



DUNLOP INDIA LIMITED

RHYTHM IN MOTION



ANNUAL
REPORT
11 12

**BOARD OF DIRECTORS**

Mr. Mohan Lall Chauhan
Mr. Subbaratnam Ravi
Mr. Damodar Prasad Dani

CHIEF FINANCIAL OFFICER

Mr. Soumitra Ghose

COMPANY SECRETARY

Mr. K. L. Sharma

REGISTERED OFFICE

Flat No. 1, Front Side, 5th Floor
9, Syed Amir Ali Avenue
Kolkata – 700 017

Telephone : (033) 22894747

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E-mail : kanhaiya.sharma@dunlop.co.in

Web-site : www.dunlop.co.in

BANKERS

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

REGISTRAR AND SHARE TRANSFER AGENT

CB Management Services (P) Limited

P-22, Bondel Road, Kolkata – 700 019

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

Fax : (033) 22870263

E-mail : rta@cbmsl.com

AUDITORS

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

SOLICITORS

M/s. L. P. Agarwalla & Co, Kolkata
M/s Chowdhury's Law Offices, Kolkata

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DUNLOP INDIA LIMITED

Registered Office :
Flat No. 1, Front Side, 5th Floor
9, Syed Amir Ali Avenue, Kolkata - 700 017

NOTICE

NOTICE is hereby given that the **Eighty Fifth Annual General Meeting** of the Members of **Dunlop India Limited** will be held at Kala Mandir, 48, Shakespeare Sarani, Kolkata - 700 017 on Wednesday, **18th July, 2012 at 11.00 a.m.** to transact the following business :

ORDINARY BUSINESS

1. To consider and adopt the Profit & Loss Account for the year ended 31st March, 2012 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. Damodar Prasad Dani, who retires by rotation and being eligible, offers himself for re-appointment.
3. 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 Resolution :

4. **As an Ordinary Resolution :**
"RESOLVED THAT Mr. Subbaratnam Ravi be and is hereby appointed a Director of the Company"

By Order of the Board

Place : Kolkata
Date : 19th May, 2012

K. L. Sharma
Company Secretary

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

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 10th July, 2012 to 18th July, 2012 (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 various Circulars issued by Central Government and 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. 4

Mr. Subbaratnam Ravi (Mr. S. Ravi) was appointed as the Additional Director of the Company with effect from 10th September, 2012. In accordance with the provisions of Section 260 of the Companies Act, 1956 and Article 91 of the Articles of Association of the Company, Mr. S. Ravi shall hold office up to the date of this Annual General Meeting. The Company has received Notice from a Member in writing under Section 257 of the Companies Act, 1956 separately signifying his intention to propose the appointment of Mr. S. Ravi as the Director at this Annual General Meeting.

Keeping in view the qualification and the experience possessed by Mr. S. Ravi, your Directors feel that the appointment of Mr. S. Ravi as Director of the Company will be beneficial to your Company and accordingly, recommend the Resolution set out in Item No. 4 of the Notice for your consideration and approval.



None of the Directors of the Company except Mr. S. Ravi is interested or concerned in the Resolution set out in Item No. 4 of the Notice.

Place : Kolkata
Date : 19th May, 2012

By Order of the Board
K. L. Sharma
Company Secretary

2. Name : Mr. S. Ravi
Age : 63 Years.
Qualifications : B. Tech (Hons)
Expertise : He has wide experience of more than 40 years and expertise in the field of administration and running Industries. He has worked with various reputed Industrial groups in key positions like President in Uniworth Limited, Kolkata etc.

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

1. Name	: Mr. Damodar Prasad Dani	Date of Appointment	: 10th September, 2011.
Age	: 58 Years.	No. of Equity Shares held in the Co.	: Nil.
Qualifications	: M. Sc., MBA	Other Directorships	:
Expertise	: Associateed with Automotive Tyre Industry for over 35 years in various positions including serving as CEO as well as on the Board of a large Automotive Tyre Manufacturing Company.	Name of the Public Ltd. Company	: Committee Memberships, if any, with position
Date of Appointment	: 11th May, 2010	Falcon Tyres Ltd.	: None
No. of Equity Shares held in the Co.	: Nil	Jessop & Co. Ltd.	: None
Other Directorships	:	Jessop Shipyard Ltd.	: None
Name of the Public Ltd. Company	: Committee Memberships, if any, with position	Monotona Tyres Ltd.	: Audit Committee - Charman
Dunlop Rubbers Ltd.	: None	Dunlop East Ltd.	: None
Dunlop East Ltd.	: None	Dunlop South Ltd.	: None
Dunlop South Ltd.	: None		

HOLDING OF EQUITY SHARES

Category	As on 31.03.2012 Equity Shares		As on 31.03.2011 Equity Shares	
	(Nos.)	(%)	(Nos.)	(%)
Promoters' Holding				
Foreign Promoters	26650085	37.02	33515229	46.56
Promoters' Associates (Persons acting in concert)	20130780	27.97	20109137	27.94
Sub Total	46780865	64.99	53624366	74.50
Non-Promoters' Holding				
Financial Institutions, Foreign Institutional Investors, Insurance Companies, Mutual Funds, Banks etc.	8134655	11.30	8134855	11.30
Non-Residents	336627	0.47	86045	0.12
Private Corporate Bodies	6112989	8.49	5230619	7.27
Indian Public	10617739	14.75	4906990	6.81
Sub Total	25202010	35.01	18358509	25.50
Grand Total	71982875	100.00	71982875	100.00

**REPORT OF THE DIRECTORS**

Your Directors present the 85th Annual Report of the Company together with the audited accounts for the financial year ended 31st March, 2012.

SUMMARIZED FINANCIAL RESULTS

	Rs. in Lacs	
	2011-12	2010-11
Sales & other Income	2001.79	17452.61
Profit / (Loss) before Depreciation, Interest & Tax	(69.96)	909.34
Financial Charges	937.67	574.21
Depreciation	146.68	143.88
Profit / (Loss) before Exceptional Items	(1154.31)	191.25
Exceptional Item	-	-
Prior Period Adjustment	7.95	10.44
Profit before Tax	(1146.36)	201.69
Profit after Tax	(1146.36)	201.69

OPERATIONS

The manufacturing operation in Sahaganj Plant could not be continued due to higher manufacturing cost and non remunerative selling prices. Coupled with agitation/non co-operation by workmen, the Management of the Company was forced to declare suspension of operations in October, 2011.

At Ambattur plant in Chennai, operations continued till February, 2012. However due to industrial relations issues with the unions, the Management had no option but to declare suspension of operation at Ambattur Factory also with effect from 21.2.2012.

Your Company now proposes to start production in phased manner at Sahaganj Plant initially for Industrial Products and then OTR. Your Company also plans to set up 50 MW power plant and start production of Truck Tyres when the Power Plant becomes operational. Recently discussions have been held through a tripartite meeting along with union and representative of Government of West Bengal and the Company has submitted detailed plan for consideration to the Government of West Bengal. The Company expects favorable response from the Government and the Unions considering long term survival of Your Company.

As regards, Ambattur plant, the Unions approached the management for a full and final settlement for all workmen for which negotiations are in process in consultation with the Government of Tamilnadu. Once such settlement is arrived at, Management will then plan for future course of action.

DIVIDEND

In view of Loss during the year, your Directors are unable to consider Dividend for the year.

PUBLIC DEPOSIT

During the year, Your Company repaid fixed deposits amounting to Rs. 1,39,000/- Fixed Deposits matured up to September, 2000 but not repaid up to 31st March, 2012 stand at Rs. 8,01,06,000/-.

DIRECTORS

During the year, Mr. Subbaratnam Ravi and Mr. Samir Kumar Paul were appointed as Additional Directors of the Company w.e.f. 10th September, 2011 and 10th October, 2011 respectively by the Board, who will hold Office upto the date of 85th Annual General Meeting and are eligible for re-appointment.

Mr. Shiv Narayan Maheshwari, Mr. Pawan Kumar Ruia, Mr. Virendra Kumar Agrawal, Mr. Dipak Rudra, Mr. Samir Kumar Paul and Mr. Ram Krishen Sadhu resigned from the Board w.e.f. 17th June, 2011, 10th August, 2011, 10th September, 2011, 12th September, 2011, 29th February, 2012 and 26th March, 2012 respectively. Mr. Shiv Narayan Maheshwari also ceased to be Executive Director (being Whole-time Director) of the Company w.e.f. 17th June, 2011. The Board placed on record its deep appreciation for the valuable services rendered by all the above Directors.

