



CEAT LTD.
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April 11, 2019

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai- 400001

National Stock Exchange of India Ltd.,
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (E)
Mumbai – 400 051

Security Code: 500878

Symbol: CEATLTD

Dear Sir/Madam,

Ref: Regulation 37(6) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations, 2015')

Sub: Scheme of Amalgamation of CEAT Specialty Tyres Limited ('CSTL') with CEAT Limited ('the Company' or 'CEAT') and their respective shareholders ('Scheme')

We refer to our letter dated April 3, 2019, submitted under Regulation 30 of the SEBI Listing Regulations, 2015, intimating that the Board of Directors of the Company has approved the Scheme of Amalgamation of CSTL with CEAT and their respective shareholders ('Scheme') under section 230 to 232 and other applicable provisions of the Companies Act, 2013.

CSTL being the wholly owned subsidiary of CEAT, in terms of Regulation 37(6) of the SEBI Listing Regulations, 2015, the provisions of the said Regulation 37 are not applicable to draft schemes which solely provide for merger of a wholly owned subsidiary with its holding company. Hence, 'No Objection Letter' or 'Observation Letter' on the Scheme is not required to be obtained from the Stock Exchanges on which the equity shares of the Company are listed.

However, in accordance with the provisions of Regulation 37(6) of the SEBI Listing Regulations, 2015 read with the provisions of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, such draft schemes shall be filed with the Stock Exchanges for the purpose of disclosures and the Stock Exchanges shall disseminate the scheme documents on their websites. Accordingly, the following documents are being filed herewith;

1. Certified copy of the Scheme of Amalgamation of CEAT Specialty Tyres Limited ('CSTL') with CEAT Limited ('the Company' or 'CEAT') and their respective shareholders ('Scheme'); and
2. Certified True Copy of the Resolution passed by the Board of Directors of CEAT Limited dated April 3, 2019, approving the said Scheme of Amalgamation.

We request you to take the same on record and acknowledge receipt.

Thanking you,

Yours faithfully,
For **CEAT Limited**




Vallari Gupta
Company Secretary and Compliance Officer

✓ Encl.: As above

SCHEME OF AMALGAMATION

OF

CEAT SPECIALTY TYRES LIMITED

WITH

CEAT LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS

UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE

PROVISIONS OF THE COMPANIES ACT, 2013

CERTIFIED TRUE COPY

For CEAT LIMITED

Vallari Gupte
Company Secretary

This Scheme of Amalgamation ('the Scheme' or 'this Scheme') is presented under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 for amalgamation of CEAT Specialty Tyres Limited ('CSTL') with CEAT Limited ('CEAT'). This Scheme also provides for various matters consequential or otherwise integrally connected herewith.

1. Description of Companies:-

Transferor Company:

CEAT Specialty Tyres Limited ('Transferor Company' or 'CSTL') is a company incorporated under the Companies Act, 1956 having its registered office at RPG House, 463, Dr. Annie Besant Road, Worli, Mumbai – 400030. CSTL is currently engaged in the business of manufacturing and trading of tyres for off-the-road vehicles. CSTL is a wholly owned subsidiary of CEAT.

Transferee Company:

CEAT Limited ('Transferee Company' or 'CEAT') is incorporated under the Companies Act, 1956, having its registered office at 463, Dr. Annie Besant Road, Worli, Mumbai - 400030. CEAT is currently engaged in the business of manufacture and sale of automotive tyres, tubes and flaps. CEAT's equity shares are listed on BSE Limited and on the National Stock Exchange of India Limited.

2. Rationale of the Scheme:-

The principal advantages and benefits of the proposed Scheme are as follows:

- a) The Transferor Company is a wholly owned subsidiary of the Transferee Company and the management of both the companies are one and the same. The business activities are mostly similar and complement each other. In order to integrate the business carried on by both the companies, it is proposed to amalgamate the Transferor Company with the Transferee Company as this will enable the Transferee Company to have greater and optimal use of resources.
- b) Considerable synergies of operations would be achieved, resulting in economies of scale, effective coordination and better control over the activities, reduction of overheads and administrative expenses. This would allow optimum utilisation of equipment and other resources, ultimately resulting into higher profitability for the Transferee Company.
- c) The benefits of combined resources/ profits, assets and cash flows would enhance capability of the Transferee company to face competition effectively.
- d) Pooling of financial resources and access to cash flows generated by the combined business would enable the Transferee Company to deploy funds in organic and inorganic growth opportunities and in capital expenditure.
- e) Cost savings are expected from more focused operational efforts, rationalisation, standardisation of business processes, elimination of duplication of work/ functions and rationalisation of administrative expenses.
- f) The Scheme shall be beneficial to and in the best interest of the shareholders, creditors and employees of the Transferor and Transferee Company, public at large and all concerned.

