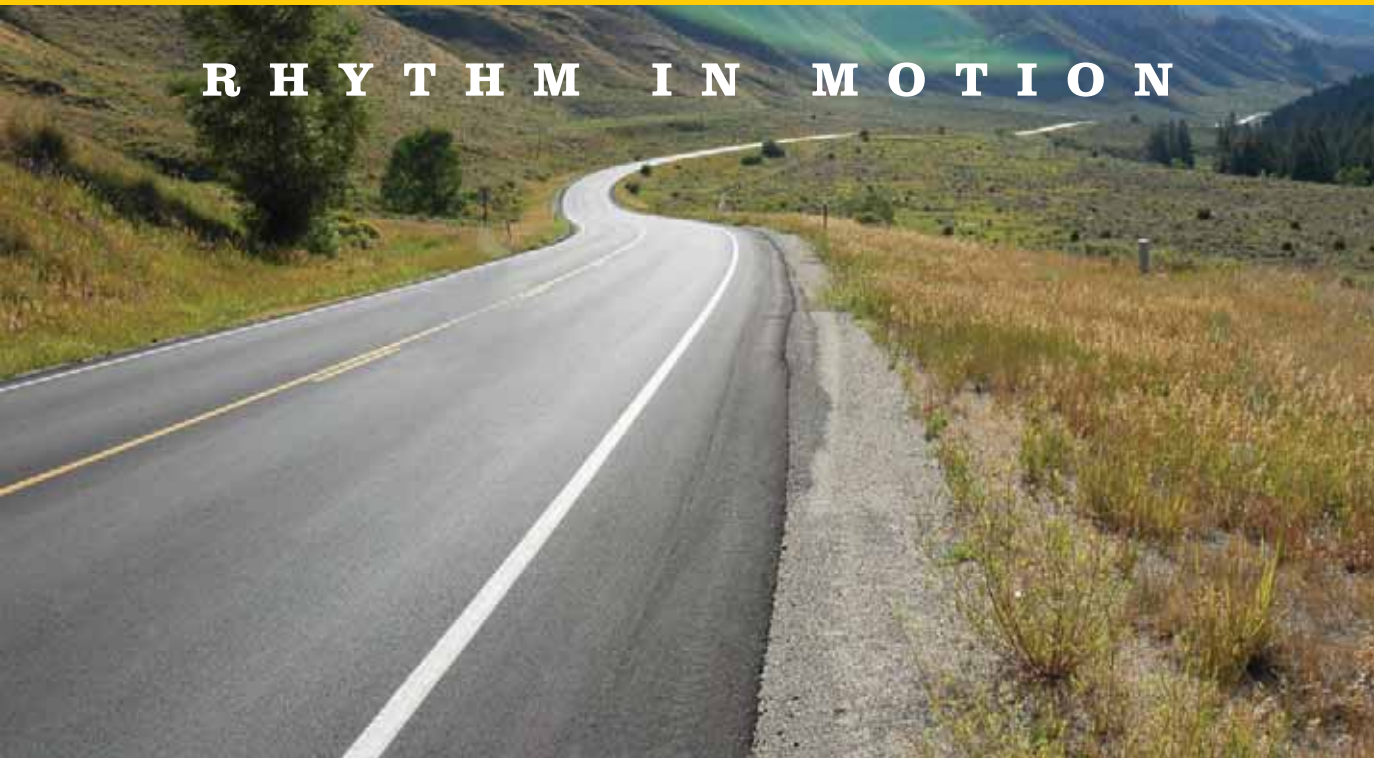




R H Y T H M I N M O T I O N





# Contents

Notice	17
Holding of Equity Shares	19
Report of the Directors	20
Report on Corporate Governance	22
Management Discussion & Analysis Report	28
Auditors' Report	30
Balance Sheet	32
Profit & Loss Account	33
Cash Flow Statement	34
Schedules to the Accounts	35
Balance Sheet Abstract & Company's General Business Profile	46
Auditors' Report on Consolidated Financial Statements	48
Consolidated Balance Sheet and Profit & Loss Account	49
Consolidated Cash Flow Statement	50
Schedules to the Consolidated Accounts	51



**REGISTERED OFFICE**

KING'S COURT ■ Flat Nos. 14 & 18 ■ 46B Chowringhee Road ■ Kolkata 700 071  
E-mail: info@dunlop.co.in

**CORPORATE OFFICE**

Ruia Centre ■ 46 Syed Amir Ali Avenue ■ Kolkata 700 017 ■ P (033) 2289 4747 ■ F (033) 2289 3433  
E-mail: info@dunlop.co.in ■ www.ruiagroup.co.in

**BANKERS**

Central Bank of India ■ State Bank of India ■ ICICI Bank ■ Indusind Bank

**REGISTRAR AND SHARE TRANSFER AGENT**

CB Management Services (P) Limited  
P 22 Bondel Road ■ Kolkata 700 019 ■ P (033) 2280 6692 / 6693 / 6694 / 2486 / 033 4011 6700  
F (033) 2287 0263 ■ E-mail: rta@cbmsl.com

**AUDITORS**

M/s K.N. Gutgutia & Co.  
Chartered Accountants ■ Kolkata

**SOLICITORS**

M/s L.P. Agarwalla & Co. ■ Kolkata

**84th ANNUAL GENERAL MEETING**

Saturday ■ 10 September 2011 ■ 11.30 A.M.  
The Ball Room ■ The Oberoi Grand ■ 15 Jawaharlal Nehru Road ■ Kolkata 13

# Board of Directors



Mr. Ram Krishen Sadhu



Mr. Dipak Rudra



Shri Mohan Lall Chauhan



Mr. Virendra Kumar Agrawal



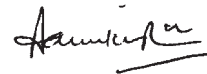
Mr. Damodar Prasad Dani

## VICE PRESIDENT LEGAL & COMPANY SECRETARY

Mr. Ashok Kumar Agarwal



A clear long term vision has been guiding our actions. It's what I call "complementary competencies". It is about the deployment of assets such as technologies and brands, and capabilities such as new business models and innovative skills. It's a vision you need to have when you are at the crossroads of an industry that's caught the world's fancy. A sector called infrastructure. Particularly, when you are building capacity at the automotive end of this sector. Having embarked on this road with the Dunlop takeover, in our cross-border acquisitions we went ahead with a view to gain complementary competencies. A robust globalization strategy focusing on technology and knowledge. A willingness to invest in the future and wait for the pay off.



**Pawan K. Ruia**  
Chairman, Ruia Group

**At Dunlop, rhythmic motion is a metaphor we use to describe the way we look at the way different forces affecting business**



**play out and the strategic initiatives that are set into motion to attend to these in a rhythmic and harmonious manner.**



## **Indian Economy: A firm recovery path**

**The sharp and broad-based recovery as witnessed in the Indian economy since the beginning of 2010 has continued so far on the back of the strong performance of the industrial sector, the sustained increase in the agricultural sector output, and the resilience exhibited by the services sector.**

**The pace of economic activity is expected to take a step forward towards a high growth trajectory, with the GDP expected to grow above 8% during 2011-12.**



**An object's velocity cannot change unless it is acted upon by a force, as described by Newton's first law.**



## **Indian Automotive Sector: Set into motion**

**Research reports suggest that the Indian Automotive industry is expected to move forward at a Compound Annual Growth Rate (CAGR) of 13-15% for the fiscal 2011-12, aided by boisterous economic activity, favourable demographics and higher income levels.**

**The future of the industry seems to be clearly set into motion, especially in view of the growth story of the world's Emerging Economies.**

**Motion is always observed and measured relative to a frame of reference. As there**



**is no absolute frame of reference, absolute motion cannot be determined; this is emphasised by the term relative motion.**



## **Commercial Vehicles: Outperformance Continues**

**Commercial Vehicles have continued to remain the outperformers in terms of growth with a growth of 41.6% YTD. They are expected to perform better in the second half of the fiscal, which is traditionally a stronger part of the year.**

**The strong economic growth and increase in freight activity is expected to continue for the year and would help maintain momentum in commercial vehicle sales. It is expected that further pick-up in domestic industrial activities would support positive growth in commercial vehicle demand going forward.**

**Generally, the term motion signifies any temporal change in a physical system. For example, one can talk about motion**



**of a wave or a quantum particle (or any other field) where the concept location does not apply.**



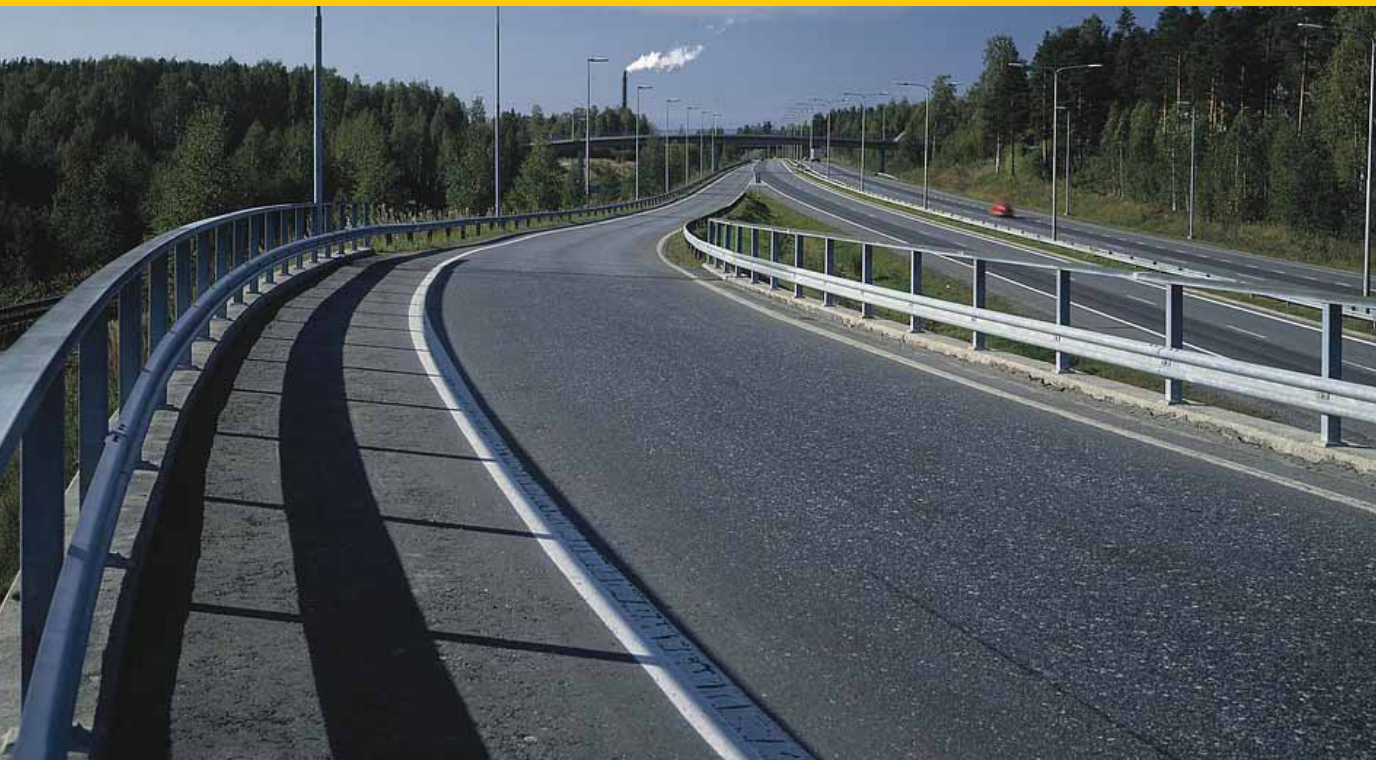
## **Indian Roadways: An Increased Focus**

**The Government of India has increased its focus on the development of infrastructure by improving the quality of the country's roads, highways and ports. India has the world's second largest road network, aggregating over 3.34 million kms.**

**According to a consultation paper by the Planning Commission, investment in the road sector during the Eleventh Plan is projected at Rs 3,141 billion.**

**All this augurs well for all stakeholders in the infrastructure industry.**

**In physics, motion in the universe is described through two sets of apparently contradictory laws of mechanics. Motions**



**of all large scale and familiar objects in the universe (such as projectiles, planets, cells, and humans) are described by classical mechanics.**



## **Global Automotive Industry: The Ruia Group takes a position**

**The Ruia Group is focusing on emerging as the global leader in the Auto Ancillary Industry. The journey which started with the acquisition of Schlegel Automotive Europe Ltd., UK in 2008 has reached a new height with the recent acquisitions of Sealyx, France and Preciturn Group of Companies, France. In between, we have successfully brought into the Groups fold – Gumasol Rubber Tec GmbH, followed by Ruia Global Fastners AG, Germany.**

**The superior technology, competencies and pedigreed clientele now at our access will benefit all Group companies, including Dunlop. Giving meaningful shape to our vision of “complementary competencies”.**

## TEN YEAR SUMMARY

	2010-11 12 months	2009-10 12 months	2008-09 12 months	2007-08 12 months	2006-07 12 months	2005-06 12 months	2004-05 12 months	2003-04 12 months	2002-03 12 months	2001-02 12 months
Income	Rs Crores 174.53	180.70	183.01	122.16	341.42	4.06	37.16	9.19	28.68	6.08
Operating Profit/(Loss)	Rs Crores 9.09	5.63	9.75	7.36	335.99	(6.09)	14.08	(10.99)	(0.26)	(41.89)
Profit before Tax	Rs Crores 2.02	1.27	1.36	4.85	489.01	71.93	(5.46)	32.67	(39.23)	(88.57)
Profit after Tax	Rs Crores 2.02	1.27	1.36	4.85	488.81	71.88	(5.46)	32.67	(39.23)	(88.57)
Earnings per Equity share	Rs. 0.28	0.18	0.19	0.69	108.65	15.98	(1.21)	7.26	-	-
Dividends per Equity share	Rs. -	-	-	-	-	-	-	-	-	-
Net Worth per Equity share	Rs. 152.59	157.68	158.06	182.52	302.02	(58.05)	(73.56)	(63.05)	(68.99)	(47.96)
Net Assets employed	Rs Crores 1445.94	1409.27	1342.67	1499.44	1632.12	(98.42)	(160.25)	(115.14)	(83.55)	(21.71)
Shareholder's Funds	Rs Crores 1098.37	1135.02	1137.74	1312.73	1358.77	(261.16)	(330.92)	(283.65)	(310.36)	(215.75)
Gearing	% 31.64	24.16	17.73	14.22	20.12	108.76	112.46	87.05	111.79	75.13



## DUNLOP INDIA LIMITED

Registered Office :  
"King's Court", Flat Nos. 14 & 18,  
46B, Chowringhee Road, Kolkata -700 071

### NOTICE

**NOTICE** is hereby given that the **Eighty Fourth** Annual General Meeting of the Members of **Dunlop India Limited** will be held at The Ballroom, The Oberoi Grand, 15, Jawaharlal Nehru Road, Kolkata - 700 013 on Saturday, 10th September, 2011 at 11:30 a.m. to transact the following business :

#### ORDINARY BUSINESS

1. To consider and adopt the Profit & Loss Account for the year ended 31<sup>st</sup> March, 2011 and the Balance Sheet as at that date and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Dipak Rudra, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Mohan Lal Chauhan, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Messers K. N. Gutgutia & Co., Chartered Accountants, Kolkata, the retiring Auditors of the Company, who being eligible, offer themselves for re-appointment as the Auditors, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to authorize the Board of Directors of the Company to fix their remuneration.

#### SPECIAL BUSINESS

To consider and, if thought fit, to pass, with or without modification(s), the following Resolutions :

##### 5. As Special Resolutions :

**"RESOLVED THAT** in accordance with and subject to the provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to the approval of the Central Government, the consent of the Company be and is hereby accorded for the appointment of Mr. Shiv Narayan Maheshwari as the Executive Director (being the Whole-time Director) of the Company for the period commencing from 11<sup>th</sup> August, 2010 till 16<sup>th</sup> June, 2011 on the terms and conditions including the remuneration and perquisites as are set out in the Agreement already been entered into between the Company and Mr. Shiv Narayan Maheshwari on 11<sup>th</sup> August, 2010, original of which is placed before this Meeting."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

By Order of the Board

**Ashok Kumar Agarwal**

Vice President - Legal &

Company Secretary

Place : Kolkata

Date : 18th June, 2011

#### NOTES :

1. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business of the Meeting is annexed hereto and forms part of this Notice.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE VALID AND EFFECTIVE, MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE / CORPORATE OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 1st September, 2011 to 10th September, 2011 (both days inclusive).
4. Members are requested to bring their copies of the Annual Report and the Admission Slip at the Meeting. Annual Report will not be distributed at the Meeting. No Food Packet will be served at the AGM.
5. **The Members, who are still holding the Company's equity shares in physical form and have not converted their shareholding in dematerialized form, are once again requested to covert their equity shares from physical form to dematerialized form as the same will provide adequate facility in trading in the Company's scrip at Stock Exchange in future.**
6. **In view of the Central Government's Circular Nos. 17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 in pursuance of "Green Initiative in the Corporate Governance", the Members are hereby requested to furnish and register their e-mail addresses either with the Company or its RTA to enable the Company to send the Notice / Documents / Communication in future to the Members directly at their registered e-mail addresses through electronic mode instead of sending the printed / hard copies of the same by post. Serving of documents to the Members through electronic mode ensures receipt of the Notice / Documents / Communication timely, promptly and without any loss in postal transit by them.**

**ANNEXURE TO THE NOTICE****EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.****Item No. 5.**

Mr. Shiv Narayan Maheshwari was appointed as CEO of the Company w.e.f. 2<sup>nd</sup> August, 2010. The Board of Directors of the Company at its Meeting held on 11<sup>th</sup> August, 2010 has subsequently appointed Mr. Shiv Narayan Maheshwari as the Executive Director (being the Whole-time Director) of the Company for 3 years commencing from 11<sup>th</sup> August, 2010 till 10<sup>th</sup> August, 2013 subject to the approval of the Shareholders at the ensuing Annual General Meeting and subject to the approval of the Central Government.

Mr. Shiv Narayan Maheshwari has joined the Company as the Executive Director (being the Whole-time Director) of the Company on 11<sup>th</sup> August, 2010. Mr. Shiv Narayan Maheshwari ceased to be the Executive Director (being the Whole-time Director) of the Company w.e.f. 17<sup>th</sup> June, 2011.

The broad particulars of the terms and conditions of the appointment including the remuneration payable to Mr. Shiv Narayan Maheshwari are as under :

Designation	Period of Appointment	Salary (Rs.) per month	Perquisites, Allowances & Re-imbursements (Rs.) per month
Executive Director (being the Whole - time Director)	Period commencing from 11.08.2010 to 16.06.2011	2,50,000/-	1,50,000/-

The perquisites and allowances payable to Mr. Shiv Narayan Maheshwari include house rent allowance, other allowance, various re-imbursements, LTA, ex-gratia etc. up to the amount specified above. The said perquisites and allowances shall be evaluated, wherever applicable, as per the Income Tax Act, 1961 or any Rule there under (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force).

The terms and conditions set out for the above appointment and payment of remuneration herein and / or in the Agreement, already been entered into between the Company and Mr. Shiv Narayan Maheshwari on 11<sup>th</sup> August, 2010. The Company, against its Application filed with the Central Government for approval of payment of gross remuneration of Rs.63,00,000/- p.a. to Mr. Shiv Narayan Maheshwari as per the Agreement dated 11<sup>th</sup> August, 2010, has received the Central Government's Approval for payment of remuneration of Rs. 48,00,000/- p.a. and reimbursement of entertainment expenses actually and properly incurred in the course of legitimate business of the Company. Thus, the Company will

pay the remuneration to Mr. Shiv Narayan Maheshwari as per the Approval of the Central Government.

The Agreement may be terminated by either party (the Company or Mr. Shiv Narayan Maheshwari) by giving 45 days' prior notice in writing on other.

The Agreement entered into between the Company and Mr. Shiv Narayan Maheshwari on 11<sup>th</sup> August, 2010 and the Central Government's Approval Letter dated 9<sup>th</sup> March, 2011 are available for inspection at the Corporate Office of the Company on all working days up to the date of the ensuing Annual General Meeting between 11:00 a.m. and 1:00 p.m.

Above may also be treated as an abstract of the terms of the contract / agreement entered into between the Company and Mr. Shiv Narayan Maheshwari pursuant to Section 302 of the Companies Act, 1956.

Keeping in view the qualification and the experience possessed by Mr. Shiv Narayan Maheshwari, your Directors feel that Mr. Shiv Narayan Maheshwari's appointment as the Executive Director (being the Whole-time Director) of the Company for the aforesaid period was beneficial to your Company and accordingly, recommend the Special Resolutions set out in Item No. 5 of the Notice for your consideration and approval as Mr. Maheshwari's above appointment and payment of remuneration requires your approval.

None of the Directors of the Company except Mr. Shiv Narayan Maheshwari is interested or concerned in the Resolutions set out in Item No. 5 of the Notice.

