

Notice

NOTICE is hereby given that the 5th Annual General Meeting of the Company will be held at Registered Office of the Company at RPG House, 463, Dr. Annie Besant Road, Worli, Mumbai 400 030 on Thursday, August 03, 2017 at 02.00 PM to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the year ended March 31, 2017, the Report of the Auditors' thereon and the Report of the Directors' for the year ended on that date.
2. To consider and if thought fit, to pass with or without modification, the following resolution as **Ordinary Resolution**:

RESOLVED THAT pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the appointment of M/s. S R B C & Co. LLP, Chartered Accountants (Firm Registration No. 324982E), as Statutory Auditors of the Company, made pursuant to the resolution of the Members passed at the Third Annual General Meeting, to hold office from the conclusion of the Third Annual General Meeting until the conclusion of the Eighth Annual General Meeting, be and is hereby ratified at the Fifth Annual General Meeting on such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.

3. To appoint a Director in place of Mr. Anant Goenka (DIN: 02089850), who retires by rotation and, being eligible, has offered himself for re-appointment.

NOTES:

1. The Statement setting out material facts pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to the Special Business at the meeting, is annexed hereto.
2. **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.**
3. **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.**
4. A person can act as proxy on behalf of the members not exceeding 50 (fifty) and holding not more than 10 percent of the total share capital carrying voting rights. In case, a proxy is appointed by a member holding more than 10 percent of the total share capital carrying voting rights, such proxy shall not act as proxy for any other person or member.
5. Proxy in prescribed Form No. MGT-11 is enclosed herewith. Proxy shall not have a right to speak at the meeting and shall not be entitled to vote except on a poll.

6. Corporate members intending to send their authorised representative to attend the meeting are requested to send certified true copy of the Board resolution to the Company authorising their representative to attend and vote on their behalf at the meeting.
7. None of the Directors seeking appointment/re-appointment is related to any member of the Board of Directors or to any Key Managerial Personnel.
8. Pursuant the provisions of Section 152 of the Companies Act, 2013 and rules thereunder and Articles of Association of the Company, Mr. Anant Goenka retires by rotation and being eligible offers himself for re-appointment.

Mr. Anant Vardhan Goenka, 35 years is an MBA from Kellogg School of Mangement and a B.Sc. in Economics from the Wharton School. Mr. Goenka joined KEC International Limited (KEC) in 2007 and led the supply chain, manufacturing, procurement and telecom business.

He joined the company as Non- Executive Chairman in 2015. Prior to joining CEAT Speciality Limited, Mr. Goenka worked at CEAT Limited, KEC, Hindustan Unilever Limited, Accenture, Mumbai and Morgan Stanley, Hong Kong.

Presently he is on the Board of the following companies and also holds positions in various committees of the Board of Directors as follows:

Directorship-

Raychem RPG Pvt. Ltd.
 Stel Holding Ltd.
 Spencer & Co. Ltd.
 Spencer International Ltd.
 CEAT Specialty Tyres Ltd.
 Associated CEAT Holdings Company (Private) Ltd., Sri Lanka
 CEAT Kelani holdings (Private) Ltd., Sri Lanka
 CEAT AKKhan Ltd., Bangladesh
 Associated CEAT (Private) Ltd., Sri Lanka
 CEAT Kelani International Tyres (Private) Ltd., Sri Lanka
 CEAT Kelani Radials (Private) Ltd., Sri Lanka
 Asian Tyres (Private) Ltd., Sri Lanka

Committee Membership-

CEAT Ltd.
 Finance and Banking Committee:Chairman
 Corporate Social Responsibility Committee: Chairman
 Special Projects/Investment Committee: Member

9. Important notice for members

For convenience of the members and for proper conduct of the meeting, the members are required to deposit the Attendance Slip duly signed at the counter at the entry place of the meeting. Members can avail of the nomination facility, under Section 72 of the companies Act, 2013 by filing Form No. SH-13 with the company. Blank forms will be supplied on request.

Under the Authority of the Board of Directors



Kunal Mundra
Managing Director

Place: Mumbai
Date: April 27, 2017

CEAT Specialty Tyres Limited
CIN: U25199MH2012PLC236623

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

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT pursuant to Section 102 of the Companies Act, 2013 to the accompanying Notice dated June 19, 2015.