In accordance with Article 103 of the Articles of Association of your

Company and the applicable provisions of the Companies Act, 1956, Mr. Damodar Prasad Dani will retire from the Board by rotation at the 85th Annual General Meeting and being eligible, offers himself for re-appointment.

AUDITORS

M/s. K. N. Gutgutia & Co., Chartered Accountants, Kolkata, Auditors of your Company, will hold office until the conclusion of 85th 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 31st March, 2012 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 31st March, 2012 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. The Cost Audit Report for the Financial Year ended 31st March, 2011 has been filed on 21.09.2011, i.e. within due date of filing.

APPOINTMENT OF PROVISIONAL LIQUIDATOR

Some of the creditors of Company have filed winding-up proceedings before the Calcutta High Court. One of the creditors had preferred an application for appointment of a Provisional Liquidator, whereupon the Calcutta High Court had appointed the Official Liquidator, as the Provisional Liquidator vide an Order dated 26.03.2012 which was challenged by the Company before the Division Bench. The Division Bench vide its' Order dated 29.03.2012 has stayed the operation of the said Order. In the Appeal, the Company has not only challenged the Order dated 26.03.2012, but has also questioned the maintainability of the winding-up petition filed by the creditor. The matter is still pending before the Court.

CONVERSION OF LOAN INTO EQUITY SHARES ON PREFERENTIAL BASIS

As the Members are aware, the Company has allotted 50,000,000 Equity Shares of Rs 10/- each fully paid up on preferential basis pursuant to Special Resolution passed by the Members at the Extraordinary General Meeting (EGM) held on 28th April, 2012, to the assignees who opted to convert their entire outstanding loan into Equity Shares of the Company. Necessary in principal approval is being obtained from Bombay Stock Exchange and the Members of the Company are hereby informed that relevant date for this purpose is 29th March, 2012.

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 is attached to this Report.

The Company has no employee in the category specified under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- That in the preparation of the Accounts for the Financial Year ended 31st March, 2012, the applicable Accounting Standards have been followed and proper explanations have been provided for material departures, wherever applicable ;
- 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, 2012 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 workers unrest in both the factories of the Company forced the Management to declare suspension of operation. However the management of the Company is in dialogue with unions and Government to arrive at an amicable settlement as well as for the earliest restart of the operations at both Plants.

ACKNOWLEDGEMENT

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

SUBSIDIARY COMPANIES

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

Place : Kolkata
Date : 19th May, 2012

For and on behalf of the Board
D. P. Dani M. L. Chauhan
Director Director

ANNEXURE TO THE DIRECTORS' REPORT DATED 19th May, 2012 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 Notes 2 on Financial Statements, which are self explanatory.

For and on behalf of the Board
D. P. Dani M. L. Chauhan
Director Director

Place : Kolkata
Date : 19th May, 2012

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, 2012.

- A. Conservation of Energy and Technology Absorption :**
Form A, disclosure of particulars with respect to Conservation of Energy is enclosed.
- B. Foreign Exchange Earnings and Outgo :**
Earnings - Rs. Nil
Outgo - Rs. Nil

For and on behalf of the Board
D. P. Dani M. L. Chauhan
Director Director

Place : Kolkata
Date : 19th May, 2012

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

		31.03.2012	31.03.2011			31.03.2012	31.03.2011
Unit	Total	Total	Total	Unit	Total	Total	Total
A. Power and Fuel Consumption				b) Furnace Oil (Boiler)			
1 Electricity				Qty TON / KL Nil 392.57			
a) Purchased :				Total Amount RS (LACS) Nil 138.70			
Unit	MWH	7931.74	9256.76	Average Rate RS / KG Nil 35.33			
Total Amount	RS (LACS)	343.47	650.01	4 Others/Int.Gen (D.Oil)			
Rate / Unit	RS / KWH	4.33	7.02	Qty KLTR Nil 21.30			
b) Own Generation :				Total Amount RS (LACS) Nil 8.81			
(i) Diesel Gen Unit				Rate/Unit RS / LTR Nil 41.35			
Unit / Ltr of D.Oil	MWH	Nil	38.69	B. Consumption / Ton of Production			
Cost / Unit	KWH / LTR	Nil	1.83	Purchased MWH 7931.74 9256.86			
	RS / KWH	Nil	22.93	Generated MWH Nil 38.69			
(ii) F.Oil Gen. Unit				Electricity KWH / TON Nil 7048.58			
Unit / Kg. of F.Oil	MWH	NA	NA	F.Oil (Elec. Gen) Qty TON NA NA			
Cost / Unit	KWH / KG	NA	NA	F.Oil (Elec. Gen) KG / TON NA NA			
	RS / KWH	NA	NA	F.Oil (Steam Gen) Qty TON NA 392.57			
2 Coal				F.Oil (Steam Gen) KG / TON Nil Nil			
Qty	TON	Nil	2200.80	Coal (Steam Gen) Qty TON Nil 2200.80			
Total Cost	RS (LACS)	Nil	90.74	Coal (Steam Gen) KG / TON Nil 2665.89			
Average Rate	RS / TON	Nil	4123.16	D. Oil (Elec. Gen) Qty KLTR Nil 21.30			
3 a) Furnace Oil (Generator)				D.Oil (Elec.Gen) Qty LTR / TON Nil Nil			
Qty	TON	NA	NA				
Total Amount	RS (LACS)	NA	NA				
Average Rate	RS / KG	NA	NA				



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, 2012, your board had three non-executive 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, six meetings of the board of directors were held on the following dates – 21st May, 2011, 11th August, 2011, 10th September, 2011, 21st October, 2011, 1st February, 2012 and 30th March, 2012.

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, 2012	No. of other Directorships & Committee Memberships/ Chairmanships as on 31.03.2012		
	Other Directorships	Committee Memberships	Committee Chairmanships
Mr. M. L. Chauhan Non-executive / Independent Director	3	4	2
Mr.S. Ravi Non-executive Director / Independent Director	6	3	1
Mr. D. P. Dani Non-executive Director / Independent Director	3	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 01.04.2011 to 31.03.2012		
	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 10.09.2011
Mr. P. K. Ruia (resigned w.e.f. 10.08.2011)	1	1	N.A.
Mr. R.K.Sadhu (resigned w.e.f. 26.03.2012)	5	4	Yes
Mr. D. Rudra (resigned w.e.f. 12.09.2011)	3	3	Yes
Mr. M. L. Chauhan	6	6	Yes
Mr. V. K. Agrawal (resigned w.e.f. 10.09.2011)	2	1	No
Mr. D. P. Dani	6	6	Yes
Mr. S. Ravi (appointed w.e.f. 10.09.2011)	4	3	N.A.
Mr. S. K. Paul (appointed w.e.f. 10.10.2011 & resigned w.e.f. 29.02.2012)	2	1	N.A.
Mr. S. N. Maheshwari (resigned w.e.f. 17.06.2011)	1	1	NA



During the year under review, Mr. S. Ravi and Mr. S. K. Paul were appointed as Additional Directors of the Company w.e.f. 10th September, 2011 and 10th October, 2011 respectively.

Mr. S. N. Maheshwari, Mr. P. K. Ruia, Mr. V. K. Agrawal, Mr. D. Rudra, Mr. S. K. Paul and Mr. R. K. Sadhu resigned from the Board w.e.f. 17th June, 2011, 10th August, 2011, 10th September, 2011, 12th September, 2011, 29th February, 2012 and 26th March, 2012 respectively. Mr. Shiv Narayan Maheshwari also ceased to be the Executive Director (being the Whole-time Director) of the Company w.e.f. 17th June, 2011.

3. Audit Committee

The audit committee constituted by the board of directors of the company had three non-executive / independent directors as on 31st March, 2012.

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, 2012	Category
Mr.R.K.Sadhu, Member & Chairman	Non-Executive/ Independent Director
Mr.M. L. Chauhan, Member & Alternate Chairman	Non-Executive/Independent Director
Mr. S. Ravi, Member	Non-Executive/Independent Director

Mr. D. Rudra ceased to be the member of the committee w.e.f. 12th September, 2011. Mr. S. Ravi was appointed as the member of the committee w.e.f. 12th September, 2011 in place of Mr. D. Rudra.

During the year under review, four meetings of the audit committee were held. The committee met on 21st May, 2011, 11th August, 2011, 21st October, 2011 and 1st February, 2012 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 01.04.2011 to 31.03.2012	
	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	3
Mr. D. Rudra	2	2
Mr. M. L. Chauhan	4	4
Mr. S. Ravi	2	1

The Company Secretary shall act as Secretary of the Audit Committee.

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, no meeting of the remuneration committee was held.

