receivables	1,22,930	1,15,432
(ii) Cash and cash equivalents	1,744	2,377
(iii) Bank balances other than cash and cash equivalents	3,537	1,254
(iv) Other financial assets	10,094	5,938
(c) Other current assets	11,350	8,119
(d) Assets held-for-sale	98	92
<b>Total current assets</b>	<b>3,04,242</b>	<b>2,64,168</b>
<b>Total assets</b>	<b>9,70,754</b>	<b>9,16,034</b>
<b>EQUITY AND LIABILITIES</b>		
<b>(1) Equity</b>		
(a) Equity share capital	4,045	4,045
(b) Other equity	3,23,236	3,23,236
<b>Equity attributable to equity holders of parent</b>	<b>3,27,281</b>	<b>3,27,281</b>
(c) Non-controlling interest	1,997	2,354
<b>Total equity</b>	<b>3,29,278</b>	<b>3,29,635</b>
<b>(2) Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	1,72,453	1,71,916
(ii) Lease liabilities	7,192	8,047
(iii) Other financial liabilities	4,270	4,163
(b) Provisions	4,154	4,168
(c) Deferred tax liability (net)	33,154	31,769
<b>Total non-current liabilities</b>	<b>2,21,223</b>	<b>2,20,063</b>
<b>(3) Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	57,769	37,762
(ii) Lease liabilities	1,840	5,162
(iii) Trade payables	2,47,183	2,15,758
(iv) Other financial liabilities	83,658	81,464
(b) Provisions	13,706	12,633
(c) Current tax liabilities (net)	2,211	1,969
(d) Other current liabilities	13,886	11,588
<b>Total current liabilities</b>	<b>4,20,253</b>	<b>3,66,336</b>
<b>Total equity and liabilities</b>	<b>9,70,754</b>	<b>9,16,034</b>

CEAT Limited  
Consolidated Statement of Cash Flow for six months ended September 30, 2022

(₹ in lakhs)

Particulars	30-Sep-22	30-Sep-21
<b>I Cash Flow From Operating Activities</b>		
Profit before tax and excluding share of profit / (loss) of associate and joint ventures	2,014	7,991
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Depreciation and amortization expenses	22,653	21,708
Interest income	(781)	(69)
Finance costs	10,985	9,557
Provision for obsolescence of stores and spares	-	(50)
Allowance for doubtful debts and advances	82	(121)
Loss on sale of property, plant and equipment (net)	7	197
Unrealised foreign exchange (gain) / loss (net)	428	(76)
Foreign Currency Translation Reserve on Consolidation	(552)	479
<b>Operating profit before working capital changes</b>	<b>34,836</b>	<b>39,616</b>
<b>Adjustments for :</b>		
Decrease / (Increase) in inventories	(23,533)	(40,275)
Decrease / (Increase) in trade receivables	(7,154)	(10,998)
Decrease / (Increase) in other current assets and other financial assets	(7,360)	(2,578)
Decrease / (Increase) in non-current asset and other financial assets	(153)	(168)
(Decrease) / Increase in trade payables	30,262	22,613
(Decrease) / Increase in current financial liabilities and other current liabilities	5,004	(279)
(Decrease) / Increase in non-current financial liabilities	-	(90)
(Decrease) / Increase in current provisions	1,944	1,171
(Decrease) / Increase in non-current provisions	(14)	171
<b>Cash flows from operating activities</b>	<b>33,832</b>	<b>9,183</b>
Direct taxes paid (net of refunds)	4,763	(1,464)
<b>Net cash flow generated from operating activities (I)</b>	<b>38,595</b>	<b>7,719</b>
<b>II Cash Flow From Investing Activities</b>		
Purchase of property, plant and equipment and intangible assets (including capital work-in progress, intangible assets under development and capital advance)	(45,426)	(46,656)
Withdrawal of margin money deposit with banks	83	(1)
Changes in other bank balances	(2,283)	(2,128)
Purchase of non current investments	-	(398)
Investment in associate	(350)	1,086
Dividend received from Joint Ventures	1,906	-
Interest received	777	65
<b>Net cash flow (used in) investing activities (II)</b>	<b>(45,293)</b>	<b>(48,032)</b>
<b>III Cash Flow From Financing Activities</b>		
Interest paid	(8,677)	(7,332)
Proceeds / (repayment) of short term borrowings (net)	14,786	32,622
Proceeds from long-term borrowings	15,434	30,811
Repayment of long-term borrowings	(9,675)	(4,802)
Payment of lease liabilities	(4,612)	(5,077)
Dividend paid	(1,191)	(7,395)
<b>Net cash flow (used in) / generated from financing activities (III)</b>	<b>6,065</b>	<b>38,827</b>
<b>Net increase / (decrease) in cash and cash equivalents (I + II + III)</b>	<b>(633)</b>	<b>(1,486)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>2,377</b>	<b>3,609</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>1,744</b>	<b>2,123</b>