Item No. 2:

A notice pertaining to ratification of appointment of M/s S R B C & Co. LLP, Chartered Accountants, Mumbai (Firm Registration No. 324982E), as statutory auditors of the Company, shall be proposed and seconded by the shareholders and taken up for consideration with the consent of members present. Accordingly, the Company is required to ratify the appointment of statutory auditor for the Company.

The Management is of the view that considering the notice pertaining to ratification of appointment of M/S. S R B C & Co. LLP (Firm Registration No. 324982E); the company shall ratify the appointment as the Statutory Auditors of the Company, subject to approval of the shareholders at the forthcoming Annual General Meeting of the Company.

The Board recommends the passing of the resolution at Item No. 2 of this notice as an Ordinary Resolution.

None of the Directors of the Company or any Key managerial Personnel or their Relatives is concerned with or interested in the above resolutions except to the extent of their shareholding in the Company.

A Copy of the Eligibility letter of M/s. S R B C & Co. LLP, Chartered Accountants referred in the Notice is available for inspection of the members during the business hours on all working days i.e. Monday to Friday up to the date of the Meeting.

Under the Authority of the Board of Directors



Kunal Mundra
Managing Director

Place: Mumbai
Date: April 27, 2017

CEAT Specialty Tyres Limited
CIN: U25199MH2012PLC236623

Registered Office:
RPG House, 463, Dr. Annie Besant Road, Worli,
Mumbai 400030

To,

The Members of CEAT Specialty Tyres Limited

Your Directors have pleasure in presenting their Fourth Annual Report on the business and operations of the Company and audited accounts for the Financial Year ended March 31, 2017.

Financial Highlights

(Amount in Rs.)

	For the year ended 31st March 2017	For the year ended 31st March 2016
Turnover	223,86,05,096	102,20,06,987
Profit before Taxation	(10,03,21,732)	(12,04,89,806)
Provision for:		
– Deferred Tax	-	74,947
Net Profit /(Loss)	(10,11,53,972)	(12,05,64,753)

Dividend

The Board of Directors do not recommend any dividend during the year.

Transfer to Reserves

The Board of the company has decided not to transfer any amount to its reserves during the year under review.

Material Changes and Commitments, If any Affecting the Financial Position of the Company

The Board of Directors informed that the company has incorporated two companies outside India- one in USA naming CEAT Specialty Tires Inc. and other one in Netherlands naming CEAT Specialty Tyres B.V.

Industry Scenario

Specialty Business consists of Off the Road (OTR) and Radial Farm Tyres. OTR tyres are used in construction, ports and mines. OTR Products includes Earth Movers, Industrial Equipment, Compactors, Graders, Forklift, etc. Radial Farm Tyres are used in the farm sector and include Tractor tyres both front and rear, Flotation vehicles, Harvesters, etc.

On the export front the current market size for Specialty Tyres in North America is USD 3.00-3.50 Bn while that in Europe is USD 5.00-5.50 Bn. The Specialty Tyres business in North America and Europe (major export markets for Indian players) is expected to increase by ~250-300 TPD while substitution towards value players would contribute an opportunity for value players in the in the next 5 years.



Future Outlook

CSTL is in process of setting up of plant for Radial Tyres for farm market in phase I of around 40 TPD. The same is under process and expected to start commercial productions during the 2st quarter FY 2017-18.

Share Capital

The paid up equity capital of the Company as on 31st March, 2016 was Rs. 10,05,00,000/-. During the year under review, the Company had, issued and allotted 10,00,000 shares on Right basis to it's the members. Presently, the share capital of the Company is Rs. 11,05,00,000/-.

Extract of Annual Return

The details forming part of the extract of the Annual Return in the prescribed Form MGT 9 is annexed herewith as "Annexure-A".

Directors & Remuneration

In accordance with the Companies Act, 2013 and Articles of Association, Mr. Anant Vardhan Goenka and Mr. Kunal Mundra retires by rotation and being eligible offers themselves for re-appointment.