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, Mr. D. P. Dani and Mr. S. Ravi, 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 2011-12 are given below :

Name of the Director	Salary (Rs.)	Perquisites (Rs.)	Sitting Fees (Rs.)	Total (Rs.)
Mr. P. K. Ruia	-	-	5000	5000
Mr. R.K.Sadhu	-	-	50000	50000
Mr. D. Rudra	-	-	35000	35000
Mr. M. L. Chauhan	-	-	60000	60000
Mr. V. K. Agrawal (resigned w.e.f. 10.09.2011)	-	-	-	-
Mr. D. P. Dani	-	-	-	-
Mr. S. Ravi	-	-	-	-
Mr. S. N. Maheshwari (resigned w.e.f. 17.06.2011)	633333	380000	-	1013333

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. The Company Secretary shall act as Secretary of the Remuneration Committee.

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 three non-executive / independent directors as on 31st March, 2012.

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

Name of the Committee Members as on 31st March, 2012	Category	No. of Meetings attended during the year under review
Mr. M. L. Chauhan, Member & Chairman	Non-Executive / Independent Director	2
Mr. R. K. Sadhu, Member	Non-Executive / Independent Director	3
Mr. S. Ravi, Member	Non- Executive / Independent Director	1

Mr. V. K. Agrawal ceased to be the member of the committee w.e.f. 10th September, 2011. Mr. S. Ravi was appointed as the member of the committee w.e.f. 10th September, 2011 in place of Mr. V.K. Agrawal.

The committee is headed by Mr. M. L. Chauhan. 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 21st May, 2011, 11th August, 2011, 21st October, 2011 and 1st February, 2012.

At the beginning of the year (i.e. on 1st April, 2011), 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, 23 (twenty three) grievances / complaints were received from the shareholders and all such grievances / complaints were resolved by the company's RTA on time. As on 31st March, 2012, 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. A. K. Agarwal was the Vice President - Legal & Company Secretary and Compliance Officer till 6th May, 2012. Mr. K. L. Sharma, Company Secretary of the Company, is the Compliance Officer w.e.f. 9th May, 2012.

6. General Body Meetings :

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

AGM	YEAR	VENUE	DATE	TIME
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.
84th	2010-2011	'The Ballroom', The Oberoi Grand, 15, J. L. Nehru Road, Kolkata - 700 013	10.09.2011	11.30 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 2.30(b) appearing in Notes 2 on Financial Statements of the company for the financial year ended 31st March, 2012.

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 / The Bengal Post' in English Newspaper and in 'Ekdin' 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 : Wednesday, 18th July, 2012
 Venue and Time : At 'Kala Mandir', 48, Shakespeare Sarani, Kolkata - 700 017 at 11.00 a.m.

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


Financial Reporting for the Financial Year 2012 – 2013 :

First Quarter Results - mid of August, 2012
 Second Quarter and Half Yearly Results - mid of November, 2012
 Third Quarter Results - mid of February, 2013
 Fourth Quarter and Yearly Results - end of May, 2013

iii) **Dates of Book Closure** : from 10th July, 2012 to 18th July, 2012 (both days inclusive).

iv) **Proposed Date of Dividend Payment** : N.A.

v) **Listing of Equity Shares on Stock Exchange(s)** :

Prior to allotment of 5,00,00,000 Equity Shares of Rs. 10/- each fully paid up at a Premium of Rs. 2/- on preferential basis to the allottees on 28.04.2012, 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 Company has already applied BSE for its In-principal approval prior to issue and allotment of said 5,00,00,000 equity shares. The Company has received an e-mail on 11th May, 2012 from BSE requesting the Company to pay the processing fees and other information, which the Company has already sent. 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. 29th March, 2010, 31st March, 2010 and 6th January, 2011 respectively. The company is still 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 up to 31st March, 2012 has been paid by the company.

The company's application submitted to National Stock

Exchange Limited (NSE) for listing and trading of 7,19,82,875 nos. equity shares of Rs. 10/- each fully paid-up thereat is yet to consider by 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

Registered Office :

Flat No. 1, Front Side, 5th Floor
 9 Syed Amir Ali Avenue
 Kolkata - 700 017.
 Tel : (033) 22894747
 Fax : (033) 22893433
 E-mail : kanhaiya.sharma@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 2011-12 were as follows :

Month	Share Price (Rs.)	
	High (Rs.)	Low (Rs.)
April, 2011	64.90	52.60
May, 2011	66.00	40.00
June, 2011	50.50	37.60
July, 2011	46.35	34.90
August, 2011	37.80	13.15
September, 2011	16.81	13.01
October, 2011	16.35	13.60
November, 2011	15.20	9.90
December, 2011	11.09	9.15
January, 2012	11.98	9.50
February, 2012	14.50	10.79
March, 2012	13.00	8.85


viii) Distribution of Equity Shareholding as on 31st March, 2012 :

Range of Shares from - to	No. of Shareholders	%	Number of Shares	%
1 to 500	37316	91.95	3704909	5.15
501 to 1000	1739	4.29	1413678	1.96
1001 to 2000	787	1.94	1200276	1.67
2001 to 3000	251	0.62	646760	0.90
3001 to 4000	118	0.29	428137	0.59
4001 to 5000	115	0.28	546819	0.76
5001 to 10000	150	0.37	1130551	1.57
10001 & above	107	0.26	62911745	87.40
Total	40583	100.00	71982875	100.00

ix) Geographical Distribution of Shareholding as on 31st March, 2012 :

Sl. No.	City/Location	No. of Folios	%
1.	Kolkata & Adjacent Places	9256	22.81
2.	Mumbai	10470	25.80
3.	NewDelhi	2615	6.44
4.	Chennai	2497	6.15
5.	Ahmedabad	4168	10.27
6.	Bangalore	2115	5.21
7.	Pune	1112	2.74
8.	Hyderabad	1346	3.32
9.	Places other than above	7004	17.26
	Total	40583	100.00

x) Shareholding Pattern as on 31st March, 2012, in terms of Clause 35 of the Listing Agreement with Stock Exchanges :

Category	Nos.	%	Shares Pledged	
			Nos.	%
Promoters' Holding				
• Foreign Promoters	26650085	37.02	22295066	83.66
• Promoters' Associates (Persons acting in concert)	220130780	27.97	20109137	99.89
Sub-total	46780865	64.99	42404203	90.64
Non-Promoters' Holding				
• Financial Institutions, Foreign Institutional Investors, Insurance Companies, Mutual Funds, Banks etc.	8134655	11.30	-	-
• Others (including Bodies Corporate, Non-Residents & Indian Public)	17067355	23.71	-	-
Sub-total	25202010	35.01	-	-
GRAND TOTAL	71982875	100	42404203	58.91

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 7,19,82,875 nos. equity shares of Rs. 10/- each fully paid-up. Application for providing dematerialized trading facilities for 5,00,00,000 Equity Shares of Rs. 10/- each fully paid up allotted on preferential basis to the allottees on 28.04.2012 to be made after getting the listing and trading approval from BSE.

6,37,66,577 nos. equity shares of the company representing 88.58% of the company's share capital were dematerialized as on 31st March, 2012.

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.

Place : Kolkata
Date : 19th May, 2012

For and on behalf of the Board
D. P. Dani M. L. Chauhan
Director Director

**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 31st March, 2012 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, 19th May, 2012

S. Ghosh
CFO

D. P. Dani
Director

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 31st March, 2012.

Kolkata, 19th May, 2012

S. Ghosh
CFO

D. P. Dani
Director

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 31st March, 2012 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: 19th May, 2012

**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

FY 2011-12 was a challenging year. The global economy, barely a year after recession, witnessed lower economic growth, resulting primarily from the Euro Zone debt crisis and high oil prices, which were fuelled by uncertainties of supply. Rising unrest in the Middle East and North Africa (MENA) resulted in unprecedented levels of crude oil volatility. The European economies stagnated and the US witnessed a downgrade in its credit rating, while the growth engines of the global economy, China and India were forced to tighten liquidity to tame rising inflation. In addition, civil unrest in Libya and the tsunami in Japan posed further challenges. According to the International Monetary Fund (IMF), the global economy is estimated to grow at a modest pace of 3.8% in 2011, as compared to a robust 5.2% in 2010.

2. Tyre Industry Structure & Development

The turnover of the Indian tyre industry is valued at Rs. 30,000 crore. Exports accounted for Rs. 3,600 crore. 1192 lakh tyres were produced by 39 tyre companies. Ten top companies produce 95% of the total production.

Truck and Bus tyres constitute 65% of the tyre industry turnover. Around 70% of the turnover is sold in the replacement market which is competitive but margins are better. The OE segment cannot be ignored as volumes are high but margins are less as prices are dependent more on the manufactures of vehicles.

