



**CEAT Limited**

CIN: L25100MH1958PLC011041

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

Website: www.ceat.in; Tel: (022) 24930621 Fax: (022) 24938933

## NOTICE OF POSTAL BALLOT

Dear Shareholder(s),

NOTICE PURSUANT TO SECTION 110 OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (MANAGEMENT & ADMINISTRATION ) RULES, 2014.

Notice is hereby given pursuant to Section 110 of the Companies Act, 2013 ("the Act") read with Rule 22 of the Companies (Management and Administration) Rules, 2014, that the resolutions set out below are proposed to be passed as Special Resolutions through Postal Ballot.

The Explanatory Statement pertaining to the said resolutions pursuant to Section 110 read with Section 102 of the Companies Act, 2013, setting out the material facts and the reasons therefor along with a Postal Ballot Form is annexed for your consideration. The Company has appointed Mr. P. N Parikh, Practicing Company Secretary as Scrutinizer for conducting the Postal Ballot Process in a fair and transparent manner.

As required under Clause 35B of the Listing Agreement entered into with the Stock Exchanges ("Listing Agreement") and in compliance with Section 108 of the Act read with Rule 20 and 22 of Companies (Management and Administration) Rules, 2014, the Company has engaged the services of Central Depository Services (India) Limited ("CDSL") to provide e-voting facility to the shareholders of the Company as an alternate option to the shareholders to cast their votes electronically. Detailed instructions to use this facility are given in Note No. 6 below.

Shareholders are requested to carefully read the instructions printed on the Postal Ballot Form and return the same duly completed and signed, in the attached self addressed pre-paid postage envelope (if posted in India) so as to reach the Scrutinizer not later than the close of working hours i.e. 6:00 p.m. on November 21, 2014. Upon completion of the scrutiny of the Postal Ballot Forms, the Scrutinizer will submit his report to the Chairman and/or Managing Director of the Company. Subsequently, the result of the Postal Ballot will be announced by the Chairman and/or Managing Director and/or Company Secretary on November 24, 2014 at the Registered Office of the Company situated at 463, Dr. Annie Besant Road, Worli, Mumbai 400 030 and shall also be posted on the website of the Company viz. www.ceat.in.

The Shareholders are requested to consider, and if thought fit, pass the following resolutions as Special Resolutions through Postal Ballot.

**1. To consider and if thought fit, to pass the following resolution as a Special Resolution.**

**"RESOLVED THAT** pursuant to Section 13 and all other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force) (hereinafter referred to as the Act) and such other approvals, sanctions or consents as may be required, the Objects Clause of the Memorandum of Association of the Company be altered and amended by inserting the following new sub-clause (2H) immediately after the existing sub-clause (2G) under Clause III of the Memorandum of Association of the Company:

(2H) "To carry on the business of manufacturers, fabricators, processors, producers, makers, importers, exporters, buyers, sellers, suppliers, stockists, agents, merchants, distributors, dealers in all kinds of sports equipments and merchandise including but not limited to cricket bats, cricket balls, protective cricket pads, other cricketing gear, apparel, footwear, textiles, bags, accessories, eyewear and eye care and all kind of other products related to sports, sports equipment and personal care and cosmetic products."

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to complete all necessary formalities and to take all necessary steps and to accept any modification(s) / condition(s) as may be stipulated by any statutory authority while registering the altered objects and to do all acts, deeds, matters and things as may be necessary for giving effect to the above resolution and matters incidental and consequential thereto.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized for undertaking and commencing the business as specified in newly incorporated sub-clause (2H) of the Objects Clause of the Memorandum of Association of the Company upon the same becoming effective as and when deemed fit and considered most appropriate by the Board of Directors of the Company.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the said resolution, the Board be and is hereby authorized to take all such actions and 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 question or doubt that may arise in this regard and that all the acts and deeds of the Board of Directors in connection with the above be and are hereby confirmed, approved and ratified."