3. Parts of the Scheme:-

The Scheme is divided into following parts:

- i Part A – deals with definitions and Share Capital;
- ii Part B – deals with the amalgamation of the Transferor Company with the Transferee Company;
- iii Part C - deals with General Terms and Conditions.



PART A

1. DEFINITIONS

In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the following meaning:

- 1.1 "Act" or "the Act" means Companies Act, 2013 and the rules and regulations made thereunder as the case may be, and shall include any statutory modifications, re-enactments or amendments thereof for the time being in force.
- 1.2 "Appointed Date" for the purpose of this Scheme means 1st April, 2019 or such other date as may be approved by the National Company Law Tribunal at Mumbai, Maharashtra or such other competent authority may approve;
- 1.3 "Board of Directors" or "Board" means the Board of Directors of CSTL and CEAT or any one or the relevant one of CSTL and CEAT, as the case may be, and shall include a duly constituted Committee thereof.
- 1.4 "CEAT" or "Transferee Company" means CEAT Limited, a company incorporated under the Companies Act, 1956 and having its registered office at 463, Dr. Annie Besant Road, Worli, Mumbai – 400030.
- 1.5 "CSTL" or "Transferor Company" means CEAT Specialty Tyres Limited, a company incorporated under the Companies Act, 1956 and having its registered office at RPG House, 463, Dr. Annie Besant Road, Worli, Mumbai – 400030.
- 1.6 "DSIR" means Department of Scientific and Industrial Research under the Ministry of Science and Technology.
- 1.7 "Effective Date" means the date on which certified copy of the order sanctioning the Scheme passed by the National Company Law Tribunal at Mumbai, Maharashtra is filed by the Transferor Company



and the Transferee Company with the Registrar of Companies, Mumbai, Maharashtra.

- 1.8 “**Employees**” means all the employees of the Transferor Company who are on its pay-roll as on the Effective Date.
- 1.9 “**Government**” means any applicable Central, State or Local Government, Legislative Body, Regulatory or Administrative Authority, Agency or Commission or any Court or Tribunal, Board, Bureau, Instrumentality, Judicial or Arbitral body having jurisdiction over the territory of India.
- 1.10 “**Scheme**” or “**the Scheme**” or “**this Scheme**” means this Scheme of Amalgamation in its present form or with any modification(s) made under Clause 17 of this scheme as approved or directed by the Tribunal.
- 1.11 “**Tribunal**” means National Company Law Tribunal, Bench at Mumbai, Maharashtra.
- 1.12 All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contract (Regulation) Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be, or any statutory modification or re-enactment thereof from time to time.

2. **DATE OF TAKING EFFECT AND OPERATIVE DATE**

The amalgamation of the Transferor Company with the Transferee Company with any modifications approved or directed by the Tribunal, pursuant to and in accordance with this Scheme, shall take place with effect from the Appointed Date, but shall be operative from the Effective Date. Therefore, for all tax purposes, the amalgamation would be effective from the Appointed Date of the Scheme. Notwithstanding the above, the accounting treatment to be adopted to give effect to the provisions of the Scheme would be in consonance with Indian Accounting Standards, 103 (Ind AS 103) and mere adoption of such accounting treatment will not in any manner affect the amalgamation of the Transferor Company with the Transferee Company from the Appointed Date.