The tyre industry is raw material intensive and predominantly cross-ply or bias-ply tyres are manufactured. The truck, bus and LCV segments continue to be cross-ply based due to poor conditions, low OE fitment and high initial cost. Passenger tyres are currently 98% radial tyres. Radialisation in the light commercial vehicle group is 18% and in heavy vehicles (truck and bus) the level is 15%.

The tyre companies produce truck tyres and a range of non truck tyres. Segment wise, there has been a 14% increase in the production of heavy commercial vehicles and a 15% increase in light commercial vehicles. There has been a significant increase of 47% in the small commercial vehicle segment. In the passenger and utility group, there has been an increase of 14% and 13% respectively over the last year. In two wheelers, scooter segment production witnessed a 31% increase whilst in the motorcycle segment, production increased by 20%.

In the farm segment, there was a 38% increase in production over last year.

The tyre industry provides direct and indirect employment to one million people, including dealers, retreaders and truck operators. The truck operators are controlled by 2.6 million small operators.

There are around 5,000 tyre dealers spread throughout the country, most of whom sell multiple tyre brands.

3. Opportunities and Threats

The worldwide recession continues throughout the rest of the world mainly in USA and Europe. With strong financial fundamentals, the economic situation in India, though volatile, is far better and conducive to robust growth. With growth all round, foreign investors will prefer to invest in India, even in preference to China which relies heavily on exports to the advanced countries. Foreign tyre companies will enter the Indian market and invest more. This development will intensify competition and could also cause a glut in the Indian market.

Despite several representations to the Government, the inverted duty issue is yet to be resolved. The duty concessions to importers have led to dumping of cheap and unsuited tyres. Duty concessions should be extended to the imports of raw materials by the tyre manufacturers. The performance of tyre manufacturers is affected by raw material costs like natural rubber and petroleum products, the prices of which continue to spiral.

The volatility in rubber prices will be a strain on the margins of tyre companies. A permanent reduction in rubber import duties would ease the pressures of the tyre industry. There is a limit to which cost escalations can be passed on to the consumers and also a challenge to increase the prices of tyres of OEMs.

The threat of imports, especially from China would further increase and can put the domestic industry under pressure in view of the move to remove the anti-dumping duty.

4. Outlook

While the demand outlook of tyres appears favourable with a 8 to 10% annual growth forecast, the pressure on margins will continue unless the cost issues are addressed. Most tyre companies are planning capacity expansions especially in the truck radial segment and this development will fuel competition in this segment and the tyre industry in general. The growth of the tyre industry will also depend upon the expansions in the automobile industry and the efforts made by the Government to improve the road infrastructure. Also, the Government should study the inverted duty issue and take corrective action by providing a level playing field for the tyre industry.



Natural rubber and other major raw materials have seen an unprecedented price increase during the last one year. This trend of volatility in the raw material prices would continue in future. Due to competitive pressures, coupled with cheaper imported tyres, the price increase in raw materials could not be fully passed on to the customers immediately.

The impact of recent crisis in Euro-zone and other developed countries has resulted in "Rupee depreciation". If this situation continues, it will increase our net foreign currency exposure.

The Audit Committee and the Board of Directors have been apprised of the major business and operational risks identified by the Company and steps proposed to be taken to mitigate the same. The Company also has a comprehensive risk analysis and management system, wherein all risk factors are identified and proper action taken to mitigate such risks.

5. 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 and 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 Tyre Industry does not expect to be significantly affected by this risk in the long term.

6. 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 and industrial products. However due to industrial relations related issues, there had been no production during the year under review.

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

7. Internal Control System and their adequacy

The Company has adequate internal control in all areas of its operation through internal and external auditors. The system ensures that all transactions are authorized, recorded and reported correctly. The systems and procedures are reviewed continuously to ensure timely preparation of financial information and safeguarding the assets of the Company.

8. Human Resources & Industrial Relations

The workers unrest continued in both the factories of the Company. However management of the company is in dialogue with both the workers union to arrive at an amicable settlement to their various on going issues. Both the factories of the company have been put under suspension, there was no production in the factory at Sahaganj however mixing work at Ambattur continued till 20th Feb.2012

9. 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 31st March 2012, statement of Profit and Loss 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, statement of Profit and Loss and Cash Flow referred to in this report are in agreement with the books of accounts.
 - d) In our opinion, Balance sheet, statement of Profit & Loss 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 31.03.2012 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 2.8 regarding non provision of interest on certain loans (amount not ascertained), note no. 2.11 regarding Deferred Tax Assets and note no. 2.27 regarding Capitalisation of expenses for Refurbishment. The effect of the above on the loss for the year and its corresponding effect*

on reserve/assets and liabilities is not presently ascertainable.

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 31st March, 2012.
- ii) In the case of the statement of Profit & Loss 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: 19th May, 2012

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 31ST MARCH 2012

- i) a) Proper records showing full particulars, including quantitative details and situation of fixed assets were being maintained by the company. However, *as both the plants of the Company is under suspension of operation, the fixed assets register could not be Produced to us this year and hence we are unable to comment whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.*
- b) *As both the plants of the company is under suspension of operation, physical verification of fixed assets could not be carried out by the management during the year end and hence we were unable to comment whether there is any discrepancies between the physical balance and book balance.*
- c) As per information and explanations given to us and from the records verified, no substantial part of the fixed assets have been disposed off during the year which affects the going concern.
- ii) a) *As both the plants of the company are under suspension of operation, physical verification of inventory has not been carried out during the year.*
- b) *As mentioned in (a) above, we are unable to make any comment, whether the procedure of physical verification followed by the management are reasonable and adequate in relation of size of the company and its nature of business.*
- c) *The company is maintaining proper records of inventory. However, as stated in (a) above, we are*



- unable to make any comment on discrepancy of book balance and physical balance.
- iii) a) As per information and explanations given to us, 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) As per information & explanation given to us, the Company has not taken any loan secured/unsecured from Companies, firms or other parties covered in the register maintained 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.344.27 lakhs 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) As both the plants are under suspension of operation, cost records were not maintained for the year and hence we are unable to make any comment.
- 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. 413.91 lakhs as below :

Particulars	Amount (Rs in lakhs)
Provident Fund	87.21
E. S. I	113.06
TDS	30.97
Professional Tax	5.40
Sales Tax	177.27
Total	413.91

- b) Details with respect to the amount involved and the forum where dispute is pending to be provided under this clause with regard to disputed liability in respect of sales tax, income tax as detailed in Note No. 2.24 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 incurred cash losses during the current year but had not 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, 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) As per information and explanations given to us and record verified by us the Company has given guarantee for loans taken by its associates or subsidiaries or others from bank or financial institutions which is not prejudicial to the interest of the company.
- xvi) The Company has taken loan amounting to Rs. 3004.00 lakhs during the year, which has been used for the purpose for which it was taken.
- 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: 19th May, 2012

K C Sharma
Partner
Membership No. 50819


**BALANCE SHEET
AS AT 31ST MARCH, 2012**

	Note	As at 31st March, 2012 (Rs. in Lakhs)	As at 31st March, 2011 (Rs. in Lakhs)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2.1	7198.29	7198.29
Reserves and Surplus	2.2	<u>97695.13</u>	<u>102638.46</u>
		104893.42	109836.75
Non-Current Liabilities			
Long Term Borrowings	2.3	22932.86	27143.95
Other Long Term Liabilities	2.4	2755.54	2856.82
Long Term Provisions	2.5	<u>852.52</u>	<u>840.78</u>
		26540.92	30841.55
Current Liabilities			
Short Term Borrowings	2.6	10289.18	3555.51
Trade Payables	2.7	270.47	601.83
Other Current Liabilities	2.8	5337.87	3982.55
Short Term Provision	2.8	<u>94.72</u>	<u>83.15</u>
		15992.24	8223.04
TOTAL		<u>147426.58</u>	<u>148901.34</u>
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	2.9	123722.80	127670.82
Capital work-in-progress	2.9	7127.88	5409.80
Non-Current Investments	2.10	21.33	9.05
Deferred Tax Assets (Net)	2.11	9554.00	9554.00
Long Term Loans and Advances	2.12	<u>378.42</u>	<u>371.85</u>
		140804.43	143015.52
Current Assets			
Inventories	2.13	5827.99	5043.63
Trade Receivables	2.14	34.62	43.14
Cash and Cash Equivalents	2.15	136.21	175.22
Short Term Loans and Advances	2.12	<u>623.33</u>	<u>623.83</u>
		6622.15	5885.82
TOTAL		<u>147426.58</u>	<u>148901.34</u>
Significant Accounting Policies	1		
Notes on Financial Statements	2		