Meetings of the Board

The Board met 6 times during the period from 01.04.2015 till 31.03.2016 on 26.04.2016, 06.06.2016, 22.06.2016, 27.07.2016, 07.11.2016, 07.02.2017. The attendance record of the directors is as under –

Name of the Director	No of Meetings attended	% Attendance
Ms. Shruti Joshi	5	84%
Mr. Kishore Chandrakant Shetty	3	100%
Mr. Kunal Mundra	6	100%
Mr. Tom Thomas	4	67%
Mr. Arnab Banerjee	4	67%
Mr. Anant Goenka	6	100%
Mr. Paras Kumar Chaudhary	3	100%

Board Committees

The Company has formed mandatory Board Committees viz. Audit Committee and Nomination and Remuneration Committee and non-mandatory Committees viz. Financial and Banking Committee.



Detailed composition along with the number of meetings held during the FY 2016-2017 are being mentioned herein below-

Name of Committee Meeting	Number of Meetings Held	Name of Members
Audit Committee	3	Mr. Paras K Chaudhary
		Ms. Shruti Joshi
		Mr. Kishor Shete
Nomination and Remuneration Committee	2	Ms. Shruti Joshi
		Mr. Paras K Chowdhary
		Mr. Kishor Shete
Finance and Banking Committee	2	Mr. Kunal Mundra
		Ms. Shruti Joshi
		Mr. Arnab Banerjee
		Mr. Sandeep Sarkhot

Auditors & Auditors Report

The Company had, at its AGM held on July 09, 2015 appointed Messrs S R B C & CO LLP as the Statutory Auditors for a period of 5 (five) consecutive years from the conclusion of the third AGM to the conclusion of the Eighth AGM subject to ratification of their appointment every year. They have confirmed that their said appointment, if ratified at the ensuing AGM, will be in compliance with Sections 139 and 141 of the Companies Act, 2013. The Board considered the letter dated July 18, 2016 received from M/s. S R B C & Co. LLP, (Firm Registration No. 324982E) confirming their eligibility for ratification of appointment as the Company's Statutory Auditor and recommend ratification of appoint M/s S R B C & Co. LLP as the Statutory Auditors of the Company.

The Auditors' Report on the financial statements for the financial year ended March 31, 2017 does not contain any qualification, reservation or adverse remark.

Internal Auditors

The Board has appointed Messrs KPMG as Internal Auditors for the period of 1 (one) year up to March 31, 2018 under Section 138 of the Companies Act, 2013 and they have completed the internal audit as per the scope defined by the Audit committee.

Secretarial Audit

Secretarial Audit is not applicable to the Company.



Corporate Social Responsibility (CSR)

In accordance with Section 135 and Schedule VII of the Companies Act, 2013 ('the Act'), CSR is not applicable to the Company.

Vigil Mechanism/ Whistle Blower Policy

Pursuant to Section 177 of the Companies Act, 2013, the Board has adopted vigil mechanism in the form of Whistle Blower Policy, to deal with instances of fraud or mismanagement, if any.

Subsidiary, Joint Venture and Associate Companies

As on March 31, 2017, the Company has incorporated an entity under the laws of the United States naming CEAT Specialty Tires Inc. on March 21, 2017. No Business is being carried on in the subsidiary as on March 31, 2017.

Public Deposits

The Company has not accepted any deposits from the public and as such, no amount on account of principal or interest on deposits from public was outstanding as at March 31, 2017.

Particulars of Loans, Guarantees and Investments

During the period under review, the Company has not given loans, guarantees and investments under the provisions of section 186 of the Companies Act, 2013.

Conservation of energy, technology absorption and foreign exchange earnings and outgo

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

- a) Conservation of energy: Nil
- b) Technology absorption: Nil
- c) Foreign exchange earnings and Outgo:
Earnings – INR 14,50,33,133
Outgo – INR 62,14, 29,794

Particulars of Contracts or Arrangements with Related Parties

There were no materially significant transactions with the related parties during the financial year which were in conflict with the interests of the Company. Disclosure of transactions with related parties as required under the Accounting Standard (AS-18) has been made in the notes forming part of the



financial statements.

Particulars of contracts or arrangements with related parties referred to in section 188(1) of the Companies Act, 2013, in the prescribe Form AOC-2, is appended as "**Annexure-B**" which forms part of this Report.

Internal Financial Controls

The Company has in place adequate internal financial controls commensurate to the size of business.

Significant and material orders passed by regulators or courts or tribunals impacting going concern status and company's operations in future

During the year under review there has been no such significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

Company has filed a Writ Petition in the Bombay High Court against making MIDC & Others as Respondents.

