

Annual report 04/05



What can we innovate today.
How can we change things for a better tomorrow.
.....become catalysts in our march towards progress.

These are the questions we ask ourselves as we begin each day.
...and as we discover the answers, we lead ourselves to new questions.

What more can we do?
.....because, whatever it is, we know we can.

CEAT LIMITED

BOARD OF DIRECTORS

R. P. GOENKA	<i>Chairman</i>
H. V. GOENKA	<i>Vice Chairman</i>
PARAS K. CHOWDHARY	<i>Managing Director</i>
Dr. G. ACCORNERO	
M. A. BAKRE	
A. C. CHOKSEY	
S. DORESWAMY	
M. S. GUPTA	
J. N. GUZDER	
H. KHAITAN	
B. S. MEHTA	
H. L. MUNDRA	
K. R. PODAR	
N. SRINIVASAN	

AUDIT COMMITTEE

M. A. BAKRE	<i>Chairman</i>
S. DORESWAMY	<i>Member</i>
M. S. GUPTA	<i>Member</i>
H. L. MUNDRA	<i>Member (Appointed on 19th May, 2005)</i>

SHAREHOLDERS / INVESTORS

GRIEVANCE COMMITTEE

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

BANKERS

Bank of India
Bank of Baroda
Indian Bank
State Bank of India
UCO Bank
Vijaya Bank
Corporation Bank
State Bank of Travancore
The Dhanalakshmi Bank Ltd.
ICICI Bank Limited
The Karnataka Bank Ltd.
The United Western Bank Ltd.
Export-Import Bank of India

COMPANY SECRETARY

T. M. ELAVIA

REGISTERED OFFICE

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

PLANTS

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

LEGAL ADVISERS

Mulla & Mulla and Craigie, Blunt & Caroe

AUDITORS

N. M. Raiji & Co.

REGISTRARS

Tata Share Registry Limited,
Army & Navy Building,
148, M. G. Road, Fort,
Mumbai 400 001.

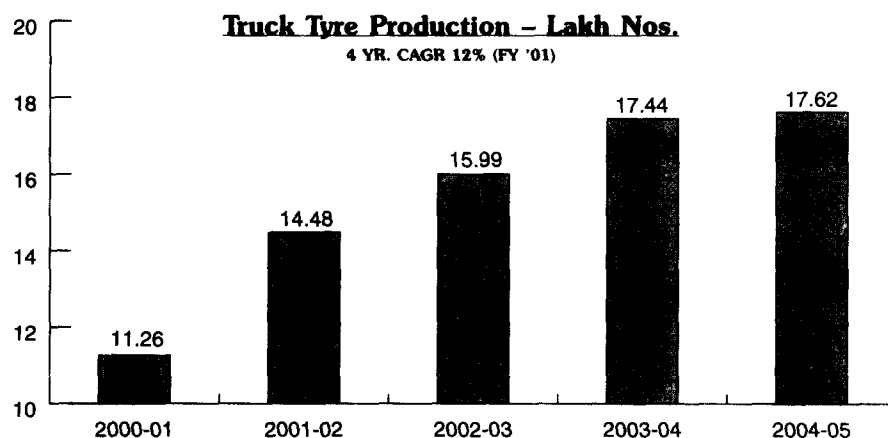
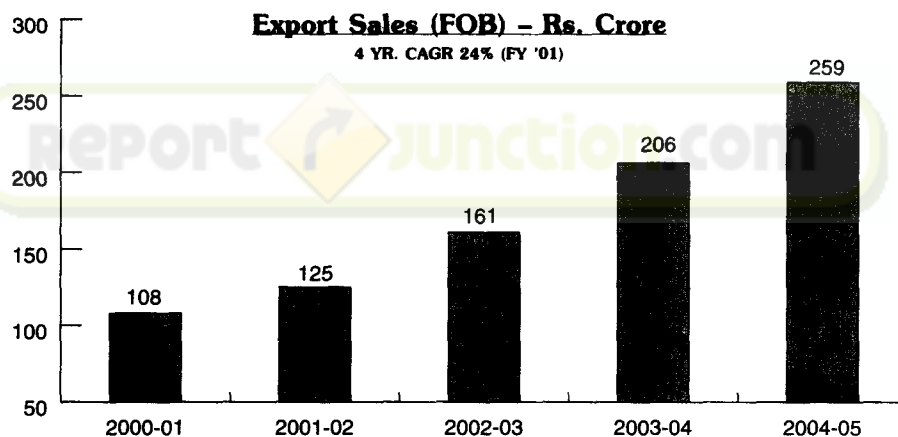
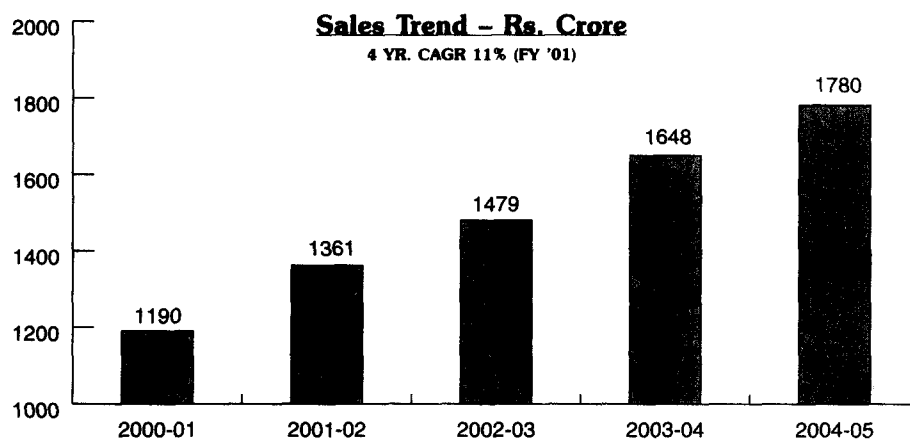
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FINANCIAL HIGHLIGHTS**(Rs. in Crores)****For the year ended
31.03.2005**For the year ended
31.03.2004