As per our Report of even date Attached
For and on behalf of
K N Gutgutia & Co.
Chartered Accountants
Firm Registration No. 304153E
K C Sharma
Partner
Membership No. 50819
Kolkata, 19th May, 2012

For and on behalf of the Board

D. P. Dani
Director

M. L. Chauhan
Director

S. Ghosh
Chief Financial Officer

K. L. Sharma
Company Secretary


**STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31st MARCH, 2012**

	Note	For the year ended 31st March, 2012 (Rs. in Lakhs)	For the year ended 31st March, 2011 (Rs. in Lakhs)
INCOME			
Revenue from Operations	2.16	1,982.72	17,363.48
Other Income	2.16	19.07	89.13
Total Revenue		2,001.79	17,452.61
Expenses:			
Cost of Materials Consumed	2.17	-	1,868.00
Purchases of Stock-in-Trade		1,387.42	13,473.55
Changes in Inventories-Finished Goods, work-in-progress and Stock-in-Trade	2.18	20.93	685.81
Employee Benefit Expenses	2.19	364.98	144.15
Finance Costs	2.20	937.67	574.21
Depreciation and Amortization Expenses	2.21	146.68	143.88
Other Expenses	2.22	298.42	371.76
Total Expenses		3,156.10	17,261.36
Profit/(Loss) Before Extra Ordinary Items and Tax		(1,154.31)	191.25
Exceptional/Extra Ordinary Items			
Prior Period Adjustment	2.23	(7.95)	(10.44)
Profit/(Loss) before Tax		(1,146.36)	201.69
Tax Expense:			
Current Tax		-	-
Deferred Tax		-	-
Profit (Loss) for The Year		(1,146.36)	201.69
Earning Per Share - Basic And Diluted (Rs.)		(1.59)	0.28
Significant Accounting Policies	1		
Notes on Financial Statements	2		

As per our Report of even date Attached
For and on behalf of
K N Gutgutia & Co.
Chartered Accountants
Firm Registration No. 304153E
K C Sharma
Partner
Membership No. 50819
Kolkata, 19th May, 2012

For and on behalf of the Board

D. P. Dani
Director

M. L. Chauhan
Director

S. Ghosh
Chief Financial Officer

K. L. Sharma
Company Secretary



**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2012**

	Year ended 31st March, 2012 Rs. Lakhs	Year ended 31st March, 2011 Rs. Lakhs
(A) CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit (Loss) before tax and before exceptional item	(1146.36)	201.69
Adjustments for :		
Depreciation	146.68	143.88
Interest Income	(0.49)	(5.96)
Interest Expense	937.67	574.21
Operating Profit / (Loss) before Working Capital changes	(62.50)	913.82
Adjustments for :		
Trade and other receivables	1.44	3125.85
Inventories	(784.36)	(898.28)
Trade and other Payable	599.10	(639.96)
Long Term Trade Liabilities	(101.28)	(109.49)
Cash generated from Operations	(347.60)	2391.94
Direct Taxes (paid) / Refund	-	12.28
Cash flow before extraordinary item	(347.60)	2404.22
Exceptional item	-	(60.24)
Net Cash Flow from Operating Activities	(347.60)	2,343.98
(B) CASH FLOW FROM INVESTING ACTIVITIES:		
Net Purchase/Sale of Fixed Assets	(1713.70)	(9305.68)
Movement of Investments	(12.28)	0.00
Interest Received	1.50	3.71
Net cash used in Investing Activities	(1,724.48)	(9,301.97)
(C) CASH FLOW FROM FINANCING ACTIVITIES:-		
Proceeds from Long Term Borrowings	(4211.09)	67.46
Proceeds from Short Term Borrowings	6732.28	7374.68
Interest Paid	(488.12)	(703.98)
Net Cash used in Financing Activities	2,033.07	6,738.16
Net Increase / (Decrease) in Cash Equivalents	(39.01)	(219.83)
Cash and Cash Equivalents as at 01.04.2011	175.22	395.05
Cash and Cash Equivalents as at 31.03.2012	136.21	175.22

As per our Report of even date Attached
For and on behalf of
K N Gutgutia & Co.
Chartered Accountants
Firm Registration No. 304153E
K C Sharma
Partner
Membership No. 50819
Kolkata, 19th May, 2012

For and on behalf of the Board

D. P. Dani
Director

S. Ghosh
Chief Financial Officer

M. L. Chauhan
Director

K. L. Sharma
Company Secretary



1. 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 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.

2. Notes on Financial Statements

2.1 Share Capital

	As at 31.03.2012 (Rs. in Lakhs)	As at 31.03.2011 (Rs. in Lakhs)
Authorised Capital		
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>
Issued, Subscribed and fully Paid up		
7,19,82,875 Equity Shares of Rs. 10 each (7,19,82,875)	<u>7,198.29</u>	<u>7,198.29</u>
	<u>7,198.29</u>	<u>7,198.29</u>

Notes :

- a) Equity Shareholder holding more than 5% of equity shares along with the number of equity shares held is as given below :

Name of the Shareholder	%	No. of Shares	%	No. of Shares
1. DIL Rim and Wheel Corpn. Ltd.	28.94	20,832,585	28.94	20,832,585
2. Wealth Overseas Pte Ltd.	8.08	5,817,500	17.62	12,682,644
3. Hiland Traders Pvt. Ltd.	27.94	20,109,137	27.94	20,109,137
4. Life Insurance Corpn. of India Ltd.	8.86	6,379,452	8.86	6,379,452
5. Kanpur Properties & Finance Pvt. Ltd.	5.46	3,932,123	5.46	3,932,123

b) Terms/rights attached to equity share

The Company has issued one class of equity share having par value of Rs. 10/- per share. Each holder of equity share is entitled to one vote per share.

2.2 Reserves and Surplus

	As at 31.03.2012 (Rs. in Lakhs)	As at 31.03.2011 (Rs. in Lakhs)
Capital Redemption Reserve	70.00	70.00
Share Premium Reserve	264.81	264.81
Debenture Redemption Reserve	1.33	1.33
Revaluation Reserve		
As per last Balance Sheet	85,885.22	89,692.17
Less : Transferred to Profit and Loss a/c	<u>3,796.97</u>	<u>3,806.95</u>
	82,088.25	85,885.22
General Reserve	7,871.34	7,871.34
Surplus		
As per last Balance Sheet	8,545.76	8,344.07
Add/(Less): Profit/(Loss) for the year	<u>(1,146.36)</u>	<u>201.69</u>
	<u>7,399.40</u>	<u>8,545.76</u>
	<u>97,695.13</u>	<u>102,638.46</u>


Notes on Financial Statements (Contd.)
2.3 Long Term Borrowings

	As at 31.03.2012 (Rs. in Lakhs)	As at 31.03.2011 (Rs. in Lakhs)
a) Secured		
Term Loans		
From Banks	6.66	8.23
From Others	3,004.02	778.90
From Related Parties	4,138.45	4,128.46
	<u>7,149.13</u>	<u>4,915.59</u>

Note :

Term Loan from Banks represent Vehicle loans secured by way of hypothecation of vehicles.

Term Loan from others are secured by way of creation of charge on fixed assets of an Associated Company.

Loan from related parties are secured by Second charge of Company's Fixed Assets.

b) Unsecured

Loans from Related Parties	14,892.63	21,034.10
Deposits (Dealers and C & FA)	381.49	684.65
Other Loans and Advances	509.61	509.61
	<u>15,783.73</u>	<u>22,228.36</u>
TOTAL (a+b)	<u>22,932.86</u>	<u>27,143.95</u>

2.4 Other Long term liabilities

Trade Payables	937.74	1,029.01
Statutory Liabilities	71.85	71.86
Others	1,745.95	1,755.95
	<u>2,755.54</u>	<u>2,856.82</u>

Note :

None of the suppliers 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.

2.5 Long term Provision

Provision for Employee Benefits	852.52	840.78
	<u>852.52</u>	<u>840.78</u>

2.6 Short Term Borrowings

Secured		
Cash Credit/Overdraft from Banks	4,025.90	3,545.43
Current year liability of Vehicle Loan	3.50	10.08
	<u>4,029.40</u>	<u>3,555.51</u>

	As at 31.03.2012 (Rs. in Lakhs)	As at 31.03.2011 (Rs. in Lakhs)
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Unsecured

Other Loans and Advances	6,000.00	-
Other Loans and Advances from Related Parties	259.78	-
	<u>6,259.78</u>	<u>-</u>
TOTAL	<u>10,289.18</u>	<u>3,555.51</u>

Note :

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 and are further secured by hypothecation of moveable fixed assets and equitable mortgage of land at Sahaganj.

Term Loan from Banks represent Vehicle loans secured by way of hypothecation of vehicles.

