

Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Consolidated Financial Results of the Company Pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

**Review Report to
The Board of Directors
CEAT Limited**

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of CEAT Limited (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and joint ventures for the quarter ended September 30, 2020 and year to date from April 01, 2020 to September 30, 2020 (the "Statement") attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. 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. 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 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 No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 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 following entities:

Name of the entity	Relationship
CEAT Limited	Holding Company
Associated CEAT Holdings Company (Pvt.) Limited	Subsidiary
CEAT AKKHAN Limited	Subsidiary
RADO Tyres Limited	Subsidiary
CEAT Specialty Tyres B.V	Subsidiary
CEAT Specialty Tires Inc.	Subsidiary
Tyresnmore Online Private Limited	Associate
Greenzest Solar Private Limited	Associate
CEAT Kelani Holdings (Pvt.) Limited	Joint Venture
Associated CEAT (Pvt.) Limited	Joint Venture
CEAT Kelani International Tyres (Pvt.) Limited	Joint Venture
CEAT Kelani Radials (Pvt.) Limited	Joint Venture
Asian Tyres (Pvt.) Limited	Joint Venture

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 other auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. The accompanying Statement includes the unaudited interim financial results and other financial information, in respect of:

- Three subsidiaries, whose unaudited interim financial results reflect total assets of Rs. 28,830 lacs as at September 30, 2020, total revenues of Rs. 3,104 lacs and Rs. 4,826 lacs, total net profit after tax of Rs. 86 lacs and total net loss after tax of Rs. 76 lacs, total comprehensive income of Rs. 86 lacs and total comprehensive loss of Rs. 76 lacs, each for the quarter ended September 30, 2020 and the period ended on that date respectively, and net cash inflows of Rs. 405 lacs for the period from April 01, 2020 to September 30, 2020, as considered in the Statement which have been reviewed by their respective independent auditors.
- One associate and five joint ventures, whose unaudited interim financial results include Group's share of net profit of Rs. 1,334 lacs and Rs. 1,682 lacs and Group's share of total comprehensive income of Rs. 1,331 lacs and Rs. 1,678 lacs each for the quarter ended September 30, 2020 and for the period from April 01, 2020 to September 30, 2020 respectively, as considered in the Statement whose interim financial results and other financial information have been reviewed by their respective independent auditors.

The independent auditor's reports on interim financial results of these entities have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures in respect of these subsidiaries, joint ventures and an associate is based solely on the report of such auditors and procedures performed by us as stated in paragraph 3 above.

7. The accompanying Statement includes unaudited interim financial results and other financial information in respect of an associate, whose interim financial results includes the Group's share of net loss of Rs. 3 lacs and Group's share of total comprehensive loss of Rs. 3 lacs for the quarter and period ended September 30, 2020.

The unaudited interim financial results and other financial information of this associate have not been audited or reviewed by its auditor, and have been approved and furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the affairs of this associate, is based solely on such unaudited interim financial results and other unaudited financial information. According to the information and explanations given to us by the Management, these interim financial results are not material to the Group.

Our conclusion on the Statement in respect of matters stated in paragraph 6 and 7 above, is not modified with respect to our reliance on the work done and the reports of the other auditors and the financial results certified by the Management.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm registration number: 324982E/E300003

Vinayak Shriram
Pujare
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per Vinayak Pujare

Partner

Membership No.: 101143

UDIN: 20101143AAAAEB2218

Place: Mumbai

Date: October 27, 2020



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, 2020

(₹ in lacs)