Gross Sales	1780.31	1647.95
Profit/(Loss) before Taxation	(2.87)	22.22
Profit/(Loss) after Taxation	(1.87)	14.06
Total Shareholders' Equity	630.14	624.56
Total Loan Funds & Deferred Tax Liability	492.56	512.49
Market Price of Equity Share (Rs.)	98.40	36.30
Proposed Equity Dividend (%)	—	10
Proposed Dividend - Aggregate (Rs. in Crores)	—	3.52
Number of Shareholders (Accounts) at year end	86,676	1,11,730
Number of Employees at year end	5,322	5,361
Personnel Cost (Rs. in Crores)	109.44	115.89

PERFORMANCE HIGHLIGHTS



CEAT LIMITED**NOTICE**

NOTICE is hereby given that the Forty-Sixth 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 Thursday, 29th September, 2005, 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, 2005 and Profit and Loss Account for the Financial Year ended on that date, the Report of the Auditors thereon and the Report of the Directors.
2. To appoint a Director in place of Mr. R. P. Goenka who retires by rotation and, being eligible, has offered himself for re-appointment.
3. To appoint a Director in place of Dr. G. Accornero who retires by rotation and, being eligible, has offered himself for re-appointment.
4. To appoint a Director in place of Mr. M. A. Bakre who retires by rotation and, being eligible, has offered himself for re-appointment.
5. To appoint a Director in place of Mr. S. Doreswamy who retires by rotation and, being eligible, has offered himself for re-appointment.
6. To appoint a Director in place of Mr. B. S. Mehta 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. Raiji & 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 consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution:

"RESOLVED that pursuant to Section 314 and other applicable provisions, if any, of the Companies Act, 1956 and the rules made thereunder, consent of the Company be and is hereby accorded to Mr. Anant Vardhan Goenka, grandson of Mr. R. P. Goenka and son of Mr. H. V. Goenka, both Directors of the Company, holding an office or place of profit in the Company on the following remuneration :-