By Order of the Board  
**Ashok Kumar Agarwal**  
 Vice President - Legal &  
 Company Secretary

Place : Kolkata  
 Date : 18th June, 2011

**Particulars Relating to the Directors proposed to be appointed/re-appointed :**

- Name : Mr. Dipak Rudra.  
 Age : 70 Years.  
 Qualifications : B.A.(Hons. in Economics & Political Science), Retd. IAS Officer.  
 Expertise : Mr Rudra has 37 years of rich experience as IAS in handling various portfolios in Central & State Ministries, and 3 Years' experience in RBI as Banking Ombudsman and 3 Years' experience as the CMD of UCO Bank.  
 Date of Appointment : 25<sup>th</sup> January, 2006.  
 No. of Equity Shares held in the Co. : Nil.  
 Other Directorships :



<p><u>Name of the Public Ltd. Company</u>                  India Power Corporation Ltd.                  GTFS Multi Services Ltd.                  Guinness Securities Ltd.                  GTFS Training Services Ltd.                  Shalimar Wires Industries Ltd.</p> <p>2. Name : Mr. Mohan Lall Chauhan.                  Age : 66 Years.                  Qualifications : M.A. in Political Science, Retd. Civil Servant (IRS Officer).                  Expertise : Mr. Chauhan has 35 years of service in IRS looking after Indian Taxation, Fiscal Management &amp; HRD.                  Date of Appointment : 19<sup>th</sup> August, 2008.                  No. of Equity Shares held in the Co. : Nil.</p>	<p><u>Committee Memberships, if any with position</u>                  Audit Committee – Member.                  Audit Committee – Chairman.                  Audit Committee – Member.                  None                  Audit Committee – Chairman.                  Investors’ Grievance Committee - Chairman                  Remuneration Committee – Member.</p>	<p>Other Directorships :  <u>Name of the Public Ltd. Company</u>                  Jessop &amp; Co. Ltd.</p> <p>3. Name : Mr. Shiv Narayan Maheshwari.                  Age : 56 Years.                  Qualifications : M.Com., FCA.                  Expertise : Mr. Maheshwari has over 31 years of experience in Finance, Capital Market, Treasury Management, Forex, Commercial and Logistics Operations in India and Thailand.                  Date of Appointment : 11<sup>th</sup> August, 2010.                  No. of Equity Shares held in the Co. : Nil.                  Other Directorships :  <u>Name of the Public Ltd. Company</u>                  None</p>	<p><u>Committee Memberships, if any with position</u>                  Audit Committee – Member.                  Share Transfer &amp; Investors Grievance Committee – Chairman                  Remuneration Committee – Member.</p> <p><u>Committee Memberships, if any with position</u>                  None</p>
--	--	---	---

## HOLDING OF EQUITY SHARES

Category	As on 31.03.2011 Equity Shares		As on 31.03.2010 Equity Shares	
	(Nos.)	(%)	(Nos.)	(%)
<b>Promoters’ Holding</b>				
Foreign Promoters	33515229	46.56	33515229	46.56
Promoters’ Associates (Persons acting in concert)	20109137	27.94	20109137	27.94
<b>Sub Total</b>	<b>53624366</b>	<b>74.50</b>	<b>53624366</b>	<b>74.50</b>
<b>Non-Promoters’ Holding</b>				
Financial Institutions, Foreign Institutional Investors, Insurance Companies, Mutual Funds, Banks etc.	8134855	11.30	8452292	11.74
Non-Residents	86045	0.12	46879	0.06
Private Corporate Bodies	5230619	7.27	5246385	7.29
Indian Public	4906990	6.81	4612953	6.41
<b>Sub Total</b>	<b>18358509</b>	<b>25.50</b>	<b>18358509</b>	<b>25.50</b>
<b>Grand Total</b>	<b>71982875</b>	<b>100.00</b>	<b>71982875</b>	<b>100.00</b>

**REPORT OF THE DIRECTORS**

Your Directors present the 84th Annual Report of the Company together with the audited accounts for the financial year ended 31st March, 2011.

**SUMMARIZED FINANCIAL RESULTS**

	Rs. in Lacs	
	<u>2010-11</u>	<u>2009-10</u>
Sales & other Income	17452.61	18070.21
Profit before Depreciation, Interest & Tax	909.34	563.47
Financial Charges	574.21	281.47
Depreciation	143.88	140.72
Profit before Exceptional Items	191.25	141.28
Exceptional Item	-	-
Prior Period Adjustment	10.44	(14.57)
Profit before Tax	201.69	126.71
Profit after Tax	201.69	126.71

**OPERATIONS**

During the year, there was unprecedented increase in the price of natural rubber and other key raw materials coupled with stiff competition from domestic and Chinese suppliers of truck / bus tyres. The manufacturing operations at Sahaganj and Ambattur Plant partly effected due to non remunerative selling price remained in second half of the year. We expect auto industry to continue to grow and your Company proposes further consolidation in the tyre market along with re-introduction of two-three wheeler tyre manufacture. This is a growing segment and we plan to create the requisite infrastructure to enter this market.

**DIVIDEND**

Your Directors have decided to retain the internal accruals and therefore do not recommend any dividend for the financial year 2010-11.

**PUBLIC DEPOSIT**

During the year under review, the Company repaid fixed deposits amounting to Rs. 89,69,000/-. Fixed Deposits matured up to September, 2000 but not repaid up to 31st March, 2011 stand at Rs. 8,02,45,000/-.

**DIRECTORS**

During the year under review, Mr. Virendra Kumar Agrawal and Mr. Damodar Prasad Dani were appointed as Additional Directors of the Company w.e.f. 11<sup>th</sup> May, 2010 whose re-appointments were subsequently approved at the Company's 83<sup>rd</sup> AGM held on 15<sup>th</sup> June, 2010.

Mr. Rakesh Kumar Budhiraja resigned from the Directorship w.e.f. 11<sup>th</sup> May, 2010. Mr. Rakesh Kumar Budhiraja also ceased to be the Executive Director (being the Whole-time Director) & CEO of the Company w.e.f. 11<sup>th</sup> May, 2010. The Board placed on record its deep appreciation for the valuable services rendered by Mr. Rakesh Kumar Budhiraja.

Mr. Shiv Narayan Maheshwari was appointed as CEO of the Company w.e.f. 2<sup>nd</sup> August, 2010. Mr. Shiv Narayan Maheshwari was appointed as Additional Director of the Company w.e.f. 11<sup>th</sup> August, 2010 by the Board who will hold Office upto the date of the 84th Annual General Meeting and is eligible for re-appointment. Mr. Shiv Narayan Maheshwari was also appointed as the Executive Director (being the Whole-time Director) of the Company for 3 years w.e.f. 11<sup>th</sup> August, 2010 till 10<sup>th</sup> August, 2013.

In accordance with Article 103 of the Articles of Association of your Company and the applicable provisions of the Companies Act, 1956, Mr. Dipak Rudra and Mr. Mohan Lal Chauhan will retire from the Board by rotation at the 84<sup>th</sup> Annual General Meeting and being eligible, offer themselves for re-appointment.

**AUDITORS**

M/s. K. N. Gutgutia & Co., Chartered Accountants, Kolkata, Auditors of your Company, will hold office until the conclusion of 84th Annual

General Meeting and being eligible, offer themselves for re-appointment. The Company has received a letter from them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956.

**COST AUDIT**

The Board of Directors have appointed M/s. Mani & Co., Cost Accountants, Kolkata to carry out audit of the cost accounts of the Company relating to the manufacture of tyres and tubes products for the financial year ended 31<sup>st</sup> March, 2011 in compliance with the Central Government's Order in this regard. The due date of filing of Cost Audit Report for the financial year ended 31<sup>st</sup> March, 2011 is within 180 days from the date of close of the Company's financial year and the same will be filed within the due date.

**INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT, 1956**

The Statement pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and Particulars of Employees as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are attached to this Report.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, your Board of Directors hereby confirm:

- i) That in the preparation of the Accounts for the Financial Year ended 31st March, 2011, the applicable Accounting Standards have been followed and proper explanations have been provided for material departures, wherever applicable;
- ii) That the Board of Directors have selected such Accounting Policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the State of Affairs of the Company at the end of the Financial Year and of the Profit or Loss of the Company for the year under review;
- iii) That the Board of Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) That the Accounts for the Financial Year ended 31st March, 2011 have been prepared on a "going concern" basis.

**CORPORATE GOVERNANCE**

In accordance with the Provisions under Clause 49 of the Listing Agreement with the Stock Exchange, a separate Report on Corporate Governance along with the Auditors' Certificate on its compliance and Management Discussion and Analysis Report are annexed to this Report.

**PERSONNEL**

The Management of the Company and its Unions have cordial and healthy relationship at both the Company's Factories at Sahaganj, Hooghly, West Bengal and Ambattur, Chennai, Tamil Nadu.

**ACKNOWLEDGEMENT**

Your Directors placed on record their appreciation to the Governments of West Bengal and Tamil Nadu for providing support from time to time for the revival of Dunlop, its Bankers and Employees and above all to its Shareholders.

**SUBSIDIARY COMPANY**

As required under Section 212 of the Companies Act, 1956, the Reports and Accounts of the Subsidiary of your Company, M/s. Ebony Commercials Private Limited are attached.

	For and on behalf of the Board		
Place : Kolkata	S. N. Maheshwari	Virendra Agrawal	
Date : 21st May, 2011	Executive Director & CEO	Director	



**ANNEXURE TO THE DIRECTORS' REPORT DATED 21ST MAY, 2011 PURSUANT TO SECTION 217(3) OF THE COMPANIES ACT, 1956.**

Reference is made to the comments of the Auditors in respect of certain records and information. In this regard, attention is drawn to Note 4(d), 11 and 12 of Schedule 20B to the Accounts, which are self explanatory.

Place : Kolkata  
Date : 21st May, 2011

For and on behalf of the Board  
S. N. Maheshwari  
Executive Director & CEO

Virendra Agrawal  
Director

**Statement of Particulars under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 forming part of the Directors' Report for the year ended 31st March, 2011.**

**A. Conservation of Energy and Technology Absorption :**

During the year under review, your Company has installed energy efficient drives and new capacitors to improve power factor and reduction in power consumption.

**B. Foreign Exchange Earnings and Outgo :**

Earnings - Rs. Nil  
Outgo - Rs. Nil

For and on behalf of the Board

Place : Kolkata  
Date : 21st May, 2011

S. N. Maheshwari  
Executive Director & CEO

Virendra Agrawal  
Director

**FORM A  
DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY**

	Unit	31.03.2011	31.03.2010	Unit	31.03.2011	31.03.2010
		Total	Total		Total	Total
<b>A. Power and Fuel Consumption</b>						
<b>1 Electricity</b>						
a) Purchased :						
Unit	MWH	9256.759	5007.14			
Total Amount	RS / LACS	650.01	308.43			
Rate / Unit	RS / KWH	7.02	6.16			
b) Own Generation :						
(i) Diesel Gen Unit						
Unit / Ltr of D.Oil	MWH	38.69	13.59			
Cost / Unit	KWH / LTR	1.83	3.18			
	RS / KWH	22.93	35.02			
(ii) F.Oil Gen. Unit						
Unit / Kg. of F.Oil	MWH	NA	NA			
Cost / Unit	KWH / KG	NA	NA			
	RS / KWH	NA	NA			
<b>2 Coal</b>						
Qty	TON	2200.80	1619.50			
Total Cost	RS / LACS	90.74	72.88			
Average Rate	RS / TON	4123.16	4500.15			
<b>3 a) Furnace Oil (Generator)</b>						
Qty	TON	NA	NA			
Total Amount	RS / LACS	NA	NA			
Average Rate	RS / KG	NA	NA			
<b>b) Furnace Oil (Boiler)</b>						
Qty	TON	392.57	148.50			
Total Amount	RS / LACS	138.70	45.26			
Average Rate	RS / KG	35.33	30.48			
<b>4 Others/Int.Gen (D.Oil)</b>						
Qty	KLTR	21.304	47.55			
Total Amount	RS / LACS	8.81	16.91			
Rate/Unit	RS / LTR	41.35	35.56			
<b>B. Consumption / Ton of Production</b>						
Purchased	MWH	9256.759	5007.14			
Generated	MWH	38.689	13.59			
Electricity	KWH / TON	7048.58	3759.07			
F.Oil (Elec. Gen) Qty	TON	NA	NA			
F.Oil (Elec. Gen)	KG / TON	NA	NA			
F.Oil (Steam Gen) Qty	TON	392.57	148.50			
F.Oil (Steam Gen)	KG / TON	Nil	Nil			
Coal (Steam Gen) Qty	TON	2200.80	1619.50			
Coal (Steam Gen)	KG / TON	2665.89	2696.83			
D. Oil (Elec. Gen) Qty	KLTR	21.30	47.55			
D.Oil (Elec.Gen) Qty	LTR / TON	Nil	Nil			

**Statement of Particulars of Employees pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 forming part of the Directors' Report for the year ended March 31, 2011.**

Sl. No.	Name of the Employee	Designation	Remuneration (Rs.)	Qualification	Experience	Date of Commencement of Employment	Age (in years)	Last Employment held
1.	Rakesh Kumar Budhiraja*	Executive Director & CEO	555,267	FCA, FCS, MBA, LLB	29 yrs	28th December, 2009	56	Escorts Ltd.
2.	Shiv Narayan Maheshwari*	Executive Director & CEO	3,350,435	M.Com, FCA	31 yrs	2nd August, 2010	56	Indoworth India Ltd.

\* Part employment during the financial year.



## REPORT ON CORPORATE GOVERNANCE

In compliance with the provisions of Clause 49 of the Listing Agreement, your directors present the company's report on corporate governance on the matters mentioned in the said clause and the practice followed by your company in this regard.

### 1. Philosophy of the Company on Code of Corporate Governance

The philosophy of your company on corporate governance envisages the attainment of high levels of transparency, accountability and equity in all facets of its operations and in all interactions with stakeholders, including, inter-alia, the shareholders, employees, the government and lenders. The committees such as audit, shareholders' / investors' grievances and remuneration meet regularly to consider aspects relevant to each committee. Your directors are happy to inform you that your company's existing practices and policies are in conformity with the requirements stipulated by Securities and Exchange Board of India (SEBI). Your company is committed to achieving international standards of corporate governance.

Your company has already implemented the revised provisions of Clause 49 of the Listing Agreement. Your board has adopted a code of conduct and made it applicable to all the members of the board and to the senior management.

Your company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholders' value over a sustained period of time.

### 2. Board of Directors

In terms of the company's corporate governance policy, all statutory and other significant and material information including information mentioned in Annexure-IA of Clause 49 of the Listing Agreement are placed before the board on regular basis to enable it to discharge its responsibilities of strategic supervision of your company and as the trustees of stakeholders.

As on 31st March, 2011, your board had seven directors comprised of one director (being the promoter), two non-executive directors, one executive director (being the whole-time director) and three independent directors, who were professionals, with expertise and experience in general corporate management, legal, finance, technical, engineering and other allied fields.

None of the aforesaid directors is a member in more than ten committees nor acts as the chairman of more than five committees constituted by the board of directors of the company, in which they are directors.

The board meets at least once in a quarter inter-alia to review the company's performance and financial results and more often, if considered necessary, to transact other business.

During the financial year under review, five meetings of the board of directors were held on the following dates – 22<sup>nd</sup> April, 2010, 15<sup>th</sup> June, 2010, 11<sup>th</sup> August, 2010, 11<sup>th</sup> November, 2010 and 31<sup>st</sup> January, 2011.

The following tables and the notes below the tables give details of the attendance of directors at board meetings held on the aforesaid dates and the dates for appointment of directorship, if any, during the year under review and the last annual general meeting, number of memberships held by each director in the board / committees of various companies including committee chairmanships, which are statutorily required to be constituted by the respective companies :

Name of the Directors and the Category as on 31st March, 2011	No. of other Directorships & Committee Memberships/ Chairmanships as on 31.03.2011		
	Other Directorships	Committee Memberships	Committee Chairmanships
Mr. P. K. Ruia Non-executive Director	1	None	None
Mr.R.K.Sadhu Independent Director	None	2	1
Mr. D. Rudra Independent Director	5	7	4
Mr. M. L. Chauhan Independent Director	1	3	1
Mr. V. K. Agrawal Non-Executive Director	2	1	None
Mr. D. P. Dani Non-Executive Director	1	None	None
Mr. S. N. Maheshwari Executive Director & CEO	None	None	None

Note :

1. Directorship in Private Limited Companies, Foreign Companies and Companies registered under Section 25 of the Companies Act, 1956 have not been considered.
2. Only the audit committee and shareholders' / investors' grievances committee constituted by the board of directors of the respective companies have been considered.

Attendance of each director at the board meetings and at the last annual general meeting :

Name of the Directors	Attendance Particulars from 01.04.2010 to 31.03.2011		
	No. of Board Meetings held during the tenure of the Director	No. of Board Meetings attended during the tenure of the Director	In the last AGM held on 15.06.2010
Mr. P. K. Ruia	5	4	Yes
Mr. R.K.Sadhu	5	5	Yes
Mr. D. Rudra	5	5	Yes
Mr. M. L. Chauhan	5	5	Yes
Mr. R. K. Budhiraja (resigned w.e.f. 11.05.2010)	1	–	NA
Mr. V. K. Agrawal (appointed w.e.f. 11.05.2010)	4	4	Yes
Mr. D. P. Dani (appointed w.e.f. 11.05.2010)	4	3	No
Mr. S. N. Maheshwari (appointed w.e.f. 11.08.2010)	3	3	NA



During the year under review, Mr. V. K. Agrawal and Mr. D. P. Dani were appointed as the additional directors of the company w.e.f. 11<sup>th</sup> May, 2010.

Mr. R. K. Budhiraja resigned from the directorship w.e.f. 11<sup>th</sup> May, 2010. Mr. R. K. Budhiraja also ceased to be the executive director (being the whole-time director) & CEO of the company w.e.f. 11<sup>th</sup> May, 2010.

Mr. S. N. Maheshwari was appointed as CEO of the company w.e.f. 2<sup>nd</sup> August, 2010. Mr. S. N. Maheshwari was appointed as an additional director of the company w.e.f. 11<sup>th</sup> August, 2010 and also as the executive director (being the whole-time director) of the company for 3 Years w.e.f. 11<sup>th</sup> August, 2010 till 10<sup>th</sup> August, 2013.

**3. Audit Committee**

The audit committee constituted by the board of directors of the company had three non-executive / independent directors as on 31<sup>st</sup> March, 2011.

The terms of reference of the audit committee are comprehensive and are in conformity with the matters specified in the Stock Exchange Listing Agreement and under Section 292A of the Companies Act, 1956. The company secretary is the secretary of the audit committee.

**Constitution of the Audit Committee and related information :**

Name of the Committee Members as on 31st March, 2011	Category
Mr.R.K.Sadhu, Chairman	Non-Executive/ Independent Director
Mr.D.Rudra, Alternate Chairman	Non-Executive/Independent Director
Mr.M. L. Chauhan, Member	Non-Executive/Independent Director

During the year under review, four meetings of the audit committee were held. The committee met on 22<sup>nd</sup> April, 2010, 11<sup>th</sup> August, 2010, 11<sup>th</sup> November, 2010 and 31<sup>st</sup> January, 2011 and considered various financial and audit related matters and other matters as required under Clause 49 of the Listing Agreement.

**Attendance of the members at the audit committee meetings :**

Name of the Member	Attendance Particulars from 01.04.2010 to 31.03.2011	
	No. of Audit Committee Meetings held during the tenure of the Member	No. of Audit Committee Meetings attended during the tenure of the Member
Mr. R. K. Sadhu	4	4
Mr. D. Rudra	4	4
Mr. M. L. Chauhan	4	4

**4. Remuneration Committee**

The remuneration committee constituted by the board of directors of the company had three non-executive / independent directors for consideration of the appointment of managerial personnel and payment of remuneration to such managerial personnel and various matters as required under Clause 49 of the Listing Agreement.

During the year under review, one meeting of the remuneration committee was held. The committee met on 11<sup>th</sup> August, 2010 and considered appointment of a managerial personnel and payment of remuneration to such managerial personnel and various matters as required under Clause 49 of the Listing Agreement.

**Constitution of the Remuneration Committee and related information :**

Name of the Committee Members as on 31st March, 2011	Category	No. of Meetings attended during the year under review
Mr. M. L. Chauhan, Chairman	Non-Executive / Independent Director	1
Mr. D. Rudra, Member	Non-Executive / Independent Director	1
Mr. R. K. Sadhu, Member	Non- Executive / Independent Director	1

During the year under review, Mr. Rakesh Kumar Budhiraja resigned as the executive director (being the whole-time director) & CEO of the company w.e.f. 11<sup>th</sup> May, 2010. Mr. Shiv Narayan Maheshwari was appointed as the executive director (being the whole-time director) of the company for 3 years from 11<sup>th</sup> August, 2010 to 10<sup>th</sup> August, 2013.

Aforesaid managerial appointments and payment of remuneration to above managerial personnel had been determined considering the prevalent remuneration for managerial personnel of the companies of similar size and stature as approved by the board of directors subject to the approval of the shareholders and the central government. The Company has already filed Form No. 25A within time to the central government seeking their approval for the appointment and payment of remuneration to the aforesaid managerial personnel.

Independent directors and non-executive directors of the company do not receive any remuneration from the company except the sitting fees for the board and committee meetings @ Rs. 5,000/- for every meeting. However, no sitting fees were paid to Mr. V. K. Agrawal and Mr. D. P. Dani, non-executive directors, for the board and committee meetings who are in the employment with Ruia Group of Companies.



The details of remuneration paid to the directors during the year 2010-11 are given below :

Name of the Director	Salary (Rs.)	Perquisites (Rs.)	Sitting Fees (Rs.)	Total (Rs.)
Mr. P. K. Ruia	-	-	20,000	20,000
Mr. R. K. Sadhu	-	-	70,000	70,000
Mr. D. Rudra	-	-	70,000	70,000
Mr. M. L. Chauhan	-	-	50,000	50,000
Mr. R. K. Budhiraja (resigned w.e.f. 11.05.2010)	1,87,259	3,68,008	-	5,55,267
Mr. V. K. Agrawal (appointed w.e.f. 11.05.2010)	-	-	-	-
Mr. D. P. Dani (appointed w.e.f. 11.05.2010)	-	-	-	-
Mr. S. N. Maheshwari (appointed w.e.f. 11.08.2010)	19,91,935	13,58,500	-	33,50,435

The company has not entered into any pecuniary relationship or transactions with the non-executive directors. The company has so far not issued any stock options to any of its directors including its executive director. None of the directors of the company hold any equity share in the company.

#### 5. Shareholders' / Investors' Grievances Committee:

The company has constituted a shareholders' / investors' grievances committee of the board of directors to ensure effective monitoring of shares and investors related issues and to redress their grievances.

The committee had two non-executive / independent directors and one non-executive director as on 31st March, 2011.

#### Constitution of the Shareholders'/Investors' Grievances Committee and related information :

Name of the Committee Members as on 31st March, 2011	Category	No. of Meetings attended during the year under review
Mr. D. Rudra, Chairman	Non-Executive/ Independent Director	4
Mr.R. K. Sadhu, Member	Non-Executive/ Independent Director	4
Mr. V. K. Agrawal, Member (appointed w.e.f. 11.05.2010)	Non-Executive Director	3

Mr. R. K. Budhiraja ceased to be the member of the committee w.e.f. 11<sup>th</sup> May, 2010. Mr. V. K. Agrawal was appointed as the member of the committee w.e.f. 11<sup>th</sup> May, 2010 in place of Mr. R. K. Budhiraja.

The committee is headed by Mr. D. Rudra. The committee meets to consider, inter-alia, shareholders' / investors' complaints etc.