Particulars	Consolidated					
	Quarter ended			Six months ended		Year ended
	30-Sep-20 Unaudited	30-Jun-20 Unaudited	30-Sep-19 Unaudited	30-Sep-20 Unaudited	30-Sep-19 Unaudited	31-Mar-20 Audited
1 INCOME						
2 Revenue from operations	1,97,847	1,12,016	1,69,155	3,09,863	3,44,365	6,77,883
3 Other Income	377	282	425	659	1,620	2,051
4 Total Income [2+3]	1,98,224	1,12,298	1,69,580	3,10,522	3,45,985	6,79,934
5 EXPENSES						
a) Cost of materials consumed	1,05,157	45,700	97,140	1,50,857	1,93,789	3,87,296
b) Purchases of stock-in-trade	1,164	51	520	1,215	2,107	3,583
c) Changes in inventories of finished goods, work-in-progress and stock-in trade	(405)	21,176	1,903	20,771	9,623	629
d) Employee benefits expenses	16,097	15,125	12,136	31,222	25,573	54,177
e) Finance costs	4,496	4,878	3,740	9,374	7,228	15,093
f) Depreciation and amortisation expenses	8,392	7,854	6,707	16,246	13,149	27,651
g) Other expenses	46,588	19,763	40,419	66,351	79,523	1,59,814
Total expenses	1,81,489	1,14,547	1,62,565	2,96,036	3,30,992	6,48,243
6 Profit / (Loss) before share of profit of joint ventures and associates, exceptional items and tax [4-5]	16,735	(2,249)	7,015	14,486	14,993	31,691
7 Share of profit from joint ventures and associates	1,331	348	482	1,679	1,006	1,722
8 Profit / (Loss) before exceptional items and tax [6+7]	18,066	(1,901)	7,497	16,165	15,999	33,413
9 Exceptional items (Refer note 3)	-	2,179	81	2,179	141	2,984
10 Profit / (Loss) before tax [8-9]	18,066	(4,080)	7,416	13,986	15,858	30,429
11 Tax expenses						
a) Current tax (Refer note 4)	1,804	47	1,599	1,851	3,539	7,932
b) Deferred tax charge/ (credit) (Refer note 4)	(1,956)	(603)	1,453	(2,559)	(265)	(509)
12 Profit / (Loss) for the period [10-11]	18,218	(3,524)	4,364	14,694	12,584	23,006
Attributable to :						
Owners of the parent	18,186	(3,476)	4,398	14,710	12,658	23,125
Non-controlling interests	32	(48)	(34)	(16)	(74)	(119)
13 Other comprehensive income						
a) (i) Items that will not be reclassified to profit or loss	401	(420)	178	(19)	(420)	(734)
(ii) Income tax relating to above	(138)	144	(71)	6	143	245
b) (i) Items that will be reclassified to profit or loss	(1,750)	545	901	(1,205)	2,243	4,369
(ii) Income tax relating to above	408	(18)	(204)	390	(749)	(1,347)
Total other comprehensive income / (Loss) for the period	(1,079)	251	804	(828)	1,217	2,533
Attributable to :						
Owners of the parent	(1,079)	251	804	(828)	1,217	2,533
Non-controlling interests	-	-	-	-	-	-
14 Total Comprehensive Income / (Loss) for the period (Comprising profit and other comprehensive income / (Loss) for the period) [12+13]	17,139	(3,273)	5,168	13,866	13,801	25,539
Attributable to :						
Owners of the parent	17,107	(3,225)	5,202	13,882	13,875	25,658
Non-controlling interests	32	(48)	(34)	(16)	(74)	(119)
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						2,86,747
17 Earnings per share (of ₹ 10 each) (not annualised except for year ended March)						
a) Basic (in ₹)	44.96	(8.59)	10.87	36.37	31.29	57.17
b) Diluted (in ₹)	44.96	(8.59)	10.87	36.37	31.29	57.17

CEAT LIMITED
Consolidated Statement of Assets and Liabilities as at September 30, 2020

(₹ in lacs)

