

CORPORATE GOVERNANCE REPORT

The Corporate Governance Report, for the FY 2017-18, which forms a part of Board's Report, is prepared pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"). This report is for compliance with the Listing Regulations.

I. Company Philosophy of Corporate Governance

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

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

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

II. Board Of Directors:

At CEAT, we believe that an active, well-informed and independent Board is necessary to ensure highest standards of Corporate Governance. The Board of Directors of CEAT, being at the core of its Corporate Governance practice, plays the most pivotal role in overseeing how the management serves and protects the long-term interests of all our stakeholders.

The Board periodically reviews Compliance Reports of all laws applicable to the Company and steps taken by the Company to rectify instances of non-compliances, if any. The Board is satisfied that plans are in place for orderly succession for appointments to the Board and to senior management.

The Board of Directors ensures that the Company runs its business on fair and ethical principles and plays an important role in creation of value for its stakeholders, in terms of the Code of Corporate Governance and Ethics adopted by the Company. All statutory and other significant and material information including information mentioned in Regulation 17(7) read with Part A of Schedule II of the Listing Regulations, is placed before the Board of Directors to enable it to discharge its responsibilities of strategic supervision of the Company with due compliance of laws and as trustees of stakeholders. The Managing Director and Executive Director are responsible for the day-to-day management of the Company, subject to the supervision, direction and control of the Board of Directors. The Executive Directors are ably assisted by the Management Committee and Operating Committee, which implement the decisions and the strategic policies of the Board of Directors.

1. Composition:

As on March 31, 2018, the Board of Directors of the Company consisted of 13 (thirteen) Directors of whom, 2 (two) were 'Executive' Directors and 11 (eleven) were 'Non-Executive' Directors. Mr. Pierre E. Cohade was appointed as an Additional Director w.e.f February 01, 2018 by the Board of Directors at their meeting held on February 01, 2018.

The Chairman, Mr. H. V. Goenka is a Non-Executive Director. Mr. Anant Vardhan Goenka, Managing Director and Mr. Arnab Banerjee, Whole-time Director (designated as the Executive Director- Operations) are the Executive Directors. None of the Directors are related to each other except Mr. H. V. Goenka and Mr. Anant Vardhan Goenka. Mr. H. V. Goenka, Chairman is the father of Mr. Anant Vardhan Goenka, Managing Director of the Company.

The Directors are eminent industrialists/professionals with experience in industry/business/law and bring with them the reputation of independent judgement and experience, which they exercise and also satisfy the criteria of independence.

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2. Board Meetings held during the year and attendance thereat:

During the Financial Year ended March 31, 2018, 5 (Five) meetings of the Board of Directors were held on April 28, 2017; August 03, 2017; November 14, 2017; February 01, 2018; and March 26, 2018. Details of Directors and their attendance in the said Board Meetings and also at the last Annual General Meeting are given below:

Name	Category	No. Of Board Meetings attended during the year	Attendance at last AGM held on August 8, 2017	No. Of Directorships in other public limited Companies	No. Of Committee positions held in other public limited companies*	
					Chairman	Member**
Mr. H. V. Goenka (Promoter)	Non-Executive Non-Independent	5	Yes	6	-	-
Mr. Anant Vardhan Goenka (Promoter)	Executive Non-Independent	5	Yes	5	-	-
Mr. Arnab Banerjee	Executive Non-Independent	4	Yes	2	-	-
Mr. Paras K. Chowdhary	Non-Executive Independent	5	No	3	1	2
Mr. Mahesh S. Gupta	Non-Executive Independent	5	Yes	4	1	4
Mr. Atul C. Choksey	Non-Executive Independent	4	No	4	-	-
Mr. S. Doreswamy	Non-Executive Independent	5	Yes	1	2	2
Mr. Haigreve Khaitan	Non-Executive Independent	3	Yes	8	3	8
Mr. Hari L. Mundra	Non-Executive Non-Independent	4	No	3	1	2
Mr. Vinay Bansal	Non-Executive Independent	4	Yes	-	-	-
Ms. Punita Lal	Non-Executive Independent	3	No	2	-	-
Mr. Ranjit V. Pandit	Non-Executive Independent	5	Yes	4	-	-
***Mr. Pierre E. Cohade	Additional Director (Non- Executive Non-Independent)	2	N.A.	-	-	-

* Only Audit Committee, Stakeholders' Relationship Committee is reckoned for this purpose.

** Membership in a Committee is inclusive of Chairmanship held by the Director.

***Mr. Pierre E. Cohade has been appointed as an Additional Director (Non-Executive, Non Independent Director) on the Board of Directors of the Company with effect from February 1, 2018, who shall hold office upto the date of the ensuing Annual General Meeting of the Company.

Details of the Directors proposed for Appointment/Re-appointment at the ensuing Annual General Meeting of the Company as per SEBI Regulation 36 of (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 issued by institute of Company Secretaries of India:

i) Mr. Hari L. Mundra:

Mr. Hari L. Mundra, 68, is B.A. (Economics) from Mumbai University and MBA from IIM Ahmedabad. He worked with Hindustan Lever Limited since 1971 for about 24 years in various positions such as Treasurer, Group Commercial Controller and Vice-President /Executive Director –Exports, in India and Indonesia. In 1995 he joined the RPG Group as Group CFO and President & CEO -Carbon Black Business. In 2002, he joined Wockhardt Group as Executive Vice-Chairman and in 2003, he joined Essar Group as Dy.

Managing Director and Director Finance-Essar Oil Limited and directed its turn around. Mr. Mundra was appointed as Director of the Company on September 10, 1998.

He is the Chairman of Future Focus Infotech Pvt Ltd and has been a Visiting Professor at IIM Ahmedabad for the last 10 years. He serves on a number of Boards as Independent Director and has been a senior Advisor in a number of companies in the areas of Corporate Strategy, Finance and Turn arounds.

Other Directorships in other Companies:

- Future Focus Infotech Private Limited
- Tata Autocomp Systems Limited
- Allcargo Logistics Limited

Membership/Chirmanship of Committes of other Boards:

Tata Autocomp Systems Limited

- Audit Committe – Chairman
- Nomination and Remuneration Committe – Member

Allcargo Logistics Limited

- Audit Committe – Member
- Nomination and Remuneration Committe – Chairman

Mr. Hari L. Mundra is not related to any other Director or Key Managerial Personnel of the Company. He does not hold any shares in the Company. Details of remuneration paid to Mr. Mundra in FY 2017-18 is menationed in **Annexure C** of Board's Report.

ii) Mr. Pierre E. Cohade:

Mr. Pierre E. Cohade, 56 years, is an MBA from the Penn State University in 1985 and received degree in business Management from the SKEMA business school in Sophia-Antipolis, France, in 1984. He was appointed as Additonal Directors of the Company on February 1, 2018.

Pierre E. Cohade has lived and worked globally in four continents, building and leading multi-billion dollars businesses, in many cases after turning them around. He is advising some start ups and is a Senior Advisor to CCL (Centre for Creative Leadership) China. He serves as Chairman of the IMA CEO forum. Most recently, Pierre was the CEO of Triangle Tyre, China largest private tyre manufacturer. Pierre focused on preparing Triangle Tyre for its US\$ 4 bn IPO, modernizing its management processes and governance and accelerating its globalization. As one of the very few Western CEO of a Chinese owned business, Pierre was operating at the heart of China Inc. between 2004 and 2011; Pierre was the President of Goodyear Asia Pacific. He led the turnaround, repositioning and fast expansion of this critical part of the company. Under Cohade's leadership, Goodyear Asia Pacific earned recognition beyond its financial success, receiving numerous third party awards for its product innovation, brand building, branded retailing network and was named China's "Employer of the Year" in 2010 and 2011.

