



Charging ahead.

Charging ahead.

In 2001-02, we showed just what winners are made of.
No wonder we're charging ahead. With newer strength, newer vigour.
To greater goals, greater success.

CEAT LIMITED**NOTICE**

NOTICE is hereby given that the Forty-third Annual General Meeting of the Company will be held at Sir Sitaram and Lady Shantabai Patkar Convocation Hall of the S.N.D.T. Women's University, 1, Nathibai Thackersey Road, Mumbai - 400 020 on Tuesday, 17th September, 2002 at 11.00 a.m. (S.T.), to transact the following business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2002 and Profit and Loss Account for the Financial Year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in place of Mr. M. A. Bakre, who retires by rotation and, being eligible, has offered himself for re-appointment.
4. To appoint a Director in place of Mr. B. S. Mehta, who retires by rotation and, being eligible, has offered himself for re-appointment.
5. To appoint a Director in place of Mr. B. L. Paranjape, who retires by rotation and, being eligible, has offered himself for re-appointment.
6. To appoint a Director in place of Mr. N. Srinivasan, who retires by rotation and, being eligible, has offered himself for re-appointment.
7. To consider and, if thought fit, to pass with or without modification (as may be permissible) the following resolution as a Special Resolution:

"RESOLVED THAT Messrs. N. M. Rajji & Co. be and they are hereby appointed as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting at a remuneration to be mutually agreed between the Board of Directors of the Company and the Auditors in addition to reimbursement of all out-of-pocket expenses in connection with the audit of the Company."

8. To appoint a director in place of Mr. S. Doreswamy, who was appointed as a Director of the Company pursuant to Article 131 of the Articles of Association of the Company to fill the casual vacancy on the Board caused by resignation of Mr. S. K. Lalbhai, and who ceases to be in office under Section 262 of the Companies Act, 1956, but who is eligible for re-appointment and in respect of whom the Company has received a notice in writing from a shareholder proposing his candidature for the office of the Director.

NOTES :

- (a) The explanatory statements in respect of items 7 and 8 are hereto annexed.
- (b) **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.**
- (c) **THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY OR WITH TATA CONSULTANCY SERVICES, AT LOTUS HOUSE, 6, NEW MARINE LINES, MUMBAI - 400 020 NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
- (d) In terms of Clause 49VI of the Listing Agreement, the brief resumes regarding each of the directors who are seeking appointments/re-appointments according to Item No. 3, 4, 5, 6 and 8 of this Notice for the forthcoming Annual General Meeting are provided in the Corporate Governance Report, as a part of the Report of the Directors of the Company for the year 1st April, 2001 to 31st March, 2002 which has been referred to in Item 1 of this Notice.

The names of other companies in which the respective persons hold directorships and membership of the committees of the boards are detailed in the annexed appendix.

CEAT LIMITED

- (e) The Register of Members and the Share Transfer Books of the Company shall be closed from 4th September, 2002 till 17th September, 2002 (both days inclusive).
- (f) The Company has already transferred all Unclaimed Dividend declared upto the Financial Year ended 30th September, 1994 to the General Revenue Account of the Central Government as required by the Companies Unpaid Dividend (Transfer to the General Revenue Account of the Central Government) Rules, 1978. Individual notices have been given to the respective persons before such respective transfers. Those shareholders who have so far not claimed or collected their dividend upto the aforesaid Financial Year may claim their dividend from the Registrar of Companies, Maharashtra, Hakoba Compound, 2nd Floor, Kalachowki, Mumbai - 400 033.
- (g) Pursuant to the provision of Section 205A of the Companies Act, 1956, as amended, dividends for the Financial Year ended 31st March, 1996 and thereafter, which remained unclaimed or unpaid for a period of seven years will be transferred to the Investor Education and Protection Fund (IEPF) established under Section 205C of the Companies Act, 1956. Shareholders who have not encashed the dividend warrant(s) so far for the Financial Year ended on 31st March, 1996 or any subsequent Financial Years are requested to make their claims to the office of the Registrar M/s. Tata Consultancy Services, Lotus House, 6, Sir Vithaldas Thackersey Marg, New Marine Lines, Mumbai 400 020. It may also be noted that once the unclaimed dividend is transferred to IEPF, as above, no claim shall lie in respect thereof. The dividend for the Financial Year ended 31st March, 1996 is due to be transferred to the aforesaid account on 4th November, 2003.
- (h) If dividend, as recommended by the directors, is declared at the meeting, the payment will be made to those shareholders whose names appear on the Company's Register of Members and who are notified as beneficiaries by the Depositories Viz. National Securities Depository Ltd. and Central Depository Services (India) Limited as on 17th September, 2002 on or after the date of declaration.
- (i) Income tax will be deducted at source from dividend payable to shareholders as in force at the time of declaration of the Dividend. Resident individual shareholders, who intend to seek exemption from deduction of Income-tax at source and whose total income does not exceed taxable income including such dividend income are requested to submit a declaration in form No. 15G in DUPLICATE duly completed in all respects or Tax Exemption Certificate issued by Income-Tax Officer at the Registered Office of the Company before 4th September, 2002.
- (j) Members are requested to intimate their Permanent Account Number (PAN) allotted by Income-Tax Authorities for the purpose of quoting the same on Tax Deduction Certificate for tax deducted on dividend, if any. Those members who have not been allocated PAN should furnish General Index Register (GIR) Number alongwith a declaration that PAN has not been allocated.
- (k) Members can avail of the nomination facility, under Section 109A of the Companies Act, 1956, by filling up Form No. 2B with the Company. Blank forms will be supplied on request.
- (l) Members are requested to notify immediately any change of Address:
 - To their Depository Participants (DPs) in respect of their electronic share accounts, and
 - To the Tata Consultancy Services at Lotus House, 6, Sir Vithaldas Thackersey Marg, New Marine Lines, Mumbai - 400 020.