**Notes:**

1. The unaudited consolidated financial results of CEAT Ltd ("the Company" or "the Parent") and its subsidiaries ("the Group"), together with its associate and joint ventures for the quarter and six months ended September 30, 2022, have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules thereafter.
2. The above unaudited consolidated financial results of the Group for the quarter and six months ended September 30, 2022 have been reviewed by the Audit Committee at its meeting held on November 6, 2022 and thereafter approved by the Board of Directors at its meeting held on November 7, 2022. The statutory auditors have carried out a limited review of these results.
3. Following items form part of exceptional items:
  - a. The Company had introduced a Voluntary Retirement Scheme ('VRS') for its employees. The compensation in respect of employees who opted for VRS aggregated ₹ 2,317 lakhs for the quarter and six months ended September 30, 2022, ₹ 51 lakhs for the quarter and six months ended September 30, 2021 and ₹ 703 lakhs for year ended March 31, 2022 has been disclosed as an exceptional item.
  - 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 ₹ 53 lakhs for the quarter ended September 30, 2022, ₹ 71 lakhs for the quarter ended June 30, 2022, ₹ 124 lakhs for the six months ended September 30, 2022, nil for the quarter and six months ended September 30, 2021 and ₹ 588 lakhs for the quarter and year ended March 31, 2022.
4. On account of currency devaluation in Sri Lanka, there is a remeasurement loss on consolidating the Sri Lankan subsidiary Associated CEAT Holdings Company (Pvt.) Limited aggregating to ₹ 1,341 lakhs for six months ended September 30, 2022 and ₹ 4,949 lakhs for the year ended March 31, 2022. The same has been disclosed under Other Comprehensive Income.
5. The Group has considered the possible effects that may result from the COVID-19 pandemic in the preparation of these financial results including the recoverability of the carrying value of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of COVID-19, the Group has, at the date of approval of these financial results, used internal and external sources of information and expects that the carrying value of the assets will be recovered. The impact of COVID-19 on the Group's consolidated financial results may differ from that estimated as at the date of approval of the same.
6. The Competition Commission of India ('CCI') on February 02, 2022 had released its order dated August 31, 2018 on the Company and other Tyre Manufacturers and also the Automotive Tyre Manufacturer Association concerning the contravention of the provisions of the Competition Act 2002, during the year 2011-12 and imposed a penalty of ₹ 25,216 lakhs on the Company. The Company has filed an appeal against the CCI Order before the Honourable National Company Law Appellate Tribunal (NCLAT). The Company believes that it has a strong case and accordingly no provision is considered in these consolidated financial results.
7. Additional disclosures as per regulation 52(4) and 54 of Securities Exchange Board of India (Listing, Obligations and Disclosure Requirements) Regulations, 2015 and relevant amendment rules thereafter:
  - i. The listed non-convertible debentures of the Company aggregating ₹ 25,000 lakhs, as at September 30, 2022, are secured by way of first pari passu charge over movable and immovable fixed assets of the Group situated at Ambarnath. The security cover thereof exceeds 125 percent of the principal amount and interest accrued thereon of the said debentures as at September 30, 2022.
  - ii. The Company has issued 1,500 unsecured non-convertible debentures of face value ₹10 lakhs each aggregating to ₹ 15,000 lakhs on private placement, during the quarter, the issuance being authorised by the Finance and Banking Committee of the Company in its meeting held on September 7, 2022 pursuant to the authority granted by the Board of Directors in its meeting held on July 20, 2022.
  - iii. The commercial papers of the Company, having face value of ₹ 20,000 lakhs, are outstanding and not due for repayment as at September 30, 2022.

iv. Other disclosures:

Sr. No.	Particulars	Quarter ended			Six months ended		Year ended
		30-Sep-22	30-Jun-22	30-Sep-21	30-Sep-22	30-Sep-21	31-Mar-22
(a)	Net Profit / (Loss) after tax (₹ in lakhs)	644	868	4,228	1,512	6,533	7,058
(b)	Earnings Per Share (of ₹ 10 each) (in ₹) (not annualised except for year ended March)	1.93	2.29	10.38	4.22	16.31	17.60
(c)	Operating Margin (%) (EBITDA * / Revenue from operations)	7.04	6.08	9.20	6.57	9.17	7.89
(d)	Net Profit Margin (%) [Net Profit / (Loss) after tax / Revenue from operations]	0.22	0.31	1.72	0.26	1.50	0.75
(e)	Interest Service Coverage Ratio (in times) [(EBITDA * – Tax expenses) / Interest costs ** for the period]	3.76	3.34	4.43	3.18	4.02	3.61
(f)	Debt Service Coverage Ratio (in times) (not annualised except for year ended March) [(EBITDA * – Tax expenses) for the period / (Interest costs ** for the period + Current maturities of long-term borrowings as at date)]	0.80	0.90	1.39	1.19	1.90	2.13
(g)	Bad debts to Account receivable Ratio (%) (not annualised except for year ended March) (Bad debts for the period / Average gross trade receivables)	-	-	-	-	0.02	0.02
(h)	Debtor turnover ratio (in times) (annualised) (Revenue from sale of goods or services / average trade receivables)	9.19	9.33	10.10	9.41	8.72	8.80
(i)	Inventory turnover ratio (in times) (annualised) (Cost of goods sold / average inventories of finished goods, work-in-progress and stock-in trade)	9.11	10.02	8.96	9.73	8.70	9.83
(j)	Capital redemption reserve (₹ in lakhs)	390	390	390	390	390	390
(k)	Net worth (₹ in lakhs) (Equity share capital + other equity)	3,27,281	3,25,896	3,31,365	3,27,281	3,31,365	3,27,281
(l)	Debt / equity ratio (in times) [Debt (debt comprises non-current borrowings and current borrowings) / net worth]	0.70	0.66	0.60	0.70	0.60	0.64
(m)	Current ratio (in times) (Current assets / (current liabilities #))	0.72	0.72	0.76	0.72	0.76	0.72
(n)	Current liability ratio (in times) (Current liabilities # / total liabilities)	0.66	0.65	0.65	0.66	0.65	0.62
(o)	Total debts to total assets (in times) [(Non-current borrowings + current borrowings) / total assets]	0.24	0.22	0.22	0.24	0.22	0.23
(p)	Long term debt to working capital (in times) [(Non-current borrowings including current maturities of long-term borrowings) / working capital] (Working capital = current assets - current liabilities #)	##	##	##	##	##	##

\* EBITDA = Earnings before finance costs, tax expenses, depreciation and amortisation expenses, exceptional items and other income

\*\* Interest costs include interest on borrowings and other financial charges, including interest capitalised.

# Current liabilities includes capital creditors and dealer deposits.

## Net working capital is negative.

8. The Group's business activity falls within a single reportable business segment, viz. "Automotive Tyres, Tubes and Flaps".

9. The Standalone results are available on Company's website viz, www.ceat.com and on website of BSE (www.bseindia.com) and NSE (www.nseindia.com). Key Standalone financial information is given below.

(₹ in lakhs)

Particulars	Quarter ended			Six months ended		Year ended
	30-Sep-22 Unaudited	30-Jun-22 Unaudited	30-Sep-21 Unaudited	30-Sep-22 Unaudited	30-Sep-21 Unaudited	31-Mar-22 Audited
Revenue from operations	2,88,637	2,80,308	2,43,232	5,68,945	4,33,008	9,31,263
Profit / (Loss) before tax	4,101	349	4,908	4,450	7,675	7,724
Profit / (Loss) for the period	2,991	255	3,596	3,246	5,591	5,433

By order of the Board

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GOENKA

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Date: 2022.11.07  
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Place: Mumbai  
Date: November 7, 2022

Anant Vardhan Goenka  
Managing Director

**Private and confidential**

The Board of Directors  
CEAT Limited  
463, Dr. Annie Besant Road, Worli  
Mumbai 400030  
India

7 November 2022

**Independent Auditor's Certificate on Security Coverage of CEAT Limited pursuant to Regulation 54(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) for listed Non-Convertible debt securities as at 30 September 2022**