Risk Management

The Board has put in place suitable risk measures to mitigate risks affecting the existence of the Company

Declaration given by independent directors under section 149(6)

During the year under review, the Company was not required to appoint Independent Directors under Section 149(4) and Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

Particulars of Employees

None of the employee has received remuneration exceeding the limit as stated in rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Particulars of remuneration paid to MR. Kunal Mundra, Managing Director of the Company is detailed in "**Annexure-A**" which forms part of this Report.

Key Managerial Personnel

During the year under review, Mr. Sandeep Sarkhot was appointed as the Chief Financial Officer with effect from July 27, 2016. Mr. Sunil Malik was appointed as the Company Secretary with effect from February 7, 2017.

The above are the Key Managerial Personnel of the Company, pursuant to the provisions of Section 203 read with Section 2(51) of the Companies Act, 2013.



The Company has appointed Mr. Paras Kumar Chowdhary and Mr. Kishor Shete as the Independent Director at its meeting held on July 27, 2016.

Disclosure under Sexual Harrasment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013

In accordance with the provisions of the Sexual Harassment of Women at the workplace (Prevention, Prohibition and Redressal) Act, 2013, 2 (two) Internal Complaints Committees (ICC) have been set up to redress complaints.

Directors' Responsibility Statement

Pursuant to Section 134(3)(c) of the Companies Act, 2013, your Directors, to the best of their knowledge and belief, make following statement that:

- i. the applicable Accounting Standards have been followed in the preparation of the annual accounts alongwith the proper explanation relating to material departure, if any.
- ii. such accounting policies have been selected and applied consistently and such judgements and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company in the Balance Sheet as at March 31, 2017 and the Statement of Profit and Loss for the said financial year ended March 31, 2017.
- iii. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. the annual accounts have been prepared on a going concern basis.
- v. The proper internal financial controls were in place and that such internal financial controls are adequate and were operating effectively.
- vi. the systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

Acknowledgements

An acknowledgement to all with whose help, cooperation and hard work the Company is able to achieve the results.

For and on behalf of the Board of Directors



Kunal Hari Mundra
Managing Director



Arnab Banerjee
Director



Place: Mumbai
Date: April 27, 2017

Annexure A

Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	U25199MH2012PLC236623
ii.	Registration Date	09/10/2012
iii.	Name of the Company	CEAT SPECIALTY TYRES Limited
iv.	Category/Sub-Category of the Company	Unlisted Public Limited Company
v.	Address of the Registered office and contact details	RPG House, 463, Dr. Annie Besant Road, Worli, Mumbai – 400030
vi.	Whether listed company	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Trading/ sale of Motor Vehicle Parts	453	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1.	CEAT Limited	L25100MH1958PLC011041	Holding	100%	2 (46)
2.	CEAT Specialty Tires Inc.	82-0896871	Subsidiary	100%	2 (87)



IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i. Category-wise Share-Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during The year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
1. Promoter									
1) Indian									
a) Individual/ HUF		60	60	0.00	60	60	0.00	-	
b) Central Govt		0	0	0	0	0	0		
c) State Govt(s)									
d) Bodies Corp		1,00,49,940	1,00,49,940	100	1,10,49,940	1,10,49,940	100	100	
e) Banks / FI									
f) Any Other									
Sub-total(A)(1):-									
2) Foreign									
g) NRIs- Individuals									
h) Other- Individuals									
i) Bodies Corp.									
j) Banks / FI									
k) Any Other....									
Sub-total(A)(2):-									
2. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									



g) FII's									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total(B)(1)									
2. Non Institutions									
a) Bodies Corp. (i) Indian (ii) Overseas									
b) Individuals (i) Individual shareholders holding nominal share capital upto Rs. 1 lakh (ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
c) Others(Specify)									
Sub-total(B)(2)									
Total Public Shareholding (B)=(B)(1)+ (B)(2)									
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)		10050000	10050000	100		11050000	11050000	100	9.95
							0		



ii. **Shareholding of Promoters**

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Ms. Shruti Joshi	10	0.00		10	0.00		
2.	CEAT Limited	10049940	100		11049940	100		
3.	Mr. H.N Singh Rajpoot	10	0.00		10	0.00		
4.	Mr. Govind Sharma	10	0.00		10	0.00		
5.	Mr. Sandeep Sarkhot	10	0.00		10	0.00		
6.	Mr. Kunal Mundra	10	0.00		10	0.00		
7.	Ms. Geeta Bandekar	10	0.00		10	0.00		

iii. **Change in Promoters' Shareholding (please specify, if there is no change)**