Directorships in other Companies:

- Deutsche Bank, China
- Acorn International
- Artemis Ventures Limited
- Geofin, France

Mr. Pierre E. Cohade is not related to any other Director or Key Managerial Personnel of the Company. He does not hold any shares in the Company.

He is not a Director in any other Indian Companies.

iii) Mr. Arnab Banerjee:

Mr. Arnab Banerjee, 54 years, was re-appointed as the Whole-time Director designated as Executive Director - Operations of the Company w.e.f. May 7, 2018 for 5 years. Mr. Banerjee comes with a vast experience and knowledge of FMCG & Paints sector and has more than 25 years of experience having worked in diverse industries at various locations. He has completed graduation from Indian Institute of Technology, Kharagpur in Mechanical Engineering in 1985. Subsequently, he did PGDM from Indian Institute of Management, Calcutta in 1987. Prior to joining CEAT Limited, Mr. Banerjee worked with Berger Paints and Marico Limited.

At CEAT Limited, Mr. Banerjee spearheads the Sales, Marketing and Manufacturing functions and is responsible for driving revenue in Domestic, Exports & OE markets. He is also developing CEAT as the most Premium, Dynamic and Robust Brand. At the same time, he also handles integrated supply chain of CEAT. He joined CEAT as Vice President-Sales & Marketing on November 21, 2005 and later elevated as the Whole- time Director of the Company designated as Executive Director-Operations w.e.f. May 7, 2013.

Apart from his career in Sales & Marketing, Mr. Banerjee has a keen interest in photography, running & high-altitude trekking.

Directorships in other Companies:

- CEAT Specialty Tyres Limited
- Associated CEAT (Private) Limited (Sri Lanka)
- CEAT Kelani Holdings (Private) Limited (Sri Lanka)
- CEAT Kelani International Tyres (Private) Limited (Sri Lanka)
- CEAT Kelani Radials (Private) Limited (Sri Lanka)
- Associated CEAT Holdings Company (Private) Limited (Sri Lanka)
- Asian Tyres (Private) Limited (Sri Lanka)
- CEAT AKKhan Limited (Bangladesh)

Mr. Arnab Banerjee is not related to any other Director or Key Managerial Personnel of the Company.

Terms & Conditions of the re-appointment is as per resolution No. 8 of Notice of Annual General Meeting.

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III. Committees of the Board

(i) Audit Committee:

The Company has an Audit Committee of Directors since 2001. The Composition and the 'Terms of Reference' of the Committee are in conformity with the provisions of Section 177 of the Companies Act, 2013 ("the Act") and Regulation 18 of the Listing Regulations. The Committee consists of 4 (four) Non-Executive Directors, Mr. Mahesh S. Gupta; Mr. S. Doreswamy; Mr. Hari L. Mundra and Mr. Vinay Bansal. All the members of the Audit Committee are financially literate as per the requirements of Listing Regulations. Mr. Mahesh S. Gupta is the Chairman of the Committee who is an Independent Director.

During the financial year ended March 31, 2018, 5 (Five) meetings of the Audit Committee were held on April 27, 2017; August 3, 2017; November 14, 2017; January 31, 2018 and March 26, 2018.

Attendance at the Audit Committee Meetings:

Name of the Member	No. of Meetings attended
Mr. Mahesh S. Gupta	5
Mr. S. Doreswamy	5
Mr. Hari L. Mundra	4
Mr. Vinay Bansal	4

The requisite quorum was present at all meetings.

The terms of reference of Audit Committee included the matters specified under Regulation 18 of Listing Regulations as well as in Section 177 of the Act. The terms of reference of the Audit Committee, *inter-alia*, include the following:

- (a) To recommend the appointment/re-appointment/replacement, remuneration and terms of appointment of the Auditors of the Company.
- (b) To review and monitor Auditor's independence and performance and effectiveness of audit process.
- (c) To approve payment to Statutory Auditors for any other services rendered by Statutory Auditors.
- (d) To review effectiveness of the audit process and adequacy of the internal audit function, if any, including structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of the internal audit.
- (e) To examine Financial Statements and Auditors' Report thereon and for this purpose, to call, if necessary, the comments of the Auditors about the following:
 - (i) Internal control systems;
 - (ii) Scope of audit, including observations of Auditors.
- (f) To recommend the Financial Statement to the Board for approval, after carrying out the procedure mentioned at (e) above.
- (g) To approve transactions of the Company with Related Parties, including any subsequent modifications.
- (h) To scrutinize inter-corporate loans and investments made by the Company.
- (i) To carry out valuation of undertakings and the assets of the Company, wherever it is necessary.
- (j) To evaluate the Internal Financial Controls and Risk Management Systems.
- (k) To review, with the management, performance of Statutory and Internal Auditors, adequacy of the Internal control system.
- (l) To investigate into any matter specified under serial nos. (a) to (k) above and any other matter referred to it by the Board and for this purpose to obtain advise of external professionals, if necessary, and accord them full access to the information contained in the records of the Company.
- (m) To give personal hearing to the Auditors and key managerial personnel when, if necessary, while reviewing the Auditor's Report.
- (n) To oversee the Company's financial reporting process and disclosure of the financial information to ensure that the financial statements are correct, sufficient and creditable.
- (o) To review the Annual Financial Statements and Auditors Report thereon with the Management before submitting the same to the Board particularly the following:
 - I. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of Clause(c) of sub-section (3) of Section 134 of Companies Act, 2013;
 - II. Changes, if any, in accounting policies and practices and reasons for the same;
 - III. Major accounting entries involving estimates based on the exercise of judgment by management;
 - IV. Significant adjustments made in the financial statements arising out of audit findings;
 - V. Compliance with listing and other legal requirements relating to financial statements;
 - VI. Disclosure of any related party transactions;
 - VII. Modified opinion(s) in the draft Audit Report.

