

CEAT LIMITED

NOTICE

NOTICE is hereby given that the forty-seventh 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 25th September 2006 at 11.30 a.m. (S.T.) to transact the following business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2006 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. H.V. Goenka who retires by rotation and, being eligible, has offered himself for re-appointment.
3. To appoint a Director in place of Mr. Haigreve Khaitan who retires by rotation and, being eligible, has offered himself for re-appointment.
4. To appoint a Director in place of Mr. J.N. Guzder who retires by rotation and, being eligible, has offered himself for re-appointment.
5. To appoint a Director in place of Mr. K.R. Podar who retires by rotation and, being eligible, has offered himself for re-appointment.
6. To consider and, if thought fit, to pass with or without modification 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.”
7. To consider and if thought fit, to pass with or without modification the following resolutions as a Ordinary Resolutions:
“RESOLVED that pursuant to the provisions of Sections 198, 269,309,310,311 and other applicable provisions, if any, of the Companies Act, 1956 (the said Act) and (including any statutory modification or re-enactment thereof) subject to the approval of the Central Government, if necessary, and such other approvals, permissions and sanctions, as may be required, and subject to such conditions and modifications, as may be prescribed or imposed by any of the authorities in granting such approvals, permissions and sanctions the Company hereby approves the re-appointment of Mr. Paras K. Chowdhary as Managing Director of the Company for a period of five years commencing from 18th January, 2006 and ending on 17th January, 2011 upon the terms and conditions set out in the Agreement dated 12th December, 2005 (which is also hereby approved) and submitted to this meeting and the payment of remuneration that the Board may decide and fix within maximum limit prescribed in Section 1 of Part II of the Schedule XIII to the said Act.

RESOLVED FURTHER that where in any financial year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company may pay to the Managing Director such remuneration as minimum remuneration as may be prescribed in Section II of the said Part II of the said Schedule XIII to the said Act from time to time.

AND RESOLVED FURTHER that for the purpose of giving effect to this resolution, the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any duly authorised Committee thereof, for the time being exercising powers conferred on the Board by this resolution) be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion, deem necessary, proper or desirable and to settle any questions, difficulties or doubts that may arise in this regard.”

NOTES:

- a) The explanatory statements in respect of items nos. 6 and 7 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) Members are requested to kindly refer to the Chapter on Corporate Governance Report in the Annual Report for the information to be provided in respect of re-appointment/appointment of Directors, under Clause 49 of the Listing Agreement. Amongst the Directors who are seeking re-appointment only Mr. H.V.Goenka holds 13,511 equity shares of Rs. 10 each of the Company.
- e) The Register of Members and the Share Transfer Books of the Company shall be closed from 14th September, 2006 to 25th September 2006 (both days inclusive).
- f) Pursuant to the provisions of Section 205A of the Companies Act, 1956, dividend for the financial year ended 31st March, 1999 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. Members who have not encashed their dividend warrant(s) so far for the financial year ended 31st March, 1999 or any subsequent financial years are requested to make their claims to the office of the Registrar TSR Darashaw Limited (Formerly 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, 1999, if not claimed, will be transferred to the aforesaid account on or after 27th October, 2006.
- 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 TSR Darashaw 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.

Mumbai

Date: 31st July 2006

Under the Authority of the Board of Directors

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

H N Singh Rajpoot
Company Secretary

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT pursuant to Section 173(2) 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 item nos. 6 and 7 of the accompanying Notice dated 31st July, 2006.

2. Item No.6

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 Public Financial Institutions, Banks, Insurance Companies, Government Companies, Central or State Governments etc. collectively exceeds 25% of its Subscribed Share Capital, at the time of the holding of the Annual General Meeting being convened by Notice dated 31st July 2006 to which this explanatory statement is annexed, a Special Resolution is being proposed for re-appointment of Messrs N.M. Rajji & Co., as the Company's Auditors.

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

3. Item No.7

Mr. Paras K. Chowdhary was re-appointed as Managing Director for a further period of five years commencing from 18th January, 2006 and ending on 17th January, 2011 at a remuneration and on the terms and conditions set out in the Agreement dated 12th December, 2005 submitted to this meeting.

The re-appointment of Mr. Chowdhary is in accordance with the conditions specified in Part I and Part II of Schedule XIII, as provided in Section 269 of the Companies Act, 1956.

In accordance with the provisions of Section 302 of the Companies Act, 1956, the Members were sent the abstract of the Agreement with Mr. Chowdhary as referred to above.

Pursuant to the provisions of Sections 198, 269, 309, 310, 311 and all other applicable provisions of the Companies Act, 1956, including Schedule XIII, the resolution for re-appointment of Mr. Chowdhary as Managing Director and payment of remuneration to him as set out at Item no. 7 of the Notice is placed before the Members for their approval by way of Ordinary Resolution.

The following documents are open for inspection by Members at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all working days except Saturdays, Sundays and Public Holidays upto the date of this Annual General Meeting:

- (i) A copy of the Agreement dated 12th December, 2005 entered into with Mr. Paras K. Chowdhary.
- (ii) A copy of the relevant abstract of the Agreement dated 14th December, 2005 referred to above.

None of the Directors, except Mr. Chowdhary himself, is concerned with or interested in this Resolution.

Mumbai

Date: 31st July 2006

Under the Authority of the Board of Directors

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

H N Singh Rajpoot
Company Secretary