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	CEAT Limited				
	At the beginning of the year	10049940	100		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity)	Right Issue 1000000	100		



etc):				
At the End of the year	11049940	100		

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	<i>NIL</i>	<i>39,98,10,911</i>	<i>NIL</i>	<i>39,98,10,911</i>
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not				
Total (i+ii+iii)	<i>NIL</i>	<i>39,98,10,911</i>	<i>NIL</i>	<i>39,98,10,911</i>
Change in Indebtedness during the financial year				
- Addition				
- Reduction				
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: Mr. Kunal Mundra

Sl. No.	Particulars of Remuneration	Mr. Kunal Mundra: MD	Total Amount
1.	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	72, 25,696	72, 25,696
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	48,30,708	48,30,708
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		



2.	Stock Option	0	0
3.	Sweat Equity	0	0
4.	Commission - as% of profit - others, specify...	0	0
5.	Others, Contribution to PF & Superannuation Fund	4,05,852	4,05,852
6.	Total(A)	1,24,622,256	1,24,622,256
	Ceiling as per the Act	2,40,00,000	2,40,00,000

B. Remuneration to other directors: NIL

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
	<u>Independent Directors</u>					
	• Fee for attending board committee meetings					
	• Commission					
	• Others, please specify					
	Total(1)					
	<u>Other Non-Executive Directors</u>					
	• Fee for attending board committee meetings					
	• Commission					
	• Others, please specify					
	Total (2)					
	Total (B)=(1+2)					
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD: NIL

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961		4,87,587	31,97,804 21,16,278	



	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2.	Stock Option				
3.	Sweat Equity				
4.	Commission - as% of profit -others, specify...				
5.	Others, Contribution to PF & Superannuation Fund		22,140	1,64,931	
6.	Total		5,09,727	54,79,013	

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/Compounding fees imposed	Authority[RD /NCLT/Court]	Appeal made. If any(give details)
A. Company					
Penalty					
Punishment					
Compounding					
B. Directors					
Penalty					
Punishment					
Compounding					
C. Other Officers In Default					
Penalty					
Punishment					
Compounding					



Annexure B

FORM NO. AOC.2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

This Form pertains to the disclosure of particulars of contracts/ arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis:

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2015, which were not at arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis:

Name of the Related Party	Nature of Relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms	Amount (in Rs.)
Ceat Limited	Holding Company	Purchase of Traded Goods	10 Yrs	NA	1,942,120,896
Ceat Limited	Holding Company	Loan Taken	N/A	NA	71,50,00,000
Ceat Limited	Holding Company	Loan Repayment	N/A	NA	55,50,00,000
Ceat Limited	Holding Company	Interest Paid on Loan	N/A	NA	3,92,25,292
Ceat Limited	Holding Company	Equity Infusion	Event Based	NA	10,00,00,000
Ceat Limited	Holding Company	Service Charge Paid	N/A	NA	28,42,120
Ceat Limited	Holding Company	Facility and other lease recovery	10 Yrs	NA	17,74,14,366
KEC International Limited	Associate Company	Purchase Equipment	One Time	NA	2,46,12,147
Raychem RPG Pvt. Limited	Associate Company	Purchase Equipment	One Time	NA	78,59,486



To,

The Members of CEAT Specialty Tyres Limited

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(Amount in Rs.)

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Provision for:		
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On the export front the current market size for Specialty Tyres in North America is USD 3.00-3.50 Bn while that in Europe is USD 5.00-5.50 Bn. The Specialty Tyres business in North America and Europe (major export markets for Indian players) is expected to increase by ~250-300 TPD while substitution towards value players would contribute an opportunity for value players in the in the next 5 years.



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The paid up equity capital of the Company as on 31st March, 2016 was Rs. 10,05,00,000/-. During the year under review, the Company had, issued and allotted 10,00,000 shares on Right basis to it's the members. Presently, the share capital of the Company is Rs. 11,05,00,000/-.