1. This certificate is being issued with the terms of our original engagement letter to the Board of Directors dated 7 September 2022 and addendum to the original agreement dated 7 November 2022.
2. The Management of CEAT Limited (herein after referred as "the Company") has prepared and compiled the accompanying Statement on calculation of Security Coverage Ratio as at 30 September 2022 (hereinafter referred as "the Statement"). We have been requested by the management of the Company to examine the details in Column F ('Book value of the assets shared by pari passu debt holder (includes debt for which this certificate is issued & other debt with pari passu charge)') of the Statement and that the Security Coverage Ratio (based on book value) mentioned in the Statement is more than 1.25 times of the Principal and Interest value of the NCD as at and for half year ended 30 September 2022 are as per the Debenture Trust Deed between the Company and Vistra ITCL (India) Limited ("Debenture Trustee"), dated 29 December 2020 (herein after referred as "the Deed"), unaudited books of account and other relevant records and documents maintained by the Company as at and for the half year ended 30 September 2022 in respect of 2500 Rated, Secured, Listed, Redeemable, Non-convertible debentures of a face Value of INR 1,000,000 each (herein after referred as "the NCD") issued on private placement securities in compliance with the Regulation 54(3) of the Security and Exchange Board of India (SEBI) Listing Obligations And Disclosure Requirements (LODR) Regulations, 2015 (as amended) read with SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_CRADT/CIR/P/2022/67, dated 19 May 2022 (herein after cumulatively referred as "the Regulations").
3. The certificate is required by the Company for onward submission to National Stock Exchange of India Limited (NSE), Bombay Stock Exchange Limited (BSE) in respect of its Tranche 1 of 6.40% 1500 Rated, Secured, Listed, Redeemable, Non-convertible debentures of a face value of INR 1,000,000 each aggregating to INR 15,000 Lakhs and Tranche 2 of 7% 1000 Rated, Secured, Listed, Redeemable, Non-convertible debentures of face Value of INR 1,000,000 each aggregating to INR 10,000 Lakhs.



**Independent Auditor's Certificate on Security Coverage of CEAT Limited pursuant to Regulation 54(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) for listed Non-Convertible debt securities as at 30 September 2022 (Continued)**

**Management's Responsibility**

4. The preparation of the Statement is the responsibility of the management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation.
5. The Management of the Company is also responsible for ensuring that the Company complies with the requirements of the SEBI LODR Regulations and for providing all relevant information to the Debenture Trustee, including, amongst others, maintaining Security Coverage Ratio.

**Auditor's Responsibility**

6. Pursuant to the requirements of the Regulations, it is our responsibility to provide limited assurance on whether the book Value mentioned in Column F of the Statement that forms part of calculation of Security Coverage Ratio (based on book value) have been accurately extracted from the unaudited books of account and other relevant records and documents maintained by the Company as at and for the half year ended 30 September 2022 and that the computation of Security Coverage Ratio is arithmetically correct.
7. We have verified the arithmetical accuracy of the Security Coverage Ratio (based on book value) mentioned in the Statement is more than 1.25 times of the Principal and Interest value of the NCD as at and for half year ended 30 September 2022.
8. Obtained the Deed and noted that as per Clause 5.1 (A) thereof, the Company is required to create security in respect of the NCD by a first pari passu charge by way of mortgage of all immovable fixed assets (leasehold) and by way of hypothecation of all movable fixed assets located at Ambernath Plant of the Company at Jambivali, Ambernath in the State of Maharashtra, both present and future in the form and manner satisfactory to the Debenture Trustee.
9. The Market Value mentioned in the Statement has been updated by the management of the Company. We have not performed any independent procedure in this regard. Our procedures are restricted to the details mentioned in Para 6 and 7 above with respect to calculation of Security Coverage Ratio based on the book value of assets extracted from the unaudited books of account and other relevant records and documents maintained by the Company as at and for the half year ended 30 September 2022.



CEAT Limited

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**Independent Auditor's Certificate on Security Coverage of CEAT Limited pursuant to Regulation 54(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) for listed Non-Convertible debt securities as at 30 September 2022 (Continued)**

10. We conducted our examination of the Statement in accordance with the "Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)" (referred as 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
11. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements.

**Opinion**

12. Based on our examination of the unaudited books of account and according to the information and explanations provided to us by the management of the Company, nothing has come to our attention that causes us to believe that the Security Coverage Ratio calculated based on the book value mentioned in Column F of the Statement is less than 1.25 times of the Principal and Interest value of the NCD as at and for half year ended 30 September 2022, read with notes thereon and are not in agreement with the unaudited books of account and other relevant records and documents maintained by the Company as at and for the half year ended 30 September 2022.

**Restriction on Use**

13. This certificate has been issued at the request of the Company, solely for the purpose as set forth in the paragraph 2 of this certificate. It should not be used by any other person or for any other purpose. This certificate relates only to the Statement specified above and does not extend to any financial information of the Company or other information. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this certificate for events and circumstances occurring after the date of this certificate.