Particulars	As at September 30, 2020	As at March 31, 2020
	Unaudited	Audited
ASSETS		
(1) Non-current assets		
(a) Property, plant and equipment	4,07,985	3,95,776
(b) Capital work-in-progress	1,01,242	1,05,073
(c) Right-of-use asset	13,273	10,185
(d) Intangible assets	10,573	10,018
(e) Intangible assets under development	1,531	1,781
(f) Investments accounted using equity method	19,615	17,941
(g) Financial assets		
(i) Investments	402	424
(ii) Loans	738	473
(iii) Other financial assets	141	481
(g) Non current tax assets (net)	1,952	1,725
(h) Deferred tax asset (net)	61	68
(i) Other non-current assets	8,393	8,421
Total non-current assets	5,65,906	5,52,366
(2) Current assets		
(a) Inventories	83,290	92,569
(b) Financial assets		
(i) Trade receivables	80,449	67,435
(ii) Cash and cash equivalents	12,566	2,740
(iii) Bank balances other than cash and cash equivalents	1,157	681
(iv) Loans	41	95
(v) Other financial assets	2,536	3,136
(c) Other current assets	12,568	15,796
(d) Assets held-for-sale	329	475
Total current assets	1,92,936	1,82,927
Total assets	7,58,842	7,35,293
EQUITY AND LIABILITIES		
(1) Equity		
(a) Equity share capital	4,045	4,045
(b) Other equity	3,00,590	2,86,747
Equity attributable to equity holders of parent	3,04,635	2,90,792
(c) Non-controlling interest	2,315	2,365
Total equity	3,06,950	2,93,157
(2) Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	1,49,508	1,64,078
(ii) Lease liabilities	9,026	6,375
(iii) Other financial liabilities	2,974	10,072
(b) Provisions	4,393	4,035
(c) Deferred tax liability (net)	24,479	27,439
Total non-current liabilities	1,90,380	2,11,999
(3) Current liabilities		
(a) Financial liabilities		
(i) Borrowings	16,793	23,645
(ii) Lease liabilities	4,884	4,226
(iii) Trade payables	1,33,544	1,19,476
(iv) Other financial liabilities #	80,765	61,985
(c) Provisions	11,681	12,319
(d) Current tax liabilities (net)	2,001	1,980
(e) Other current liabilities	11,844	6,506
Total current liabilities	2,61,512	2,30,137
Total equity and liabilities	7,58,842	7,35,293

Includes current maturities of long term borrowings ₹ 14,412 lacs (March 31, 2020: ₹ 5,181 lacs)



CEAT LIMITED

CIN : L25100MH1958PLC011041

Registered Office

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

Statement of Unaudited consolidated Cash Flow for the six months ended September 30, 2020

(₹ in lacs)

Particulars	Consolidated	
	Six Months Ended	
	30-Sep-20 Unaudited	30-Sep-19 Unaudited
A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax and excluding share of profit / (loss) of associate and joint venture	12,307	14,852
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortization expenses	16,246	13,149
Interest income	(172)	(449)
Finance costs	9,374	7,228
Provision for obsolescence of stores and spares	372	100
Allowance for doubtful debts and advances	172	96
Credit balances written back	(35)	(159)
Bad debts and advances written off (net)	(1)	(698)
(Profit) / Loss on disposal of property, plant and equipment (net)	101	-
Unrealised foreign exchange (gain) / loss (net)	(6)	(101)
Net gain on disposal of investments	-	(4)
Foreign Currency Translation Reserve on Consolidation	(74)	(170)
Operating profit before working capital changes	38,284	33,844
Adjustments for :		
Decrease / (Increase) in inventories	8,907	16,009
Decrease / (Increase) in trade receivables	(13,528)	(3,534)
Decrease / (Increase) in current loans, other current assets and other financial assets	4,611	2,451
Decrease / (Increase) in non-current loans, other non-current assets and other financial assets	(1,021)	(226)
(Decrease) / Increase in trade payables	14,487	(6,985)
(Decrease) / Increase in current financial liabilities and other current liabilities	10,464	1,123
(Decrease) / Increase in non-current financial liabilities and deferred revenue	34	93
(Decrease) / Increase in current provisions	(656)	1,856
(Decrease) / Increase in non-current provisions	358	247
Cash flows from operating activities	61,940	44,878
Direct taxes paid (net of refunds)	(2,056)	2,633
Net cash flow generated from operating activities (A)	59,884	47,511
B) 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)	(27,005)	(64,985)
Proceeds from sale of property, plant and equipment	2,798	-
Withdrawal/(Investment) in bank deposits	(489)	20
Withdrawal/(Investment) of margin money deposit with banks	12	(27)
Changes in other bank balances	13	(43)
Purchase of non current investments	-	(400)
Investment in Joint Venture and Associate	(598)	(299)
Dividend received from Joint Venture	588	1,005
Proceeds from sale of investments (net)	-	4
Interest received	259	3,049
Net cash flow (used in) investing activities (B)	(24,422)	(61,676)