Extract of Annual Return

The details forming part of the extract of the Annual Return in the prescribed Form MGT 9 is annexed herewith as "Annexure-A".

Directors & Remuneration

In accordance with the Companies Act, 2013 and Articles of Association, Mr. Anant Vardhan Goenka and Mr. Kunal Mundra retires by rotation and being eligible offers themselves for re-appointment.

Meetings of the Board

The Board met 6 times during the period from 01.04.2015 till 31.03.2016 on 26.04.2016, 06.06.2016, 22.06.2016, 27.07.2016, 07.11.2016, 07.02.2017. The attendance record of the directors is as under –

Name of the Director	No of Meetings attended	% Attendance
Ms. Shruti Joshi	5	84%
Mr. Kishore Chandrakant Shetty	3	100%
Mr. Kunal Mundra	6	100%
Mr. Tom Thomas	4	67%
Mr. Arnab Banerjee	4	67%
Mr. Anant Goenka	6	100%
Mr. Paras Kumar Chaudhary	3	100%

Board Committees

The Company has formed mandatory Board Committees viz. Audit Committee and Nomination and Remuneration Committee and non-mandatory Committees viz. Financial and Banking Committee.



Detailed composition along with the number of meetings held during the FY 2016-2017 are being mentioned herein below-

Name of Committee Meeting	Number of Meetings Held	Name of Members
Audit Committee	3	Mr. Paras K Chaudhary
		Ms. Shruti Joshi
		Mr. Kishor Shete
Nomination and Remuneration Committee	2	Ms. Shruti Joshi
		Mr. Paras K Chowdhary
		Mr. Kishor Shete
Finance and Banking Committee	2	Mr. Kunal Mundra
		Ms. Shruti Joshi
		Mr. Arnab Banerjee
		Mr. Sandeep Sarkhot

Auditors & Auditors Report

The Company had, at its AGM held on July 09, 2015 appointed Messrs S R B C & CO LLP as the Statutory Auditors for a period of 5 (five) consecutive years from the conclusion of the third AGM to the conclusion of the Eighth AGM subject to ratification of their appointment every year. They have confirmed that their said appointment, if ratified at the ensuing AGM, will be in compliance with Sections 139 and 141 of the Companies Act, 2013. The Board considered the letter dated July 18, 2016 received from M/s. S R B C & Co. LLP, (Firm Registration No. 324982E) confirming their eligibility for ratification of appointment as the Company's Statutory Auditor and recommend ratification of appoint M/s S R B C & Co. LLP as the Statutory Auditors of the Company.

The Auditors' Report on the financial statements for the financial year ended March 31, 2017 does not contain any qualification, reservation or adverse remark.

Internal Auditors

The Board has appointed Messrs KPMG as Internal Auditors for the period of 1 (one) year up to March 31, 2018 under Section 138 of the Companies Act, 2013 and they have completed the internal audit as per the scope defined by the Audit committee.

Secretarial Audit

Secretarial Audit is not applicable to the Company.



Corporate Social Responsibility (CSR)

In accordance with Section 135 and Schedule VII of the Companies Act, 2013 ('the Act'), CSR is not applicable to the Company.

Vigil Mechanism/ Whistle Blower Policy

Pursuant to Section 177 of the Companies Act, 2013, the Board has adopted vigil mechanism in the form of Whistle Blower Policy, to deal with instances of fraud or mismanagement, if any.

Subsidiary, Joint Venture and Associate Companies

As on March 31, 2017, the Company has incorporated an entity under the laws of the United States naming CEAT Specialty Tires Inc. on March 21, 2017. No Business is being carried on in the subsidiary as on March 31, 2017.

Public Deposits

The Company has not accepted any deposits from the public and as such, no amount on account of principal or interest on deposits from public was outstanding as at March 31, 2017.

Particulars of Loans, Guarantees and Investments

During the period under review, the Company has not given loans, guarantees and investments under the provisions of section 186 of the Companies Act, 2013.

Conservation of energy, technology absorption and foreign exchange earnings and outgo

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

- a) Conservation of energy: Nil
- b) Technology absorption: Nil
- c) Foreign exchange earnings and Outgo:
Earnings – INR 14,50,33,133
Outgo – INR 62,14, 29,794

Particulars of Contracts or Arrangements with Related Parties

There were no materially significant transactions with the related parties during the financial year which were in conflict with the interests of the Company. Disclosure of transactions with related parties as required under the Accounting Standard (AS-18) has been made in the notes forming part of the



financial statements.