3. SHARE CAPITAL

3.1 The share capital of the Transferor Company as on March 31, 2018 was as under:

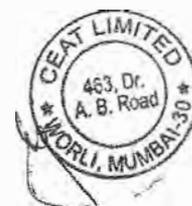
Particulars	Amount (in Rs.)
Authorised Capital	
2,90,50,000 Equity Shares of Rs. 10 each	29,05,00,000
Total	29,05,00,000
Issued, Subscribed and Paid-up Capital	
1,80,50,000 Equity Shares of Rs. 10 each fully paid up	18,05,00,000
Total	18,05,00,000

Subsequent to March 31, 2018, there is an increase in the issued, subscribed and paid up equity share capital of the Transferor Company. Accordingly, the authorized, issued, subscribed and paid up share capital of the Transferor Company as on December 31, 2018 is as under:

Particulars	Amount (in Rs.)
Authorised Capital	
2,90,50,000 Equity Shares of Rs. 10 each	29,05,00,000
Total	29,05,00,000
Issued, Subscribed and Paid-up Capital	
2,10,50,000 Equity Shares of Rs. 10 each fully paid up	21,05,00,000
Total	21,05,00,000

As on date, the Transferor Company is a wholly-owned subsidiary of the Transferee Company. The entire paid up equity share capital of the Transferor Company is held by the Transferee Company along with its nominees.

3.2 The share capital of the Transferee Company as on March 31, 2018 was as under:



Particulars	Amount (in Rs.)
Authorised Capital	
4,61,00,000 Equity Shares of Rs. 10 each	46,10,00,000
39,00,000 Preference Shares of Rs. 10 each	3,90,00,000
1,00,00,000 Unclassified shares of Rs. 10 each	10,00,00,000
Total	60,00,00,000
Issued Capital	
4,04,50,780 Equity Shares of Rs. 10 each fully paid up	40,45,07,800
Total	40,45,07,800
Subscribed and Paid-up Capital	
4,04,50,092 Equity Shares of Rs. 10 each fully paid up	40,45,00,920
Total	40,45,00,920

Subsequent to March 31, 2018, there has not been an increase in the authorised, issued, subscribed and paid up share capital of the Transferee Company.

The equity shares of the Transferee Company are currently listed on BSE Limited and the National Stock Exchange of India Limited.

PART B

4 TRANSFER AND VESTING OF UNDERTAKING OF THE TRANSFEROR COMPANY TO AND WITH THE TRANSFEREE COMPANY

- 4.1 Upon coming into effect of this Scheme and with effect from the Appointed Date, the entire business and whole of the undertaking of the Transferor Company shall stand transferred to and be vested and/or deemed to have been vested in and amalgamated with the Transferee Company, as a going concern, without any further deed or act, together with all its assets, liabilities, properties, rights, investments, benefits and interest therein, subject to existing charges thereon in favour of banks and financial institutions or otherwise, as the case may be and subject to the provisions of the Scheme in accordance with Sections 230 to 232 of the Act and all other applicable provisions of the Act, if any.



4.2 Without prejudice to the generality of the foregoing:

- (a) the assets of the Transferor Company shall include, without limitation:
- (i) all properties and assets (whether real or personal, in possession or reversion, corporeal or incorporeal, movable or immovable, tangible or intangible) of whatsoever nature, and wherever situated, including but not limited to immovable properties (as more specifically described in Annexure I), plant and machinery, furniture and fixtures, office equipments, other equipment, computers, air conditioners, investments such as shares, bonds, debentures, treasury bills, commercial papers, etc etc [including investment in CEAT Specialty Tires Inc (UIN No. BYWRN20180271) and CEAT Specialty Tyres BV (Establishment No. 000037062492), (UIN No. applied for and awaited)], cash on hand, stock in trade, advances, receivables, claims whether recognized or not (including those under any shareholder or share purchase agreements);
 - (ii) all licenses, permits, quotas, approvals, permissions, incentives, subsidies, concessions, grants, rights, claims, leases, liberties, special status, approvals and consents including environmental approvals and approvals of various regulatory bodies, licenses for research and development activities (including but not limited to approvals granted by DSIR to Transferor Company) ;
 - (iii) all rights relating to patents, trademarks, service marks, logos, domain names and utility models, copyrights, inventions, brand names whether registered or not and other intellectual property rights;
 - (iv) all rights relating to property including lease/tenancy rights, sublicensing, subleasing rights or rights to grant subtenancy, easement rights, permissions, title, interest, contracts, consents, approvals or powers of every kind, nature and descriptions whatsoever and wherever situated;
 - (v) all rights and benefits under any contracts with customers, suppliers, sellers, shareholders (including rights under any shareholder or share purchase agreements), and other counterparties; and



- (vi) all tax incentives and benefits including but not limited to credit for Advance tax, Taxes Deducted at Source, Minimum Alternate Tax credit, Cenvat credit, Service tax credit, Sales tax credit, credit for Value Added Tax, credit under Goods and Services Tax, etc.
- (b) the liabilities shall include all debts, liabilities, contingent liabilities, duties and obligations of the Transferor Company as on the Appointed Date, whether or not provided in the books of the Transferor Company which shall be deemed to be the debt, liabilities, duties and obligations of the Transferee Company as the case may be, and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause.