During the year under review, four meetings of the shareholders' / investors' grievances committee were held. The committee met on 22<sup>nd</sup> April, 2010, 11<sup>th</sup> August, 2010, 11<sup>th</sup> November, 2010 and 31<sup>st</sup> January, 2011.

At the beginning of the year (i.e. on 1<sup>st</sup> April, 2010), there was no transfer pending for registration and no grievance / complaint was pending for redressal by the company's Registrar and Share Transfer Agent (RTA) – M/s. C B Management Services (P) Ltd., Kolkata. During the year under review, 89 (eighty nine) grievances / complaints were received from the shareholders and all such grievances / complaints were resolved by the company's RTA on time. As on 31<sup>st</sup> March, 2011, there was no transfer pending for registration and also no grievance / complaint was pending for redressal by the company's RTA.

There are no outstanding GDRs / ADRs / Warrants or any Convertible Instruments.

In terms of Clause 47 of the Listing Agreement with the Stock Exchanges, Mr. Ashok Kumar Agarwal, Vice President – Legal & Company Secretary of the Company, is the Compliance Officer.

#### 6. General Body Meetings :

Details of the Annual General Meeting held in the past 3 years :

AGM	YEAR	VENUE	DATE	TIME
81st	2007-2008	'The Ballroom', The Oberoi Grand, 15, J. L. Nehru Road, Kolkata - 700 013	19.08.2008	11.00 a.m.
82nd	2008-2009	'Crystal Room', Hotel Taj Bengal 34B, Belvedere Road Kolkata - 700 027	25.07.2009	11.00 a.m.
83rd	2009-2010	'The Ballroom', The Oberoi Grand, 15, J. L. Nehru Road, Kolkata - 700 013	15.06.2010	11.00 a.m.

During the year under review, there was no special resolution, which required voting through postal ballot.

#### 7. Disclosures :

The disclosures on materially significant related party transactions as compiled by the management and relied upon by the Auditors is given in note 8(b) of the notes on account appearing in schedule 20B to the accounts of the company for the financial year ended 31st March, 2011.

There were no instances of non-compliance of any matter related to the capital markets during the last three years.

**8. Means of Communication :**

The quarterly results of your company are normally published in 'Business Standard' in English Newspaper and in 'Dainik Statesman' in Bengali Newspaper, circulated in the State of West Bengal.

Your company has a web-site. All quarterly results and important information are being regularly sent to the Stock Exchange(s), where your company's shares are listed. Your company is not sending a Half Yearly Report to each household of shareholders. No presentations were made to the institutional investors or to an analyst other than the published information / press releases. A Report on Management Discussion & Analysis has been attached to this Annual Report.

**9. General Shareholders' Information :****i) Annual General Meeting :**

Date of AGM : Saturday, 10th September, 2011  
Venue and Time : At 'The Ballroom', The Oberoi Grand,  
15, Jawaharlal Nehru Road,  
Kolkata - 700013 at 11:30 a.m.

**ii) Financial Calendar : 1st April to 31st March.**

Financial Reporting for the Financial Year 2011 - 2012

First Quarter Results - mid of August, 2011

Second Quarter and

Half Yearly Results - mid of November, 2011

Third Quarter Results - mid of February, 2012

Fourth Quarter

and Yearly Results - end of May, 2012

**iii) Dates of Book Closure :** from 1st September, 2011 to 10th September, 2011 (both days inclusive).**iv) Proposed Date of Dividend Payment : N.A.****v) Listing of Equity Shares on Stock Exchange(s) :**

The company's entire 7,19,82,875 nos. equity shares of Rs. 10/- each fully paid-up are listed and frequently traded at Bombay Stock Exchange (BSE).

The scrip code for the company's equity shares at BSE is 509130 and ISIN is INE 509A01012.

The Company has submitted delisting application under SEBI (Delisting of Equity Shares) Regulations, 2009 to other 4 Recognized Stock Exchanges – Calcutta Stock Exchange Limited, Ahmedabad Stock Exchange Limited, Delhi Stock Exchange Limited and Madras Stock Exchange Limited in February, 2010 as because despite listing, trading on the company's equity shares were not available at any of the above stock exchanges and none of the above stock exchanges had nation-wide trading terminals. Calcutta Stock Exchange Limited, Ahmedabad Stock Exchange Limited and Madras Stock Exchange Limited have already delisted the company's equity shares and removed the company's equity shares from the official list of their exchanges w.e.f. 29<sup>th</sup> March, 2010, 31<sup>st</sup> March, 2010 and 6<sup>th</sup> January, 2011 respectively. The

company is awaiting confirmation of delisting of its shares from Delhi Stock Exchange Limited. The company's equity shares continue to remain listed and traded at BSE.

Listing fees to Bombay Stock Exchange Limited and Delhi Stock Exchange Limited up to 31<sup>st</sup> March, 2011 has been paid by the company.

The company's application submitted to National Stock Exchange Limited (NSE) for listing and trading of its equity shares thereat is under consideration of NSE.

**vi) Address for Correspondence :****Registrar and Share Transfer Agent :**

C B Management Services (P) Ltd.

P-22, Bondel Road

Kolkata - 700019

Telephone : (033) 22806692 / 6693 / 6694 / 2486  
(033) 40116700

Fax : (033) 22870263

E-mail : rta@cbmsl.com

**Corporate Office :**

'Ruia Centre'

46, Syed Amir Ali Avenue

Kolkata - 700 017.

Tel : (033) 22894747

Fax : (033) 22893433

E-mail : ashok.agarwal@dunlop.co.in

Web-site : www.dunlop.co.in

Any communication or paper for the share related work may please be sent either directly to the company's aforesaid Registrar and Share Transfer Agent or to the company at their aforesaid address.

**vii) Stock Market Price Data :**

High and low month-wise quotations of the company's equity shares at BSE during the financial year 2010-11 were as follows :

Month	Share Price (Rs.)	
	High (Rs.)	Low (Rs.)
April, 2010	82.65	68.00
May, 2010	74.50	58.00
June, 2010	76.70	62.50
July, 2010	74.30	57.15
August, 2010	78.00	56.75
September, 2010	97.50	65.55
October, 2010	99.40	80.50
November, 2010	89.00	61.00
December, 2010	90.65	61.55
January, 2011	83.45	61.55
February, 2011	63.70	51.50
March, 2011	61.65	51.20


**viii) Distribution of Equity Shareholding as on 31st March, 2011 :**

Range of Shares from - to	No. of Shareholders	%	Number of Shares	%
1 – 500	35426	95.78	3188582	4.43
501 – 1000	970	2.62	747868	1.04
1001 – 2000	371	1.01	537004	0.75
2001 – 3000	79	0.21	195016	0.27
3001 – 4000	39	0.11	140630	0.19
4001 – 5000	26	0.07	124823	0.17
5001 – 10000	42	0.11	308457	0.43
10001 & Above	33	0.09	66740495	92.72
<b>Total</b>	<b>36986</b>	<b>100.00</b>	<b>71982875</b>	<b>100.00</b>

**ix) Geographical Distribution of Shareholding as on 31st March, 2011 :**

Sl. No.	City/Location	No. of Folios	%
1.	Kolkata & Adjacent Places	8563	23.15
2.	Mumbai	7884	21.32
3.	New Delhi	2477	6.70
4.	Chennai	1416	3.83
5.	Ahmedabad	1327	3.59
6.	Bangalore	1093	2.95
7.	Pune	1044	2.82
8.	Hyderabad	554	1.50
9.	Places other than above	12628	34.14
	<b>Total</b>	<b>36986</b>	<b>100.00</b>

**x) Shareholding Pattern as on 31st March, 2011, in terms of Clause 35 of the Listing Agreement with Stock Exchanges :**

Category	Nos.	%	Shares Pledged	
			Nos.	%
<b>Promoters' Holding</b>				
• Foreign Promoters	33515229	46.56	24995940	74.58
• Promoters' Associates (Persons acting in concert)	20109137	27.94	20109137	100.00
<b>Sub-total</b>	<b>53624366</b>	<b>74.50</b>	<b>45105077</b>	<b>84.11</b>
<b>Non-Promoters' Holding</b>				
• Financial Institutions, Foreign Institutional Investors, Insurance Companies, Mutual Funds, Banks etc.	8134855	11.30	-	-
• Others (including Bodies Corporate, Non-Residents & Indian Public)	10223654	14.20	-	-
<b>Sub-total</b>	<b>18358509</b>	<b>25.50</b>	<b>-</b>	<b>-</b>
<b>GRAND TOTAL</b>	<b>71982875</b>	<b>100.00</b>	<b>45105077</b>	<b>62.66</b>

**xi) Dematerialisation of Equity Shares :**

Both National Securities Depository Limited (NSDL) and Central Depository Securities (India) Limited (CDSL) have allotted International Securities Identification Number (ISIN) – INE 509A01012 on the company's entire 7,19,82,875 nos. equity shares of Rs. 10/- each fully paid-up.

6,34,30,132 nos. equity shares of the company representing 88.12% of the company's share capital were dematerialized as on 31<sup>st</sup> March, 2011.

**xii) Plant Locations :**

- P.O. Sahaganj, P.S. Chinsurah, Dist. Hooghly, West Bengal.
- No. 512, M.T.H. Road, Ambattur, Chennai, Pin - 600053, Tamil Nadu.

**CERTIFICATE**

**The Board of Directors,  
Dunlop India Limited.**

We certify that –

- a) We have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2011 and that to the best of our knowledge and belief :
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these statements read together with Accounting Policies, Notes to the Accounts and Statutory Auditors' comments thereon, present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations. These accounting practices are being consistently followed by the Company.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee that there were :
  - i) no significant changes in internal control over financial reporting during the year;
  - ii) no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii) no instances of significant fraud of which we have become aware and the involvement therein, if any, of the Management or an Employee having a significant role in the Company's internal control system over financial reporting.

Kolkata, 21<sup>st</sup> May, 2011

**Manish Singhania**  
CFO

**S. N. Maheshwari**  
Executive Director & CEO

**COMPLIANCE CERTIFICATE**

It is hereby declared that all the Members of the Board and Senior Management Personnel have affirmed compliance with the "Code of Conduct for the Members of the Board and Senior Management of Dunlop India Limited" during the financial year ended 31<sup>st</sup> March, 2011.

Kolkata, 21<sup>st</sup> May, 2011

**S.N. MAHESHWARI**  
Executive Director & CEO

**AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

To,  
The Members of Dunlop India Limited.

- 1) We have examined the compliance of the conditions of Corporate Governance by Dunlop India Limited for the year ended 31<sup>st</sup> March, 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.
- 2) The Compliance of the conditions of Corporate Governance is responsibility of the Management. Our examination was carried out in accordance with the Guidance Note on Certificate of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement) issued by the Institute of Chartered Accountants of India and limited to the procedures of implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statement of the Company.
- 3) In our opinion and to the best of our information and explanation given to us and the representation made by the Directors and the Management, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
- 4) We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For M/s. K. N. GUTGUTIA & CO.**  
Chartered Accountants  
Firm Registries No. 304153E  
**K. C. Sharma**  
Partner  
Membership No. 50819

Place: Kolkata  
Date: 21<sup>st</sup> May, 2011



## **MANAGEMENT DISCUSSION & ANALYSIS REPORT**

In terms of Clause 49 (V) of the Listing Agreement with the Stock Exchanges, a Report on Management Discussion & Analysis is attached to this Annual Report.

### **1. Economic Review**

There was a distinct turnaround in the economic climate in India combined with robust growth and steady fiscal consolidation during the year 2010-11. The GDP has been around 8.6% and is expected to grow to 9% next fiscal.

This growth has been broad based with a rebound in the agriculture sector by around 5.4%. Manufacturing and services sector have registered impressive gains at 8.1% & 9.6% respectively. Savings and investments are looking up while exports have grown 29.4% to reach US \$ 184.6 billion.

However, food inflation, higher commodity prices and volatility in global commodity markets have been a cause of concern. While inflation remains a concern, it is clear that recovery is firmly taking root with exports up quite sharply. With a focus shift from managing the crisis to managing recovery, the RBI put in a slew of measures, including, constantly increasing the key policy rates to offset the risk of rising inflation & fluctuating price stability to anchoring inflationary pressures. All this should influence the tyre industry for debugging from the past industrial tsunami. There was distinct need to prevent financial implosion which could retrograde the economy.

The government appears serious on moving from a system driven by egalitarian principles towards one which rewards efficiency, diligence, commitment, transparency and punishes inefficiency, moral turpitude and indolence.

### **2. Over all Review -Tyre Industry-The Market Scenario**

The Indian tyre industry has orchestrated one of the fastest growth rates in the Asian continent - in all three segments of the trade-OEM, replacement and exports.

The Indian tyre industry is enjoying strong growth and will continue to do so in the near future on the back of several demand drivers that includes the country's fast paced GDP growth, robust growth in the automobile industry, rising disposable income faster development of road infrastructure, increasing levels of radialisation as well as growing demand from the Off-The-Road (OTR) segment. India emerging as a global automotive hub for international brands & created an developing market for exports. In fact, the increasing demands led to big players investing in new infrastructure to improve volume and range to meet this growth.

Factually this Rs 270 billion plus industry consisting of a good 45 members with more than 60 manufacturing

plants in the country produced 115 million tyres during 2010-11 for all segments-representing a increase of 24% over FY 2009. The truck -bus segment alone increased 6% to 15 million. Commercial vehicle tyres constitute the major share of production in the Indian tyre industry.

Significantly, the tyre industry profitability is largely dependant on the basic raw materials – rubber, crude and steel, which constitutes about 65% of the cost of manufacture. The benefits accruing out from a low-cost structure were short lived, as NR prices surged since December 2009 followed by continuous increase in crude and steel prices, thereby, severely impacting on margins. Raw material prices have moved over 75% on the Year 2009 levels. NR in particular spiked upto Rs 240 per kg influenced by a combination of demand-supply imbalance, relative strengths of the currencies of global exporting countries, influence of futures, adverse weather conditions coupled with tsunami flood situation in key producing countries disrupting tapping, slow renewal of plantations and spiraling demands from emerging economies like China and India. The inverted import duty structure in India further added to the imbalance. In spite of the upsurge in demand for all tyres, spiraling raw material prices put terrible pressure on margins and the industry resorted to frequent price hikes- though as a commoditised business the ability to pass on the sharp rise in RM prices remains a challenge for the industry.

### **3. Strengths, Opportunities, Challenges & Concerns**

Your company began its long journey in 1898, with a debutant national plant in 1936 and a second facility in 1958, boasting the most diversified and pioneering product range from cycle tyres to aircraft and earthmover tyres, tubes, flaps, textile PCR, cycle rim, dunlopillow, rubber and steel cord belting, hoses, metalastic, sports goods and many more, has lived to tell a poignant story in these difficult times.

The Dunlop brand is bench marked on product quality, durability and safety, product support and customer care.

Your company moved forward with integration of new technologies, manufacturing skills and competitive market economies to maintain it's pre-eminent position.

We took express action to qualify our truck tyre range for BIS compatibility to allow entry into the OE and STU markets – supplying tyres to Ashok Leyland. We qualified for the very competitive STU markets and supplied bus tyres. We are in the process of going for TS /ISO 16949 approval for further consolidation of our OEM supplies. This will enhance the customer perception for marketable products from heritage plants and allow competition with global brands being launched in India.



In the replacement market, following the imposition of regulated loads on the trucking segment, we introduced economy tyres in line with competition to provide the right product at the best price to the customer. The T-20 tyre was well received by the customers. Another economy tyre 'Challenger' is under active development. We introduced 'Mileage King' and 'G247 Shaan' to augment the existing range and give a basket mix to both our dealers as well as customers.

Though, the mining sector has been affected with controls enforced due to illegal mining and environmental issues, we have become prime vendors to PSUs like Coal India as well as selling our range in the replacement market. With the introduction of articulated dump trucks and port handlers and upgradation of high load rear dumpers, we are renewing our tyre range to be able to effectively meet our customer demands. The first of these tyres, "PGMS" is under development. We have also introduced an industrial tyre T-99 and trials have been satisfactory.

With these actions, your company has both the requisite range and customer base to enhance the business and take on the emerging competition in the Indian Tyre Industry.

During the year your company exported Truck and OTR tyres to several countries which have placed repeat orders in acceptance of our product quality and capability.

To partly offset the price rise in raw material inputs without compromising on quality, three price rises have been effected during the year.

Your company proposes further consolidation in the Tyre market through reintroduction of Two-Three wheeler tyre manufacture. This is a growing segment and we plan to create the requisite infrastructure to enter this market.

The volatile Natural Rubber prices remains a major area of serious concern and also the current drive towards tubeless tyres, radial tyres and all new green tyres pose a threat to the existing cross ply tyre business.

#### **4. Economic Risk**

The business is substantially affected by the prevailing economic conditions in India. Factors that may adversely affect the Indian economy and in turn the business include rise in interest rates, inflation, changes in duties and tax rates, fiscal and monetary policies, scarcity of credit etc. Concerns like spiraling raw material prices, the limited scope for price hikes, cyclical nature of the automobile industry are also area of concern for industry as a whole. However, increasing CAGR, strong fundamentals, favourable demographics, rapid urbanisation, rising per capita disposable income as well as increasing demand

for both commercial and passenger vehicles, the Company does not expect to be significantly affected by this risk in the long term.

#### **5. Segment-wise/product-wise performance and discussion on the financial performance with respect to operational performance**

Your company has incorporated standard preventive maintenance practices in the plants to enable uninterrupted production of all the products-truck, OTR & Farm tyres and industrial products. Your company is also trading in Tyres by outsourcing.

The financial performance of your company in respect to its operational performance is being shown separately.

#### **6. Adequacy of Internal Control Systems**

Your company has defined organizational structure, documented policy guidelines, defined authority matrix and internal control, to ensure efficiency of operations, compliance with internal policies and applicable laws and regulations. It has adequate internal control systems which are subject to periodic internal audits and management reviews.

#### **7. Human Resources & Industrial Relations**

The Company has put in place sound policies for the growth and progress of its employees. Individual performance management systems have been implemented to encourage merit and enhance innovative thinking. Roles and responsibilities are clearly defined at all levels. It has a well drawn recruitment policy and a performance-based compensation policy to enable the employees to develop a sense of ownership with the organisation. Dunlop recognizes the importance of providing training and development opportunities to its people to enhance their skills and experience, which in turn enables the Company to achieve its business objectives. Industrial relations continues to be cordial, peaceful and healthy with the present work force.

#### **CAUTIONARY STATEMENT**

Statements in the Management Discussion & Analysis describing the company's focal objectives, expectations or anticipations may be forward looking within the meaning of applicable securities, laws and regulations. Actual result may differ materially from the expectations. Important factors that could influence the company's operations include global and domestic supply and demand condition affecting the selling prices of products, input availability and prices, changes in Government regulations/tax laws, economic developments within the country and factors such as litigation and industry.

**AUDITORS' REPORT  
TO THE MEMBERS OF DUNLOP INDIA LIMITED**

We have audited the attached Balance Sheet of Dunlop India Limited as at 31<sup>st</sup> March 2011, the Profit and Loss account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order 2004 ("the Order") issued by the Central Government in exercise of the power conferred by section 227 (4A) of the Companies Act, 1956, and according to the information and explanations given to us and on the basis of such checks as we have considered appropriate. We annex hereto a statement on the matters specified in paragraphs 4 & 5 of the said Order.
2. Further to our comments as stated above, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) The said Balance Sheet, Profit and Loss account and Cash Flow referred to in this report are in agreement with the books of accounts.
  - d) In our opinion, Balance sheet, Profit & Loss account and Cash Flow statement comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, *except AS 22*.
  - e) Based on legal opinion obtained, none of the present directors are disqualified as on 31.03.2011 for being appointed as a director, in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.
  - f) *We draw attention to the note no 4(d) regarding non provision of interest on certain loans ( amount not ascertained), note no. 11 regarding Deferred Tax*

*Assets and note no. 12 regarding Capitalisation of expenses for Refurbishment of Schedule 20.*

*Subject to above we report that the said accounts together with accounting policies and notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:*

- i) In the case of the Balance Sheet, of the state of the affairs of the Company as at 31<sup>st</sup> March, 2011.
- ii) In the case of the Profit & Loss Account, of the profit of the Company for the year ended on that date, and
- iii) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

6C, Middleton Street,  
Kolkata - 700 071

for **K N GUTGUTIA & CO.**  
*Chartered Accountants*  
Firm's registration no. 304153E  
**K C Sharma**  
*Partner*

Dated: 21st May , 2011

Membership No. 50819

**ANNEXURE REFERRED TO IN PARA 1 OF THE AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF DUNLOP INDIA LIMITED FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2011**

- i) a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) As per information and explanation given to us fixed assets have been physically verified by the management during the year. No material discrepancies were noticed on such verification.
- c) During the year there was no disposal of substantial part of the fixed assets of the Company.
- ii) a) Physical verification of the inventories has been carried out during the year.
- b) Procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c) The Company has maintained proper records of Inventory and no material discrepancies were noticed on Physical verification between book records and physical balances.
- iii) a) The Company has not given any loan, secured or unsecured to Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956 and as such the provision of clause 4 (iii) (b),(c) & (d) are not applicable.



- b) The Company has not taken any loan secured/ unsecured from Companies, firms or other parties covered in the register under section 301 of the Act and as such the provision of clause 4(iii) (e) to (g) are not applicable.
- iv) There is an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services.
- v) a) The particulars of contract or arrangements referred to in Section 301 of the act have been entered in the register required to be maintained under that section, and
- b) Transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi) The Company has accepted deposits from the public in earlier years. *However the Directives issued by the Reserve Bank of India and the provision of Section 58A & 58AA or any other relevant provision of the Act and the Rules framed thereunder, wherever applicable have not been complied with.* However the company has repaid Rs.342.88 lakh to the Fixed Deposit Holders after take over by the present management
- vii) The Company has an internal audit system commensurate with its size and nature of business. *However, it should be strengthened.*
- viii) We have broadly reviewed the books of account maintained by the Company pursuant to the order made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- ix) a) The Company is generally regular in depositing undisputed statutory dues of the current financial year including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other Statutory dues to the extent applicable with the appropriate authorities. However, in respect of above, statutory dues including for earlier years are outstanding for a period of more than six months amounting to Rs.195.25 lakhs as below :

Particulars	Amount( Rs in lakhs)
Provident Fund	21.69
E.S.I	79.24
Professional Tax	12.52
Sales Tax	81.80
<b>Total</b>	<b>195.25</b>

- b) Details with respect to the period of default, due date as required to be provided under clause ix (b) with regard to disputed liability in respect of Sales Tax,

Income Tax as detailed in Note No. 2 of Schedule 20 are yet to be compiled by the management and therefore, we are unable to provide the same.