Particulars of contracts or arrangements with related parties referred to in section 188(1) of the Companies Act, 2013, in the prescribe Form AOC-2, is appended as "**Annexure-B**" which forms part of this Report.

Internal Financial Controls

The Company has in place adequate internal financial controls commensurate to the size of business.

Significant and material orders passed by regulators or courts or tribunals impacting going concern status and company's operations in future

During the year under review there has been no such significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

Company has filed a Writ Petition in the Bombay High Court against making MIDC & Others as Respondents.

Risk Management

The Board has put in place suitable risk measures to mitigate risks affecting the existence of the Company

Declaration given by independent directors under section 149(6)

During the year under review, the Company was not required to appoint Independent Directors under Section 149(4) and Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

Particulars of Employees

None of the employee has received remuneration exceeding the limit as stated in rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Particulars of remuneration paid to MR. Kunal Mundra, Managing Director of the Company is detailed in "**Annexure-A**" which forms part of this Report.

Key Managerial Personnel

During the year under review, Mr. Sandeep Sarkhot was appointed as the Chief Financial Officer with effect from July 27, 2016. Mr. Sunil Malik was appointed as the Company Secretary with effect from February 7, 2017.

The above are the Key Managerial Personnel of the Company, pursuant to the provisions of Section 203 read with Section 2(51) of the Companies Act, 2013.



The Company has appointed Mr. Paras Kumar Chowdhary and Mr. Kishor Shete as the Independent Director at its meeting held on July 27, 2016.

Disclosure under Sexual Harrasment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013

In accordance with the provisions of the Sexual Harassment of Women at the workplace (Prevention, Prohibition and Redressal) Act, 2013, 2 (two) Internal Complaints Committees (ICC) have been set up to redress complaints.

Directors' Responsibility Statement

Pursuant to Section 134(3)(c) of the Companies Act, 2013, your Directors, to the best of their knowledge and belief, make following statement that:

- i. the applicable Accounting Standards have been followed in the preparation of the annual accounts alongwith the proper explanation relating to material departure, if any.
- ii. such accounting policies have been selected and applied consistently and such judgements and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company in the Balance Sheet as at March 31, 2017 and the Statement of Profit and Loss for the said financial year ended March 31, 2017.
- iii. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. the annual accounts have been prepared on a going concern basis.
- v. The proper internal financial controls were in place and that such internal financial controls are adequate and were operating effectively.
- vi. the systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

Acknowledgements

An acknowledgement to all with whose help, cooperation and hard work the Company is able to achieve the results.

For and on behalf of the Board of Directors



Kunal Hari Mundra
Managing Director



Arnab Banerjee
Director



Place: Mumbai
Date: April 27, 2017

Annexure A

Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	U25199MH2012PLC236623
ii.	Registration Date	09/10/2012
iii.	Name of the Company	CEAT SPECIALTY TYRES Limited
iv.	Category/Sub-Category of the Company	Unlisted Public Limited Company
v.	Address of the Registered office and contact details	RPG House, 463, Dr. Annie Besant Road, Worli, Mumbai – 400030
vi.	Whether listed company	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Trading/ sale of Motor Vehicle Parts	453	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1.	CEAT Limited	L25100MH1958PLC011041	Holding	100%	2 (46)
2.	CEAT Specialty Tires Inc.	82-0896871	Subsidiary	100%	2 (87)



IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i. Category-wise Share-Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during The year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
1. Promoter									
1) Indian									
a) Individual/ HUF		60	60	0.00		60	60	0.00	-
b) Central Govt		0	0	0		0	0	0	
c) State Govt(s)									
d) Bodies Corp		1,00,49,940	1,00,49,940	100		1,10,49,940	1,10,49,940	100	100
e) Banks / FI									
f) Any Other									
Sub-total(A)(1):-									
2) Foreign									
g) NRIs- Individuals									
h) Other- Individuals									
i) Bodies Corp.									
j) Banks / FI									
k) Any Other....									
Sub-total(A)(2):-									
2. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									