2.7 Trade Payable

Micro, Small and Medium Enterprises	-	-
Others	270.47	601.83
	<u>270.47</u>	<u>601.83</u>

Note :

None of the suppliers 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.

2.8 Other Current Liabilities & Provisions

Other Current Liabilities		
Advance from Customers	39.24	455.60
Statutory Liabilities	469.33	412.91
Matured Fixed Deposits	801.06	802.45
Interest accrued but not due	479.81	-
Other Liabilities	3,548.43	2,311.59
	<u>5,337.87</u>	<u>3,982.55</u>

Note :

Other Liabilities includes old secured loans from KSIIDC- Rs.333.05 lacs and Catholic Syrian Bank - Rs.750 lacs, Company has not repaid these loans and these loans are now under active consideration of one time settlement with the Lenders. Pending settlement, no interest has been provided on these loans.

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.

Short Term Provisions

Provision for Employees Benefits	<u>94.72</u>	<u>83.15</u>
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Notes on Financial Statements (Contd.)

(Rs. in Lakhs)

2.9 Fixed Assets	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As on 31.03.2011	Additions	Deductions	As on 31.03.2012	As on 31.03.2011	For the period	Adjustment/ Sale during the period	As on 31.03.2012	As on 31.03.2012	As on 31.03.2011
Tangible Assets										
Freehold Land	33,840.32	-	-	33,840.32	-	-	-	-	33,840.32	33,840.32
Freehold Buildings	21,581.71	-	-	21,581.71	6,701.81	515.84	-	7,217.65	14,364.06	14,879.90
Leasehold Buildings	17.15	-	-	17.15	3.93	-	-	3.93	13.22	13.22
Plant and Machinery	128,499.50	1.12	-	128,500.62	49,805.69	3,396.49	-	53,202.18	75,298.44	78693.81
Furniture and Fittings	572.71	0.67	-	573.38	540.60	1.00	-	541.60	31.78	32.11
Motor Vehicles	454.13	-	9.18	444.95	242.67	30.32	3.02	269.97	174.98	211.46
Total	184,965.52	1.79	9.18	184,958.13	57,294.70	3,943.65	3.02	61,235.33	123,722.80	127,670.82
Previous Year	172936.56	12,043.83	14.87	184,965.52	53,348.02	3,950.83	4.15	57,294.70	127670.82	
Capital Work in Progress	5409.80	1718.08	-	7127.88					7127.88	5409.80

As at
31.03.2012
(Rs. in Lakhs)

As at
31.03.2011
(Rs. in Lakhs)

As at
31.03.2012
(Rs. in Lakhs)

As at
31.03.2011
(Rs. in Lakhs)

2.10 Non-Current Investments
Non-Trade :
A. Quoted:

Equity Shares - fully paid 7,418 (7,418) Master Shares of Rs.10 each of U T I	1.00	1.00
TOTAL (A)	1.00	1.00

B. Unquoted :
Investment in Subsidiary Companies

20,500, (20,500) Equity Shares of Rs 10 each fully paid of Ebony Commercial Pvt Ltd.	2.05	2.05
49,940, Equity Shares of Rs 10 each fully paid of Dunlop East Ltd.	4.99	-
49,940, Equity Shares of Rs 10 each fully paid of Dunlop South Ltd.	4.99	-

Others :

40, (40) 7% Debentures fully paid of Royal Calcutta Golf Club Ltd.	1.00	1.00
5,000, Equity Shares of USD 1 each fully paid of Wealthsea Ltd	2.30	-
5,000, (5,000) Equity Shares of GBP 1 each fully paid of Global Finvest Ltd	4.00	4.00
10,000, (10,000) Equity Shares of Rs 10 each fully paid of Wizer Advertising Pvt Ltd.	1.00	1.00

TOTAL (B) **20.33** **8.05**

TOTAL (A+B) **21.33** **9.05**

Aggregate Market Value of Quoted Investments	1.80	2.19
Aggregate Book Value of Quoted Investments	1.00	1.00
Aggregate Book Value of UnQuoted Investments	20.33	8.05

2.11 Deferred Tax Assets/Liabilities
Deferred Tax Assets :

43 B items under Income Tax Act, Carried forward loss and Unabsorbed Depreciation	9,740.00	9,740.00
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Deferred Tax Liabilities :

Depreciation	186.00	186.00
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Deferred Tax Assets (Net) **9,554.00** **9,554.00**

Note :

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 11th 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.

2.12 Long Term Loans and Advances
(Unsecured, Considered Good)

Security Deposits	99.13	92.56
Other loans and advances :	279.29	279.29
	378.42	371.85

Short Term Loans and Advances
Unsecured, Considered Good)

Loans and Advances to related parties	2.54	168.82
Other Short Term loans and advances :		
Duties Receivable	134.74	52.27
Interest accrued but not due	16.70	17.72
Other Loans & Advances	469.35	620.79
	623.33	385.02
	623.33	455.01


Notes on Financial Statements (Contd.)

	As at 31.03.2012 (Rs. in Lakhs)	As at 31.03.2011 (Rs. in Lakhs)	As at 31.03.2012 (Rs. in Lakhs)	As at 31.03.2011 (Rs. in Lakhs)
2.13 Inventories				
Raw Materials	5,296.11	4,496.15		
Work-in-progress	232.90	235.43		
Finished Goods	136.00	154.40		
Stores and spares	102.29	96.96		
Goods in Transit	60.69	60.69		
	<u>5,827.99</u>	<u>5,043.63</u>		
Note :				
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. Finished Goods are valued at lower of Cost or net realizable value.				
2.14 Trade Receivables (Unsecured, Considered Good)				
a) More than six months from the due date	34.62	35.35		
b) Others	-	7.79		
	<u>34.62</u>	<u>43.14</u>		
2.15 Cash and Cash Equivalents				
Balances with banks in Current account	23.52	24.29		
Cash on hand	0.48	4.72		
Other balances :				
Fixed deposit with Bank (More than 12 months)				
Fixed deposit with Bank-deposit Account	79.07	79.07		
Fixed Deposit with Bank Margin deposit Account	33.14	112.21	67.14	146.21
	<u>136.21</u>	<u>175.22</u>		
2.16 Income				
A) Revenue From Operations				
Sale of products				
-Own	26.00	3,259.41		
-Traded	1,391.81	13,568.21		
Sale of services	490.31	615.08		
Other operating revenues	75.36	189.62		
	<u>1,983.48</u>	<u>17,632.32</u>		
Less: Excise Duty	0.76	268.84		
	<u>1,982.72</u>	<u>17,363.48</u>		
B) Other Income				
Interest Income	0.49	5.96		
Excess provision/liabilities written back	18.58	83.17		
	<u>19.07</u>	<u>89.13</u>		
TOTAL INCOME	<u>2,001.79</u>	<u>17,452.61</u>		
2.17 Cost of Materials Consumed				
Opening Stock of Raw Materials	4,496.15	2,903.52		
Add: Raw materials Purchased	799.96	3,460.63		
Less: Closing Stock of Raw Materials	5,296.11	4,496.15		
	<u>-</u>	<u>1,868.00</u>		
2.18 Changes in Inventories				
Opening Stock				
Finished Goods	154.40	822.53		
Work-in-progress	235.43	253.11		
	<u>389.83</u>	<u>1,075.64</u>		
Less: Closing Stock				
Finished Goods	136.00	154.40		
Work-in-progress	232.90	235.43		
	<u>368.90</u>	<u>389.83</u>		
	<u>20.93</u>	<u>685.81</u>		
2.19 Employees Benefits Expenses				
Salaries and Wages	330.60	117.18		
Contribution to provident and other funds	28.28	14.09		
Staff Welfare Expenses	6.10	12.88		
	<u>364.98</u>	<u>144.15</u>		
2.20 Finance Cost				
Interest on Loans	905.26	574.21		
Loan Processing Fees & Charges	32.41	-		
	<u>937.67</u>	<u>574.21</u>		
2.21 Depreciation and amortization expenses				
Depreciation	3,943.65	3,950.83		
Less : Transferred from Revaluation Reserve	3,796.97	3,806.95		
	<u>146.68</u>	<u>143.88</u>		
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.29384.14 lakhs) capitalized till 31.3.11 and not put to use.				


Notes on Financial Statements (Contd.)

