

June 23, 2017

BSE Limited
Corporate Service Department,
1st Floor, P.J. Towers,
Dalal Street,
Mumbai 400 001

The National Stock Exchange of India Limited
Exchange Plaza, 3rd Floor,
Plot No. C/1, "G" Block,
Bandra Kurla Complex, Bandra East,
Mumbai 400 051

Security Code: 500878/ 952523

Symbol: CEATLTD

Sub: Subscription to Shares

Dear Sir/Madam,

Pursuant to Regulation 30 read with Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Company's Policy on Determination of Materiality of Events, we hereby inform you that the Committee of Directors (duly constituted by the Board at its meeting March 22, 2017) at its meeting held today, has approved the investment of not exceeding Rs. 7,00,00,000/- (Rupees Seven Crores) in Tyresnmore Online Private Limited, in one or more tranches. Details required as per Circular CIR/CFD/CMD/4/2015 dated September 09, 2015 is enclosed as Annexure.

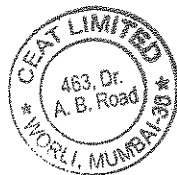
We request you to kindly take the above on record.

Thanking you,

Yours truly,

For **CEAT Limited**


Shruti Joshi
Company Secretary



Encl: as above

Annexure

Name of the target entity, details in brief such as size, turnover etc.	Tyresnmore Online Private Limited ("Tyresnmore"), a private limited company having turnover of INR 119.82 Lakhs, as on March 31, 2016. The Company proposes to make investment of INR 7,00,00,000/- (Indian Rupees Seven Crores only) in one or more tranches, subject to completion of the due diligence and fulfilment of the conditions precedents.
Whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at "arm's length"	Tyresnmore is not a related party of the Company, and hence acquisition of shares of Tyresnmore does not fall within the category of related party transaction. Promoter/ promoter group/ group companies do not any interest in Tyresnmore.
Industry to which the entity being acquired belongs	Auto Ancillary (selling of automotive tyres and providing ancillary automotive services)
Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity)	Acquisition of Compulsorily Convertible Preference Shares and Equity Shares in two tranches.
Brief details of any governmental or regulatory approvals required for the acquisition	NA
Indicative time for completion of the acquisition	Tranche I – approximate INR 4,00,00,000 (Indian Rupees Four Crores) by July 2017 subject to fulfilment of conditions precedent and in accordance with the Share Subscription and Shareholders Agreement Tranche II – approximate INR 3,00,00,000 (Indian Rupees Three Crores) by March 2019
Nature of consideration - whether cash consideration or share swap and details of the same;	Cash Consideration
Cost of acquisition or the price at which the shares are acquired	INR 7,00,00,000 (Indian Rupees Seven Crores)
Percentage of shareholding / control acquired and / or number of shares acquired	Tranche I – The Company is investing approximate INR 4,00,00,000 (Indian Rupees Four Crores) by subscribing to 46810 Compulsorily Convertible Preference Shares having face value of Rs. 1 each and 100 Equity



SR

	Shares having face value of Rs. 1 each, and hence acquiring approximate 29% of the total share capital of Tyresnmore. Tranche II – The Company will be investing approximate INR 3,00,00,000 (Indian Rupees Three Crores) by subscribing to Compulsorily Convertible Preference Shares and Equity Shares, to be determined at the time of investment in accordance with the Share Subscription and Shareholders Agreement.
Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief)	Tyresnmore Online Private Limited (“Tyresnmore”), is a private limited company incorporated on June 2, 2014. The registered office of Tyresnmore is situated in New Delhi, India. Tyresnmore is <i>inter alia</i>, engaged in the business of selling automotive tyres, accessories and/or providing services of installing, fitting, wheel balancing and wheel alignment for automotive tyres. . <u>Turnover:</u> FY 2015-16 – INR 22.59 Lakhs FY 2016-17 – INR 119.82 Lakhs

SRT