- (p) To review with the Management the Quarterly Financial Statements before submission to the Board for approval.
- (q) To review, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated on the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- (r) To discuss with the Internal Auditors any significant findings and follow-up thereon.
- (s) To review findings of any internal investigations, by the internal auditors into matters where there is suspected frauds or irregularities or a failure of internal control systems of a material nature and reporting the matter to the Board.
- (t) To discuss with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- (u) To look into the reasons for substantial defaults in the payment to the depositories, shareholders (in case of non-payment of declared dividends), deposit holders, debenture holders and creditors.
- (v) To review the functioning of the Whistle Blower Mechanism.
- (w) To approve appointment of Chief Financial Officer, including the whole-time Finance Director, after assessing the qualifications, experience and background, etc. of the candidate.
- (x) To carry out any other function, as may be assigned to Audit Committee pursuant to any amendments to the Listing Regulations and the applicable provisions of the Companies Act, 2013.
- (y) To review the following information/document:
- i. Management discussion and analysis of financial condition and results of operation;
 - ii. Statement of significant related party transactions(as defined by the Audit Committee), submitted by management;
 - iii. Management letter/letters of internal control weakness issued by the Statutory Auditors;
 - iv. Internal audit reports relating to internal control weakness; and
- v. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.
- vi. Statement of deviations:
- a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32 (1) of the Listing Regulations.
 - b) Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32 (7) of the Listing Regulations.
- The Audit Committee Meetings are also generally attended by the representatives of Statutory Auditors, Internal Auditors, Managing Director (MD), Chief Financial Officer, Head-Internal Audit and Vice President-Accounts.
- The Company Secretary functions as the Secretary of the Committee.
- The Minutes of the Meetings of the Audit Committee are discussed and taken note of by the Board of Directors.
- As per Regulation 18(1) (d) of the Listing Regulations, the Chairman of the Audit Committee shall be present at the Annual General Meeting (AGM) to answer shareholder queries. Mr. Mahesh S. Gupta, the Chairman of the Audit Committee had attended the Annual General Meeting of the Company held on August 8, 2017 to answer the queries of the shareholders.
- (ii) Nomination and Remuneration Committee (NRC):**
- The Company through its Board of Directors have constituted Nomination and Remuneration Committee (hereinafter referred as "NRC") in terms of Regulation 19(1) of the Listing Regulations. The terms of reference of NRC include the matters specified under Regulation 19(4) of the Listing Regulations as well as in Section 178 of the Act.
- The Committee comprises of 3 (three) Independent Director, Mr. Mahesh S. Gupta; Mr. Paras K. Chowdhary and Mr. S. Doreswamy. Mr. Mahesh S. Gupta is the Chairman of the NRC who is an Independent Director.
- The Committee meets the criteria laid down in Section 178 of the Act, and Regulation 19 of the Listing Regulations.
- During the financial year ended March 31, 2018, 4 (four) meetings of the NRC were held on April 28, 2017; July 6, 2017, February 1, 2018 and March 26, 2018.

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Attendance at NRC Meetings:

Name of the Member	No. of Meetings attended
Mr. Mahesh S. Gupta	4
Mr. S. Doreswamy	4
Mr. Paras K. Chowdhary	4

The terms of reference of the NRC, *inter-alia*, include the following:

- a) To lay down criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
- b) To formulate a criteria for evaluation of performance of Independent Directors and the Board of Directors.
- c) To devise a policy on diversity of Board of Directors.
- d) To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal.
- e) To decide whether to extend or continue the term of appointment of the Independent Director on the basis of the report of performance evaluation of Independent Directors.
- f) To recommend to the Board the appointment and removal of the Directors, including Independent Directors.
- g) To recommend to the Board a policy relating to the remuneration for Directors, including Managing Director(s) (MD) and Whole-time Director(s) (WTD), Key Managerial Personnel (KMP) and other employees. While formulating the policy, the NRC ensure that:
 - (i) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
 - (ii) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
 - (iii) Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- h) To recommend remuneration to be paid to a Director for any service rendered by him to the Company which are

of a professional nature and provide an opinion, whether such Director possess the requisite qualification for the practice of such profession.

- i) Carrying out functions as delegated by the Board of Directors from time to time.

As per Regulation 19(3) of the Listing Regulations, the Chairman of the NRC shall be present at the Annual General Meeting (AGM) to answer shareholder queries. Mr. Mahesh S. Gupta, the Chairman of the NRC had attended the Annual General Meeting of the Company held on August 8, 2017, to answer the queries of the shareholders.

The Company Secretary functions as the Secretary of the Committee.

The Minutes of the Meetings of the NRC are discussed and taken note of by the Board of Directors.

The NRC reviews the remuneration payable to the MD/WTD/KMP and Commission payable to the Non-Executive Directors and recommends it to the Board.

The NRC has formulated a Policy on Appointment, Training, Evaluation and Remuneration of Directors and Senior Management Personnel (SMP).

Training and Evaluation:

- (i) The NRC carries out the evaluation of performance of every Director as under:
 - (a) Before re-appointment of Executive and Non-Executive Directors (NEDs);
 - (b) At the time of recommendation of any remuneration payable to Executive and Non-Executive Directors or changes therein;
 - (c) At such other time, as the applicable laws or the circumstances may require.
- (ii) In addition, the Board of Directors have also evaluated the performance of the individual directors including Independent Directors, its own performance and also of its Committees. For this purpose, a questionnaire *inter-alia* covering the following parameters were circulated to NEDs and their feedback was obtained through an online platform by an Independent Agency.
 - (a) Attendance at meetings of the Board and Committees thereof,
 - (b) Participation in Board meetings or Committee thereof,

- (c) Contribution to strategic and other areas impacting Company performance,
 - (d) Sharing of domain knowledge and experience to bear on the critical areas of performance of the organization and keeps updated in the areas of expertise,
 - (e) Communication and contribution in the discussions in a positive and constructive manner,
 - (f) Review of risk assessment and risk mitigation,
 - (g) Review of financial statements, business performance,
 - (h) Contribution to the enhancement of brand image of the Company etc.
- (iii) The performance of Executive Directors i.e. Managing Director/Whole-time Director, are evaluated, in addition to aforesaid parameters, taking into account the appropriate benchmarks set as per industry standards, the performance of the Director and also of the Company.

Remuneration policy for SMPs and KMPs (other than MD/WTD):

In determining the remuneration packages for SMPs and KMPs, the Committee ensures:

- (i) Remuneration shall be competitive and comprising of both fixed and variable components, performance incentives and other benefits such as retiral benefits, health care insurance and hospitalisation benefits, telephone reimbursement etc,
- (ii) Performance of the individual and also of the Company and given due consideration to industry practices/ trends,
- (iii) The benchmark of International and Domestic Companies of similar in size and complexity to the Company,
- (iv) Relevant qualification and experience of the individual as well as the prevailing market condition,
- (v) Attractive to high-flier executives in a competitive global market and commensurate with the roles and responsibilities.

The remuneration to the KMP's at the time of his/her appointment shall be recommended by the NRC and approved by the Board. The Remuneration of the SMP's at the time of his/her appointment shall be approved by the Managing Director upon recommendation of the Human Resource Department (HRD). The remuneration may be a combination of fixed and variable pay considering relevant

qualification, experience and performance of the individual as well as the prevailing market conditions.

Remuneration shall be evaluated annually and annual increase shall be decided considering the performance of the individual and also of the Company. Industry trends shall also given due consideration. Annual increments/subsequent variation in remuneration to the KMP's shall be approved by the NRC/ Board of Directors. Annual increments/subsequent variation in remuneration of SMP's shall be approved by the MD upon recommendation of the HRD.

The NRC may consider grant of Stock Options to KMPs and SMPs pursuant to any Stock Option Plan adopted by the Company, if any.

Remuneration policy for MD/WTD:

- (i) Remuneration to the MD and WTD shall be proposed by the NRC and subsequently approved by the Board of Directors and the shareholders of the Company, whenever required.
- (ii) Annual increments/subsequent variation in remuneration to the MD and WTD shall be approved by the NRC/ Board of Directors, within the overall limits approved by the shareholders of the Company.
- (iii) Remuneration shall be evaluated annually against performance and a benchmark of International and Domestic Companies, which are similar in size and complexity.
- (iv) Total remuneration for the MD and WTD shall be comprised of the following:
 - (a) Salary (both fixed and variable);
 - (b) Perquisites like house rent allowance, domiciliary medical expenses and club memberships etc;
 - (c) Retrial benefits in accordance with applicable laws and policies of the Company;
 - (d) Performance Bonus linked to the individual performance vis-à-vis performance of the Company;
 - (e) Total remuneration payable to MD/WTD's shall be within the limit in accordance with Section 198 of the Companies Act, 2013.

Remuneration policy for Non-Executive Directors (NEDs):

- (i) NEDs shall be entitled to such sitting fees as may be decided by the Board of Directors from time to time

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for attending the meeting of the Board and of the Committee thereof.