- x) There is no accumulated loss at the end of the financial year. The Company has neither incurred cash losses during the current year nor had incurred cash losses in immediately preceding financial year.
- xi) The management has settled all the liabilities of loan taken by earlier management from financial institution/ Bank *except two loans amounting to Rs. 1083.05 lakhs.*
- xii) We have been informed and explained that the Company has not granted any loans and advances on the basis of security by way of pledge of shares and, debentures and other securities.
- xiii) The Company is not a chit fund or a nidhi/mutual fund/ society. Accordingly, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xiv) The Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Companies (Auditor's report) Order, 2003 are not applicable to the Company.
- xv) The Company has not given any guarantee for loans taken by its associates or subsidiaries or others from bank or financial institutions during the year.
- xvi) The Company has not taken any term loan during the year.
- xvii) On the basis of information received from the management and based on the overall analysis of the balance sheet of the Company, funds raised on short term basis have not been utilized for long term investment.
- xviii) The Company has not made any preferential allotment of shares during the year.
- xix) The Company has not issued unsecured debentures during the year.
- xx) The Company has not raised any money through a public issue during the year.
- xxi) According to information and explanation given to us and based on our examination of the books and records of the Company in accordance with the generally accepted auditing practices in India, we have neither come across any incidence of fraud on or by the Company nor have we been informed of any such case by the management.

for **K N GUTGUTIA & CO.**  
Chartered Accountants  
Firm's Registration No. 304153E

6C, Middleton Street,  
Kolkata - 700 071  
Dated: 21st May, 2011

**K C Sharma**  
Partner  
Membership No. 50819


**BALANCE SHEET  
AS AT 31ST MARCH, 2011**

	Schedule	As at 31st March, 2011 Rs. Lakhs	As at 31st March, 2010 Rs. Lakhs
<b>SOURCES OF FUNDS</b>			
<b>Share Holders' Funds</b>			
Share Capital	1	7,198.29	7,198.29
Reserves and Surplus	2	<u>102,638.46</u>	<u>106,303.96</u>
		109,836.75	113,502.25
<b>Loan Funds</b>			
Secured Loans	3	4,646.78	4,579.32
Unsecured Loans	4	<u>27,253.53</u>	<u>19,878.85</u>
		31,900.31	24,458.17
		<u>2,856.82</u>	<u>2,966.31</u>
<b>Long Term Trade Liabilities</b>			
<b>Total</b>		<b><u>144,593.88</u></b>	<b><u>140,926.73</u></b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
(a) Gross Block	5	184,965.52	172,936.56
(b) Less : Depreciation		<u>57,294.70</u>	<u>53,348.02</u>
(c) Net Block		127,670.82	119,588.54
(d) Capital Work-in-Progress		<u>5,409.80</u>	<u>8,137.23</u>
		133,080.62	127,725.77
<b>Investments</b>	6	9.05	9.05
<b>Deferred Tax Assets</b>		9,554.00	9,554.00
<b>Current Assets, Loans and Advances</b>			
(a) Inventories	7	5,043.63	4,145.35
(b) Sundry Debtors	8	43.14	1,595.61
(c) Cash and Bank Balances	9	175.22	395.05
(d) Loans and Advances	10	995.68	2,579.09
		<u>6,257.67</u>	<u>8,715.10</u>
<b>Less : Current Liabilities and Provisions</b>			
(a) Liabilities	11	3,383.53	4,145.07
(b) Provisions		<u>923.93</u>	<u>932.12</u>
		4,307.46	5,077.19
<b>Net Current Assets</b>		1,950.21	3,637.91
<b>Total</b>		<b><u>144,593.88</u></b>	<b><u>140,926.73</u></b>

**Accounting Policies and Notes on Accounts** 20

The Schedules referred to above form an integral part of the Balance Sheet

As per our Report Attached

For and on behalf of

**K N Gutgutia & Co.**

*Chartered Accountants*

**K C Sharma**

*Partner*

Membership No. 50819

Kolkata, 21st May, 2011

For and on behalf of the Board

**S. N. Maheshwari**  
*Executive Director & CEO*

**Virendra Agrawal**  
*Director*

**Manish Singhania**  
*Chief Financial Officer*

**A. K. Agarwal**  
*Vice President - Legal  
and Company Secretary*


**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31st MARCH, 2011**

	Schedule	For the year ended 31st March, 2011 Rs. Lakhs		For the year ended 31st March, 2010 Rs. Lakhs	
<b>INCOME</b>					
Sales	12	16,827.62		17,630.94	
Less : Excise Duty		268.84	16,558.78	75.20	17,555.74
Other Income	13		893.83		514.47
			<u>17,452.61</u>		<u>18,070.21</u>
<b>EXPENDITURE</b>					
Raw Materials & Finished Goods	14	16,027.36		16,908.59	
Personnel Cost	15	144.15		164.72	
Other Expenses	16	371.76		433.43	
			<u>16,543.27</u>		<u>17,506.74</u>
<b>Profit/(Loss) before interest and depreciation</b>			909.34		563.47
Interest & Finance Charges	17		574.21		281.47
<b>Profit/(Loss) before depreciation</b>			<u>335.13</u>		<u>282.00</u>
Depreciation		3,950.83		3,947.67	
Less: Transfer from Revaluation Reserve		3,806.95		3,806.95	
			<u>143.88</u>		<u>140.72</u>
<b>Profit/(Loss) after depreciation before exceptional items</b>			191.25		141.28
Exceptional Items	18	(60.24)		(220.43)	
Less : Transfer from brought forward					
Profit & Loss account (Contra)		60.24	-	220.43	-
Prior Period Adjustments	19		10.44		(14.57)
<b>Profit/(Loss) after exceptional items before Tax</b>			<u>201.69</u>		<u>126.71</u>
Provision for Tax - Refer Note 20B(15)			-		-
<b>Profit/(Loss) after Tax</b>			<u>201.69</u>		<u>126.71</u>
Balance brought forward from previous year		8,404.31		8,498.03	
Less : Transfer to Exceptional Item (Contra)		60.24	8,344.07	220.43	8,277.60
<b>Available for Appropriation</b>			<u>8,545.76</u>		<u>8,404.31</u>
<b>Balance carried to Balance Sheet</b>			<u>8,545.76</u>		<u>8,404.31</u>
Earning per Share(Face value per share of Rs.10/- each) :					
Before Extraordinary items (Rs)			0.28		0.18
After Extraordinary items (Rs)			0.28		0.18

**Accounting Policies and Notes on Accounts** 20

The Schedules referred to above form an integral part of the Profit and Loss Account

As per our Report Attached  
For and on behalf of  
**K N Gutgutia & Co.**  
*Chartered Accountants*  
**K C Sharma**  
*Partner*  
Membership No. 50819  
Kolkata, 21st May, 2011

For and on behalf of the Board

**S. N. Maheshwari**  
*Executive Director & CEO*

**Virendra Agrawal**  
*Director*

**Manish Singhania**  
*Chief Financial Officer*

**A. K. Agarwal**  
*Vice President - Legal  
and Company Secretary*


**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31ST MARCH, 2011**

	Year ended 31st March, 2011 Rs. Lakhs		Year ended 31st March, 2010 Rs. Lakhs	
(A) CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit (Loss) before tax and before exceptional item		201.69		126.71
Add : Adjustments for :				
Depreciation	143.88		140.72	
Deferred Revenue Expenditure to the extent not written off/adjusted	-		271.01	
Interest Income	(5.96)		(5.69)	
Interest Expense	574.21	712.13	281.47	687.51
Operating Profit / (Loss) before Working Capital changes		913.82		814.22
Adjustments for :				
Trade and other receivables	3125.85		(125.57)	
Inventories	(898.28)		(3088.81)	
Trade Payable	(639.96)		532.75	
Long Term Trade Liabilities	(109.49)	1478.12	(54.25)	(2,735.88)
Cash generated from Operations		2391.94		(1,921.66)
Direct Taxes (paid) / Refund		12.28		5.49
Cash flow before extraordinary item		2404.22		(1,916.17)
Exceptional item		(60.24)		(220.43)
Net Cash Flow from Operating Activities		2,343.98		(2,136.60)
(B) CASH FLOW FROM INVESTING ACTIVITIES :				
Net Purchase/Sale of Fixed Assets		(9305.68)		(4601.63)
Movement of Investments		-		-
Interest Received		3.71		7.06
Net cash used in Investing Activities		(9,301.97)		(4,594.57)
(C) CASH FLOW FROM FINANCING ACTIVITIES :				
Proceeds from Secured Borrowings		67.46		3373.49
Proceeds from Unsecured Borrowings		7374.68		3883.64
Interest Paid		(703.98)		(305.09)
Net Cash used in Financing Activities		6,738.16		6,952.04
Net Increase / (Decrease) in Cash Equivalents		(219.83)		220.87
Cash and Cash Equivalents as at 01.04.2010		395.05		174.18
Cash and Cash Equivalents as at 31.03.2011		175.22		395.05

As per our Report Attached  
For and on behalf of  
**K N Gutgutia & Co.**  
*Chartered Accountants*  
**K C Sharma**  
*Partner*  
Membership No. 50819  
Kolkata, 21st May, 2011

For and on behalf of the Board

**S. N. Maheshwari**  
*Executive Director & CEO*

**Virendra Agrawal**  
*Director*

**Manish Singhania**  
*Chief Financial Officer*

**A. K. Agarwal**  
*Vice President - Legal  
and Company Secretary*


**SCHEDULES TO THE ACCOUNTS**
**1. SHARE CAPITAL**

	As at 31.03.2011 Rs. Lakhs	As at 31.03.2010 Rs. Lakhs
<b>Authorised</b>		
1,00,70,000 Preference Shares of Rs.100 each (1,00,70,000)	10070.00	10070.00
7,43,00,000 Equity Shares of Rs.10 each (7,43,00,000)	7,430.00	7,430.00
	<u>17,500.00</u>	<u>17,500.00</u>
<b>Issued, Subscribed and fully Paid up</b>		
<b>Equity Shares of Rs.10 each</b>		
(a) 6,15,16,308 Shares fully paid in cash (6,15,16,308)	6,151.63	6,151.63
(b) 1,99,900 Shares allotted as fully paid up (1,99,900) pursuant to a contract without payment being received in cash	19.99	19.99
(c) 1,02,66,667 Shares allotted as fully paid up (1,02,66,667) by way of bonus shares by capitalisation of reserve and share premium	1,026.67	1,026.67
	<u>7,198.29</u>	<u>7,198.29</u>

**2. RESERVES AND SURPLUS**

	As at 31.03.2010 Rs. Lakhs	Additions Rs. Lakhs	Deductions Rs. Lakhs	As at 31.03.2011 Rs. Lakhs
Share Premium Account	264.81	-	-	264.81
Capital Redemption Reserve Account	70.00	-	-	70.00
Revaluation Reserve	89,692.17	-	3,806.95 *	85,885.22
Forfeiture of 13.5% Convertible Debentures 1989/91	1.33	-	-	1.33
General Reserve	7,871.34	-	-	7,871.34
Profit & Loss Account	8,404.31	201.69	60.24	8,545.76
<b>Total</b>	<u>106,303.96</u>	<u>201.69</u>	<u>3,867.19</u>	<u>102,638.46</u>
Previous Year	<u>106,846.63</u>	<u>3,484.71</u>	<u>4,027.38</u>	<u>106,303.96</u>

\*Transfer to Profit & Loss Account Rs.3806.95 Lakhs due to difference of depreciation on revalued assets and original assets.

	As at 31.03.2011 Rs. Lakhs	As at 31.03.2010 Rs. Lakhs
<b>3. SECURED LOANS</b>		
<b>Loans from Banks</b>		
Cash credit / overdrafts	4,295.42	4,196.45
Term Loans from Bank/ Financial Institutions	333.05	360.05
Vehicles Loan	18.31	22.82
	<u>4,646.78</u>	<u>4,579.32</u>
<b>4. UNSECURED LOANS</b>		
Fixed Deposits	802.45	892.14
Short Term Loan from Bodies Corporate	26,451.08	18,986.71
	<u>27,253.53</u>	<u>19,878.85</u>

**5. FIXED ASSETS**

Rs. Lakhs

	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As on 31.03.2010	Additions	Deductions	As on 31.03.2011	As on 31.03.2010	For the period	Adjustment/ Sale during the period	As on 31.03.2011	As on 31.03.2011	As on 31.03.2010
Freehold Land	33,840.32	-	-	33,840.32	-	-	-	-	33,840.32	33,840.32
Freehold Buildings	18,681.49	2,900.22	-	21,581.71	6,184.75	517.06	-	6,701.81	14,879.90	12,496.74
Leasehold Buildings	17.15	-	-	17.15	3.93	-	-	3.93	13.22	13.22
Plant and Machinery	119,390.10	9,109.40	-	128,499.50	46,402.43	3,403.26	-	49,805.69	78,693.81	72,987.67
Furniture and Fittings	557.84	14.87	-	572.71	539.63	0.97	-	540.60	32.11	18.21
Motor Vehicles	449.66	19.34	14.87	454.13	217.28	29.54	4.15	242.67	211.46	232.38
<b>Total</b>	<u>172,936.56</u>	<u>12,043.83</u>	<u>14.87</u>	<u>184,965.52</u>	<u>53,348.02</u>	<u>3,950.83</u>	<u>4.15</u>	<u>57,294.70</u>	<u>127,670.82</u>	<u>119,588.54</u>
Previous Year	<u>172,925.22</u>	<u>11.34</u>	<u>-</u>	<u>172,936.56</u>	<u>49,400.35</u>	<u>3,947.67</u>	<u>-</u>	<u>53,348.02</u>	<u>119,588.54</u>	
Capital Work in Progress	8,137.23	9,182.42	11,909.85	5,409.80	-	-	-	-	5,409.80	8,137.23


**SCHEDULES TO THE ACCOUNTS**

	As at 31.03.2011 Cost Rs. Lakhs	As at 31.03.2010 Cost Rs. Lakhs		As at 31.3.2011 Rs. Lakhs	As at 31.03.2010 Rs. Lakhs
<b>6. INVESTMENTS (AT COST) (Long Term)</b>			<b>8. SUNDRY DEBTORS (UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE STATED)</b>		
Non-Trade :			Debts outstanding for a period exceeding six months :		
A. Quoted:			Considered Good	35.35	566.12
Equity Shares - fully paid			Considered Doubtful	-	-
7,418 Master shares of Rs.10 each of Unit Trust of India	1.00	1.00	Other Debts - Considered Good	7.79	1,029.49
	<u>1.00</u>	<u>1.00</u>		<u>43.14</u>	<u>1,595.61</u>
<b>TOTAL (A)</b>	<u>1.00</u>	<u>1.00</u>	<b>9. CASH AND BANK BALANCES (As certified by the Management)</b>		
B. Unquoted :			Cash in hand	4.72	7.17
Investment in Subsidiary Companies			Remittance in Transit With Scheduled Banks	-	28.60
20,500, Equity Shares of Rs 10 each fully paid of Ebony Commercial Pvt Ltd.	2.05	2.05	On Current accounts	24.29	189.75
Others :			Fixed Deposit with Bank		
40, 7% Debentures fully paid of			- In deposit Account *	79.07	78.58
Royal Calcutta Golf Club Ltd.	1.00	1.00	- In Margin deposit Account	67.14	90.95
5,000, Equity Shares of GBP 1 each fully paid of Global Finvest Ltd	4.00	4.00		<u>175.22</u>	<u>395.05</u>
10,000 Equity Shares of Rs. 10 each fully paid of Wizer Advertising Pvt. Ltd.	1.00	1.00	* Pledged with various authorities		
	<u>8.05</u>	<u>8.05</u>	<b>10. LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD, UNLESS OTHERWISE STATED)</b>		
<b>TOTAL (B)</b>	<u>8.05</u>	<u>8.05</u>	Loans and Advances (Recoverable in cash or kind or value to be received)		
<b>TOTAL (A+B)</b>	<u>9.05</u>	<u>9.05</u>	Considered Good	977.96	2,563.62
Aggregate Market Value of Quoted Investments	2.19	2.25	Interest accrued on Bank deposits	17.72	15.47
Aggregate Book Value of Quoted Investments	1.00	1.00		<u>995.68</u>	<u>2,579.09</u>
<b>7. INVENTORIES</b>			<b>11. CURRENT LIABILITIES</b>		
Raw materials	4,496.15	2,903.52	Sundry Creditors -		
Work-in-progress	235.43	253.11	- Suppliers of Goods & Services	601.83	2,372.71
Finished Goods	154.40	822.53	- Advance From Customers	455.60	251.27
Stock in Transit	60.69	73.52	- Deposits	684.65	750.60
Stores and spares	96.96	92.67	- Others	1,641.45	4,145.07
	<u>5,043.63</u>	<u>4,145.35</u>	Provision for Gratuity	923.93	932.12
				<u>4,307.46</u>	<u>5,077.19</u>


**SCHEDULES TO THE ACCOUNTS**

		For the year ended 31.03.2011		For the year ended 31.03.2010		For the year ended 31.03.2011 Rs. Lakhs		For the year ended 31.03.2010 Rs. Lakhs	
<b>12. SALES</b>									
Product Group	Unit	Quantity	Value	Quantity	Value				
		(000)	(Rs. Lakhs)	(000)	(Rs. Lakhs)				
Automotive Tyres	No.	32	3,098.55	20	1,354.63				
Automotive Tubes	No.		-		-				
Braided & Hydraulic									
Brake Hoses	Mtr.	27	25.14	9	7.57				
Transmission Belting	Mtr.	2	39.33	1	10.09				
Traded Automotive Tyres	No.	125	13,301.10	178	16,121.98				
Traded Automotive Tubes	No.	30	267.11	14	107.87				
Others			96.39		28.80				
			16,827.62		17,630.94				
Less : Excise Duty on Despatch			268.84		75.20				
			<u>16,558.78</u>		<u>17,555.74</u>				
<b>13. OTHER INCOME</b>									
Liability Written Back			83.17		132.96				
Royalty			-		18.63				
Sale of Scrap			114.87		77.10				
Income from Job Work (TDS 12.06 lakhs P.Y. 5.34 lakhs)			615.08		264.72				
Remission on Sales Tax/VAT			43.07		-				
Miscellaneous			31.68		15.37				
Interest on Bank Fixed Deposit (TDS 0.22 lakhs P.Y. Rs. 0.15 lakhs)			5.96		5.69				
			<u>893.83</u>		<u>514.47</u>				
<b>14. RAW MATERIALS AND FINISHED GOODS</b>									
Opening Stock As on 1.4.2010									
Raw Materials		2,903.52		517.70					
Work-in-Progress		253.11		59.11					
Finished Goods		822.53	3,979.16	63.37	640.18				
<b>Add : Purchases</b>									
Raw Materials		3,460.63		4,324.70					
Finished Goods		13,473.55	16,934.18	15,922.87	20,247.57				
<b>Deduct :</b>									
Closing Stock As on 31.03.2011									
Raw Materials		4,496.15		2,903.52					
Work-in-Progress		235.43		253.11					
Finished Goods		154.40	4,885.98	822.53	3,979.16				
			<u>16,027.36</u>		<u>16,908.59</u>				
<b>15. PERSONNEL COST</b>									
Salaries, Wages and Bonus etc.						117.18		106.70	
E R S						10.99		31.84	
Provident Fund, Gratuity Fund and Other Superannuation Scheme etc.						11.04		19.81	
Employees' State Insurance						3.05		2.16	
Workmen and Staff Welfare Expenses						1.89		4.21	
						<u>144.15</u>		<u>164.72</u>	
<b>16. OTHER EXPENSES</b>									
Conversion Charges						0.33		166.93	
Fuel, light and water						58.26		39.29	
Consumption of stores & spare parts						6.12		8.54	
Repairs : Buildings						0.60	1.65		
Machinery						0.85	4.40		
Others						0.36	1.81	3.55	9.60
Rent						29.63		25.69	
Rates and Taxes						2.86		7.08	
Insurance						6.11		7.13	
Rebates, Discount & Commission						179.40		61.71	
Freight & Delivery Charges						47.13		14.42	
Directors' Sitting Fees						2.10		2.15	
General Expenses						38.01		90.89	
						<u>371.76</u>		<u>433.43</u>	
<b>17. FINANCING CHARGES</b>									
Loan Processing Fees & Charges						-		41.70	
Interest on Loans						574.21		239.77	
						<u>574.21</u>		<u>281.47</u>	
<b>18. EXCEPTIONAL ITEMS</b>									
Liabilities not known in earlier years now paid						(60.24)		(2.84)	
Stamp Duty recoverable now written off						-		(717.59)	
Renunciation of tenancy rights						-		500.00	
						<u>(60.24)</u>		<u>(220.43)</u>	
<b>19. PRIOR PERIOD ADJUSTMENTS</b>									
Expenses of Previous years						(0.96)		(14.57)	
Reversal of Earlier year Expenses						30.99		-	
Reversal of Earlier year Income						(19.59)		-	
						<u>10.44</u>		<u>(14.57)</u>	



## 20. Accounting Policies and Notes to the Accounts

### A. Significant Accounting Policies

#### Basis of Accounting

The Company maintains its accounts following the historical cost convention except for the revaluation of certain fixed assets. All expenses and income to the extent known considered payable and receivable respectively unless stated otherwise have been accounted for on mercantile basis.

#### Use of Estimates

The preparation of financial statements require management to make estimates and assumption that affect the reported amount of assets and liabilities and disclosures relating to contingent liabilities and assets as at the balance sheet date and the reported amounts of income and expenses during the year.

Contingencies are recorded when it is probable that a liability will be incurred and the amounts can reasonably be estimated. Difference between the actual results and the estimates are recognised in the year the results are known/ materialised.

#### Fixed Assets

Fixed Assets are stated at cost of acquisition or construction or at revalued amounts wherever such assets have been revalued. Cost includes cost of refurbishment, borrowing cost and other expenses incurred in bringing the assets to the conditions of intended use.