In case the Mailing Address mentioned on this Annual Report is without the PINCODE, Members are requested to kindly inform their PINCODE immediately.

Under the Authority of the Board of Directors,

Mumbai,
Date: 26th July, 2002

Registered Office:
463, Dr. Annie Besant Road, Worli,
Mumbai - 400 025.

T. M. ELAVIA
Company Secretary



ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT as required by Section 173 of the Companies Act, 1956.

1. In terms of Section 173 of the Companies Act, 1956 the following explanatory statement sets out all the material facts relating to the Item Nos. 7 and 8 of the accompanying Notice dated 26th July, 2002.

2. **Item No. 7:**

Section 224A of the Companies Act, 1956 provides that in case of companies in which not less than 25% of the Subscribed Share Capital is held singly or in any combination by Public Financial Institutions, Banks, Insurance Companies, Government Companies, Central Government or State Government, etc., the appointment or re-appointment of an auditor of the Company shall be made by a Special Resolution. In case the holding of Banks, Insurance Companies and Public Financial Institutions collectively exceeds 25% of its subscribed share capital, at the time of the holding of the Annual General Meeting being convened by Notice dated 26th July, 2002 to which this explanatory statement is annexed, a Special Resolution is being proposed for re-appointment of M/s. N. M. Raiji & Co. as the Company's auditors.

None of the Directors is concerned or interested in this Resolution.

3. **Item No. 8:**

Mr. S. Doreswamy was appointed as a Director of the Company on 27th July, 2000 under Article 131 of the Articles of Association of the Company to fill the casual vacancy on the Board caused by the resignation of Mr. S. K. Lalbhai. Under Section 262 of the Companies Act, 1956, Mr. Doreswamy holds office only upto the date upto which Mr. Lalbhai, in whose place he was appointed, would have held office. Mr. Lalbhai would have retired by rotation pursuant to Article 145 of the Company's Articles of Association at the forthcoming Annual General Meeting and, therefore, Mr. Doreswamy will cease to hold office at the conclusion of this Annual General Meeting. As required under Section 257 of the Act, notice has been received from a member signifying his intention to propose Mr. Doreswamy as a director.

The members may inspect the notice received pursuant to Section 257, on any working day at the Registered Office of the Company between the hours of 10 a.m. and 1 p.m. (S.T.).

None of the Directors, except Mr. Doreswamy, is concerned or interested in the said Ordinary Resolution.

Under the Authority of the Board of Directors,

Mumbai,
Date: 26th July, 2002

Registered Office:
463, Dr. Annie Besant Road, Worli,
Mumbai - 400 025.

T. M. ELAVIA
Company Secretary

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CEAT LIMITED

BOARD OF DIRECTORS

R. P. GOENKA	<i>Chairman</i>
H. V. GOENKA	<i>Vice Chairman</i>
P. K. CHOWDHARY	<i>Managing Director</i>

Dr. G. ACCORNERO

M. A. BAKRE

A. C. CHOKSEY

S. DORESWAMY

M. S. GUPTA

Appointed on 02/05/2002

J. N. GUZDER

H. KHAITAN

B. C. MALU

Resigned w.e.f. 02/05/2002

B. S. MEHTA

H. L. MUNDRA

B. L. PARANJAPÉ

K. R. PODAR

N. SRINIVASAN

COMPANY SECRETARY

T. M. ELAVIA

REGISTERED OFFICE

463, Dr. Annie Besant Road, Worli,
Mumbai 400 025.

PLANTS

Village Road, Bhandup, Mumbai 400 078.
82, MIDC, Industrial Estate, Satpur, Nasik 422 007.