- A) As "Regional Manager" w.e.f. 23rd September, 2004 -

Basic Salary	:	Rs. 10,050.00	p.m.
Allowance	:	Rs. 17,025.00	p.m.
Contribution to P.F.	:	Rs. 1,206.00	p.m.
Superannuation	:	Rs. 1,507.00	p.m.
Gratuity	:	Rs. 482.00	p.m.
Total		<u>Rs. 30,270.00</u>	<u>p.m.</u>

- B) As "Business Head - Speciality Tyres" w.e.f. 1st April, 2005 -

Basic Salary	:	Rs. 37,500.00	p.m.
Contribution to P.F.	:	Rs. 4,500.00	p.m.
Superannuation	:	Rs. 5,625.00	p.m.
Gratuity	:	Rs. 1,800.00	p.m.
Total		<u>Rs. 49,425.00</u>	<u>p.m.</u>

RESOLVED FURTHER that the Board of Directors be and is hereby authorised to do all such acts, deeds and things as may be expedient and desirable for the purpose of giving effect to the resolution including such modifications, when necessary."

9. 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 pursuant to Section 163 and all other applicable provisions, if any, of the Companies

CEAT LIMITED

Act, 1956 (hereinafter referred to as "the Act") the approval of the Company be and is hereby accorded for relocating the Register of Members, Index of Members, Register of Debentureholders, Index of Debentureholders, other related books and copies of all annual returns prepared under Section 159 and other applicable provisions of the Act together with the copies of the certificates and documents required to be annexed thereto under Section 161 and other applicable provisions of the Act, or any one or more of them from the premises of Tata Consultancy Services Limited, Park West II, Raheja Estate, Kulupwadi Road, Borivali (East), Mumbai - 400 066 to the premises of Tata Share Registry Limited, Army & Navy Building, 148, Mahatma Gandhi Road, Fort, Mumbai - 400 001."

NOTES

- a) The explanatory statements in respect of items 7, 8 and 9 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 NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
- d) In terms of Clause 49VI of the Listing Agreement, the brief resums regarding each of the directors who are seeking appointments/re-appointments according to Item Nos. 2, 3, 4, 5 and 6 of this Notice for the forthcoming Annual General Meeting are provided in the Corporate Governance Report, as part of the Report of the Directors of the Company for the year 1st April, 2004 to 31st March, 2005 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.
- e) The Register of Members and the Share Transfer Books of the Company shall be closed from 17th September, 2005 till 29th September, 2005 (both days inclusive).
- f) Pursuant to the provisions of Section 205A of the Companies Act, 1956, dividend for the Financial Year ended 31st March, 1998 and, thereafter, which remained unclaimed or unpaid for the 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 their dividend warrant(s) so far for the Financial Year ended 31st March, 1998 or any subsequent Financial Years are requested to make their claims to the office of the Registrar M/s. Tata Share Registry Limited, Army & Navy Building, 148, Mahatma Gandhi Road, Fort, Mumbai - 400 001. 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, 1998, if not claimed, will be transferred to the aforesaid account on or after 14th October, 2005.
- g) For the convenience of the Members and for proper conduct of the Meeting, entry to the place of the Meeting will be regulated by the Attendance Slip, which is annexed to the Proxy Form. Members are requested to affix their signature at the place provided on the attendance slip and hand it over at the entrance.
- h) Members can avail of the nomination facility, under Section 109A of the Companies Act, 1956 by filing Form No. 2B with the Company. Blank forms will be supplied on request.
- i) 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 Share Registry Limited at Army & Navy Building, 148, Mahatma Gandhi Road, Fort, Mumbai - 400 001 in case of the shares being held in physical form.

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

Mumbai
Date: 30th June, 2005

Under the Authority of the Board of Directors

Registered Office:
463, Dr. Annie Besant Road, Worli,
Mumbai 400 030.

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 statements sets out all the material facts relating to the Item Nos. 7, 8 and 9 of the accompanying Notice dated 30th June, 2005.