#### Depreciation

- a) Depreciation on assets carried at historical costs is provided on straight-line method at the rates specified in Schedule XIV of the Companies Act, 1956.
- b) Depreciation in case of revalued amounts of fixed assets are provided on straight-line method on the values given by the valuers on the basis of remaining useful life as estimated by the valuers and the differential amount with respect to the depreciation computed as per (a) above is transferred from Revaluation Reserve to Profit & Loss Account.
- c) Classification of plant and machinery into Continuous Process Plant is done by the Management based on technical certificates and reports.

#### Capital Work in Progress

Capital Work in Progress includes capital advances and expenses incurred during the refurbishment of the plants & Trial Runs expenses pending allocation till the Commercial use of the respective assets.

#### Impairment of Assets

The carrying amounts of the company's assets are reviewed at each balance sheet date. An impairment loss is recognized, wherever the carrying amount of an asset is in excess of its recoverable amount. The recoverable amount is greater of net selling price of the asset or its value in use.

Reversal of impairment losses recognized in prior years is recorded when there has been change in the recoverable amount and such loss no longer exists or has decreased.

Impairment loss/reversal thereof is recognized as an expense/income in the statement of profit and loss and adjusted to the carrying amount of the asset once all the departments/sections becomes operational over a period. Company is refurbishing its various sections of manufacturing and is of the view that they will have carrying cost in excess of its recoverable amount.

#### Inventories

Inventories are stated at the lower of cost and estimated net realisable value. Cost is determined on the basis of first in first out, except engineering stores, cost for which is computed on the basis of weighted average. Work-in-progress represents materials cost, direct labour and appropriate portion of factory overheads. Adequate provision is made for defective, slow moving and obsolete items of inventories. Custom Duty on Bonded materials is accounted for as and when the materials are cleared. Finished Goods are valued at lower of Cost or net realizable value.

#### Investments

Investments are stated at cost. Diminution in value is made in case it is not being temporary in nature.

#### Foreign Currency Transactions

Transactions in foreign currencies are accounted for at the exchange rate prevailing at the date of transaction. Foreign currency monetary assets and liabilities at the year end are translated using the exchange rate prevailing at the year-end. The loss or gain thereon and also on the exchange differences on settlement of the foreign currency transactions during the year are recognized as income or expenses and are adjusted to the profit and loss account for the year.

#### Retirement and other benefits to the Employees

The total cost of the Company's contributions to Provident and Pension/Gratuity Funds are charged against revenue on accrual basis. As per Company's Policy, accrued leave is not encashable at the time of retirement or otherwise. Liability against retirement gratuity is provided as per actuarial valuation done in line with AS 15.



**Research and Development**

Research and Development expenditure other than those relating to Fixed Assets are charged against revenue as and when incurred.

**Borrowing cost**

Borrowing cost incurred in relation to the acquisition, construction, refurbishment of qualifying assets and trial run period are capitalized/allocated as the part of the cost of such assets up to the date when such assets are put to use. Other borrowing costs are charged as an expense in the year in which these are incurred.

**Revenue Recognition**

Sales are net of excise duty and returns up to the Balance Sheet date and accounted for on passing of property of goods irrespective of actual dispatches. Returns/cancellations against sales are recognised as and when ascertained and are netted from the amount of sales of respective year.

Rebates, discounts, commissions and claims including insurance claims are accounted for to the extent these are due and/or reasonably ascertainable.

Income from Brand Royalty and fees are accounted for on accrual basis in terms of agreements with the party.

**Taxes on Income**

Provision for taxes is made for both current and deferred taxes. Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of Income Tax Act, 1961, and based on the expected outcome of assessments/appeals.

Deferred tax are recognized on timing differences between the accounting income and the taxable income for the year which are capable of reversal in subsequent periods, and quantified using the tax rates and laws enacted or subsequently enacted as on the Balance Sheet date.

Deferred tax assets are recognized and carried forward to the extent that there is a reasonable/virtual certainty, as required in terms of Accounting Standard 'AS-22' on Accounting for Taxes on Income, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

**Provisions**

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if the Company has a present obligation as a result of a past event, or a probable outflow of resources is expected to settle the obligation, and the amount of the obligation can be reliably estimated.

**B. NOTES TO THE ACCOUNTS**

	31.03.2011 (Rs. in lacs)	31.03.2010 (Rs. In lacs)
1. Contracts remaining to be executed : Estimated amount of contracts remaining to be executed on Capital Account and not provided for- net of advance payments.	-	75.00
2. Contingent Liabilities (to the extent ascertainable) Claims against the Company not acknowledged as debts		
a) Sales Tax Demands under appeal or otherwise disputed	14904.06	17902.82
b) Income tax matters in appeal	400.00	400.00
c) In respect of guarantee issued in favour of WBSEDCL.	145.20	145.20
d) In respect of corporate guarantee issued on behalf of group companies	6063.05	5783.40
e) In respect of Trade Finance facilities availed and assignment of factored debtors	3362.71	3422.94
3. In respect of the sale proceeds of Rs.70 lacs realized from a certain party in earlier years, the Company deposited the amount with the Chennai High Court, and out of the same, a sum of Rs.35 lacs has been utilized for payment of outstanding dues of employees. The balance lying with the court is pending adjudication.		
4. Loan Fund Include :		
a. Cash credit/Overdraft are secured by hypothecation of inventories, book debts and all other current assets related to company's manufacturing unit at Sahaganj, both present and future liability of Rs 3545.42 lakhs from Central Bank of India are further secured by hypothecation of moveable fixed assets and equitable mortgage on land situated at Sahaganj.		
b. Term loans from KSIIDC of Rs.333.05 lacs are secured by an equitable mortgage of land at Mysore and immovable property of the company situated at Kolkata.		
c. Vehicle loans from Banks/ NBFC are secured by way of hypothecation of vehicles.		
d. No provision has been made for Interest on loans from Catholic Syrian Bank and KSIIDC in the books of accounts. The company is in the process of making one time settlement with respective parties.		
5. Fixed Deposits were accepted till 1997 and have fallen due for repayment with earlier management. In terms of the order received from the Company Law Board, this will		



be dealt with as per the directions received from the appropriate Authority. However the present management has paid Rs.342.88 lakhs (P.Y. Rs.253.19 lakhs) after takeover to the FD holders.

6. Present Directors are not disqualified in terms of Section 274(1)(g) of the Companies Act, 1956, as legally advised.
7. As per the opinion obtained by the company no depreciation has been charged on the Assets amounting to Rs. 29384.14 lakhs (P.Y.Rs.17443.07 lakhs) capitalized till 31.3.11 and not put to use.
8. Particulars in terms of the regulation/ directions issued by SEBI :
  - a. The companies in the group as disclosed below are directly/indirectly controlled by the Ruia Group of Companies under the chairmanship of Sri Pawan Kumar Ruia and its various subsidiary/associate companies which held the controlling stake in the Company during the year ended 31<sup>st</sup> March 2011 :
    - i. Holding Company : Wealth Sea Pte. Ltd. (Singapore) through DIL Rim and Wheel Corporation Limited, Mauritius.
    - ii. Subsidiaries: Ebony Commercial Pvt Ltd.
    - iii. Associate/Group Companies : 1) Aakashdeep Properties Pvt Ltd 2) Acurate Traders Pvt Ltd 3) Adhishwar Nivesh Pvt Ltd 4) Ajit Commercials Pvt Ltd 5) Alpha Airways Pvt Ltd 6) Always Properties & Finance Pvt Ltd 7) American Merchandising Ltd 8) Anchita Commercials Pvt Ltd 9) Angan Properties Pvt Ltd 10) Aniket Traders Pvt Ltd 11) Anish Traders Pvt Ltd 12) Anoush Traders Pvt Ltd 13) Anumala Traders Pvt Ltd 14) Aparupa Properties Pvt. Ltd. 15) Ayodhya Properties & Finance Pvt Ltd 16) Ballard Commercials Pvt Ltd 17) Banalata Traders Pvt Ltd 18) Bandana Commercials Pvt Ltd 19) Beadon Traders Pvt Ltd 20) Bengal Institute of Neurosciences Ltd 21) Bharat Vidyut Co. Ltd 22) Bharatiya Hotels Pvt Ltd 23) Bipul Commercials Pvt Ltd 24) Blackstone Holdings Pvt Ltd 25) Blessings Commercials Pvt Ltd 26) Bloom Billions Sdn Bhd- Malaysia 27) Borneo Traders Pvt Ltd 28) Brawany Nivesh Pvt Ltd 29) BTR Sealing System UK Ltd – UK 30) Camac Traders Pvt Ltd 31) Chaity Commercials Pvt Ltd

- 32) Chaman Trade Links Pvt Ltd 33) Chambal Marketing Pvt Ltd 34) Chemical Corporation of India Ltd 35) Chinsurah Chemicals Pvt Ltd 36) Chorus Trade Links Pvt Ltd 37) Climber Properties Pvt. Ltd. 38) California Auto Tyres Pvt Ltd 39) D K Properties Pvt Ltd 40) Dadar Properties & Finance Pvt Ltd 41) Deblok Traders Pvt Ltd 42) Deoghar Properties & Finance Pvt Ltd 43) Dhan E Commerce Pvt Ltd 44) Durg Properties & Finance Pvt Ltd 45) Dipti Commercials Pvt Ltd 46) Divya Mercantile Ltd 47) Double Plus Software Pvt Ltd 48) Draftex Automotive,GMBH 49) Dunlop Estates Pvt Ltd 50) Dunlop Infrastructure Pvt Ltd 51) Dunlop Investments Ltd. 52) Dunlop Latex Foam Europe Ltd 53) Dunlop Polymers Pvt Ltd (Formerly Jacob & Jacob Polymer Pvt Ltd) 54) Dunlop Properties Pvt Ltd 55) Dunlop Rubber Ltd 56) Dunlop Tyres Ltd 57) Dunlop UK - Ltd UK 58) Eco Traders Pte Ltd 59) Edina Marketing Pvt Ltd 60) Electric Corporation of India Ltd 61) Elloit Mercantile Pvt Ltd 62) eMotions Media Pvt Ltd 63) Empire Minerals Pvt Ltd 64) Enormous Nivesh Pvt Ltd 65) Eyelid Mercantile Pvt Ltd 66) Fragment Nivesh Pvt Ltd 67) Fabulous Nivesh Pvt Ltd 68) Falcon Tyres Ltd. 69) Falcon Tyres & Rubber Pvt Ltd 70) Falcon Tyres Impex Pvt Ltd 71) Fiber Foam (Bombay) Pvt Ltd 72) Gyan Website Pvt Ltd 73) Gain E-Commerce Pvt Ltd 74) Gain Dot Com Pvt Ltd 75) Global Finvest Ltd - UK 76) Globe Sugar Refinery Ltd 77) Goldman Stock & Share Brokers Ltd 78) Global Fin Pro Ltd 79) Goldman Securities Ltd 80) Gumasol Rubber Tec GMBH 81) Hriday Commercials Pvt Ltd 82) Hardcore Viniyog Pvt Ltd 83) Herald Investments Pvt Ltd 84) Himadri Properties Pvt Ltd 85) Hindustan Bauxite Ltd 86) Hindustan Texknit Pvt Ltd 87) Hirakud Industrial Works Ltd. 88) Hirakud Rolling Mill Ltd. 89) Hiland Traders Pvt Ltd 90) Hiker Properties Pvt. Ltd. 91) Indo-Wagon Engineering Ltd. 92) Ibcon(Calcutta) Pvt Ltd 93) India Finance Ltd 94) India Tyre & Rubber Co (India) Ltd. 95) Janaki Marketing Pvt Ltd 96) Jessop & Co. Ltd. 97) Jessop Infotech Pvt Ltd 98) Jessop



Shipyards Limited 99) Jessop Estate Pvt Ltd 100) Jessop Properties Pvt Ltd 101) Jessop Infrastructure Pvt Ltd 102) Jessop Wagons & Coaches Ltd 103) Jai Vaibhav Niketan Pvt. Ltd. 104) Jai Brijmohan Niketan Pvt. Ltd. 105) Jai Harihor Tower Pvt. Ltd. 106) Jai Raghuvir Enclave Pvt. Ltd. 107) Jai Ganga Nirman Pvt. Ltd. 108) Jai Badrinath Niketan Pvt. Ltd. 109) Jai Tridev Vihar Pvt. Ltd. 110) Jai Gokul Towers Pvt. Ltd. 111) Kulu Properties & Finance Pvt Ltd 112) Kailash Enterprises ( New Delhi) Pvt Ltd 113) Kamlapur Alcohol Ltd 114) Kamlapur Sugar & Industries Ltd 115) Kanti Commercials Pvt Ltd 116) Kothi Lefin Pvt Ltd 117) Lona Commercials Pvt Ltd 118) Liluah Ceramics Pvt. Ltd. 119) Manjari Properties Pvt. Ltd. 120) Mahant Merchandise Pvt Ltd 121) Manali Properties & Finance Pvt. Ltd. 122) Malini Properties Pvt. Ltd. 123) Manavendra Commercials Pvt Ltd 124) Mandhatri Traders Pvt Ltd 125) Manidipa Properties Pvt. Ltd. 126) Mayank Services Ltd 127) Metro Developers Ltd. 128) Metropole Hills Hotel Pvt. Ltd. 129) Monarch Exim Pvt Ltd 130) Monotona Tyres Ltd. 131) Moulisree Electricals & Electronics Ltd 132) Mridula Marketing Pvt Ltd 133) Mudrika Commercials Pvt. Ltd. 134) Mugdha Properties Pvt Ltd 135) Nevadita Properties Pvt Ltd 136) Nandan Suppliers & Contractors Pvt Ltd 137) Nandini Properties Pvt Ltd 138) Our Films Productions Pvt Ltd 139) Ocean Cement Ltd 140) Ocean Constructions Pte Ltd 141) Olivia Tours & Travels Pvt Ltd 142) OM Cotex Ltd (Formerly Ruia Cotex Ltd) 143) Onix Business Services Ltd 144) Payneganga Sugars & Chemicals Ltd 145) P.K. Constructions Pvt Ltd 146) Pacific Apparels Ltd. 147) Pacific Website Pvt Ltd 148) Pallavi Manufacturers Pvt Ltd 149) Parnika Marketing Pvt Ltd 150) Pawan Herbals Pvt. Ltd. 151) Power Corporation of India Ltd 152) Rose Investment Ltd-Mauritius 153) Radiant Investment Ltd-Mauritius 154) Raghav Industries Ltd. 155) Rapid Investment Ltd – Mauritius 156) Renuka Resorts Pvt Ltd 157) Resource Cement Ltd 158) Rose E-Commerce Pvt Ltd 159) Ruia & Sons Pvt Ltd 160) Ruia Global Nivesh Pvt Ltd (Formerly SPR Textiles Pvt.

Ltd.) 161) Ruia Agro Products Pvt. Ltd. 162) Ruia Hospital & Educational Research Institution 163) Ruia Corporate Services Pvt Ltd 164) Ruia Electronics Pvt Ltd 165) Ruia Global Fasteners AG 166) Ruia Holding –GMBH 167) Ruia Hotels Pvt Ltd 168) Ruia Iron & Steel Co. Pvt Ltd 169) Ruia Marketing Ltd 170) Ruia Overseas Pvt. Ltd 171) Ruia Properties GMBH 172) Ruia Technologies Ltd 173) Ryham Pte Ltd - Singapore 174) Sanjose Polymers Pvt Ltd. 175) Sarvan Commercials Pvt Ltd 176) Sayaji Marketing Pvt Ltd 177) Shakambari Communications Pvt Ltd 178) Shalimar Towers Pvt Ltd 179) Shankar Traders & Dealers Ltd 180) Sheetal Exports Ltd 181) Shresth (India) Pvt Ltd 182) Skypak Properties & Finance Pvt Ltd 183) SPR Sugar & Chemicals Ltd 184) Stephen Financial Services Pvt Ltd 185) Sterling Share Brokers (P) Ltd 186) Subhlaxmi Compusis Pvt Ltd 187) Sugandha Industries Pvt Ltd 188) Sukaram Marketing Ltd. 189) Schlegel Automotive Europe Ltd - UK 190) Schlegel Automotive India Pvt.Ltd 191) Securities Brokers India Ltd. 192) Shalini Properties & Developers Pvt. Ltd. 193) Spices Valley Estates Ltd. 194) SPR Resorts Ltd. 195) Sagarika Properties Pvt Ltd 196) Subhra Marketing Ltd. 197) Surag Commercials Pvt Ltd 198) Suryamani Financing Company Ltd. 199) Satarupa Properties Pvt. Ltd. 200) Tribhuban Marketing Pvt Ltd 201) Tulip Machineries Pvt Ltd 202) U.P.Bio Chem Ltd 203) U.P.Hydro Projects Ltd 204) Udbav Commercials Pvt Ltd 205) Ventura Project Pvt Ltd 206) Vidyut Petrochem Pvt Ltd 207) Vilas Marketing Pvt Ltd 208) Wealth Filed Pte Ltd. 209) Walker Properties Pvt Ltd 210) Wealth Valley Pte.Ltd 211) Wealthsea Ltd - Mauritius 212) Wizer Advertising Pvt Ltd 213) Wealth overseas Pte Ltd-Singapore 214) Wealth ocean Pte Ltd-Singapore 215) Yamuna Website Pvt Ltd 216) Zeal Infotech Pvt Ltd 217) Zipco Industrial Finance Pvt. Ltd.

iv . Key Management Personnel :

Mr. R K Budhiraja, Executive Director  
(till May 10, 2010)

Mr. S N Maheswari, Executive Director



b) The Company's related party transactions during the year and outstanding balances as at 31st March, 2011 are as below : (Rs in Lakhs)

Particulars	Associates		Key Management Personnel		Total	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
<b>Income</b>						
- Falcon Tyres Ltd	630.08	264.72			630.08	264.72
<b>Sales - Raw Material &amp; Finished Goods :</b>						
- India Tyre & Rubber Company (India) Ltd	66.22	17.66			66.22	17.66
- Falcon Tyre Impex (P) Ltd	602.61	813.24			602.61	813.24
- Falcon Tyres Ltd	-	15.42				15.42
<b>Purchases</b>						
<b>Raw Material &amp; Finished Goods</b>						
- Monotona Tyres Ltd.	37.62	56.96			37.62	56.96
<b>Remuneration</b>						
- Mr D P Dani				23.67		23.67
- Mr. R K Budhiraja			5.55	16.68	5.55	16.68
- Mr. S N Maheswari			33.50		33.50	
<b>Assets</b>						
Expenses paid by the Company on behalf of the Associates which is adjusted against either expenses paid by the associates on behalf of the Company or reimbursed :						
- Falcon Tyres Ltd		68.83				68.83
- Suryamani Financing Co Ltd		412.12				412.12
<b>Purchase of Fixed Assets</b>						
- Tulip Machineries (P) Ltd	1278.62				1278.62	
<b>Liabilities</b>						
Expenses paid by the Associates on behalf of the Company which is adjusted against either paid by the Company or reimbursed :						
- Ruia Sons Pvt Ltd	204.58	79.78			204.58	79.78
- Falcon Tyres Ltd	0.57	19.87			0.57	19.87
- Ruia Corporate Services (P) Ltd	193.03				193.03	
- Monotona Tyres Ltd.		468.21				468.21
- Dunlop Rubber Ltd	0.14				0.14	
<b>Unsecured Loan Taken</b>						
- Ruia Sons Pvt Ltd	695.64				695.64	
- India Finance Ltd	6,039.50	1,760.25			6039.50	1760.25
- Falcon Tyres Ltd	1,950.00				1950.00	
<b>Balances Outstanding :</b>						
<b>As Credit Balance</b>						
<b>Unsecured Loan</b>						
- Suryamani Financing Co Ltd	4128.46	4128.46			4128.46	4128.46
- India Finance Ltd	18388.47	12348.98			18388.47	12348.98
- Falcon Tyres Ltd	1,950.00				1950.00	
- Ruia Sons Pvt Ltd	695.64				695.64	
<b>Current Liabilities</b>						
- Falcon Tyres Ltd	422.67	181.76			422.67	181.76
- Dunlop Rubber Ltd	0.14				0.14	
- Zeal Infotech (P) Ltd	0.36	0.42			0.36	0.42
- Ruia Corporate Services (P) Ltd	0.75				0.75	
- Ruia Sons Pvt Ltd	201.53	3.04			201.53	3.04
<b>As Debit Balance</b>						
<b>Debtors</b>						
- Falcon Tyres Ltd	0.44	15.42			0.44	15.42
- Falcon Tyres Impex (P) Ltd		16.50				16.50
- India Tyre & Rubber Co. (India) Ltd.		2.12				2.12
<b>Loans &amp; Advances</b>						
- Falcon Tyres Impex (P) Ltd	120.43				120.43	
- Falcon Tyres Ltd	48.39	48.96			48.39	48.96



	For the Year ended 31.03.2011 (Rs. Lacs)	For the Year ended 31.03.2010 (Rs. Lacs)
9. Auditors' Remuneration and Expenses :		
a) Statutory Audit Fees	1.25	1.00
Tax Audit Fees	0.31	0.25
Other Certification, etc.	1.39	1.10
	<u>2.95</u>	<u>2.35</u>
b) Cost Audit Fees	0.35	0.35
	<u>3.30</u>	<u>2.70</u>
10. Directors' Remuneration :		
Salary and Allowances	35.38	35.95
Estimated value of other benefits	3.68	4.40
	<u>39.06</u>	<u>40.35</u>

11. The Company had recognized deferred tax asset as on 31.03.2007 on account of carried forward business losses and unabsorbed depreciation under Income Tax Act, 1961. This was adjusted against General Reserve. The Company has filed a petition on 11<sup>th</sup> March, 2010 before Hon'ble Calcutta High Court seeking extension of carry forward losses period beyond 8 years because the Company was under BIFR. Pending decision, Rs 3358 lakhs, which was adjusted against General Reserve in 2007-08 & 2008-09 was brought back to General Reserve in 2009-10.

The break-up of Deferred Tax Assets :

	2010-11 (Rs in lakhs)	2009-10 (Rs in lakhs)
43 B items under Income Tax Act, carried forward loss and unabsorbed depreciation	9740.00	9740.00
Deferred Tax Liabilities :		
Depreciation	<u>186.00</u>	<u>186.00</u>
Net Deferred Tax Assets	<u>9554.00</u>	<u>9554.00</u>

12. Refurbishment work for reaching of optimum production capacities is in progress at both the plants of the Company at Sahaganj and Ambattur. Expenses on such Refurbishment work including interest and overheads as are allocable to reach optimum production capacities amounting to Rs.3810.48 lakhs (P.Y. Rs. 4553.30 Lakhs) have been capitalized during the year.