AUDIT COMMITTEE

M. A. BAKRE	<i>Chairman</i>
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B. L. PARANJAPÉ	<i>Member</i>
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S. DORESWAMY	<i>Member</i>
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SHAREHOLDERS/

INVESTORS GRIEVANCE COMMITTEE

M. A. BAKRE	<i>Chairman</i>
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P. K. CHOWDHARY	<i>Member</i>
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M. S. GUPTA	<i>Member</i>
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BANKERS

Bank of India

Bank of Baroda

Indian Bank

State Bank of India

UCO Bank

Vijaya Bank

Corporation Bank

State Bank of Travancore

The Dhanlakshmi Bank Ltd.

ICICI Bank Limited

The Karnataka Bank Ltd.

United Western Indian Bank

LEGAL ADVISERS

Mulla & Mulla and Craigie, Blunt & Caroe

AUDITORS

N. M. Raiji & Co.

REGISTRARS

Tata Consultancy Services,

6, Lotus House,

Sir Vithaldas Thackersey Marg,

New Marine Lines,

Mumbai - 400 020.

TEN-YEAR OPERATING AND FINANCIAL RECORD

(Rs. in Crores)

2001-2002 2000-2001 1999-2000 1998-99 1997-98 1996-97 1994-96# 1993-94## 1992-93 1991-92**OPERATING RECORD**

Sales	13,61	11,90	13,48	11,66	11,49	12,02	16,40	11,19	7,57	7,18
Miscellaneous Income	23	33	27	69	59	87	50	76	52	15
	13,85	12,23	13,75	12,35	12,08	12,89	16,90	11,95	8,09	7,33
Cost of Materials	7,18	6,05	6,51	5,85	6,12	6,45	8,45	5,62	3,81	3,67
Excise Duty	2,47	2,06	2,45	2,08	1,88	2,55	3,42	2,08	1,38	1,33
Expenses	4,16	4,26	4,56	4,23	3,93	3,82	4,85	3,98	2,70	2,09
Total	13,81	12,37	13,52	12,16	11,93	12,82	16,72	11,68	7,89	7,09
Profit/(Loss) before taxation	4	(14)	23	19	15	7	18	27	20	24
As percentage of Sales (%)	0.26	1.17	1.71	1.61	1.27	0.55	1.07	2.38	2.60	3.30
Provision for Taxation	0	0	3	2	2	1	0	0	0	0
Deferred tax benefit/Adjustments	0	0	0	0	1	1	0	0	0	1
Profit/(loss) after										
Taxation of earlier years	2	(14)	20	17	14	7	18	27	20	23
Dividend	4	4	7	7**	7**	7**	14	9	7	6
Per Share (Rs.)	1.00	1.00	2.00	1.92	1.92	1.92	3.90	2.80	2.80	2.80

FINANCIAL RECORD

Share Capital	35	35	35	35	39	39	35	31	31	23
Reserves & Surplus	5,51	5,67	5,93	5,13	4,45	4,47	5,01	2,54	2,40	1,79
Shareholders' Equity	5,86	6,02	6,28	5,48	4,84	4,86	5,36	2,85	2,71	2,02
Loan Funds	5,19	5,89	5,43	5,04	4,66	4,77	4,53	6,44	6,14	4,84
Capital & Loan Funds employed	11,05	11,91	11,71	10,52	9,50	9,63	9,89	9,29	8,85	6,86
Fixed Assets- Gross	7,50	7,69	7,27	5,91	5,01	4,78	4,99	5,42	5,56	5,13
Depreciation	2,62	2,44	2,21	2,01	1,80	1,60	1,16	1,33	1,08	99
Fixed Assets- Net	4,88	5,25	5,06	3,90	3,21	3,18	3,83	4,09	4,48	4,14
Investments	1,93	1,99	2,05	2,11	2,46	2,30	2,54	1,60	90	22
Current Assets - Net	4,24	4,67	4,60*	4,51*	3,83*	4,15*	3,52*	3,60*	3,47	2,50
Capital & Loan Funds applied	11,05	11,91	11,71	10,52	9,50	9,63	9,89	9,29	8,85	6,86

* Inclusive of Miscellaneous Expenditure to the extent not written off or adjusted

** Includes preference share dividend

For 18 months ## For 15 months

Figures regrouped wherever necessary

**FINANCIAL HIGHLIGHTS****(Rs. in Crores)**

	For the year ended 31.03.2002	For the year ended 31.03.2001
Income	1384.76	1222.80
Profit/(Loss) before Taxation	3.51	(13.52)
Profit/(Loss) after Taxation	2.40	(13.72)
Total Shareholders' Equity	586.29	601.98
Total Loan Funds	519.06	588.77
Market Price of Equity Share (Rs.)	25.55	21.00
Proposed Equity Dividend (%)	10	10
Proposed Dividend - Aggregate (Rs. in Crores)	3.52	3.52
Number of Share/Debenture holders (Accounts) at year end	135076	120901
Number of Employees at year end	4,893	5,009
Personnel Cost (Rs. in Crores)	101.97	90.38
		3