	As at		As at	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
	(Rs.in Lakhs)		(Rs. in Lakhs)	
2.22 Other Expenses				
Consumption of stores and spares part		33.52		6.12
Power and Fuel		125.00		58.26
Rent		24.98		29.63
Repairs to buildings		4.89		0.60
Repairs to machinery		1.80		0.85
Repair Others		0.09		0.36
Security Charges		28.12		16.97
Legal Charges		43.59		3.79
Insurance		7.54		6.11
Rates and Taxes excluding taxes on Income		1.07		2.86
Freight		1.48		47.13
Director's Sitting Fees		1.45		2.10
Rebates Discount Commission		2.46		179.40
Auditors Remuneration				
Audit Fees- Tax Audit	0.31		0.31	
Audit Fees- Statutory Audit	1.25		1.25	
Certification and others	0.68		1.39	
	2.24		2.95	
Audit Fees- Cost Audit	0.35	2.59	0.35	3.30
Miscellaneous Expenses		19.84		14.28
		298.42		371.76

2.23 Prior Period Adjustments

Reversal of Earlier year expense	(8.42)	(30.99)
Expenses of Previous Years	0.47	0.96
Reversal of Earlier year Income	-	19.59
	(7.95)	(10.44)

2.24 Contingent Liabilities and commitments
Contingent Liabilities

Sales Tax Demands under appeal or otherwise disputed	14,904.06	14,904.06
Income tax matters in appeal	400.00	400.00
In respect of Trade Finance facilities availed and assignment of factored debtors	3361.36	3,362.71

Commitments

In respect of gurantee issued in favour of WBSEDCL	145.20	145.20
In respect of corporate gurantee issued on behalf of Group Companies	6063.05	6,063.05

2.25 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.

2.26 Other Long term liabilities(Rs.2755.54 lacs appearing in Note 2.4) and Long term Advances (Rs.279.29 lacs appearing in Note 2.12) represent liabilities/assets for pre takeover period, which in the opinion of the Management is not payable/realisable within one year of Balance Sheet date.

2.27 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. 1453.92 lakhs (p.y. Rs.3810.48Lakhs) have been capitalized during 1.4.2011 to 30.9.2011.

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

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

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

i) Holding Company: Wealth Sea Pte. Ltd. (Singapore) through DIL Rim and Wheel Corporation Limited, Mauritius.

ii) Subsidiaries: Ebony Commercial Pvt Ltd, Dunlop East Ltd., Dunlop South Ltd.

iii) Associate Companies

1) Aakashdeep Properties Pvt Ltd. 2) Acurate Traders Pvt Ltd. 3) Adhishwar Nivesh Pvt. Ltd. 4) Alpha Airways Pvt Ltd. 5) Always Properties & Finance Pvt Ltd. 6) American Merchandising Ltd. 7) Anchita Commercials Pvt Ltd. 8) Angan Properties Private Limited, 9) Anish Traders Pvt Ltd. 10) Anoush Traders Pvt Ltd. 11) Aparupa Properties Pvt. Ltd. 12) Ayodhya Properties & Finance Pvt Ltd. 13) Ballard Commercials Pvt Ltd. 14) Bandana Commercials Pvt Ltd. 15) Beadon Traders Pvt Ltd. 16) Bharatiya Hotels Pvt. Ltd. 17) Bipul Commercials Pvt Ltd. 18) Blackstone Holdings Private Ltd. 19) Bloom Billions Sdn Bhd- Malaysia 20) Borneo Traders Pvt Ltd. 21) Brawany Nivesh Pvt. Ltd. 22) BTR Sealing System UK Ltd. - UK. 23) Chaity Commercials Pvt Ltd. 24) Chaman Trade Links Pvt Ltd. 25) Chambal Marketing Pvt Ltd. 26) Chemical Corporation of India Ltd. 27) Chinsurah Chemicals Pvt. Ltd. 28) Chorus Trade Links Pvt Ltd. 29) Climber Properties Pvt. Ltd. 30) D K Properties Pvt Ltd. 31) Dadar Properties & Finance Pvt Ltd. 32) Deblok

**Notes on Financial Statements (Contd.)**

Traders Pvt Ltd. 33) Deoghar Properties & Finance Pvt Ltd. 34) Ruia Corporate Services Pvt Ltd. 35) Dil Rim and Wheel Corporation Ltd.-Mauritius 36) Divya Mercantile Ltd. 37) Dunlop Estates Pvt. Ltd. 38) Dunlop Infrastructure Pvt. Ltd. 39) Dunlop Investments Ltd. 40) Dunlop Latex Foam Europe Ltd. 41) Dunlop Polymers Pvt Ltd. 42) Dunlop Properties Pvt. Ltd. 43) Dunlop Rubbers Limited 44) Dunlop Tyres Limited, 45) Dunlop Auto Tyres Limited, 46) Dunlop UK Limited, UK, 47) Durg Properties & Finance Pvt Ltd. 48) Eco Traders Pte Ltd. 49) Edina Marketing pvt Ltd. 50) eMotions Media Pvt Ltd. 51) Empire Minerals Pvt Ltd. 52) Enormous Nivesh Pvt Ltd. 53) Eyelid Mercantile Pvt Ltd. 54) Fabulous Nivesh Pvt Ltd. 55) Falcon Tyres & Rubber PVT. Ltd. 56) Falcon Tyres Impex Pvt. Ltd. 57) Falcon Tyres Ltd. 58) FAIRVALUE IMPEX LTD. Mauritius, 59) Mahan Tyres & Tubes Pvt.Ltd. (Formerly Falken Tyres Ltd.) 60) Fiber Foam (Bombay) Pvt Ltd. 61) Fragment Nivesh Pvt Ltd. 62) Gain E-Commerce Pvt Ltd. 63) Global Fin Pro Ltd. 64) Global finvest Ltd. UK, 65) Globe Sugar Refinery Ltd. 66) GLORIOUS INVESTMENTS LTD – Mauritius, 67) Goldman Securities Ltd. 68) Goldman Stock & Share Brokers Ltd. 69) Gumasol Rubber Tec GMBH. 70) Hardcore Viniyog Pvt Ltd. 71) Herald Investments Pvt Ltd. 72) Hiker Properties Pvt. Ltd. 73) Hiland Traders Pvt Ltd. 74) Hindustan Texknit Pvt. Ltd. 75) Hirakud Industrial Works Ltd. 76) Hirakud Rolling Mill Ltd. 77) Hriday Commercials Pvt Ltd. 78) Ibcon(Calcutta) Pvt Ltd 79) India Finance Ltd 80) India Tyre & Rubber Co (India) Ltd. 81) Indo-Wagon Engineering Ltd. 82) Jai Badrinath Niketan Pvt. Ltd. 83) Jai Brijmohan Niketan Pvt. Ltd. 84) Jai Ganga Nirman Pvt. Ltd. 85) Jai Gokul Towers Pvt. Ltd. 86) Jai Harihor Tower Pvt. Ltd. 87) Jai Raghuvir Enclave Pvt. Ltd. 88) Jai Tridev Vihar Pvt. Ltd. 89) Jai Vaibhav Niketan Pvt. Ltd. 90) Janaki Marketing Pvt Ltd. 91) Jessop & Co. Ltd. 92) Jessop Estate Pvt Ltd. 93) Jessop Infotech Pvt Ltd 94) Jessop Infrastructure Pvt Ltd. 95) Jessop Properties Pvt Ltd. 96) Jessop Shipyard Limited, 97) Jessop Wagons & Coaches Ltd. 98) Kailash Enterprises (New Delhi) Pvt Ltd. 99) Kanti Commercials Pvt Ltd. 100) Kothi Lefin Pvt Ltd. 101) Kulu Properties & Finance Pvt Ltd. 102) Liluah Ceramics Pvt. Ltd. 103) Mahant Merchandise Pvt Ltd. 104) Malini Properties Pvt Ltd. 105) Manali Properties & Finance Pvt. Ltd. 106) Manidipa Properties Pvt. Ltd. 107) Manjari Properties Pvt. Ltd. 108) Mayank Services Ltd. 109) Metro Developers Ltd. 110) Metropole Hills Hotel Pvt. Ltd. 111) Monarch Exim Pvt Ltd. 112) Monotona Tyres Limited, 113) Moulshree Electricals & Electronics Ltd. 114) Mridula Marketing Pvt Ltd. 115) Mudrika Commercials Pvt. Ltd. 116) Mugdha Properties Pvt Ltd. 117) Nandini Properties Pvt Ltd.