13. Company revalued its Fixed assets last on 31.3.2007 by approved valuers on 'Open Market Value Method/Net Replacement Value Method' and consequential increase in value of fixed assets amounting to Rs. 107207 lakhs has been added to Revaluation Reserve. Differential depreciation on asset is being adjusted against Revaluation Reserve amounting to Rs. 3806.95 lakhs (P.Y. 3806.95 lakhs).

14. Defined contribution plan

Reconciliation of opening and closing balances of the present value of Deferred Benefit Obligation in respect of Gratuity :

Particulars	(Rs in lacs)	
	2010-11	2009-10
i) Change in Defined Benefit Obligation		
1) DBO at beginning of the period	932.12	802.36
2) Service Cost	76.16	79.39
3) Interest Cost	67.48	56.38
4) Plan Amendments Cost/(Credit)	23.08	-
5) Actuarial Losses/( Gains)	(74.91)	54.14
6) Benefit Payments	(100.00)	(60.15)
7) DBO at closing of the period	<u>923.93</u>	<u>932.12</u>
ii) Change in Fair Value of Assets		
1) Fair value of Plan Assets at beginning of the period	N.A	N.A
2) Expected return on plan assets	N.A	N.A
3) Actual Company Contributions	100.00	60.15
4) Benefit Payments	(100.00)	(60.15)
5) Fair value of Plan Assets at closing of the period	-	-
iii) Net Asset/(Liability) Recognised in Balance Sheet-31.3.2011		
1) Present Value of Defined Benefit Obligation	923.93	932.12
2) Fair Value of Plan Assets	-	-
3) Funded Status ( Surplus/ (deficit) )	(923.93)	(932.12)
4) Net Asset/( Liability) recognised in the Balance Sheet	<u>(923.93)</u>	<u>(932.12)</u>
iv) Disclosure of Employer expenses		
1) Current Service Cost	76.16	79.39
2) Interest Cost	67.48	56.38
3) Expected Return on Plan Assets	-	-
4) Plan Amendments Cost/(Credit)	23.08	-
5) Actuarial Losses/( Gains)	(74.91)	54.14
6) Total employer expense recognised as expenses)	<u>91.81</u>	<u>189.91</u>
v) Assumptions		
1) Discount Rate	8.00%	7.30%
2) Expected Return on Plan Assets	N.A	N.A

15. Based on the legal opinion obtained by the Company that the provisions of the Section 115JB of the Income Tax Act., 1961 are not applicable to the Company, no provision has been made for taxation in these accounts in view of huge carried forward business losses as per the Income Tax Act., 1961.

16. a) None of the supplier have reported Micro, Small and Medium Enterprises status as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to whom the company owes dues.

b) Confirmation of balances has been sought from sundry creditors, sundry debtors and loans & advances given to parties. Confirmations are awaited.

17. Company recognized all the known liabilities related to pre take over period but there may be still some liabilities which are not known to Company. As and when they will arise company will contest and provide the same on determination.



**18. Production, Sales, and Stocks of each class of manufactured goods/traded goods.**

Class of Goods	Licensed Capacity	Installed Capacity	Opening Stock	Production	Purchase	Closing Stock	Gross Sale
Automotive Tyres (No '000)	3500	3221	9.40 (0.30)	25.90 (29.30)	122.36 (177.61)	0.76 (9.40)	156.89 (197.81)
Value (Rs in lakhs)			786.79 (43.52)		13232.37 (15787.79)	136.76 (786.79)	16399.65 (17476.61)
Automotive Tubes (No '000)	2927	3292	3.06 (1.70)		28.30 (15.75)	1.41 (3.06)	29.94 (14.39)
Value (Rs in lakhs)			22.62 (12.89)		184.04 (102.83)	13.93 (22.62)	267.11 (107.87)
Braided & Hydraulic Hoses (Mtr '000)	2000	2250	5.23 (3.20)	21.47 (10.66)		0.01 (5.23)	26.69 (8.63)
Value (Rs in lakhs)			3.45 (3.28)			- (3.45)	25.14 (7.57)
Textile & Steel Cord Belting (Mtr '000)	253	244		1.87 (0.60)			1.87 (0.60)
Value (Rs in lakhs)							39.33 (10.09)
Transmission Belting	915	1432	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
PVC Belting	122	142	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Metalastic	560	700	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Repair Material	1823	1823	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Dunloflex Hose	195	244	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Others							
Value (Rs in lakhs)			9.67 (3.68)		57.14 (32.25)	3.71 (9.67)	96.39 (28.80)
Total Value			822.53 (63.37)		13473.55 (15922.87)	154.40 (822.53)	16827.62 (17630.94)

\* Figures within brackets indicate figures for previous year.

**19. Income and Expenditure in Foreign Currency**

	For the Year ended 31.03.2011 (Rs. Lacs)	For the Year ended 31.03.2010 (Rs. Lacs)
Income :		
FOB Value of Exports	-	-
Royalty	-	18.63
Expenditure :		
CIF Value of Imports		
- Finished Goods	-	-
- Capital Goods	-	-
- Raw Materials	-	-
- Stores & Spares	-	1.72
Technical & Professional Fee	-	-
Traveling and other expenses	-	-

**20. Raw Material Consumption :**

	For the Year ended 31.03.2011		For the Year ended 31.03.2010	
	Qty (MT)	(Rs. Lacs)	Qty (MT)	(Rs. Lacs)
Rubber	643	1155.18	773	987.42
Fabric	136	320.32	188	500.61
Carbon Black	292	182.19	355	228.19
Others		210.31		222.66
		<u>1868.00</u>		<u>1938.88</u>

**21. Consumption of Imported and Indigenous Raw Materials, Stores & Store Parts :**

	For the Year ended 31.03.2011		For the Year ended 31.03.2010	
	Value (Rs. Lacs)	%	Value (Rs. Lacs)	%
Imported	-	-	68.13	3.50
Indigenous	1874.12	100.00	1879.29	96.50
	<u>1874.12</u>	<u>100.00</u>	<u>1947.42</u>	<u>100.00</u>

**22. The Company operates in the single segment, i.e. manufacturing/trading of Rubber products, such as Automotive Tyres, Tubes, Industrial Hoses, Transmission and Conveyor Belting, etc., hence the Accounting Standard 17 regarding Segment Reporting is not applicable.**

**23. Future payment liability in respect of HP loan for Vehicles as per AS19 is as follows :**

	(Rs. Lacs)
2011-12	8.23
2012-13	6.58
2013-14	3.50
	<u>18.31</u>



24. Accounting Standard 20 on Earning Per Share issued by The Institute of Chartered Accountants of India, the Earning Per Share have been calculated as below :

Particulars	For the Year ended 31.03.2011	For the Year ended 31.03.2010
Basic and Diluted Earning/(Loss) Per Share Before Extraordinary Items		
No of Shares Outstanding for the period	7,19,82,875	7,19,82,875
Face Value of each Share (Rs)	10	10
Net Profit / (Loss) after Tax (Rs. Lacs)	201.69	126.71
Add/(Less) : Extraordinary Items (Rs. Lacs)	-	-
Net Profit/(Loss) after Tax for calculation of Earning/(Loss) per Share before extraordinary items (Rs. Lacs)	201.69	126.71
Basic and Diluted Earning / (Loss) Per Share Before Extraordinary Items (Re)	0.28	0.18
Basic and Diluted Earning/(Loss) Per Share After Extraordinary Items		
No of Shares Outstanding for the period	7,19,82,875	7,19,82,875
Face Value of each Shares( Rs)	10	10
Net Profit / (Loss) after Tax (Rs. Lacs)	201.69	126.71
Basic and Diluted Earning / (Loss) Per Share After Extraordinary Items (Re)	0.28	0.18

25. Previous year's figures have been regrouped / re-arranged wherever necessary.

As per our Report Attached  
For and on behalf of  
K N Gutgutia & Co.  
Chartered Accountants  
K C Sharma  
Partner  
Membership No. 50819  
Kolkata, 21st May, 2011

For and on behalf of the Board

S. N. Maheshwari  
Executive Director & CEO

Virendra Agrawal  
Director

Manish Singhania  
Chief Financial Officer

A. K. Agarwal  
Vice President - Legal  
and Company Secretary


**BALANCE SHEET ABSTRACT AND COMPANIES GENERAL BUSINESS PROFILE**

(As per Schedule VI, Part (iv) of the Companies Act, 1956)

**I. Registration Details**

Registration No.	8539	State Code	21
Balance Sheet Date	31.3.2011		

**II. Capital raised during the year (Amount in Rs.'000)**

Public Issue	NIL	Bonus Issue	NIL
Rights Issue	NIL	Private Placement	NIL

**III. Position of Mobilisation & Deployment of Funds (Amount in Rs. '000)**

Total Liabilities	14,459,388	Total Assets	14,459,388
-------------------	------------	--------------	------------

**Sources of Funds**

Paid-up Capital	719,829	Secured Loans	464,678
Reserves & Surplus	10,263,846	Unsecured Loans	2,725,353
		Long Term Trade Liabilities	285,682

**Application of Funds**

Net Fixed Assets	13,308,062	Investments	905
Deferred Tax Assets	955,400	Net Current Assets	195,021
Misc. Expenditure	Nil		

**IV. Performance of Company (Amount in Rs.'000)**

Turnover & Other Income	1,745,261	Total Expenditure	1,726,136
Profit/(Loss) before Tax and Exceptional Item	19,125	Profit/(Loss) after Tax and Exceptional Item	20,169
Earning per Share in Rs.	0.28	Dividend Rate	NIL

**V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)**

Item Code No. (ITC Code)	Tyres	Tubes	Flaps	Others
Passenger/Jeep	40,11,10,00	40,13,10,01		
Bus/Lorries	40,11,20,00	40,13,10,02	40,12,90,04	
Aircraft	40,11,30,00	40,13,90,01		
Off The Road	40,11,99,01	40,13,90,03		
Tractor	40,11,99,02	40,13,90,04		
Transmission belting				40,10,99,04
Conveyor belting				40,10,99,01
Vee & Fan Belts				40,10,10,02
Hydraulic Braded hose				40,09,50,03
H.P hose				40,09,50,01

As per our Report Attached

For and on behalf of

**K N Gutgutia & Co.**
*Chartered Accountants*
**K C Sharma**
*Partner*

Membership No. 50819

Kolkata, 21st May, 2011

For and on behalf of the Board

**S. N. Maheshwari**
*Executive Director & CEO*
**Manish Singhania**
*Chief Financial Officer*
**Virendra Agrawal**
*Director*
**A. K. Agarwal**
*Vice President - Legal  
and Company Secretary*

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATED TO ITS SUBSIDIARY COMPANIES**

- |   |  |
|---|--|
| 1. Name of the Subsidiary Companies   | EBONY COMMERCIALS<br>PRIVATE LTD.                  |
| 2. Financial Year of the Subsidiary Companies ended on  | 31st March, 2011                                   |
| 3. Shares of the Subsidiaries held by Dunlop India Limited on the above date  |  |
| a ) Number and Face Value   | 20,500 Equity Shares of Rs.10/-<br>each fully paid |
| b ) Extent of holding   | 100%   |
| 4. Net aggregate amount of Profits / (Losses) of the subsidiaries so far as they concerned members of the holding company   |  |
| i) For the said financial year of the subsidiaries  |  |
| a) dealt with in the accounts of the holding Company  | NIL  |
| b) not dealt with in the accounts of the holding Company  | Rs. (1,308)  |
| ii) For the previous financial years of the subsidiary since it become the holding company's subsidiary   |  |
| a) dealt with in the accounts of the holding Company  | NIL  |
| b) not dealt with in the accounts of the holding Company  | Rs. (36,859)                                       |
| 5. As the financial year of the Subsidiary Companies coincide with the financial year of the holding Company, section 212(5) of the Companies Act, 1956 is not applicable |  |

---

For and on behalf of the Board

**S. N. Maheshwari**  
*Executive Director & CEO*

**Virendra Agrawal**  
*Director*

**Manish Singhania**  
*Chief Financial Officer*

**A. K. Agarwal**  
*Vice President - Legal  
and Company Secretary*

Place : Kolkata  
Date : 21st May, 2011

**AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS**

To  
**The Board of Directors  
DUNLOP INDIA LIMITED**

1. We have audited the attached Consolidated Balance Sheet of Dunlop India Limited as at 31<sup>st</sup> March 2011 and also the Consolidated Profit and Loss account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of subsidiaries whose financial statements reflect total assets of Rs.353.51 lacs as at 31<sup>st</sup> March, 2011, the total revenue of Rs.0.91 lacs and cash inflows amounting to Rs.0.02 lacs for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of the other auditors.
4. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.  
  
*We draw attention to the note no 4(d) regarding non provision of interest on certain loans, note no. 11 regarding Deferred Tax Assets and note no. 12 regarding Capitalisation of expenses for Refurbishment of Schedule 20 as at 31<sup>st</sup> March 2011 and based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India :*
  - a) in the case of the Consolidated Balance Sheet, of the state of the affairs of the Dunlop India Limited as at 31<sup>st</sup> March, 2011.
  - b) in the case of Consolidated Profit & Loss Account, Profit for the year ended on that date, and
  - c) in the case of the Consolidated Cash Flow Statement, of the Cash Flows for the year on that date.

for **K N GUTGUTIA & CO.**

*Chartered Accountants*  
Firm's registration No. 304153E

6C, Middleton Street  
Kolkata - 700 071  
Dated : May 21, 2011

**K C Sharma**  
*Partner*  
Membership No. 50819



## CONSOLIDATED BALANCE SHEET As At 31st March, 2011

Schedule	As at 31st March, 2011 Rs. Lakhs	As at 31st March, 2010 Rs. Lakhs
<b>SOURCES OF FUNDS</b>		
<b>Share Holders' Funds</b>		
Share Capital	1 7,198.29	7,198.29
Reserves and Surplus	2 102,689.54	106,351.58
	109,887.83	113,549.87
<b>Loan Funds</b>		
Secured Loans	3 4,646.78	4,579.32
Unsecured Loans	4 27,253.53	19,878.85
	31,900.31	24,458.17
Long Term Trade Liabilities	2,856.82	2,966.31
<b>Total</b>	<b>144,644.96</b>	<b>140,974.35</b>
<b>APPLICATION OF FUNDS</b>		
Fixed Assets	5	
(a) Gross Block	184,968.34	172,939.38
(b) Less : Depreciation	57,294.70	53,348.02
(c) Net Block	127,673.64	119,591.36
(d) Capital Work-in-Progress	5,409.80	8,137.23
	133,083.44	127,728.59
Investments	6 7.00	6.00
Deferred Tax Assets	9,554.00	9,554.00
<b>Current Assets, Loans and Advances</b>		
(a) Inventories	7 5,393.63	4,495.35
(b) Sundry Debtors	8 43.14	1,595.61
(c) Cash and Bank Balances	9 175.55	396.93
(d) Loans and Advances	10 996.04	2,605.62
	6,608.36	9,093.51
<b>Less : Current Liabilities and Provisions</b>		
(a) Liabilities	11 3,683.91	4,475.63
(b) Provisions	923.93	932.12
	4,607.84	5,407.75
<b>Net Current Assets</b>	<b>2,000.52</b>	<b>3,685.76</b>
<b>Total</b>	<b>144,644.96</b>	<b>140,974.35</b>
Accounting Policies and Notes on Accounts	20	

The Schedules referred to above form an integral part of the Balance Sheet

As per our Report Attached For and on behalf of <b>K N Gutgutia &amp; Co.</b> Chartered Accountants <b>K C Sharma</b> Partner Membership No. 50819 Kolkata, 21st May, 2011	For and on behalf of the Board <b>S. N. Maheshwari</b> Executive Director & CEO <b>Manish Singhania</b> Chief Financial Officer	<b>Virendra Agrawal</b> Director <b>A. K. Agarwal</b> Vice President - Legal and Company Secretary
---	---	--

## CONSOLIDATED PROFIT AND LOSS ACCOUNT For the year ended 31st March, 2011

Schedule	For the year ended 31st March, 2011 Rs. Lakhs	For the year ended 31st March, 2010 Rs. Lakhs
<b>INCOME</b>		
Sales	12 16,827.62	17,630.94
Less : Excise Duty	268.84	75.20
Other Income	13 894.74	515.44
	17,453.52	18,071.18
<b>EXPENDITURE</b>		
Raw Materials & Finished Goods	14 16,027.36	16,908.59
Personnel Cost	15 144.15	164.72
Other Expenses	16 372.65	434.45
	16,544.16	17,507.76
Profit/(Loss) before interest and depreciation	909.36	563.42
Interest & Finance Charges	17 574.21	281.47
Profit/(Loss) before depreciation	335.15	281.95
Depreciation	3,950.83	3,947.67
Less : Transfer from Revaluation Reserve	3,806.95	3,806.95
	143.88	140.72
Profit/(Loss) after depreciation before exceptional items	191.27	141.23
Exceptional Items	18 (60.24)	(220.43)
Less : Transfer from brought forward Profit & Loss account (Contra)	60.24	-
Prior Period Adjustments	19 10.44	(14.57)
Profit/(Loss) after exceptional items before Tax	201.71	126.66
Provision for Tax - Refer Note 20B(15)	-	-
Profit/(Loss) after Tax	201.71	126.66
Balance brought forward from previous year	8,404.27	8,497.98
Less : Transfer to Exceptional Item (Contra)	60.24	8,344.03
Available for Appropriation	8,545.74	8,404.21
Balance carried to Balance Sheet	8,545.74	8,404.21
Earning per Share(Face value per share of Rs.10/- each) :		
Before Extraordinary items (Rs)	0.28	0.18
After Extraordinary items (Rs)	0.28	0.18
Accounting Policies and Notes on Accounts		
	20	

The Schedules referred to above form an integral part of the Profit and Loss Account

As per our Report Attached For and on behalf of <b>K N Gutgutia &amp; Co.</b> Chartered Accountants <b>K C Sharma</b> Partner Membership No. 50819 Kolkata, 21st May, 2011	For and on behalf of the Board <b>S. N. Maheshwari</b> Executive Director & CEO <b>Manish Singhania</b> Chief Financial Officer	<b>Virendra Agrawal</b> Director <b>A. K. Agarwal</b> Vice President - Legal and Company Secretary
---	---	--


**CONSOLIDATED CASH FLOW STATEMENT**

for the year ended 31st March, 2011.

	Year ended 31.03.2011 (Rs. In Lacs)	Year ended 31.03.2010 (Rs. In Lacs)	
(A) CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit (Loss) before tax and before exceptional item	201.71	126.66	
Add : Adjustments for :			
Depreciation	143.88	140.72	
Deferred Revenue Expenditure to the extent not written off/adjusted	-	271.01	
Interest Income	(5.96)	(5.69)	
Interest Expense	574.21	281.47	
Operating Profit / (Loss) before Working Capital changes	<u>913.84</u>	<u>814.17</u>	
Adjustments for:			
Trade and other receivables	3152.02	(150.71)	
Inventories	(898.28)	(3088.81)	
Trade Payable	(670.14)	536.23	
Long Term Trade Liabilities	(109.49)	(54.25)	
Cash generated from Operations	<u>2387.95</u>	<u>(1,943.37)</u>	
Direct Taxes (paid) / Refund	12.28	5.49	
Cash flow before extraordinary item	<u>2400.23</u>	<u>(1,937.88)</u>	
Exceptional item	(60.24)	(220.43)	
Net Cash Flow from Operating Activities	<u>2,339.99</u>	<u>(2,158.31)</u>	
(B) CASH FLOW FROM INVESTING ACTIVITIES			
(Purchase)/Sale of Fixed Assets	(9305.68)	(4601.63)	
Movement of Investments	(1.00)	-	
Interest Received	3.71	5.69	
Net cash used in Investing Activities	<u>(9,302.97)</u>	<u>(4,595.94)</u>	
(C) CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Secured Borrowings	67.46	3373.49	
Proceeds from Unsecured Borrowings	7374.68	3883.64	
Interest Paid	(703.98)	(281.47)	
Net Cash used in Financing Activities	<u>6,738.16</u>	<u>6,975.66</u>	
Net Increase / (Decrease) in Cash Equivalents	<u>(224.82)</u>	<u>221.41</u>	
Cash and Cash Equivalents as at 01.04.2010	396.93	175.52	
Adjustments :			
Cash and cash Equivalents of subsidiaries ceased to exist as subsidiaries during the year	3.44	-	
Cash and Cash Equivalents as at 31.03.2011	<u>175.55</u>	<u>396.93</u>	

As per our Report Attached

For and on behalf of

**K N Gutgutia & Co.**
*Chartered Accountants*
**K C Sharma**
*Partner*

Membership No. 50819

Kolkata, 21st May, 2011

For and on behalf of the Board

**S. N. Maheshwari**
*Executive Director & CEO*
**Manish Singhania**
*Chief Financial Officer*
**Virendra Agrawal**
*Director*
**A. K. Agarwal**
*Vice President - Legal  
and Company Secretary*


**SCHEDULES TO THE CONSOLIDATED ACCOUNTS**
**1. SHARE CAPITAL**

	As at 31.3.2011 Rs. Lakhs	As at 31.03.2010 Rs. Lakhs
1,00,70,000 Preference Share of Rs. 100 each (1,00,70,000)	10,070.00	10,070.00
7,43,00,000 Equity Shares of Rs10 each (7,43,00,000)	7,430.00	7,430.00
	<u>17,500.00</u>	<u>17,500.00</u>
Issued, Subscribed and fully Paid up Equity Shares of Rs.10 each		
(a) 6,15,16,308 Shares fully paid in cash (6,15,16,308)	6,151.63	6,151.63
(b) 1,99,900 Shares allotted as fully paid up (1,99,900) pursuant to a contract without payment being received in cash	19.99	19.99
(c) 1,02,66,667 Shares allotted as fully paid up (1,02,66,667) by way of bonus shares by capitalisation of reserve and share premium	1,026.67	1,026.67
	<u>7,198.29</u>	<u>7,198.29</u>

**2. RESERVES AND SURPLUS**

	As at 31.03.2010 Rs. Lakhs	Additions Rs. Lakhs	Deductions Rs. Lakhs	As at 31.3.2011 Rs. Lakhs
Capital Reserve	47.72	3.38	-	51.10
Share Premium Account	264.81	-	-	264.81
Capital Redemption Reserve Account	70.00	-	-	70.00
Revaluation Reserve	89,692.17	-	3,806.95*	85,885.22
Forfeiture of 13.5% Convertible Debentures 1989/91	1.33	-	-	1.33
General Reserve	7,871.34	-	-	7,871.34
Profit & Loss Account	8,404.27	201.71	60.24	8,545.74
<b>Total</b>	<u>106,351.64</u>	<u>205.09</u>	<u>3,867.19</u>	<u>102,689.54</u>
Previous Year	<u>106,894.30</u>	<u>3,484.66</u>	<u>4,027.38</u>	<u>106,351.58</u>

\* Transfer to Profit & Loss Account on account Rs. 3,806.95 Lakhs due to difference of depreciation on revalued assets and original assets.