- (ii) NEDs shall also be entitled for payment of commission as may be recommended by NRC and subsequently approved by the Board of Directors upto the limits permitted in Section 197 of the Companies Act, 2013 and wherever required approval of the shareholders of the Company shall be obtained from time to time and shall be paid on pro-rata basis.
- (iii) Independent Directors shall not be eligible for any Stock Options, pursuant to any Stock Option Plan adopted by the Company.

The NEDs shall be eligible for remuneration of such professional services rendered if in the opinion of the NRC, the NED possesses the requisite qualification for rendering such professional services.

The Company has Remuneration policy for Non-Executive Directors (NEDs) and the same has been displayed on the Company's website www.ceat.com at the link <https://www.ceat.com/corporate/investor#corporate-governance>

Directors Remuneration

Details of remunerations paid to the Directors are given in MGT-9 **Annexure C** to Board's report.

The remuneration paid to Managing Director and Whole-time Director was duly recommended by the NRC and approved by the Board of Directors. The members have also accorded their approval to the said remuneration vide a special resolution passed at the Annual General Meeting on August 08, 2017 for Mr. Anant Vardhan Goenka and August 22, 2013 for Mr. Arnab Banerjee.

The Board at its meeting held on March 26, 2018 considered and approved the re-appointment along with remuneration of Mr. Arnab Banerjee as Whole-time Director (WTD) of the Company, designated as Executive Director-Operations, for a period of 5 (five) years w.e.f. May 7, 2018 to May 6, 2023 subject to approval of shareholders at the ensuing general meeting of the Company.

Disclosures as per Schedule V of the Companies Act, 2013 and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to remuneration of Directors:

- 1. All elements of remuneration package of individual Directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc;- Please refer MGT 9 **Annexure C** to Board's report

- 2. Details of fixed component and performance linked incentives, along with the performance criteria.

- 3. Service contracts, notice period, severance fees; The Company has entered into an agreement with Mr. Anant Vardhan Goenka dated April 1, 2017 and with Mr. Arnab Banerjee dated April 30, 2018.

The Company does not have a practice of paying severance fees to any Directors.

- 4. Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable:- Not Applicable

Shareholding of Directors

Mr. H. V. Goenka	1,33,932 Equity Shares
Mr. Paras K. Chowdhary	3,000 Equity Shares
Mr. Anant Vardhan Goenka	14,185 Equity Shares
Mr. Arnab Banerjee	1,207 Equity Shares

Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Regulation 25 (4) of the Listing Regulations the Board has carried out the annual performance evaluation of its own performance, individual Directors and working of its Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, CSR Committee, Special Investment/Project Committee and Finance and Banking Committee. The Company had appointed HR Craft Business Consulting Private Limited (HR Craft) for carrying out the said evaluation process in a transparent manner by using the questionnaire considered/approved by the Board of Directors after taking into consideration inputs received from the Directors, 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.

The Securities and Exchange Board of India (SEBI) vide circular SEBI/HO/CFD/CMD/CIR/2017/004 dated January 5, 2017, issued a Guidance Note on Board Evaluation about various aspects involved in the Board Evaluation process to benefit all stakeholders.

While evaluating the performance the above guidance note was considered and the performance of individual Directors including the Chairman of the Board was evaluated on parameters such as active and consistent participation in the meeting, adequate preparation thereof, level of engagement and contribution to Company's Strategy, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board excluding the Directors being

evaluated. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

Familiarization Programme for Independent Directors:

The Company has prepared familiarization programme for its Independent Directors on their roles, rights, and responsibilities in the Company, nature of its industry and the business model of the Company, etc. and the same was approved by the Board of Directors at their meeting held on February 5, 2015.

The details of the said programme has been uploaded on the Company's website <https://www.ceat.com/corporate/investor#corporate-governance>

(iii) Stakeholders' Relationship Committee (SRC):

The Company has formed a Stakeholders' Relationship Committee ("SRC") in compliance with Regulation 20 of the Listing Regulations and Section 178 of Companies Act, 2013. The Committee reviews and deals with complaints and queries received from the investors. It also reviews and deals with responses to letters received from the Ministry of Corporate Affairs, the Stock Exchanges and Securities and Exchange Board of India (SEBI).

SRC comprises of 3 (three) Independent Director, Mr. S. Doreswamy; Mr. Mahesh S. Gupta and Mr. Paras K. Chowdhary. Mr. S. Doreswamy is the Chairman of the Committee.

Ms. Shruti Joshi Company Secretary and Compliance Officer functions as the Secretary of the Committee.

The Minutes of the Meetings of the Stakeholders' Relationship Committee are discussed and taken note by of the Board of Directors.

During the financial year ended March 31, 2018, 5 (five) meetings of the Stakeholders' Relationship Committee were held on April 28, 2017; August 3, 2017; November 14, 2017, February 1, 2018 and March 26, 2018.

Attendance at SRC Meetings:

Name of the Member	No. of Meetings attended
Mr. S. Doreswamy	5
Mr. Mahesh S. Gupta	5
Mr. Paras K. Chowdhary	5

The status of the complaints received from investors is as follows:

Shareholders/Investors Complaints

Particulars of Complaints	Complaint Nos.
Complaints as on April 1, 2017	1
Complaints received during FY 2017-18	34
Complaints disposed off during FY 2017-18	32
Complaints not solved to the satisfaction of shareholders during FY 2017-18*	-
Complaints remaining unresolved as on March 31, 2018	3

*Out of the resolved complaints, the Company has not received any feedback from shareholders regarding dissatisfaction on resolution of their complaint.

The Board has designated Ms. Shruti Joshi, Company Secretary, as the "Compliance Officer".

(iv) Risk Management Committee (RMC):

The Board of Directors of the Company at its meeting held on February 5, 2015 have constituted the Risk Management Committee (RMC) in compliance with Regulation 21 of the Listing Regulations comprising of Mr. Mahesh S. Gupta, Mr. S. Doreswamy, Mr. Hari L. Mundra and Mr Vinay Bansal (Independent Director) as its members. Mr. Mahesh S. Gupta is appointed as the Chairman of the Committee.

The Company Secretary functions as the Secretary of the Committee.

The Minutes of the Meetings of the RMC are discussed and taken note of by the Board of Directors.

During the financial year ended March 31, 2018, 2 (two) meetings of the RMC were held on August 3, 2017 and January 31, 2018.

Attendance at Risk Management Committee Meetings:

Name of the Member	No. of Meetings attended
Mr. Mahesh S. Gupta	2
Mr. S. Doreswamy	2
Mr. Hari L. Mundra	1
Mr. Vinay Bansal	2

The Scope/Duties/Functions of the RMC, *inter-alia*, include the following:

- To identify and review the actual risks and the control deficiencies in the organization.
- To assist the Board of Directors in defining the risk appetite of the Company.
- Framing of risk management and mitigation plan *inter-alia* to ensure that risk is not higher than the risk appetite determined by the Board of Directors.

CORPORATE GOVERNANCE REPORT

- iv. Implementing the risk management and mitigation plan approved by the Board through periodical reviews.
- v. Monitor the effectiveness of risk management and mitigation plan.
- vi. Ensure that infrastructure, resources and systems are in place for risk management and mitigation and ensure their adequacy to maintain a satisfactory level of risk management discipline.
- vii. Review the strategies, policies, frameworks, models and procedures for identification, measurement, reporting and mitigation of risks.