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Statement of Unaudited consolidated Cash Flow for the six months ended September 30, 2020

(₹ in lacs)

Particulars	Consolidated	
	Six Months Ended	
	30-Sep-20 Unaudited	30-Sep-19 Unaudited
C) CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(10,673)	(10,113)
Change in other short-term borrowings (net)	(6,852)	20,893
Proceeds from short-term buyers credit	-	922
Proceeds from long-term borrowings	-	15,828
Repayment of long-term borrowings	(5,338)	(168)
Repayment of long-term buyers credit	-	(2,962)
Payment of Lease Liabilities	(2,769)	(2,183)
Dividend paid	(4)	(4,854)
Dividend distribution tax paid	-	(791)
Net cash flows (used in) / generated from financing activities (C)	(25,636)	16,572
Net increase / (decrease) in cash and cash equivalents (A+B+C)	9,826	2,407
Cash and cash equivalents at the beginning of the year	2,740	6,755
Cash and cash equivalents at the end of the year	12,566	9,162

Notes:

1. The unaudited consolidated financial results of CEAT Ltd and its subsidiaries ("the Group"), together with its associates and joint ventures for the quarter and six months ended September 30, 2020 has 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, as amended.
2. The above unaudited consolidated financial results of the Group for the quarter and six months ended September 30, 2020 have been reviewed by the Audit Committee at their meeting held on October 26, 2020 and thereafter approved by the Board of Directors at their meeting held on October 27, 2020. The statutory auditors have carried out a limited review of these results.
3. The Group had introduced a Voluntary Retirement Scheme ('VRS') for its employees. The compensation in respect of employees who opted for VRS aggregated ₹ 18 lacs for quarter year ended June 30, 2020, ₹ 81 lacs for quarter ended September 30, 2019, ₹ 18 lacs for six months ended September 30, 2020, ₹ 141 lacs for six months ended September 30, 2019 and ₹ 1,390 lacs for year ended March 31, 2020, has been disclosed as an exceptional Item. Further, exceptional items also include ₹ 150 Lacs pertaining to estimated loss due to fire at one of the Company's manufacturing facility for six months ended September 30, 2020.

Exceptional items also includes expenses recognized towards unusable Semi Finished Inventory and Raw Materials due to abrupt stoppage of facilities, borrowing costs not capitalized due to suspension of ongoing capital projects, contract manpower costs and detention charges (for the period attributable to the COVID-19) aggregating ₹ 2,011 lacs for quarter year ended June 30, 2020, ₹ 2,011 lacs for the six months ended September 30, 2020 and ₹ 1,594 lacs for year ended March 31, 2020.

4. On August 19, 2020, the Company received the certified copy of the order dated March 13, 2020 of the National Company Law Tribunal, Mumbai Bench ('the Order') sanctioning the Scheme of Amalgamation ('the Scheme') of CEAT Specialty Tyres Limited (a wholly-owned subsidiary of the Company, the transferor company) with CEAT Limited (the transferee company). This order has been filed with the Registrar of Companies, Mumbai in e-Form INC - 28 on September 01, 2020. As stated under the Scheme, the Scheme takes effect from the Appointed Date being April 01, 2019 and becomes operative from the Effective Date being the date of filing the certified copy of the Order with the Registrar of Companies, Mumbai, i.e. September 01, 2020. The amalgamation has been accounted for in accordance with Appendix C of Ind AS 103 'Business Combinations'. Further, current tax and deferred tax for the quarter and half year ended on September 30, 2020 includes the impact on tax expenses consequent to the aforesaid amalgamation.
5. The Group has considered the possible effects that may result from COVID-19 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 the 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 financial results may differ from that estimated as at the date of approval of the same.
6. The Company has commissioned the Phase II of Nagpur Plant expansion with effect from August 24, 2020. The plant would be ramped up over a period of time based on market demand and overall capacities.