Provided that the Scheme shall not operate to enlarge the security for the said liabilities of the Transferor Company which shall vest in the Transferee Company by virtue of the Scheme and the Transferee Company shall not be obliged to create any further, or additional security thereof after the amalgamation has become effective or otherwise. The transfer / vesting of the assets of the Transferor Company as aforesaid shall be subject to the terms and conditions of the existing charges / hypothecation / mortgages over or in respect of the assets or any part thereof of the Transferor Company.

- 4.3 (a) All the assets, licenses, permits, quotas, including approvals of various regulatory bodies (including but not limited to the Maharashtra Industrial Development Corporation, DSIR), permissions, incentives, benefits, loans, subsidies, concessions, grants, rights, claims, leases, tenancy rights, copy rights, trade marks, logos, brands, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by and all rights and benefits that have accrued to the Transferor Company upto the Appointed Date or after the Appointed Date and prior to the Effective Date in connection with or in relation to the operations and business of the Transferor Company shall, pursuant to the provisions of the



Act, without any further act, instrument or deed, be and stand transferred to and vested in and/ or be deemed to have been transferred to and vested in and be available to the Transferee Company so as to become as and from the Appointed Date the assets, licenses, permits, quotas, approvals including permissions, exemptions, exclusions, incentives, loans, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable by the Transferee Company on the same terms and conditions to the extent permissible under law.

- (b) On the scheme becoming effective, all moveable assets including cash in hand, if any, of the Transferor Company, capable of passing by manual delivery or constructive delivery or by endorsement and delivery, shall be so delivered or endorsed and delivered, as the case may be to the Transferee Company.
- (c) In respect of all movables other than those specified in sub clause (b) above, including sundry debtors, outstanding loans and advances, if any recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, Semi Government, Local and Other Authorities and Bodies, customers and other persons, the same shall, without any further act, instrument or deed, be transferred to and stand vested in and/ or be deemed to be transferred to and stand vested in the Transferee Company.
- (d) The entitlement to various benefits under incentive schemes and policies in relation to the Transferor Company shall stand transferred to and be vested in and/or be deemed to have been transferred to and vested in the Transferee Company together with all benefits, entitlements and incentives of any nature whatsoever. Such entitlements shall include (but shall not be limited to) income tax, Goods and Services Tax, sales tax, value added tax, excise duty, service tax, customs and other incentives in relation to the Transferor Company to be claimed by the Transferee Company with effect from the Appointed Date as if the Transferee Company was originally entitled to all such benefits under such incentive schemes and/or policies,



subject to continued compliance by the Transferee Company of all the terms and conditions subject to which the benefits under such incentive schemes were made available to the Transferor Company.

- (e) All cheques and other negotiable instruments, payment orders received in the name of the Transferor Company after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company. Similarly, the bankers of the Transferee Company shall honour the cheques issued by the Transferor Company for payments after Effective Date.
- (f) With effect from the Appointed Date, the approval of the DSIR pertaining to the undertaking of the Transferor Company would continue to be available to the Transferee Company, The Transferee Company shall be entitled, pending sanction of the Scheme to apply to the DSIR (as applicable) for obtaining necessary approval and/or transfer of existing approval obtained by Transferor Company and such application shall be considered as a valid application for the purpose of claiming appropriate tax deduction including under Section 35(2AB) of the Income-tax Act, 1961. Upon the Scheme becoming effective and on obtaining necessary approval and/or transfer of existing approval from the DSIR, the Transferee Company can claim tax deduction specified under the relevant provisions of the Income-tax Act, 1961 including Section 35(2AB) in respect of all eligible expenditure incurred by the Transferor Company with effect from the Appointed Date mentioned in the Scheme.
- (g) The provisions of this Scheme as they relate to the amalgamation of the Transferor Company with the Transferee Company, have been drawn up to comply with the conditions relating to "amalgamation" as defined under Section 2(1B) of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section of the Income-tax Act, 1961, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income-tax Act, 1961, shall prevail and the