Business Risk Evaluation and Management is an ongoing process within the Organization to identify, monitor and minimize risks associated with the business.

(v) Finance and Banking Committee (Non-Mandatory Committee)

The Board of Directors of the Company has constituted this Committee to delegate some of its powers, mentioned under terms of reference below.

The Finance and Banking Committee comprises of 3 (three) members, Mr. Anant Vardhan Goenka; Mr. Arnab Banerjee and Mr. Paras K. Chowdhary. Mr. Anant Vardhan Goenka is the Chairman of the Committee.

The Company Secretary functions as the Secretary of the Committee.

The Minutes of the Meetings of the Finance and Banking Committee are discussed and taken note by of the Board of Directors.

During the financial year ended March 31, 2018, 7 (seven) meetings of the Finance and Banking Committee were held on April 28, 2017; July 6, 2017; August 3, 2017; September 29, 2017; November 14, 2017; February 1, 2018 and March 26, 2018.

Attendance at Finance and Banking Committee Meetings:

Name of the Member	No. of Meetings attended
Mr. Anant Vardhan Goenka	7
Mr. Arnab Banerjee	5
Mr. Paras K. Chowdhary	7

The terms of reference of the Finance and Banking Committee, *inter-alia*, include the following:

- a) To approve fresh borrowing(s) to be obtained by the Company, including term loan and working capital

limits from the Banks/Financial Institutions and also borrowings through any other financial instruments such as issue of commercial papers, non-convertible debentures and other financial instruments etc. from any other sources, provided that such fresh borrowings shall be limited to such an amount which along with the net outstanding of the existing borrowings from all sources (both short term and long term), as aforesaid, shall not exceed ₹ 40,00,00,00,000 (Rupees Four Thousand Crores) at any point of time, subject to the prior approval of the shareholders, whenever required.

- b) To approve the documents; such as Loan Agreements, Deed of Hypothecation, Agreements for security creation and other Deeds, Indemnities, Undertakings, letters, writings and any other document required to be executed on behalf of the Company; for the purposes mentioned at (a) above and also compliance of the terms and conditions so approved by the Committee while approving the borrowings referred to in (a) above.
- c) To authorise the Company's officials to execute the documents mentioned at (b) above.
- d) To approve investment of surplus generated from operations up to a total limit of ₹ 5,00,00,00,000 (Rupees Five Hundred Crores only) in short term and long term securities in the debt segment such as units of mutual funds, fixed deposits of scheduled banks, bonds, debentures, debt market linked debentures, debt instruments of public financial institutions, instruments of Central or State Governments or Public Financial Institutions etc. with the sub-limit of upto ₹ 2,00,00,00,000 (Rupees Two Hundred Crores Only) for investment in long term securities in the debt segment having maximum tenor of 36 months.
- e) To authorize the officials of the Company to sign any bills of exchange or hundis that may be required for any temporary borrowing.
- f) To review the Foreign Exchange (Forex) Policy from time to time and approve any modification(s) therein. For this purpose, to approve:
 - i) use of generic and structured derivatives products, as may be necessary in the interest of the Company and also,
 - ii) changes in signatories for executing the Forex transactions, both for hedging the Company's forex exposures viz. Structured and Generic Derivatives products, agreements/documents etc. from time to time within the ambit of the said Forex Policy/ RBI guidelines.
- g) To authorize opening of bank account(s) with any bank and to close any existing bank account(s).

- h) To authorize opening of Demat Account(s) with any Depository Participant and close any existing Demat Account(s) with any Depository Participant.
- i) To authorize change in authorised signatories of the existing bank accounts and demat accounts and delegate this power to Key Managerial Personnel, if required.
- j) To authorize the Company's officials to execute, sign, submit and file any applications, affidavits, undertakings or any other writings before any Magistrate, Court of Law, Tribunal, Government Authorities and judicial/non-judicial Bodies and any other authority and also to represent the Company before the said Magistrate, Court of Law, Tribunal, Government Authorities Judicial/Non-Judicial bodies and other Authority.
- k) To consider and grant Power of Attorney or authorizations in favour of the Company's officials or any other person for management of its day to day affairs.
- l) To approve execution of any agreements, undertakings, letters, writings, deeds, contracts and any document, (other than that mentioned at (b) above) which may be required to be executed by the Company from time to time for management of its day to day affairs.
- m) To approve affixation of the Common Seal on any document required to be executed by the Company for management of its day to day affairs.
- n) To grant such other authorisations and approvals to any official of the Company or any other person on behalf of the Board of Directors as may be required for day to day management of the Company's business.

(vi) Corporate Social Responsibility (CSR) Committee:

The Board of Directors has formed committee on Corporate Social Responsibility (CSR) in accordance with Section 135 of the Act. The CSR Committee comprises of 3 (three) members, Mr. Anant Vardhan Goenka, Mr. Hari L. Mundra and Mr. Vinay Bansal. Mr. Anant Vardhan Goenka is the Chairman of the Committee.

The Company Secretary functions as the Secretary of the Committee.

The Minutes of the Meetings of the Corporate Social Responsibility Committee are discussed and taken note by of the Board of Directors.

During the financial year ended March 31, 2018, 2 (two) meetings of the CSR Committee were held on April 27, 2017 and January 31, 2018.

Attendance at Corporate Social Responsibility Committee Meetings:

Name of the Member	No. of Meetings attended
Mr. Anant Vardhan Goenka	2
Mr. Hari L. Mundra	2
Mr. Vinay Bansal	1

A brief on the activities undertaken by the Company during the year forms part of the Board's Report.

The terms of reference of the committee of CSR include the followings:

- a. To formulate and recommend to the Board the Corporate Social Responsibility Policy (CSR Policy) as specified in Schedule VII of the Act read with Companies (Corporate Social Responsibility) Rules, 2014.
- b. To recommend to the Board the amount of expenditure to be incurred on the activities undertaken by the Company as per the CSR Policy within the overall limit specified in Section 135 (5) of the Act, as amended from time to time, but not less than 2% of the average net profits of the Company during the three immediately preceding financial years (calculated pursuant to Section 198 of the Act) or any other sum, as may be prescribed under Section 135 of the Act from time to time.
- c. To monitor the CSR Policy of the Company from time to time.

(vii) Special Investment/Project Committee (Non-Mandatory Committee)

The Special Investment/Project Committee ("SIP") comprises of 3 (three) members, Mr. H. V. Goenka, Mr. Anant Vardhan Goenka and Mr. Paras K. Chowdhary. Mr. H. V. Goenka is the Chairman of the Committee. No fees are paid for attending the meetings of the SIP.

No meetings of Special Investment/Project Committee were held during the year under review. During the year under review, resolution of the Special Investment/Project Committee regarding for approval of the acquisition of Land situated in Tamil Nadu for greenfield project and authorizing officials of the Company to take necessary steps on behalf of the Company in relation to the said land was passed by circulation.

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The terms of reference of the Committee, *inter-alia*, includes the following:

1. Evaluate the viability report(s) presented on the overseas projects and approve the same.
2. Decide the location and to approve the initial capacity and cost of project.
3. Approve funding options of the projects, including the option of forming a joint venture.
4. Approve initial investment in the approved overseas project.

The Company Secretary functions as the Secretary to the Committee.

IV. Independent Directors Meeting:

As per Regulation 25(3) of the Listing Regulations as well as pursuant to Section 149(8) of the Companies Act, 2013 read with Schedule IV and in accordance with the Policy on Appointment, Training, Evaluation and Remuneration, the Independent Directors have at their meeting held on March 26, 2018:

- a) Reviewed the performance of Non-Independent Directors and the Board as a whole;
- b) Reviewed the performance of the Chairperson taking into account the views of Executive Directors and Non-Executive Directors;
- c) Assessed the quality, quantity and timelines of flow of information between the Company Management and the Board.