For **BSR & Co. LLP**  
*Chartered Accountants*

Firm's Registration No: 101248W/ W100022



**Sadashiv Shetty**  
*Partner*

**Mumbai**  
7 November 2022

Membership No: 048648  
UDIN No: 22048648BCIWKF4768

**Statement on calculation of Security Cover Ratio ('the Statement')**  
(To be read with Independent Auditor's Certificate dated 7 November 2022)

In INR Lacs

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column O	Column P
Particulars	Description of asset for which this certificate relate	Exclusive Charge	Exclusive Charge	Parl- Passu Charge	Parl- Passu Charge	Parl- Passu Charge	Assets not offered as Security	Debt not backed by any assets offered as security	Elimination (amount in negative)	(Total C to H)	Related to only those items covered by this certificate				
		Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by parl passu debt holder (includes debt for which this certificate is issued & other debt with parl passu charge)	Other assets on which there is parl- Passu charge (excluding items covered in column F)			debt amount considered more than once (due to exclusive plus parl passu charge)		Market Value for Assets charged on Exclusive basis	Carrying /book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Market Value for Parl passu charge Assets will	Carrying value/book value for parl passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Total Value (=L+M+N+O)
		Book Value	Book Value	Yes / No	Book Value	Book Value								Relating to Column F	
<b>ASSETS</b>															
Property, Plant and Equipment	First Charge over immovable and movable fixed assets of the Company both present and future located at the Company's plant in Ambarnath (refer foot note 1 and 3)			Yes	57,228		4,74,739			5,31,967	11,265			52,387	63,652
Capital Progress Work-in-				Yes	7,307		77,261			84,568				7,307	7,307
Right of Use Assets							8,392			8,392					
Goodwill															
Intangible Assets				Yes	642		7,348			7,990				642	642
Intangible Assets under Development				Yes	11		4,471			4,482				11	11
Investments							12,953			12,953					
Loans															
Inventories							1,52,140			1,52,140					
Trade Receivables							1,22,158			1,22,158					
Cash and Cash Equivalents							949			949					
Bank Balances other than Cash and Cash Equivalents							437			437					
Others							27,945			27,945					
<b>Total</b>					<b>65,188</b>		<b>8,88,794</b>			<b>9,53,981</b>	<b>11,265</b>			<b>60,347</b>	<b>71,612</b>



**Statement on calculation of Security Cover Ratio ("the Statement")**  
 (To be read with Independent Auditor's Certificate dated 7 November 2022)

In INR Lacs

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column O	Column P
Particulars	Description of asset for which this certificate relate	Exclusive Charge	Exclusive Charge	Pari- Passu Charge	Pari- Passu Charge	Pari- Passu Charge	Assets not offered as Security	Debt not backed by any assets offered as security	Elimination (amount in negative)	(Total C to H)	Related to only those items covered by this certificate				Total Value (-I+M+N+O)
		Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by pari passu debt holder (includes debt for which this certificate is issued & other debt with pari passu charge)	Other assets on which there is pari- Passu charge (excluding items covered in column F)			debt amount considered more than once (due to exclusive plus pari passu charge)		Market Value for Assets charged on Exclusive basis	Carrying /book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Market Value for Pari passu charge Assets will	Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	
		Book Value	Book Value	Yes / No	Book Value	Book Value			Relating to Column F						
<b>LIABILITIES</b>															
Debt securities to which this certificate pertains (Refer foot note 2)					26,621					26,621					
Other debt sharing pari-passu charge with above debt		Not to be filled													
Other Debt (Refer foot note 2)								15,039		15,039					
Subordinated debt															
Borrowings															
Bank															
Debt Securities															
Others															
Trade payables															
Lease Liabilities															
Provisions															
Others															
<b>Total</b>					<b>26,621</b>			<b>15,039</b>		<b>41,660</b>					
<b>Cover on Book Value</b>					<b>2.45</b>										
<b>Cover on Market Value</b>					<b>2.69</b>										
		<b>Exclusive Security Cover Ratio</b>				<b>Pari-Passu Security Cover Ratio</b>									

**Notes:**

- 1) Provided as security against two tranche of NCD - 1st tranche amounting to INR 15,000 Lakhs and 2nd tranche of INR 10,000 Lakhs.
- 2) Includes Interest accrued on NCD amounting to INR 1,621 lakhs and INR 39 Lakhs on other debts.
- 3) The Market Value mentioned in the table above has been updated by the management of the Company. The Statutory Auditors have not performed any independent procedure in this regard.
- 4) The Statutory Auditors are only responsible to certify the Security Coverage Ratio calculated based on the book value of assets mentioned in Column F above is in agreement with the unaudited books of account and other relevant records and documents maintained by the Company as at and for the half year ended 30 September 2022.

For CEAT Limited  
  
 Mr. Sanjay Bhatia  
 Authorised Signatory

Mrs. Vaibhav Gupte  
 Company Secretary



Place: Mumbai  
 Date: November 07, 2022