g) FII's									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total(B)(1)									
2. Non Institutions									
a) Bodies Corp. (i) Indian (ii) Overseas									
b) Individuals (i) Individual shareholders holding nominal share capital upto Rs. 1 lakh (ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
c) Others(Specify)									
Sub-total(B)(2)									
Total Public Shareholding (B)=(B)(1)+ (B)(2)									
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)		10050000	10050000	100		11050000	11050000	100	9.95
							0		



ii. **Shareholding of Promoters**

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Ms. Shruti Joshi	10	0.00		10	0.00		
2.	CEAT Limited	10049940	100		11049940	100		
3.	Mr. H.N Singh Rajpoot	10	0.00		10	0.00		
4.	Mr. Govind Sharma	10	0.00		10	0.00		
5.	Mr. Sandeep Sarkhot	10	0.00		10	0.00		
6.	Mr. Kunal Mundra	10	0.00		10	0.00		
7.	Ms. Geeta Bandekar	10	0.00		10	0.00		

iii. **Change in Promoters' Shareholding (please specify, if there is no change)**

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	CEAT Limited				
	At the beginning of the year	10049940	100		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity)	Right Issue 1000000	100		



etc):				
At the End of the year	11049940	100		

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	<i>NIL</i>	<i>39,98,10,911</i>	<i>NIL</i>	<i>39,98,10,911</i>
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not				
Total (i+ii+iii)	<i>NIL</i>	<i>39,98,10,911</i>	<i>NIL</i>	<i>39,98,10,911</i>
Change in Indebtedness during the financial year				
- Addition				
- Reduction				
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: Mr. Kunal Mundra

Sl. No.	Particulars of Remuneration	Mr. Kunal Mundra: MD	Total Amount
1.	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	72, 25,696	72, 25,696
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	48,30,708	48,30,708
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		



2.	Stock Option	0	0
3.	Sweat Equity	0	0
4.	Commission - as% of profit - others, specify...	0	0
5.	Others, Contribution to PF & Superannuation Fund	4,05,852	4,05,852
6.	Total(A)	1,24,622,256	1,24,622,256
	Ceiling as per the Act	2,40,00,000	2,40,00,000

B. Remuneration to other directors: NIL

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
	<u>Independent Directors</u>					
	• Fee for attending board committee meetings					
	• Commission					
	• Others, please specify					
	Total(1)					
	<u>Other Non-Executive Directors</u>					
	• Fee for attending board committee meetings					
	• Commission					
	• Others, please specify					
	Total (2)					
	Total (B)=(1+2)					
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD: NIL

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961		4,87,587	31,97,804 21,16,278	



	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2.	Stock Option				
3.	Sweat Equity				
4.	Commission - as% of profit -others, specify...				
5.	Others, Contribution to PF & Superannuation Fund		22,140	1,64,931	
6.	Total		5,09,727	54,79,013	

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/Compounding fees imposed	Authority[RD /NCLT/Court]	Appeal made. If any(give details)
A. Company					
Penalty					
Punishment					
Compounding					
B. Directors					
Penalty					
Punishment					
Compounding					
C. Other Officers In Default					
Penalty					
Punishment					
Compounding					



Annexure B

FORM NO. AOC.2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

This Form pertains to the disclosure of particulars of contracts/ arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis:

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2015, which were not at arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis:

Name of the Related Party	Nature of Relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms	Amount (in Rs.)
Ceat Limited	Holding Company	Purchase of Traded Goods	10 Yrs	NA	1,942,120,896
Ceat Limited	Holding Company	Loan Taken	N/A	NA	71,50,00,000
Ceat Limited	Holding Company	Loan Repayment	N/A	NA	55,50,00,000
Ceat Limited	Holding Company	Interest Paid on Loan	N/A	NA	3,92,25,292
Ceat Limited	Holding Company	Equity Infusion	Event Based	NA	10,00,00,000
Ceat Limited	Holding Company	Service Charge Paid	N/A	NA	28,42,120
Ceat Limited	Holding Company	Facility and other lease recovery	10 Yrs	NA	17,74,14,366
KEC International Limited	Associate Company	Purchase Equipment	One Time	NA	2,46,12,147
Raychem RPG Pvt. Limited	Associate Company	Purchase Equipment	One Time	NA	78,59,486