At the meeting held on March 26, 2018, 7 (seven) Independent Directors were present 1 Director was granted leave of Absence in the Meeting.

V. Details on General Body Meetings

The details of the last 3 (three) Annual General Meetings are as follows:

Meeting	Day, Date	Time	Venue
56th AGM	Wednesday, August 12, 2015	3.30 p.m.	P. L. Deshpande Maharashtra Kala Academy, Mumbai
57th AGM	Tuesday, August 9, 2016	3.00 p.m.	P. L. Deshpande Maharashtra Kala Academy, Mumbai
58th AGM	Tuesday, August 8, 2017	3:00 p.m.	P. L. Deshpande Maharashtra Kala Academy, Mumbai

Special Resolutions passed at the last 3 (three) Annual General Meetings:-

Date of AGM	Description of Special Resolution
56th AGM Wednesday, August 12, 2015	<ul style="list-style-type: none"> • Adoption of new set of draft Articles as contained in Articles of Association in substitution of existing Articles of Association of the Company pursuant to the provisions of Section 14 of the Companies Act, 2013.
57th AGM Tuesday, August 9, 2016	<ul style="list-style-type: none"> • Approval for making offer(s) or invitation(s) to subscribe secured/unsecured, non-convertible debentures/bonds or such other debt securities ("debt securities") through Private Placement basis in one or more series/tranches not exceeding ₹ 500,00,00,000 (Rupees Five Hundred Crores only).
58th AGM Tuesday, August 8, 2017	<ul style="list-style-type: none"> • Appointment of Mr. Anant Vardhan Goenka (DIN: 02089850) as the Managing Director of the Company for a period of 5 (five) years commencing on April 1, 2017 and ending on March 31, 2022, upon the terms and conditions set out in the Agreement dated April 3, 2017. • 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) within the overall borrowing limits of the Company as may be approved by the members from time to time and at such price or on such terms and conditions as the Board may from time to time determine and consider proper and beneficial to the Company including listing of such debt securities with Stock Exchange(s), size and time of issue, issue price, tenure, interest rate, premium/ discount, consideration, utilization of the issue proceeds, and all matters connected with or incidental thereto.

Postal Ballot

During the year under review, the Company has not passed any resolution through Postal Ballot in accordance to the procedure prescribed in Section 110 of the Act read with the Companies (Management and Administration) Rules, 2014.

Procedure of Postal Ballot:

1. Appointment of Scrutinizer who is not in the employment of the Company.
2. Notice of postal ballot along with the explanatory statement to shareholders by following modes:
 - a. By registered post or speed post or,
 - b. Through electronic means like registered email id or,
 - c. Through courier service for facilitating the communication of the assent or dissent of the shareholder to the resolution within period of thirty (30) days.
3. Advertisement in one English newspaper and in one vernacular language newspaper in the principal vernacular language of the district in which the registered office of the company is situated.
4. Notice should also be placed on the website of the Company.
5. Declaration of results by the Scrutinizer after following due process.

Proposed Postal Ballot: The Company does not have any plans to pass any resolution through postal ballot.

VI. Disclosures

1. Disclosures on materially significant related party transactions that may have potential conflict with the interests of Company at large

There were no material and/or significant related party transactions during FY 2017-18 that were prejudicial to the interest of the Company.

2. Whistle Blower Policy (Vigil Mechanism)

The Company has adopted a "Whistle Blower Policy" for its employees/Directors to report to the Chairperson of the Audit Committee instances of unethical behaviour, actual or suspected fraud or violation of the RPG Code of Corporate Governance and Ethics policy adopted by the Company and the policy is displayed on the website of the company www.ceat.com at the link <https://www.ceat.com/corporate/investor#corporate-governance>. No personnel/employee of the Company denied access to the Audit Committee for reporting instances of unethical behaviour or suspected fraud or violation of the policy. During the year under review, no complaint was received under the Whistle Blower Policy.

3. Disclosure of Related Party Transactions

The Company follows the policy on Related Party Transactions in disclosing the related party transactions to the Audit Committee:

- a) A statement in summary form of transactions with related parties in the ordinary course of business and on arms' length basis is placed before the Audit Committee.
- b) The transactions entered into with Related Parties as defined under the Act and Regulation 23 of the Listing Regulations during the financial year which were in the ordinary course of business and on an arms' length pricing basis placed before the Audit Committee and those related party transaction which were in the ordinary course of business but not on arms' length pricing basis placed before the Board.
- c) There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company.
- d) Suitable disclosure as required by the Indian Accounting Standards (IND AS 24) has been made in the notes to the Financial Statements.
- e) Transactions with related parties, if any, which are:
 - i. not in the normal course of business;
 - ii. not at arms' length basis;
 - iii. exceeding the threshold limits prescribed under the Act and the Rules made thereunder or the Listing Regulations are placed before the Audit Committee, Board and Members for their approval.

The Company has formulated a policy on Related Party Transactions and the same has been displayed on the Company's website www.ceat.com at the link <https://www.ceat.com/corporate/investor#corporate-governance>.

4. Disclosure of Accounting Treatment

The Company has followed the Indian Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014, to the extent applicable, in the preparation of the financial statements. The Company adopted Indian Accounting Standards ("Ind AS") and accordingly the financial results for all periods presented have been prepared in accordance with the recognition and

CORPORATE GOVERNANCE REPORT

measurement principles laid down in the Ind AS 34 Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.

5. Disclosure of Risk Management

The Company has laid down procedures to inform the Board members about the risk assessment and minimisation procedures. These procedures are periodically reviewed to ensure that executive management controls risks through means of a properly defined framework. The Company has adopted Internal Financial Controls and the team identifies top risks associated with the business and the mitigation plan for risks is laid down. Risk Management Committee and the Audit Committee reviews the risks and their mitigation plan.

6. Offer and Issue of Secured Redeemable Non-Convertible Debentures

During FY 2015-16, the Company had pursuant to the special resolution under Sections 42 and 71 of the Act passed by the members on July 9, 2015 through postal ballot, approved the offer, issue of Non-Convertible Debentures on private placement basis for an aggregate amount upto ₹ 5,00,00,00,000 (Rupees Five Hundred Crores only) in one or more tranches. Further, the Company on July 31, 2015 allotted 2,000 Secured Redeemable Non-Convertible Debentures (NCDs) of ₹ 10,00,000 (Rupees Ten Lacs only) for cash at par aggregating to ₹ 2,00,00,00,000 (Rupees Two Hundred Crores only) on private placement basis. The said NCDs are listed on BSE Limited. The proceeds of the same had been utilised for Company's various expansion projects and also for the augmentation of the long term working capital required for business growth.

7. Details of non-compliance by the Company, Penalties, Strictures imposed on the Company by Stock Exchange(s) or Securities and Exchange Board of India (SEBI) or any other statutory authority or any matters related to Capital Markets during the last 3 (three) years

The Company has complied with all the requirements of the Stock Exchanges, SEBI and Statutory Authorities on all matters related to the capital markets during the last 3 (three) years. There are no penalties or strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authorities relating to the above.

There were no instances of non-compliance of any matter related to the capital market during the last 3 (three) years.