**3. SECURED LOANS**

	As at 31.3.2011 Rs. Lakhs	As at 31.03.2010 Rs. Lakhs
Loans from Banks- Cash credit / overdrafts	4,295.42	4,196.45
Term Loans from Bank/ Financial Institutions	333.05	360.05
Vehicle Loan	18.31	22.82
	<u>4,646.78</u>	<u>4,579.32</u>

**4. UNSECURED LOANS**

	As at 31.3.2011 Rs. Lakhs	As at 31.03.2010 Rs. Lakhs
Fixed Deposits	802.45	892.14
Short Term Loan from Bodies Corporate	26,451.08	18,986.71
	<u>27,253.53</u>	<u>19,878.85</u>

**5. Fixed Assets**

	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As on 31.3.2010	Additions	Deductions	As on 31.3.2011	As on 31.3.2010	For the period	Adjustment/ Sale during the period	As on 31.3.2011	As on 31.3.2011	As on 31.3.2010
Freehold Land	33,843.14	-	-	33,843.14	-	-	-	-	33,843.14	33,843.14
Freehold Buildings	18,681.49	2,900.22	-	21,581.71	6,184.75	517.06	-	6,701.81	14,879.90	12,496.74
Leasehold Buildings	17.15	-	-	17.15	3.93	-	-	3.93	13.22	13.22
Plant and Machinery	119,390.10	9,109.40	-	128,499.50	46,402.43	3,403.26	-	49,805.69	78,693.81	72,987.67
Furniture and Fittings	557.84	14.87	-	572.71	539.63	0.97	-	540.60	32.11	18.21
Motor Vehicles	449.66	19.34	14.87	454.13	217.28	29.54	4.15	242.67	211.46	232.38
<b>Total</b>	<u>172,939.38</u>	<u>12,043.83</u>	<u>14.87</u>	<u>184,968.34</u>	<u>53,348.02</u>	<u>3,950.83</u>	<u>4.15</u>	<u>57,294.70</u>	<u>127,673.64</u>	<u>119,591.36</u>
Previous Year	<u>172,928.04</u>	<u>11.34</u>	<u>-</u>	<u>172,939.38</u>	<u>49,400.35</u>	<u>3,947.67</u>	<u>-</u>	<u>53,348.02</u>	<u>119,591.36</u>	
Capital Work in Progress	8,137.23	9,182.42	11,909.85	5,409.80					5,409.80	8,137.23



## SCHEDULES TO THE CONSOLIDATED ACCOUNTS

	As at 31.3.2011 Cost Rs. Lakhs	As at 31.03.2010 Cost Rs. Lakhs	As at 31.3.2011 Rs. Lakhs	As at 31.03.2010 Rs. Lakhs
<b>6. INVESTMENTS (At cost) (Long term)</b>				
<b>A. Quoted :</b>				
<b>Non-Trade :</b>				
Equity Shares - fully paid				
7,418 Master shares of Rs.10 each of				
Unit Trust of India	1.00	1.00		
<b>TOTAL (A)</b>	<u>1.00</u>	<u>1.00</u>		
<b>B. Unquoted :</b>				
<b>Others :</b>				
40, 7% Debentures fully paid of				
Royal Calcutta Golf Club Ltd.	1.00	1.00		
5,000 Equity Shares of GBP 1 each				
fully paid of Global Finvest Ltd.	4.00	4.00		
10,000 Equity Shares of Rs.10 each				
fully paid of Wizer Advertising Pvt. Ltd.	1.00	-		
<b>TOTAL (B)</b>	<u>6.00</u>	<u>5.00</u>		
<b>TOTAL (A+B)</b>	<u><u>7.00</u></u>	<u><u>6.00</u></u>		
Aggregate Market Value of Quoted Investments	2.19	2.25		
Aggregate Book Value of Quoted Investments	1.00	1.00		
<b>7. INVENTORIES</b>				
Raw materials	4,496.15	2,903.52		
Work-in-progress	235.43	253.11		
Finished Goods	154.40	822.53		
Stock in Transit	60.69	73.52		
Stores and spares	96.96	92.67		
Immovable Property	350.00	350.00		
	<u>5,393.63</u>	<u>4,495.35</u>		
<b>8. SUNDRY DEBTORS (UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE STATED)</b>				
Debts outstanding for a period exceeding six months :				
Considered Good			35.35	566.12
Considered Doubtful			-	-
Other Debts - Considered Good			7.79	1,029.49
			<u>43.14</u>	<u>1,595.61</u>
<b>9. CASH AND BANK BALANCES (As certified by the Management)</b>				
Cash in hand			5.00	7.44
Remittance in Transit			-	28.60
With Scheduled Banks				
On Current accounts			24.34	190.46
Fixed Deposit with Bank				
- In Deposit Account*			79.07	79.48
- In Margin Deposit Account			67.14	90.95
(*Pledged with various authorities)			<u>175.55</u>	<u>396.93</u>
<b>10. LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD, UNLESS OTHERWISE STATED)</b>				
Loans and Advances (Recoverable in cash or kind or value to be received)				
Considered Good			978.32	2,590.15
Interest accrued on Bank deposits			17.72	15.47
			<u>996.04</u>	<u>2,605.62</u>
<b>11. CURRENT LIABILITIES</b>				
Sundry Creditors				
- Suppliers of Goods & Services			601.83	2,372.71
- Advance From Customers			755.60	551.27
- Deposits			684.65	750.60
- Others			1,641.83	3,683.91
Provisions for Gratuuity			923.93	801.05
			<u>4,607.84</u>	<u>4,475.63</u>
			<u>932.12</u>	<u>932.12</u>
			<u>5,407.75</u>	<u>5,407.75</u>


**SCHEDULES TO THE CONSOLIDATED ACCOUNTS**
**12. SALES**

Product Group	Unit	31.03.2011		31.03.2010	
		Quantity (000)	Value Rs. Lacs	Quantity (000)	Value Rs. Lacs
Automotive Tyres	No.	32	3,098.55	20	1,354.63
Automotive Tubes	No.	-	-	-	-
Braided & Hydraulic Brake Hoses	Mtr.	27	25.14	9	7.57
Transmission Belting	Mtr.	2	39.33	1	10.09
Traded Automotive Tyres	No.	125	13,301.10	178	16,121.98
Traded Automotive Tubes	No.	30	267.11	14	107.87
Others			96.39		28.80
			<u>16,827.62</u>		<u>17,630.94</u>
Less : Excise Duty on Despatch			268.84		75.20
			<u><u>16,558.78</u></u>		<u><u>17,555.74</u></u>

**13. OTHER INCOME**

	31.03.2011 Rs. Lakhs	31.03.2010 Rs. Lakhs
Liability Written back	83.17	132.96
Royalty	-	18.63
Sale of Scrap	114.87	77.10
Income from Job Work (TDS Rs. 12.06 lakhs P.Y. 5.34 lakhs)	615.08	264.72
Remission on Sales Tax/VAT	43.07	-
Miscellaneous	32.59	16.34
Interest on Bank Fixed Deposit (TDS Rs. 0.22 lakhs P.Y. 0.15 lakhs)	5.96	5.69
	<u>894.74</u>	<u>515.44</u>

**14. RAW MATERIALS**

	31.3.2011 Rs. Lakhs		31.03.2010 Rs. Lakhs	
Opening Stock As on 1.4.10				
Raw Materials	2,903.52		517.70	
Work-in-Progress	253.11		59.11	
Finished Goods	822.53	3,979.16	63.37	640.18
Add : Purchases				
Raw Materials	3,460.63		4,324.70	
Finished Goods	13,473.55	16,934.18	15,922.87	20,247.57
Deduct :				
Closing Stock As on 31.3.2011				
Raw Materials	4,496.15		2,903.52	
Work-in-Progress	235.43		253.11	
Finished Goods	154.40	4,885.98	822.53	3,979.16
		<u>16,027.36</u>		<u>16,908.59</u>

**15. PERSONEL COST**

	For the year ended 31.03.2011 Rs. Lakhs	For the year ended 31.03.2010 Rs. Lakhs
Salaries, Wages and Bonus etc.	117.18	106.70
E R S	10.99	31.84
Provident Fund, Gratuity Fund and Other Superannuation Scheme etc.	11.04	19.81
Employees' State Insurance	3.05	2.16
Workmen and Staff Welfare Expenses	1.89	4.21
	<u>144.15</u>	<u>164.72</u>

**16. OTHER EXPENSES**

	31.03.2011 Rs. Lakhs	31.03.2010 Rs. Lakhs
Conversion Charges	0.33	166.93
Fuel, light and water	58.31	39.29
Consumption of stores & spare parts	6.12	8.54
Repairs : Buildings	0.60	1.65
Machinery	0.85	4.40
Others	<u>1.16</u>	<u>3.55</u>
Rent	29.63	26.41
Rates and Taxes	2.86	7.08
Insurance	6.11	7.13
Rebates,Discount & Commission	179.40	61.71
Freight & Delivery Charges	47.13	14.42
Directors' Sitting Fees	2.10	2.15
General Expenses	38.05	91.19
	<u>372.65</u>	<u>434.45</u>

**17. FINANCING CHARGES**

	31.03.2011 Rs. Lakhs	31.03.2010 Rs. Lakhs
Loan Processing Fees & Charges	-	41.70
Interest on Loan	574.21	239.77
	<u>574.21</u>	<u>281.47</u>

**18. EXCEPTIONAL ITEMS**

	31.03.2011 Rs. Lakhs	31.03.2010 Rs. Lakhs
Liabilities not known in earlier years now paid	(60.24)	(2.84)
Stamp Duty recoverable now written off	-	(717.59)
Reunciation of tenancy rights	-	500.00
	<u>(60.24)</u>	<u>(220.43)</u>

**19. PRIOR PERIOD ADJUSTMENTS**

	31.03.2011 Rs. Lakhs	31.03.2010 Rs. Lakhs
Expenses of Previous year	(0.96)	(14.57)
Reversal of Earlier year Expenses	30.99	-
Reversal of Earlier year Income	(19.59)	-
	<u>10.44</u>	<u>(14.57)</u>



**20. Accounting Policies and Notes to the Accounts**

**A. a) Principles of Consolidation**

The Consolidated Financial Statements of Dunlop India Ltd. ("the Company") and its subsidiary companies have been prepared in accordance with Accounting Standard (AS 21) on Consolidated Financial Statements issued by The Institute of Chartered Accountants of India (the ICAI).

The Consolidated Financial Statements relate to Dunlop India Limited and its subsidiary incorporated in India, viz., Ebony Commercial Private Limited.

The basis of the preparation of the Consolidated Financial Statements is as follows :

- The financial statements (the Balance Sheet and Profit & Loss Account) of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances and transactions and the resulting unrealised profits or losses. A company viz Wazir Advertising Private Limited ceased to be subsidiary company of the holding company from 31<sup>st</sup> March, 2011. and respective adjustments have been made.
- The financial statements of subsidiaries used in the consolidation are drawn upto 31st March, 2009, the same reporting date as that of the Company.
- The subsidiaries being wholly owned, no Goodwill / Capital Reserve and Minority interest have arisen.

b) Accounting Policies of the Company and its subsidiaries is set out in their respective financial statements.

**B. NOTES TO THE ACCOUNTS**

	31.03.2011 (Rs. in lacs)	31.03.2010 (Rs. in lacs)
1) Contracts remaining to be executed : Estimated amount of contracts remaining to be executed on Capital Account and not provided for- net of advance payments.	-	75.00
2) Contingent Liabilities (to the extent ascertainable) Claims against the Company not acknowledged as debts	-	-
a) Sales Tax Demands under appeal or otherwise disputed	14904.06	17902.82
b) Income tax matters in appeal	400.00	400.00
c) In respect of guarantee issued in favour of WBSEDCL.	145.20	145.20
d) In respect of corporate guarantee issued on behalf of group companies	6063.05	5783.40
e) In respect of Trade Finance facilities availed and assignment of factored debtors	3362.71	3422.94

3. In respect of the sale proceeds of Rs.70 lacs realized from a certain party in earlier years, the Company deposited the amount with the Chennai High Court, and out of the same, a sum of Rs.35 lacs has been utilized for payment of outstanding dues of employees. The balance lying with the court is pending adjudication.

**4. Loan Fund Include :**

- a. Cash credit/Overdraft are secured by hypothecation of inventories, book debts and all other current assets related to company's manufacturing unit at Sahaganj, both present and future liability of Rs 3545.42 lakhs from Central Bank of India are further secured by hypothecation of moveable fixed assets and equitable mortgage on land situated at Sahaganj.
- b. Term loans from KSIIDC of Rs.333.05 lacs are secured by an equitable mortgage of land at Mysore and immovable property of the company situated at Kolkata.
- c. Vehicle loans from Banks/NBFC are secured by way of hypothecation of vehicles.
- d. No provision has been made for Interest on loans from Catholic Syrian Bank and KSIIDC in the books of accounts. The company is in the process of making one time settlement with respective parties.

5. Fixed Deposits were accepted till 1997 and have fallen due for repayment with earlier management. In terms of the order received from the Company Law Board, this will be dealt with as per the directions received from the appropriate Authority. However the present management has paid Rs.342.88 lakhs (P.Y. 253.19 lakhs) after takeover to the FD holders.

6. Present Directors are not disqualified in terms of Section 274(1)(g) of the Companies Act, 1956, as legally advised.

7. As per the opinion obtained by the company no depreciation has been charged on the Assets amounting to Rs. 29384.14 lakhs (P.Y.17443.07 lakhs) capitalized till 31.3.11 and not put to use.



8. Particulars in terms of the regulation/ directions issued by SEBI :

a. The companies in the group as disclosed below are directly/indirectly controlled by the Ruia Group of Companies under the chairmanship of Sri Pawan Kumar Ruia and its various subsidiary/associate companies which held the controlling stake in the Company during the year ended 31<sup>st</sup> March 2011 :

- i. Holding Company : Wealth Sea Pte. Ltd. (Singapore) through DIL Rim and Wheel Corporation Limited, Mauritius.
- ii. Subsidiaries: Ebony Commercial Pvt Ltd.
- iii. Associate/Group Companies : 1) Aakashdeep Properties Pvt Ltd 2) Acurate Traders Pvt Ltd 3) Adhishwar Nivesh Pvt Ltd 4) Ajit Commercials Pvt Ltd 5) Alpha Airways Pvt Ltd 6) Always Properties & Finance Pvt Ltd 7) American Merchandising Ltd 8) Anchita Commercials Pvt Ltd 9) Angan Properties Pvt Ltd 10) Aniket Traders Pvt Ltd 11) Anish Traders Pvt Ltd 12) Anoush Traders Pvt Ltd 13) Anumala Traders Pvt Ltd 14) Aparupa Properties Pvt. Ltd. 15) Ayodhya Properties & Finance Pvt Ltd 16) Ballard Commercials Pvt Ltd 17) Banalata Traders Pvt Ltd 18) Bandana Commercials Pvt Ltd 19) Beadon Traders Pvt Ltd 20) Bengal Institute of Neurosciences Ltd 21) Bharat Vidyut Co. Ltd 22) Bharatiya Hotels Pvt Ltd 23) Bipul Commercials Pvt Ltd 24) Blackstone Holdings Pvt Ltd 25) Blessings Commercials Pvt Ltd 26) Bloom Billions Sdn Bhd- Malaysia 27) Borneo Traders Pvt Ltd 28) Brawany Nivesh Pvt Ltd 29) BTR Sealing System UK Ltd – UK 30) Camac Traders Pvt Ltd 31) Chaity Commercials Pvt Ltd 32) Chaman Trade Links Pvt Ltd 33) Chambal Marketing Pvt Ltd 34) Chemical Corporation of India Ltd 35) Chinsurah Chemicals Pvt Ltd 36) Chorus Trade Links Pvt Ltd 37) Climber Properties Pvt. Ltd. 38) California Auto Tyres Pvt Ltd 39) D K Properties Pvt Ltd 40) Dadar Properties & Finance Pvt Ltd 41) Deblok Traders Pvt Ltd 42) Deoghar Properties & Finance Pvt

Ltd 43) Dhan E Commerce Pvt Ltd 44) Durg Properties & Finance Pvt Ltd 45) Dipti Commercials Pvt Ltd 46) Divya Mercantile Ltd 47) Double Plus Software Pvt Ltd 48) Draftex Automotive, GMBH 49) Dunlop Estates Pvt Ltd 50) Dunlop Infrastructure Pvt Ltd 51) Dunlop Investments Ltd. 52) Dunlop Latex Foam Europe Ltd 53) Dunlop Polymers Pvt Ltd (Formerly Jacob & Jacob Polymer Pvt Ltd) 54) Dunlop Properties Pvt Ltd 55) Dunlop Rubber Ltd 56) Dunlop Tyres Ltd 57) Dunlop UK - Ltd UK 58) Eco Traders Pte Ltd 59) Edina Marketing Pvt Ltd 60) Electric Corporation of India Ltd 61) Eloit Mercantile Pvt Ltd 62) eMotions Media Pvt Ltd 63) Empire Minerals Pvt Ltd 64) Enormous Nivesh Pvt Ltd 65) Eyelid Mercantile Pvt Ltd 66) Fragment Nivesh Pvt Ltd 67) Fabulous Nivesh Pvt Ltd 68) Falcon Tyres Ltd. 69) Falcon Tyres & Rubber Pvt Ltd 70) Falcon Tyres Impex Pvt Ltd 71) Fiber Foam (Bombay) Pvt Ltd 72) Gyan Website Pvt Ltd 73) Gain E-Commerce Pvt Ltd 74) Gain Dot Com Pvt Ltd 75) Global Finvest Ltd - UK 76) Globe Sugar Refinery Ltd 77) Goldman Stock & Share Brokers Ltd 78) Global Fin Pro Ltd 79) Goldman Securities Ltd 80) Gumasol Rubber Tec GMBH 81) Hriday Commercials Pvt Ltd 82) Hardcore Viniyog Pvt Ltd 83) Herald Investments Pvt Ltd 84) Himadri Properties Pvt Ltd 85) Hindustan Bauxite Ltd 86) Hindustan Texknit Pvt Ltd 87) Hirakud Industrial Works Ltd. 88) Hirakud Rolling Mill Ltd. 89) Hiland Traders Pvt Ltd 90) Hiker Properties Pvt. Ltd. 91) Indo-Wagon Engineering Ltd. 92) Ibccon(Calcutta) Pvt Ltd 93) India Finance Ltd 94) India Tyre & Rubber Co (India) Ltd. 95) Janaki Marketing Pvt Ltd 96) Jessop & Co. Ltd. 97) Jessop Infotech Pvt Ltd 98) Jessop Shipyard Limited 99) Jessop Estate Pvt Ltd 100) Jessop Properties Pvt Ltd 101) Jessop Infrastructure Pvt Ltd 102) Jessop Wagons & Coaches Ltd 103) Jai Vaibhav Niketan Pvt. Ltd. 104) Jai Brijmohan Niketan Pvt. Ltd 105) Jai Harihor Tower Pvt. Ltd. 106) Jai Raghuvir



Enclave Pvt. Ltd. 107) Jai Ganga Nirman Pvt. Ltd. 108) Jai Badrinath Niketan Pvt. Ltd. 109) Jai Tridev Vihar Pvt. Ltd. 110) Jai Gokul Towers Pvt. Ltd. 111) Kulu Properties & Finance Pvt Ltd 112) Kailash Enterprises ( New Delhi) Pvt Ltd 113) Kamlapur Alcohol Ltd 114) Kamlapur Sugar & Industries Ltd 115) Kanti Commercials Pvt Ltd 116) Kothi Lefin Pvt Ltd 117) Lona Commercials Pvt Ltd 118) Liluah Ceramics Pvt. Ltd. 119) Manjari Properties Pvt. Ltd. 120) Mahant Merchandise Pvt Ltd 121) Manali Properties & Finance Pvt. Ltd. 122) Malini Properties Pvt. Ltd. 123) Manavendra Commercials Pvt Ltd 124) Mandhatri Traders Pvt Ltd 125) Manidipa Properties Pvt. Ltd. 126) Mayank Services Ltd 127) Metro Developers Ltd. 128) Metropole Hills Hotel Pvt. Ltd. 129) Monarch Exim Pvt Ltd 130) Monotona Tyres Ltd. 131) Moulishree Electricals & Electronics Ltd 132) Mridula Marketing Pvt Ltd 133) Mudrika Commercials Pvt. Ltd. 134) Mugdha Properties Pvt Ltd 135) Nevadita Properties Pvt Ltd 136) Nandan Suppliers & Contractors Pvt Ltd 137) Nandini Properties Pvt Ltd 138) Our Films Productions Pvt Ltd 139) Ocean Cement Ltd 140) Ocean Constructions Pte Ltd 141) Olivia Tours & Travels Pvt Ltd 142) OM Cotex Ltd (Formerly Ruia Cotex Ltd) 143) Onix Business Services Ltd 144) Payneganga Sugars & Chemicals Ltd 145) P.K. Constructions Pvt Ltd 146) Pacific Apparels Ltd. 147) Pacific Website Pvt Ltd 148) Pallavi Manufacturers Pvt Ltd 149) Parnika Marketing Pvt Ltd 150) Pawan Herbals Pvt. Ltd. 151) Power Corporation of India Ltd 152) Rose Investment Ltd-Mauritius 153) Radient Investment Ltd-Mauritius 154) Raghav Industries Ltd. 155) Rapid Investment Ltd – Mauritius 156) Renuka Resorts Pvt Ltd 157) Resource Cement Ltd 158) Rose E-Commerce Pvt Ltd 159) Ruia & Sons Pvt Ltd 160) Ruia Global Nivesh Pvt Ltd (Formerly SPR Textiles Pvt. Ltd.) 161) Ruia Agro Products Pvt. Ltd. 162) Ruia Hospital & Educational Research Institution 163) Ruia Corporate Services Pvt Ltd 164) Ruia