**2. To consider and if thought fit, to pass the following resolution as a Special Resolution.**

**"RESOLVED THAT** pursuant to the applicable provisions of Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 and all other applicable rules, regulations, circulars, directions, notifications, press notes, guidelines and laws (including any statutory modifications or re-enactment thereof, from time to time) and subject to all applicable approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of

the concerned authorities while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include a Committee thereof for the time being exercising the powers conferred on the Board by this Resolution, to which Committee any such powers of the board may be delegated by the Board), consent of the Company be and is hereby accorded to the Board to permit Foreign Institutional Investors ("FII") registered with the Securities and Exchange Board of India ("SEBI") to acquire and hold, on their own account and/or on behalf of their SEBI approved sub-accounts or Foreign Portfolio Investors ("FPI"), equity shares of the Company, provided that the equity shareholding of all such FIIs and sub-accounts put together shall not exceed 45% (forty five per cent) of the total paid-up Equity Share Capital of the Company, provided however that the shareholding of each FII, on its own account and on behalf of each of the SEBI approved sub-accounts in the Company or FPI shall not exceed 10% (ten per cent) of the total paid-up Equity Share Capital of the Company or such limits as are applicable or may be prescribed, from time to time.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto including intimating the concerned authorities or other regulatory bodies and delegating all or any of the power conferred herein to any Committee or Directors of the Company."

**By Order of the Board of Directors  
For CEAT Limited**

**H N Singh Rajpoot  
Company Secretary**

Place: Mumbai

Date: October 10, 2014

**Notes:**

1. The consent of the shareholders is solicited by passing Special Resolutions by way of a Postal Ballot as detailed in Item No. 1 and 2 of this Notice. Notice of this Postal Ballot is being sent to all shareholders, whose names appear in the Register of Members and the List of Beneficial Owners as received from Depositories as on September 30, 2014.
2. Explanatory Statement setting out all material facts as required under Section 102 and 110 of the Act in respect of the aforesaid special business of the Company is appended.
3. The resolutions, if assented to by the requisite majority, shall be taken as passed on November 24, 2014 being the date of declaration of the result.
4. The Postal Ballot Notice is sent electronically to all the shareholders who have registered their email ids with the Company and to other shareholders through courier.
5. Shareholders who have received the Postal Ballot Notice by email and who do not wish to avail the electronic voting facility, such shareholder can send a request on email to investors@ceat.in or write a letter for obtaining physical Notice and Postal Ballot Form to the Registrars & Share Transfer Agents of the Company i.e. M/s TSR Darashaw Private Limited Unit: CEAT Limited, 6-10 Haji Moosa Patrawala Industrial Estate, 20, Dr. E Moses Road, Mahalaxmi, Mumbai 400 011.
6. E-voting:

Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, and Clause 35B of the Listing Agreement entered into with the Stock Exchanges, the Company is pleased to provide the facility to Shareholders to exercise their right to vote by electronic means. The e-voting period will commence at 9:00 a.m. on October 23, 2014 and will end at 6:00 p.m. November 21, 2014. The Company has appointed Mr. P.N. Parikh, Practising Company Secretary, to act as the Scrutinizer, for conducting the scrutiny of the votes cast. The Shareholders desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

Shareholders have option to vote either through e-voting or through Physical Ballot Form. If a shareholder has opted for e-voting, then he/she should not vote by Physical Ballot also and vice-versa. However, in case shareholders cast their vote both via physical ballot and e-voting then e-voting shall prevail and voting done through physical ballot shall be treated as invalid.

For e-voting facility the Company has signed an agreement with CDSL for facilitating e-voting.

The instructions for shareholders for voting electronically are as under:

- (A) The voting period begins at 9:00 a.m. on October 23, 2014 and ends at 6:00 p.m. on November 21, 2014. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date September 30, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

In case of shareholders receiving e-mail:

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period.
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "CEAT LIMITED" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID

- a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Shareholders holding shares in Demat Form and Physical Form
<b>PAN</b>	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department.</p> <p>Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name in CAPITAL followed by the last 8 digits of their Demat Account Number/ Folio No., as the case may be, in the PAN field.</p> <p>In case the Folio No. is less than 8 digits, enter the applicable number of 0s before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar and Folio No. is 1 then enter RA00000001 in the PAN field.</p>
<b>Date of Birth or Date of Incorporation OR Bank Account Number</b>	<p>Enter the Date of Birth as recorded in your Demat Account or in the Company's records for the said Demat account in dd/mm/yyyy format or enter Folio No.</p> <p>OR</p> <p>Enter the Bank Account Number as recorded in your Demat Account or in the Company's records for the said Demat Account or Folio No.</p> <p>Please enter any one of the details in order to login. In case both the details are not recorded with the Depository or the Company, please enter the number of shares held in the Bank Account Number field.</p>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Shareholders holding shares in physical form will then reach directly the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for CEAT Limited on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
- (xix) They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (xx) After receiving the login details, they have to create a compliance user who would be able to link the account(s) which they wish to vote on.
- (xxi) The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). and on approval of the accounts they would be able to cast their vote.
- (xxii) They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of shareholders receiving the physical copy:

- (B) Please follow all steps from sl. no. (i) to sl. no. (xvi) above to cast vote.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 READ WITH SECTION 110 OF THE COMPANIES ACT, 2013**

**ITEM NO. 1:**

The Company, currently, carries out various marketing and publicity activities for promotion of its brand and products. The Company is also actively associated with the game of cricket for advertisement of its brand.

The Company has identified an advertising opportunity for advertising its logo on the front and the reverse blades of cricket bats used by any identified cricketer of repute. Such advertising has in the past been carried out by other companies and the campaigns have been hugely successful. The management is of the view that said advertising will provide a tremendous boost to the brand image of the Company and shall immensely benefit to the Company.

Currently, such advertising is regulated by the International Cricket Council (ICC), which does not allow the use of the space on the front and reverse blades of the cricket bat to be used by any advertiser other than manufacturers of cricket bats.

The rules of ICC are applied to all cricket matches which have an ICC affiliation and also include matches organised by the Board of Control for Cricket in India (BCCI).

For to the above, the Company has to alter its Objects Clause of the Memorandum of Association (MOA) to carry on the business of manufacture and sale of sporting and cricketing equipment which can conveniently and advantageously be combined with the existing business of the Company, through an approved business model.

Since the alteration in the Objects Clause of the MOA requires the Special Resolution of the shareholders, as per Section 13 of the Companies Act, 2013, approval of the shareholders is sought for the said alteration in the Objects Clause of the MOA.

The Board of Directors recommends the resolution at Item No. 1 as a Special Resolution.

None of the Directors of the Company or any Key managerial Personnel or their Relatives is concerned with or interested in the above resolution.

Copies of the existing and the revised Memorandum of Association and Articles of Association of the Company are available for inspection by the shareholders at the Registered Office of the Company on all working days i.e. Monday to Friday from 11:00 a.m. to 1:00 p.m. up to the last date for receiving Postal Ballots i.e. November 21, 2014.

**ITEM NO. 2:**

In terms of Foreign Exchange Management Act, 1999 and the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, the Foreign Institutional Investors ("FII") registered with the Securities and Exchange Board of India ("SEBI") can acquire and hold on their own account and on behalf of their SEBI approved sub-accounts or Foreign Portfolio Investors ("FPI") together, up to an aggregate limit of 24% (twenty four per cent) of the paid up Equity Share capital of an Indian Company. The said Regulations further provide that the limit of 24% (twenty four per cent) can be further increased up to the sectoral cap/statutory ceiling as applicable, by passing a resolution of the Board, a Special Resolution to that effect by its members and followed by necessary filings with the Reserve Bank of India ("RBI").

As of September 30, 2014 holding of FIIs in the Company is approximately 16% (sixteen per cent) of paid up capital and the same has shown an increasing trend. To make more space for FIIs to invest in the equity of the Company, it is proposed to increase the present limit of FII shareholding in the company from 24% (twenty four per cent) to 45% (forty five per cent) of paid up equity share capital of the Company. The Board had vide a resolution passed through circulation dated October 10, 2014, decided to increase the aggregate permissible limit of FIIs in equity shareholding of the Company from 24% (twenty four per cent) to 45% (forty five per cent) of the paid-up Equity Share Capital of the Company, subject to the approval of the Members.

Accordingly, the Resolution set out at Item No. 2 of this Notice is proposed to enable the FIIs to acquire equity shares of the Company upto the revised ceiling limit of 45% (forty five per cent) of the paid-up Equity Share Capital of the Company under the Portfolio Investment Scheme of the RBI.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested in the resolution.

The Board recommends the passing of the Resolution under Item No. 2 as a Special Resolution.

**By Order of the Board of Directors  
For CEAT Limited**

**H N Singh Rajpoot  
Company Secretary**

Place: Mumbai  
Date: October 10, 2014