8. Details of compliance with mandatory requirements.

Regulation 34 (3) read with schedule V of the Listing Regulations mandates the Company to obtain a certificate from either the Auditors or Practicing Company Secretaries regarding compliance of conditions of Corporate Governance as stipulated in the said Regulation and annex the certificate so obtained with the Boards' Report. The Company has obtained a certificate from its Statutory Auditors to this effect and the same is annexed to the Boards' Report.

9. Adoption of the non-mandatory requirements

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 states that the non-mandatory requirements may be implemented as per the discretion of the Company. The disclosures of compliance with other non-mandatory requirements and adoption/non-adoption of the non-mandatory requirements shall be need based.

10. Compliance with Discretionary Requirements

- There are no audit qualifications for the Standalone and Consolidated Financial Statement for the year ended March 31, 2018.
- The Position of Chairman of the Board of Directors and Managing Director are separate.
- Internal Auditor reports to the Audit Committee directly in all the functional matters.

11. Material Subsidiary

The Company does not have any material subsidiary whose income or net worth exceeds 20% of the consolidated income and net worth respectively of the holding company in immediately preceding accounting year. A policy on subsidiaries has been formulated by the Company and posted on website of the Company at the link <https://www.ceat.com/corporate/investor#corporate-governance>.

VII. Means Of Communication

Quarterly Results are announced within 45 (forty-five) days from the end of the quarter and the annual audited results are announced within 60 (sixty) days from the end of the financial year as per the Regulation 47 of the Listing Regulations. The aforesaid financial results are announced to Stock Exchanges within 30 (thirty) minutes from close of the Board meeting at which these were considered and approved. Quarterly Results of the Company are published in a major English Daily as well as in a Marathi Daily.

The Quarterly Results of the Company are normally published in the following newspapers:

- The Free Press Journal
- Navshakti
- The Economic Times
- Maharashtra Times

The Company sends investors presentation to the stock exchanges as well as these presentations are available on the website of the Company. The Annual Report of the Company, the Quarterly / Half yearly Results and the Audited Financial Statements, the press releases of the Company, the Investors Presentations, any updates are also placed on the Company's Website www.ceat.com.

The Company also provides information to the Stock Exchanges where the shares of the Company are listed as per the Listing Regulations.

The Company has provided an email address on its website 'investors@ceat.com' whereby investors can directly contact the Company.

VIII. General Shareholder Information

AGM: Date, Time and Venue

- As indicated in the notice accompanying this Annual Report the Fifty-Ninth Annual General Meeting of the Company will be held on Friday, July 20, 2018 at 3.30 p.m. at The Auditorium, Textile Committee, next to Trade Plaza (TATA Press), P. Balu Road, Prabhadevi Chowk, Prabhadevi, Mumbai 400 025

Financial Year

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

Date of Book Closure

July 12, 2018 to July 20, 2018 (both days inclusive).

Dividend Payment Date

On or before August 19, 2018.

Listing on Stock Exchanges

The Equity shares of the Company are listed on the BSE Limited and the National Stock Exchange of India Limited. The Listing fees have been paid to both the Stock Exchanges for FY 2017-18.

Stock Code

BSE Limited (Equity shares) - 500878

Security Code:

BSE Limited (Non Convertible Redeemable Debentures on private placement)- 952523
Security Id: 980CEAT25

Address: Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001

National Stock Exchange of India Limited - CEATLTD

Address: Exchange Plaza, Bandra Kurla Complex, Bandra (East) 400 051

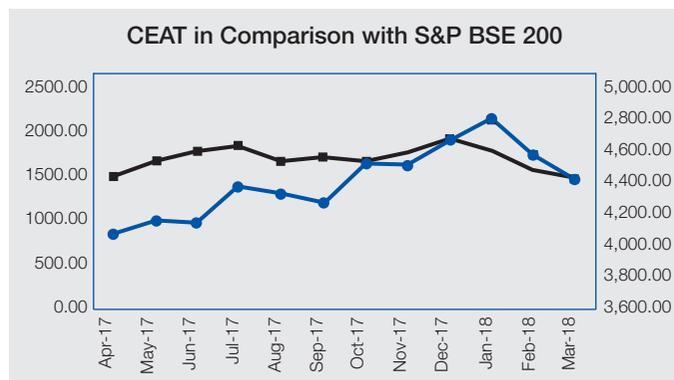
Market Price Data for Equity shares of face value of 10/- each

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2017	1575.00	1324.10	1588.00	1323.20
May 2017	1890.00	1511.00	1897.45	1510.50
June 2017	1948.00	1682.00	1947.90	1683.05
July 2017	1925.00	1792.00	1927.50	1720.00
August 2017	1940.00	1612.55	1937.30	1612.30
September 2017	1822.70	1643.60	1830.00	1643.00
October 2017	1766.65	1638.45	1768.95	1632.00
November 2017	1861.20	1674.25	1859.20	1671.55
December 2017	2030.00	1694.00	2013.95	1695.60
January 2018	2030.00	1794.95	2019.00	1798.55
February 2018	1901.95	1461.00	1902.00	1461.00
March 2018	1630.00	1407.80	1637.00	1413.05

CORPORATE GOVERNANCE REPORT

Share Performance of the Company in comparison to S & P BSE 200

CEAT in Comparison with S & P Bse 200



Registrar and Share Transfer Agents

[A] For equity shares:

The share management work, both physical and demat, is handled by the Registrar and Share Transfer Agent of the Company whose name and address is given below:

TSR Darashaw Limited
6-10, Haji Moosa Patrawala Industrial Estate,
20, Dr. E. Moses Road,
Mahalaxmi,
Mumbai – 400 011
Email: csg-unit@tsrdarashaw.com
Web: www.tsrdarashaw.com
Tel.: 022-66568484; Fax: 022-66568494

[B] For privately placed Redeemable Non-Convertible Debentures:

TSR Darashaw Limited
6-10, Haji Moosa Patrawala Industrial Estate,
20, Dr. E. Moses Road,
Mahalaxmi,
Mumbai – 400 011
Email: csg-unit@tsrdarashaw.com
Web: www.tsrdarashaw.com
Tel.: 022-66568484; Fax: 022-66568494

Branch Offices:

1. Bangalore

TSR Darashaw Limited
503, Barton Centre (5th Floor)
84, Mahatma Gandhi Road,
Bangalore – 560 001
Email: tsrdbang@tsrdarashaw.com
Tel: 080 – 25320321
Fax: 080 – 25580019

2. Jamshedpur

TSR Darashaw Limited
“E” Road, Northern Town, Bistupur,
Jamshedpur – 831 001
Email: tsrdljsr@tsrdarashaw.com
Tel: 0657-2426616

3. Kolkata

TSR Darashaw Limited
Tata Centre, 1st Floor,
43, J. L. Nehru Road, Kolkata 700 071
Email: tsrdlcal@tsrdarashaw.com
Tel: 033-22883087
Fax: 033-22883062

4. New Delhi

TSR Darashaw Limited
2/42, Ansari Road, 1st Floor Daryaganj,
Sant Vihar, New Delhi – 110 002
Email: tsrdldel@tsrdarashaw.com
Tel: 011-23271805
Fax: 011-23271802

Agents:

Shah Consultancy Services Limited
3, Sumatinath Complex, 2nd Dhal
Pritam Nagar, Ellisbridge,
Ahmedabad 380 006
Email: shahconsultancy8154@gmail.com
Telefax: 079-26576038

[C] For Deposits

KISU CORPORATE SERVICES PVT.LTD.
D- 28 – Mezzanine Floor Supariwala
Estate, Prasad Chambers Compound
Near Roxy Cinema Opera House
Mumbai 400004.
Tel. No.: 022-49710146,
Email ID: kisucorporate@gmail.com

[D] Debenture Trustees

Axis Trustee Service Limited.
Axis House, Ground Floor,
Bombay Dyeing Mills Compound,
Pandurang Budhkar Marg,
Worli, Mumbai 400025.
Tel: 022-24255215/16
Fax: 022-43253000
Email ID: debenturetrustee@axistrustee.com
Website: www.axistrustee.com

Share Transfer System

All valid requests for transfer of equity shares in physical mode received for transfer at the office of the Registrar and Share Transfer Agents or at the Registered Office of the Company are processed and returned within a period of 15 (fifteen) days from the date of receipt. The Board of Directors

has delegated the power of approval of share transfers to the Company Secretary.