7. Additional disclosures as per regulation 52(4) of Securities Exchange Board of India (Listing, Obligations and Disclosure Requirements) Regulations, 2015:
- The Board of Directors have approved the issuance of Non-Convertible Debentures ('NCDs') aggregating ₹ 25,000 lacs on private placement at their meeting held on September 25, 2020 which were subsequently issued in October 2020.
 - All Commercial Papers of the Company are unsecured.
 - The Company retained its Commercial Paper ratings by CARE and India Ratings as "A1+".
 - Due date and actual date of repayment of principal amount for commercial papers during the period April 01, 2020 to September 30, 2020 are as per the below table:

(₹ in lacs)

ISIN	Due Date of Payment	Actual Date of Payment	Redemption Amt
INE482A14916	April 30, 2020	April 30, 2020	5,000
INE482A14932	June 12, 2020	June 12, 2020	5,000
INE482A14940	May 28, 2020	May 28, 2020	5,000
INE482A14957	July 10, 2020	July 10, 2020	5,000
INE482A14965	July 15, 2020	July 15, 2020	5,000
INE482A14973	August 12, 2020	August 12, 2020	5,000
INE482A14981	August 20, 2020	August 20, 2020	5,000
INE482A14AB3	December 17, 2020	NA	5,000
INE482A14999	December 18, 2020	NA	5,000
INE482A14AA5	November 25, 2020	NA	5,000

- v. Other disclosures:

Particulars	Six months ended September 30, 20	Year ended March 31, 2020
Capital Redemption Reserve	₹ 390 lacs	₹ 390 lacs
Net worth	₹ 3,04,635 lacs	₹ 2,90,792 lacs
Net Profit after tax	₹ 14,694 lacs	₹ 23,006 lacs
Earnings Per Share (of ₹ 10 each) *	₹ 36.37	₹ 57.17
Debt Equity Ratio	0.59	0.66
Debt Service Coverage Ratio ('DSCR') *	1.64	2.63
Interest Service Coverage Ratio ('ISCR') *	3.77	3.31

*Ratios for half year ended September 30, 2020 have not been annualized.

- $DSCR = (EBITDA - \text{Tax Expenses}) / (\text{Finance cost} + \text{current maturities of long-term borrowings})$
- $ISCR = (EBITDA - \text{Tax Expenses}) / \text{Finance cost}$
- $\text{Debt Equity Ratio} = \text{Debt} / \text{Net Worth}$
- Debt comprises long term borrowings, short term borrowings and current maturities of long-term borrowings
- $\text{Net Worth} = \text{Equity share capital} + \text{Other equity}$
- $EBITDA = \text{Earnings before Finance cost, Tax expenses, Depreciation and amortization expenses, exceptional items and other income}$
- Finance Cost includes interest capitalized and interest disclosed in exceptional items.

8. The Group's business activity falls within a single reportable business segment, viz. "Automotive Tyres, Tubes and Flaps".
9. The figures for the previous periods have been regrouped wherever necessary to conform to the current period presentation.
10. 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 lacs)

Particulars	Quarter ended			Half year ended		Year ended
	30-Sep-20	30-Jun-20	30-Sep-19	30-Sep-20	30-Sep-19	31-Mar-20
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Revenue from operations	1,96,513	1,11,615	1,68,726	3,08,128	3,43,294	6,74,786
Profit /(Loss) before tax	16,644	(3,199)	7,918	13,445	15,539	29,237
Profit/(Loss) for the period	17,015	(2,590)	4,939	14,425	12,671	22,461

Place: Mumbai
Date: October 27, 2020

By order of the Board

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GOENKA

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Anant Vardhan Goenka
Managing Director