Electronics Pvt Ltd 165) Ruia Global Fasteners AG 166) Ruia Holding –GMBH 167) Ruia Hotels Pvt Ltd 168) Ruia Iron & Steel Co. Pvt Ltd 169) Ruia Marketing Ltd 170) Ruia Overseas Pvt. Ltd 171) Ruia Properties GMBH 172) Ruia Technologies Ltd 173) Ryham Pte Ltd - Singapore 174) Sanjose Polymers Pvt Ltd. 175) Sarvan Commercials Pvt Ltd 176) Sayaji Marketing Pvt Ltd 177) Shakambari Communications Pvt Ltd 178) Shalimar Towers Pvt Ltd 179) Shankar Traders & Dealers Ltd 180) Sheetal Exports Ltd 181) Shresth (India) Pvt Ltd 182) Skypak Properties & Finance Pvt Ltd 183) SPR Sugar & Chemicals Ltd 184) Stephen Financial Services Pvt Ltd 185) Sterling Share Brokers (P) Ltd 186) Subhlaxmi Compusis Pvt Ltd 187) Sugandha Industries Pvt Ltd 188) Sukaram Marketing Ltd. 189) Schlegel Automotive Europe Ltd - UK 190) Schlegel Automotive India Pvt.Ltd 191) Securities Brokers India Ltd. 192) Shalini Properties & Developers Pvt. Ltd. 193) Spices Valley Estates Ltd. 194) SPR Resorts Ltd. 195) Sagarika Properties Pvt Ltd 196) Subhra Marketing Ltd. 197) Surag Commercials Pvt Ltd 198) Suryamani Financing Company Ltd. 199) Satarupa Properties Pvt. Ltd. 200) Tribhuban Marketing Pvt Ltd 201) Tulip Machineries Pvt Ltd 202) U.P.Bio Chem Ltd 203) U.P.Hydro Projects Ltd 204) Udbav Commercials Pvt Ltd 205) Ventura Project Pvt Ltd 206) Vidyut Petrochem Pvt Ltd 207) Vilas Marketing Pvt Ltd 208) Wealth Filed Pte Ltd. 209) Walker Properties Pvt Ltd 210) Wealth Valley Pte.Ltd 211) Wealthsea Ltd - Mauritius 212) Wizer Advertising Pvt Ltd 213) Wealth overseas Pte Ltd-Singapore 214) Wealth ocean Pte Ltd-Singapore 215) Yamuna Website Pvt Ltd 216) Zeal Infotech Pvt Ltd 217) Zipco Industrial Finance Pvt. Ltd.

iv . Key Management Personnel :

Mr. R K Budhiraja, Executive Director  
(till May 10, 2010)

Mr. S N Maheswari, Executive Director



b) The Company's related party transactions during the year and outstanding balances as at 31st March, 2011 are as below : (Rs. in Lakhs)

Particulars	Associates		Key Management Personnel		Total	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Income						
-Falcon Tyres Ltd	630.08	264.72			630.08	264.72
Sales - Raw Material & Finished Goods :						
- India Tyre & Rubber Company	66.22	17.66			66.22	17.66
- Falcon Tyre Impex (P) Ltd.	602.61	813.24			602.61	813.24
- Falcon Tyres Ltd		15.42				15.42
Purchases						
- Raw Material & Finished Goods						
- Monotona Tyres Ltd.	37.62	56.96			37.62	56.96
Remuneration						
- Mr D P Dani				23.67		23.67
- Mr. R K Budhiraja			5.55	16.68	5.55	16.68
- Mr. S N Maheswari			33.50		33.50	
Assets						
Expenses paid by the Company on behalf of the Associates which is adjusted against either expenses paid by the associates on behalf of the Company or reimbursed :						
- Falcon Tyres Ltd		68.83				68.83
- Suryamani Finacing Co Ltd		412.12				412.12
Purchase of Fixed Assets						
- Tulip Machineries (P) Ltd	1278.62				1278.62	
Liabilities						
Expenses paid by the Associates on behalf of the Company which is adjusted against either paid by the Company or reimbursed :						
- Ruia Sons Pvt Ltd	204.58	79.78			204.58	79.78
- Falcon Tyres Ltd	0.57	19.87			0.57	19.87
- Ruia Corporate Services (P) Ltd	193.03				193.03	
- Monotona Tyres Ltd.		468.21				468.21
- Dunlop Rubber Ltd	0.14				0.14	
Unsecured Loan Taken						
- Ruia Sons Pvt Ltd	695.64				695.64	
- India Finance Ltd	6,039.50	1,760.25			6039.50	1760.25
- Falcon Tyres Ltd	1,950.00				1950.00	
Balances Outstanding :						
As Credit Balance						
Unsecured Loan						
- Suryamani Finacing Co Ltd	4128.46	4128.46			4128.46	4128.46
- India Finance Ltd	18388.47	12348.98			18388.47	12348.98
- Falcon Tyres Ltd	1,950.00				1950.00	
- Ruia Sons Pvt Ltd	695.64				695.64	
Current Liabilities						
- Falcon Tyres Ltd	422.67	181.76			422.67	181.76
- Dunlop Rubber Ltd	0.14				0.14	
- Zeal Infotech (P) Ltd	0.36	0.42			0.36	0.42
- Ruia Corporate Services (P) Ltd	0.75				0.75	
- Ruia Sons Pvt Ltd	201.53	3.04			201.53	3.04
As Debit Balance						
Debtors						
Falcon Tyres Ltd	0.44	15.42			0.44	15.42
Falcon Tyres Impex (P) Ltd		16.50				16.50
India Tyre & Rubber Co. (India) Ltd.		2.12				2.12
Loans & Advances						
- Falcon Tyres Impex (P) Ltd	120.43				120.43	
- Falcon Tyres Ltd	48.39	48.96			48.39	48.96



	For the Year ended 31.03.2011 (Rs. Lacs)	For the Year ended 31.03.2010 (Rs. Lacs)
9. Auditors' Remuneration and Expenses :		
a) Statutory Audit Fees	1.25	1.00
Tax Audit Fees	0.31	0.25
Other Certification, etc.	1.39	1.10
	<u>2.95</u>	<u>2.35</u>
b) Cost Audit Fees	0.35	0.35
Total	<u>3.30</u>	<u>2.70</u>
10. Directors' Remuneration :		
Salary and Allowances	35.38	35.95
Estimated value of other benefits	3.68	4.40
	<u>39.06</u>	<u>40.35</u>

11. The Company had recognized deferred tax asset as on 31.03.2007 on account of carried forward business losses and unabsorbed depreciation under Income Tax Act, 1961. This was adjusted against General Reserve. The Company has filed a petition on 11<sup>th</sup> March, 2010 before Hon'ble Calcutta High Court seeking extension of carry forward losses period beyond 8 years because the Company was under BIFR. Pending decision, Rs 3358 lakhs, which was adjusted against General Reserve in 2007-08 & 2008-09 was brought back to General Reserve in 2009-10.

The break-up of Deferred Tax Assets :

	2010-11 (Rs in lakhs)	2009-10 (Rs in lakhs)
43 B items under Income Tax Act, carried forward loss and unabsorbed depreciation	9740.00	9740.00
Deferred Tax Liabilities :		
Depreciation	186.00	186.00
Net Deferred Tax Assets	9554.00	9554.00

12. Refurbishment work for reaching of optimum production capacities is in progress at both the plants of the Company at Sahaganj and Ambattur. Expenses on such Refurbishment work including interest and overheads as are allocable to reach optimum production capacities amounting to Rs.3810.48 lakhs (P.Y. Rs. 4553.30 Lakhs) have been capitalized during the year.

13. Company revalued its Fixed assets last on 31.3.2007 by approved valuers on 'Open Market Value Method / Net Replacement Value Method' and consequential increase in value of fixed assets amounting to Rs 107207 lakhs has been added to Revaluation Reserve. Differential depreciation on asset is being adjusted against Revaluation Reserve amounting to Rs. 3806.95 lakhs (P.Y. 3806.95 lakhs).

14. Defined contribution plan

Reconciliation of opening and closing balances of the present value of Deferred Benefit Obligation in respect of Gratuity :

	(Rs in lacs)	
Particulars	2010-11	2009-10
i) Change in Defined Benefit Obligation		
1) DBO at beginning of the period	932.12	802.36
2) Service Cost	76.16	79.39
3) Interest Cost	67.48	56.38
4) Plan Amendments Cost / (Credit)	23.08	-
5) Actuarial Losses / (Gains)	(74.91)	54.14
6) Benefit Payments	(100.00)	(60.15)
7) DBO at closing of the period	923.93	932.12
ii) Change in Fair Value of Assets		
1) Fair value of Plan Assets at beginning of the period	N.A	N.A
2) Expected return on plan assets	N.A	N.A
3) Actual Company Contributions	100.00	60.15
4) Benefit Payments	(100.00)	(60.15)
5) Fair value of Plan Assets at closing of the period	-	-
iii) Net Asset / (Liability) Recognised in Balance Sheet-31.3.2011		
1) Present Value of Defined Benefit Obligation	923.93	932.12
2) Fair Value of Plan Assets	-	-
3) Funded Status {Surplus / (Deficit)}	(923.93)	(932.12)
4) Net Asset / (Liability) recognised in the Balance Sheet	(923.93)	(932.12)
iv) Disclosure of Employer expenses		
1) Current Service Cost	76.16	79.39
2) Interest Cost	67.48	56.38
3) Expected Return on Plan Assets	-	-
4) Plan Amendments Cost / (Credit)	23.08	-
5) Actuarial Losses / (Gains)	(74.91)	54.14
6) Total employer expense recognised as expenses	91.81	189.91
v) Assumptions		
1) Discount Rate	8.00%	7.30%
2) Expected Return on Plan Assets	N.A	N.A

15. Based on the legal opinion obtained by the Company that the provisions of the Section 115JB of the Income Tax Act., 1961 are not applicable to the Company, no provision has been made for taxation in these accounts in view of huge carried forward business losses as per the Income Tax Act., 1961.

16. a) None of the supplier have reported Micro, Small and Medium Enterprises status as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to whom the company owes dues.



b) Confirmation of balances has been sought from sundry creditors, sundry debtors and loans & advances given to parties. Confirmations are awaited.

17. Company recognized all the known liabilities related to pre take over period but there may be still some liabilities which are not known to Company. As and when they will arise company will contest and provide the same on determination.

18. Income and Expenditure in Foreign Currency

	For the Year ended 31.03.2011 (Rs. Lacs)	For the Year ended 31.03.2010 (Rs. Lacs)
Income :		
FOB Value of Exports	-	-
Royalty	-	18.63
Expenditure :		
Clf Value of Imports -		
- Finished Goods	-	-
- Capital Goods	-	-
- Raw Materials	-	-
- Stores & Spares	-	1.72
Technical & Professional Fee	-	-
Travelling and other expenses	-	-

19. Future payment liability in respect of HP loan for Vehicles as per AS19 is as follows :

	(Rs. Lacs)
2011-12	8.23
2012-13	6.58
2013-14	3.50
	<b>18.31</b>

20. Accounting Standard 20 on Earning Per Share issued by The Institute of Chartered Accountants of India, the Earning Per Share have been calculated as below :

Particulars	For the Year ended 31.03.2011	For the Year ended 31.03.2010
-------------	-------------------------------------	-------------------------------------

Basic and Diluted Earning / (Loss) Per Share Before Extraordinary Items		
No of Shares Outstanding for the period	7,19,82,875	7,19,82,875
Face Value of each Share (Rs)	10	10
Net Profit / (Loss) after Tax (Rs. Lacs)	201.71	126.66
Add / (Less) : Extraordinary Items (Rs. Lacs)	-	-
Net Profit / (Loss) after Tax for calculation of Earning / (Loss) per Share before extraordinary items (Rs. Lacs)	201.71	126.66
Basic and Diluted Earning / (Loss) Per Share Before Extraordinary Items (Re)	0.28	0.18
Basic and Diluted Earning / (Loss) Per Share After Extraordinary Items		
No of Shares Outstanding for the period	7,19,82,875	7,19,82,875
Face Value of each Shares (Rs)	10	10
Net Profit / (Loss) after Tax (Rs. Lacs)	201.71	126.66
Basic and Diluted Earning / (Loss) Per Share After Extraordinary Items (Re)	0.28	0.18

21. Previous year's figures have been regrouped / re-arranged wherever necessary.

As per our Report Attached	For and on behalf of the Board	
For and on behalf of		
<b>K N Gutgutia &amp; Co.</b>	<b>S. N. Maheshwari</b>	<b>Virendra Agrawal</b>
<i>Chartered Accountants</i>	<i>Executive Director &amp; CEO</i>	<i>Director</i>
<b>K C Sharma</b>		
<i>Partner</i>	<b>Manish Singhania</b>	<b>A. K. Agarwal</b>
Membership No. 50819	<i>Chief Financial Officer</i>	<i>Vice President - Legal</i>
Kolkata, 21st May, 2011		<i>and Company Secretary</i>

**STATEMENT PURSUANT TO SECTION 212(8) OF THE COMPANIES ACT, 1956 RELATED TO ITS SUBSIDIARY COMPANY - EBONY COMMERCIALS PRIVATE LIMITED FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2011**

a) Capital	2.05
b) Reserve & Surplus	51.45
c) Total Assets	53.50
d) Total Liabilities	53.50
e) Details of Investments (except in case of investment in subsidiaries)	Nil
f) Turnover Other Income	0.91
g) Profit before Taxation	(0.01)
h) Provision for Taxation	-
i) Profit after Taxation	(0.01)
j) Proposed Dividend	Nil

**Note :**

1) Pursuant to General Circular Nos. 2/2011 dated 8th February, 2011 and 3/2011 dated 21st February, 2011 both issued by the Ministry of Corporate Affairs, Government of India, New Delhi, Annual Accounts and the related detailed information of the aforesaid Subsidiary Company are not attached herewith but the same shall be made available to the Company's Shareholders seeking such information at any point of time.

The Company will furnished the hard copy of details of Accounts of the aforesaid Subsidiary to any Shareholder on demand, who desures to obtain the same from the Company.

2) Annual Accounts of the aforesaid Subsidiary Company is available for inspection at the Corporate Office of the Company on all working days up to the date ensuring Annual General Meeting between 11.00 a.m. and 1.00 p.m.



**DUNLOP INDIA LIMITED**

Registered Office :  
"King's Court", Flat Nos. 14 & 18,  
46B, Chowringhee Road, Kolkata - 700 071

Corporate Office :  
'Ruia Centre'  
46, Syed Amir Ali Avenue, Kolkata - 700 017

18th June, 2011

Dear Shareholder

Re : 1) Request to furnish / register your e-mail address; and  
2) to convert your shareholding in dematerialized form

1. The Ministry of Corporate Affairs, Government of India, New Delhi ("MCA"), in pursuance of "Green Initiative in the Corporate Governance" has issued Circular Nos. 17/2011 dated 21st April, 2011 and 18/2011 dated 29th April, 2011 stating therein that the service of documents by a Company to its Shareholders can be made through electronic mode. **Serving of documents to Shareholders through electronic mode ensures receipt of notices / documents etc timely, promptly and without any loss in postal transit by the Shareholders.**

Keeping in view of the above Circulars, the Company proposes that henceforth documents like Notice of the Annual General Meeting, Annual Reports, Directors' Report, Auditors' Report and other Shareholder communication will be sent to the Shareholders electronically to their e-mail address provided by them to the Company or its RTA.

**In case of availability of e-mail address of Shareholders, the Company will also be able to send its various schemes and offers to the Shareholders at their e-mail addresses from time to time in future which will be advantageous to the Shareholders.**

**You are therefore requested to furnish / register your e-mail address immediately either by sending letter to us at our Corporate Office Address at "Ruia Centre", 46 Syed Amir Ali Avenue, Kolkata 700017 or by e-mail to us at our E-mail Id : ashok.agarwal@dunlop.co.in or by sending letter to our Registrar & Share Transfer Agent (RTA) – M/s CB Management Services (P) Limited, P-22, Bondel Road, Kolkata – 700019 or by e-mail to our RTA at their E-mail Id : rta@cbmsl.com so that all aforesaid communications / documents can be sent to you electronically at your e-mail address.**

2. The Members, who are still holding the Company's equity shares in physical form and have not converted their shareholding in dematerialized form, **are once again requested to convert their equity shares from physical form to dematerialized form** as the same will provide adequate facility in trading in the Company's scrip at Stock Exchange in future.

Yours faithfully  
For Dunlop India Limited

**A. K. Agarwal**  
VP-Legal & Company Secretary



# **DUNLOP INDIA LIMITED**

**Registered Office :**

"King's Court", Flat Nos. 14 & 18, 46B, Chowringhee Road, Kolkata - 700 071

**EIGHTY FOURTH ANNUAL GENERAL MEETING ON SATURDAY, 10TH SEPTEMBER , 2011 AT 11:30 A.M. AT THE BALLROOM, THE OBEROI GRAND, 15, JAWAHARLAL NEHRU ROAD, KOLKATA - 700013**

A Member/Proxy wishing to attend the Meeting must complete this Admission Slip and hand it over at the entrance of the Meeting Hall. If you intend to appoint a Proxy, please complete the Proxy Form below and deposit it at the Company's Registered Office / Corporate Office at least 48 hours before the Meeting.

Please bring your copy of the enclosed Annual Report.

CHILDREN ARE NOT ALLOWED

I hereby record my presence at 84th Annual General Meeting

Name of Proxy (if any) in Block Letters

Signature of Member/Proxy

FOLIO NO. :

**ADMISSION SLIP**



# **DUNLOP INDIA LIMITED**

**Registered Office :**

"King's Court", Flat Nos. 14 & 18, 46B, Chowringhee Road, Kolkata - 700 071

I/We .....  
of.....  
being a Member/s of Dunlop India Limited (Folio No.....) hereby appoint.....  
..... of..... or failing  
him..... of.....  
as my/our Proxy to attend and vote for me/us and on my/our behalf at the 84th Annual General Meeting of the Company to be held on 10th September, 2011 and at any adjournment thereof.

As witness my/our hand/s this..... day of..... 2011

Affix  
one rupee  
Revenue  
Stamp here

Signed by the said.....

**Note :**

**This Proxy Form duly completed must be received at the Company's Registered Office/Corporate Office at least 48 hours before the Meeting.**

**PROXY FORM**

**BOARD OF DIRECTORS**

Mr. Pawan Kumar Ruia  
 Mr. Ram Krishen Sadhu  
 Mr. Dipak Rudra  
 Mr. Mohan Lall Chauhan  
 Mr. Virendra Kumar Agrawal  
 Mr. Damodar Prasad Dani

**BANKERS**

Central Bank of India  
 ICICI Bank  
 Indusind Bank  
 State Bank of India

**VICE PRESIDENT – LEGAL & COMPANY SECRETARY**

Mr. Ashok Kumar Agarwal

**REGISTRAR AND SHARE TRANSFER AGENT**

CB Management Services (P) Limited  
 P-22, Bondel Road, Kolkata - 700 019  
 Telephone : (033) 22806692/6693/6694/2486  
 (033) 40116700  
 Fax : (033) 22870263  
 E-mail : rta@cbmsl.com

**REGISTERED OFFICE**

“King’s Court”, Flat Nos.14 & 18  
 46B, Chowringhee Road  
 Kolkata - 700 071.

**AUDITORS**

M/s. K. N. Gutgutia & Co.  
 Chartered Accountants, Kolkata

**CORPORATE OFFICE**

‘Ruia Centre’  
 46, Syed Amir Ali Avenue  
 Kolkata - 700 017.  
 Telephone : (033) 22894747  
 Fax : (033) 22893433  
 E-mail : info@dunlop.co.in  
 Web-site : www.dunlop.co.in

**SOLICITORS**

M/s. L. P. Agarwalla & Co., Kolkata

**CONTENTS**

Notice	...	1	Schedule to the Accounts	...	19
Holding of Equity Shares	...	3	Balance Sheet Abstract &		
Report of the Directors	...	4	Company’s General Business Profile	...	30
Report on Corporate Governance	...	6	Statement regarding Subsidiary Companies	...	31
Management Discussion & Analysis Report	...	12	Auditors’ Report on Consolidated Financial Statements	...	32
Auditors’ Report	...	14	Consolidated Balance Sheet and Profit and Loss Account	...	33
Balance Sheet	...	16	Consolidated Cash Flow Statement	...	34
Profit and Loss Account	...	17	Schedules to the Consolidated Accounts	...	35
Cash Flow Statement	...	18	Statement regarding Subsidiary Company	...	43

**TEN YEAR SUMMARY**

		2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02
		12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months
Income	Rs Crores	174.53	180.70	183.01	122.16	341.42	4.06	37.16	9.19	28.68	6.08
Operating Profit/(Loss)	Rs Crores	9.09	5.63	9.75	7.36	335.99	(6.09)	14.08	(10.99)	(0.26)	(41.89)
Profit before Tax	Rs Crores	2.02	1.27	1.36	4.85	489.01	71.93	(5.46)	32.67	(39.23)	(88.57)
Profit after Tax	Rs Crores	2.02	1.27	1.36	4.85	488.81	71.88	(5.46)	32.67	(39.23)	(88.57)
Earnings per Equity share	Rs.	0.28	0.18	0.19	0.69	108.65	15.98	(1.21)	7.26	-	-
Dividends per Equity share	Rs.	-	-	-	-	-	-	-	-	-	-
Net Worth per Equity share	Rs.	152.59	157.68	158.06	182.52	302.02	(58.05)	(73.56)	(63.05)	(68.99)	(47.96)
Net Assets employed	Rs Crores	1445.94	1409.27	1342.67	1499.44	1632.12	(98.42)	(160.25)	(115.14)	(83.55)	(21.71)
Shareholder’s Funds	Rs Crores	1098.37	1135.02	1137.74	1312.73	1358.77	(261.16)	(330.92)	(283.65)	(310.36)	(215.75)
Gearing	%	31.64	24.16	17.73	14.22	20.12	108.76	112.46	87.05	111.79	75.13





***DUNLOP INDIA LIMITED***

**RUIA CENTRE** 46 Syed Amir Ali Avenue Kolkata 700 017 **P** +91 33 2289 4747 **F** +91 33 2289 3463