Every effort is made to clear transmissions and split and consolidation requests within 21 (twenty-one) days.

Distribution of shareholding as at March 31, 2018

No. Of Equity Shares hold	No. of Members		No. of shares		% of Equity Capital	
	Physical	Demat	Physical	Demat	Physical	Demat
1 to 500	16,163	46,751	4,41,785	22,12,689	1.09	5.47
501 to 1,000	60	610	40,628	4,43,477	0.10	1.10
1,001 to 2,000	30	249	41,591	3,62,453	0.10	0.90
2,001 to 3,000	8	77	20,113	1,85,657	0.05	0.46
3,001 to 4,000	2	38	6,900	1,32,303	0.02	0.33
4,001 to 5,000	1	30	4,530	1,34,785	0.01	0.33
5,001 to 10,000	2	52	16,657	3,81,557	0.04	0.94
Greater than 10,000	0	121	0	3,60,24,967	0.00	89.06
Total	16,266	47,928	5,72,204	3,98,77,888	1.41	98.59

Dematerialisation of shares

The Company has an arrangement with National Securities Depository Limited (NSDL) as well as Central Depository Services (India) Limited (CDSL) for dematerialisation of shares with ISIN No. INE482A01020 for both NSDL and CDSL.

98.59% of equity share capital corresponding to 3,98,77,888 equity shares is held in dematerialised form as of March 31, 2018.

Categories of Shareholding as of March 31, 2018

Category	No. of Shares	Percentage (%)
Promoter		
Promoters Holdings (Indian and Foreign)	2,05,33,744	50.77
Public		
Mutual Funds	35,96,399	8.89
Banks, Financial Institutions, Insurance Companies and Others	11,58,204	2.86
Foreign Institutional Investors	1,04,45,615	25.82
Non Resident Indians	1,32,523	0.33
Corporate Bodies, Indian Public and Others	45,83,607	11.33
Total	4,04,50,092	100.00

CORPORATE GOVERNANCE REPORT

Outstanding GDRs/ADRs/Warrants/Any other Convertible Instruments:

The Company do not have any outstanding GDRs/ ADRs/Warrants/Any other Convertible Instruments as on March 31, 2018.

Commodity Price Risk or Foreign Exchange Risk and hedging activities:

Volatility in commodity prices are managed by combining a robust price forecast mechanism with a buying model comprising of spot buying, forward buying and strategic long term contracts. Inventory levels are maintained in alignment to this. Since significant quantum of raw materials are procured from international sources, appropriate hedging mechanisms are in place to insulate forex fluctuations.

The Company manages the volatility in the foreign currency prices through hedging mechanisms. The exposure risk arises primarily due to the import and export activities of the Company as well as short term and long term borrowings in foreign currency. The Company has put in place a Policy for Foreign Exchange and interest Risk Management which is duly approved by the Board of Directors 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 of Directors on a timely basis. The Company is in fully compliance with the rules, regulations and guidelines, as may be applicable, prescribed by the Reserve Bank of India from time to time in this behalf.

Equity shares in CEAT Limited –Unclaimed Securities Suspense Account:

Details with respect to the Shares lying in the Suspense Account are as under:

Particulars	Number of Members	Number of Shares
Aggregate number of shareholders and the outstanding shares lying in the suspense account as on April 1, 2017	4,665	1,37,464
Number of the shareholders who approached the Company for transfer of the shares from suspense account during the FY 2017-18	29	1,125
Shareholders to whom shares were transferred from the suspense account during the year	29	1,125
Transferred to Investor Education and Protection Fund Authority, pursuant to Section 124 (6) of the Companies Act, 2013 and rules thereunder	4,015	1,16,988
Aggregate number of shareholders and the outstanding shares lying in the suspense account as on March 31, 2018	621	19,351

The voting rights on the equity shares lying in the Suspense Account as on March 31, 2018 shall remain frozen till the rightful owner of such shares claim the shares.

Plant Locations

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

National Electronic Clearing Service (NECS) Facility

With respect to payment of dividend, the Company provides the facility of NECS to Members residing in the cities where such facility is available. In order to avoid the risk of loss/interception of Dividend Warrants in postal transit and/or fraudulent encashment of Dividend Warrants, Members are requested to avail of facility whereby the dividends will be directly credited in electronic form to their respective bank accounts. This will ensure speedier credit

of dividend and the Company will duly inform the concerned Members when the credits are passed to their respective bank accounts. The requisite application form can be obtained from the office of TSR Darashaw Limited, the Registrar and Share Transfer Agents of the Company.

The Company proposes to credit dividend to the Member's bank account directly through NECS where such facility is available in case of Members holding shares in demat account and who have furnished their MICR Code to their Depository Participant (DP).

Members located in places where NECS facility is not available, may kindly submit their bank details to enable the Registrars to incorporate the same on the Dividend Warrants, in order to avoid fraudulent encashment of the Dividend Warrants.

CEO & CFO Certification

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

Code of Conduct

The Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company, which is posted on the Company's website www.ceat.com at the link <https://www.ceat.com/corporate/investor#corporate-governance>

All Board Members and Senior Management Personnel have affirmed compliance with the Code for the financial year ended March 31, 2018. A declaration to this effect signed by the Managing Director forms part of this Report.

Prevention of Insider Trading

The Company has formulated a Code of Fair Disclosure and Conduct (For Regulating, Monitoring and Reporting of Trading by Insiders) ('Code') in accordance with provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 with a view to regulate trading in securities by the Directors and Designated Employees of the Company.

The Company Secretary as the Compliance Officer of the Company is responsible for complying with the procedures,

monitoring, adherence to the rules for the preservation of price sensitive information, pre-clearance of trade, monitoring of trades and implementation of the Code of Conduct under the overall supervision of the Board.

The Code requires pre-clearance for dealing in the Company's shares and prohibits purchase and/or sale of the Company's shares by the Directors and Designated Employees while in possession of unpublished price sensitive information in relation to the Company.

Compliance Officer

Ms. Shruti Joshi

Company Secretary

CEAT Limited

CIN: L25100MH1958PLC011041

463, Dr. Annie Besant Road, Worli, Mumbai 400 030

Tel: 91-22-2493 0621

Fax: 91-22- 25297423 Email: investors@ceat.com

Declaration

All Board Members of the Board and the Senior Management Personnel have, for the year ended March 31, 2018, affirmed compliance with the Code of Conduct laid down by the Board of Directors in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Place: Mumbai

Date: April 30, 2018

For **CEAT Limited**

Anant Vardhan Goenka

Managing Director

Identified as having been approved by the
Board of Directors of CEAT Limited

Shruti Joshi

Company Secretary

Place: Mumbai

Date: April 30, 2018