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 30th June, 2005 to which this explanatory statement is annexed, a Special Resolution is being proposed for re-appointment of Messrs N. M. Raiji & Co., as the Company's auditors.

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

3. **Item No. 8**

Mr. Anant Vardhan Goenka is the grandson of Mr. R. P. Goenka and son of Mr. H. V. Goenka, both Directors of the Company. He is B.Sc. (Eco.) from University of Pennsylvania.

According to Section 314 of the Companies Act, 1956, except with the consent of the Members, accorded by Special Resolution, no relative of a Director, inter alia, can hold office or place of profit, in the Company. Mr. Goenka's aforesaid appointment attracts the aforesaid Section of the Companies Act and hence your consent is sought.

Except for Mr. R. P. Goenka and Mr. H. V. Goenka, no other Director is concerned with or interested in the said resolution.

4. **Item No. 9**

Under the provisions of the Companies Act, 1956, certain documents such as the Register and Index of Members, Register and Index of Debentureholders, Annual Returns, other related books and certificates, etc., have to be kept at the Registered Office of the Company. However, these documents can be kept at any other place within the city, town or village in which the Registered Office of the Company is situated, with the approval of the shareholders to be accorded by a Special Resolution.

At present, as approved by the shareholders at the Annual General Meeting held on 18th December, 2003 the aforesaid documents are kept at the premises of Tata Consultancy Services Limited at Park West - II, Raheja Estate, Kulupwadi Road, Borivali (East), Mumbai - 400 066.

Due to organisational restructuring, Tata Consultancy Services Limited has moved out of the business of Registrars & Transfer Agency, as a consequence of which the Company had appointed Tata Share Registry Limited as its new Registrar & Share Transfer Agents with effect from 1st April, 2005. Hence, the said registers, returns and documents will be kept at their premises at Army & Navy Building, 148 Mahatma Gandhi Road, Fort, Mumbai - 400 001 as indicated in the Resolution at Item No. 9.

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

Mumbai
Date: 30th June, 2005

Under the Authority of the Board of Directors

Registered Office:
463, Dr. Annie Besant Road, Worli,
Mumbai 400 030.

T. M. ELAVIA
Company Secretary

CEAT LIMITED**APPENDIX TO NOTICE OF 30th JUNE, 2005****Other Directorships**

Sr. No.	Name of Director	Name of Company	Position Held	Committee Type	Membership Status
1.	Mr. R. P. Goenka	CESC Limited Saregama India Limited Jubilee Investments & Ind. Ltd. Hilltop Holdings India Ltd.	Director Director Director Director	— — — —	— — — —
2.	Dr. G. Accornero	—	—	—	—
3.	Mr. M. A. Bakre	Garware Wall Ropes Limited FGP Limited	Director Director	Audit —	Member —
4.	Mr. S. Doreswamy	Can Fin Homes Limited Pantaloon Retail (India) Limited Kaytee Switchgear Limited Sakthi Sugars Limited Sakthi Auto Component Limited Deposit Insurance and Credit Guarantee Corporation Limited Caliberpoint Business Solutions Limited	Chairman Director Director Director Director Director Director	— Audit Investors Grievance Remuneration Audit Audit Audit	— Member Chairman Member Member Member Member
5.	Mr. B. S. Mehta	Atul Limited Bharat Bijlee Limited Century Enka Limited Housing Development Finance Corporation Limited IL&FS Investment Mergers Ltd. (Formerly known as IL&FS Venture Corporation Limited) J.B. Chemicals & Pharmaceuticals Limited Pidilite Industries Limited Procter and Gamble Hygiene and Health Care Limited Sasken Communication Technologies Limited SBI Capital Markets Limited Sudarshan Chemical Ind. Ltd. The Dawn Mills Company Ltd. Varun Shipping Company Ltd. Vinyl Chemicals (India) Limited	Director Director Director Director Director Director Director Director Director Director Director Director Director Director	Audit — Audit Audit Audit Audit Audit Audit — Audit — — —	Member — Member Member Chairman Chairman Chairman Member Chairman — Chairman — — —