118) Nevadita Properties Pvt Ltd. 119) Ocean Constructions Pte Ltd. 120) OM Cotex Ltd (Formerly Ruia Cotex Ltd), 121) Onix Business Services Ltd. 122) Orion Otomotiv ve Yedek Parça Sanayi ve Tic. -Turkey, 123) Orion Medencilik Metal Enerji Ticaret A.S -Turkey, 124) P.K. Constructions Pvt Ltd. 125) Pacific Apparels Ltd., 126) Pallavi Manufacturers Pvt. Ltd. 127) Parnika Marketing Private Ltd. 128) Pawan Herbals Pvt. Ltd. 129) Payneganga Sugars & Chemicals Ltd. 130) Radient Investment Ltd-Mauritius, 131) Rapid Investment Ltd - Mauritius, 132) Renuka Resorts Pvt Ltd. 133) REALWORTH TRADING LTD- Mauritius, 134) Rose Investment Ltd-Mauritius, 135) Ruia & Sons Pvt Ltd. 136) Ruia Agro Products Pvt. Ltd. 137) Ruia Electronics Pvt Ltd. 138) Ruia Holding - GMBH, 139) RUIA HOLDING FRANCE SAS, 140) RUIA INTERNATIONAL FRANCE SAS, 141) RUIA AUTOMOTIVE SRO-Chek, 142) Ruia Hospital & Educational Research Institution, 143) Ruia Hotels Pvt Ltd. 144) RUIA INDUSTRIES LTD – Mauritius, 145) Ruia Marketing Ltd. 146) Ruia Properties GMBH, 147) Ruia Technologies Ltd. 148) Ryham Pte Limited- Singapore, 149) Sagarika Properties Pvt Ltd. 150) Sanjose Polymers Pvt Ltd. 151) Sarvan Commercials Pvt Ltd. 152) Satarupa Properties Pvt. Ltd. 153) Schlegel Automotive Europe Ltd. UK 154) Schlegel Automotive India Pvt.Ltd. 155) Securities Brokers India Limited, 156) Shakambari Communications Pvt Ltd. 157) Shalimar Towers Pvt Ltd. 158) Shalini Properties & Developers Pvt. Ltd. 159) Shankar Traders & Dealers Ltd. 160) Sheetal Exports Ltd. 161) Shresth (India) Pvt Ltd. 162) Skypak Properties & Finance Pvt Ltd. 163) Spices Valley Estates Ltd. 164) SPR Resorts Ltd. 165) Ruia Global Nivesh Pvt Ltd (Formerly SPR Textiles Pvt. Ltd.), 166) Stephen Financial Services Pvt Ltd. 167) Sterling Share Brokers (P) Ltd. 168) Subhlaxmi Compusis Pvt Ltd. 169) Subhra Marketing Ltd. 170) Sugandha Industries Pvt Ltd. 171) Sukaram Marketing Ltd. 172) Suryamani Financing Company Ltd. 173) Tribhuban Marketing (P) Ltd. 174) Tulip Machineries Pvt Ltd. 175) Udbav Commercials Pvt Ltd. 176) Vidyut Petrochem Pvt Ltd. 177) Vilas Marketing Private Limited 178) Wealth Field Pte Ltd. 179) Walker Properties Pvt Ltd. 180) Wealth Ocean Pte Ltd- Singapore, 181) Wealth Overseas Pte Ltd-Singapore, 182) WEALTH VALLEY PTE LTD. 183) Wealthsea Ltd - Mauritius, 184) WEALTH TREASURY Ltd-Mauritius, 185) WEALTH PACIFIC HOLDING LTD-Mauritius 186) WEALTHSEA HOLDINGS A.S -Turkey 187) Zeal Infotech Pvt Ltd. 188) Zipco Industrial Finance Pvt. Ltd.

- iv. Key Management Personnel :
Mr. S. N. Maheshwari, Executive Director
(till 16th June, 2011)


Notes on Financial Statements (Contd.)
b) The Company's related party transactions during the year and outstanding balances as at 31st March, 2012 are as below : (Rs in Lakhs)

Particulars	Associates		Key Management Personnel		Total	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Income						
-Falcon Tyres Ltd	490.31	630.08	-	-	490.31	630.08
Sales - Raw Material & Finished Goods :						
-India Tyres & Rubber Company	-	66.22	-	-	-	66.22
-Falcon Tyre Impex Pvt Ltd	-	602.61	-	-	-	602.61
Purchases						
Raw Material & Finished Goods						
-Monotona Tyres Ltd.	-	37.62	-	-	-	37.62
Remuneration						
-Mr. R K Budhiraja	-	-	-	5.55	-	5.55
-Mr. S N Maheswari	-	-	10.13	33.50	10.13	33.50
Purchase of Fixed Assets						
-Tulip Machineries (P) Ltd.	-	1278.62	-	-	-	1,278.62
Investment in Subsidiaries/Associate Co.						
-Dunlop East Ltd.	4.99	-	-	-	4.99	-
-Dunlop South Ltd	4.99	-	-	-	4.99	-
-Wealthsea Mauritius Ltd	2.30	-	-	-	2.30	-
Liabilities						
Expenses/Liabilities paid by the Associates on behalf of the Company which is adjusted against either paid by the Company or reimbursed :						
-Dunlop Rubber Ltd	-	0.14	-	-	-	0.14
-Falcon Tyres Impex Pvt Ltd	13.56	-	-	-	13.56	-
-Falcon Tyres Ltd	489.67	0.57	-	-	489.67	0.57
-India Tyre and Rubber Co(India) Ltd.	79.02	-	-	-	79.02	-
-Ruia Corporate Services (P) Ltd	232.19	193.03	-	-	232.19	193.03
-Ruia Sons Pvt Ltd	1079.93	204.58	-	-	1,079.93	204.58
-Subh Laxmi Compusis Pvt Ltd	12.64	-	-	-	12.64	-
-Wealth Overseas Pte. Ltd	20.33	-	-	-	20.33	-
Service rendered on behalf of Associate Co.						
-Falcon Tyres Ltd	187.52	-	-	-	187.52	-
Advance Given						
-Ruia Sons Pvt Ltd	1,781.60	-	-	-	1,781.60	-
Unsecured Loan Taken						
-Falcon Tyres Ltd	-	1,950.00	-	-	-	1,950.00
-India Finance Ltd	-	6,039.50	-	-	-	6,039.50
-Kanti Commercials Pvt Ltd	12,942.63	-	-	-	12,942.63	-
-Ruia Sons Pvt Ltd	-	695.64	-	-	-	695.64
-Stephen Financial Services Pvt Ltd	6,239.46	-	-	-	6,239.46	-
Balances Outstanding :						
As Credit Balance						
Unsecured Loan						
-Suryamani Finacing Co Ltd	4138.45	4128.46	-	-	4,138.45	4,128.46
-India Finance Ltd	-	18388.47	-	-	-	18,388.47
-Kanti Commercials Pvt Ltd	12,942.63	-	-	-	12,942.63	-
-Stephen Financial Services Pvt Ltd	239.46	-	-	-	239.46	-
-Falcon Tyres Ltd	1,950.00	1,950.00	-	-	1,950.00	1,950.00
-Ruia Sons Pvt Ltd	-	695.64	-	-	-	695.64
-Wealth Overseas Pte. Ltd	20.33	-	-	-	20.33	-
Current Liabilities						
-Falcon Tyres Ltd	1213.10	422.67	-	-	1,213.10	422.67
-Dunlop Rubber Ltd	-	0.14	-	-	-	0.14
-Zeal Infotech (P) Ltd	-	0.36	-	-	-	0.36
-Ruia Corporate Services (P) Ltd	129.40	0.75	-	-	129.40	0.75
-Ruia Sons Pvt Ltd	3.22	201.53	-	-	3.22	201.53
-India Tyre & Rubber Co. (India) Ltd.	79.02	-	-	-	79.02	-
As Debit Balance						
Debtors						
Falcon Tyres Ltd	0.44	0.44	-	-	0.44	0.44
Falcon Tyres Impex Ltd	-	-	-	-	-	-
Loans & Advances						
-Falcon Tyres Impex Ltd	2.08	120.43	-	-	2.08	120.43
-Falcon Tyres Ltd	-	48.39	-	-	-	48.39



Notes on Financial Statements (Contd.)

	As at		As at	
	31.03.2012		31.03.2011	
	Rs. Lakhs		Rs. Lakhs	
2.31 Raw Material Consumption				
Rubber	-		1155.18	
Fabric	-		320.32	
Carbon Black	-		182.19	
Others	-		210.31	
			1868.00	

	As at		As at	
	31.03.2012	%	31.03.2011	%
	Rs. Lakhs		Rs. Lakhs	
2.32 Consumption of Raw materials, spares parts and component consumed				
Imported	-	-	-	-
Indigenous	-	-	1874.12	100.00
			1874.12	100.00

2.33 Value of imports calculated on C.I.F. basis	Nil	Nil
---	-----	-----

2.34 Expenditure in foreign currency	Nil	Nil
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2.35 Information related to foreign exchange remitted as dividend	Nil	Nil
--	-----	-----

2.36 Earnings in foreign exchange	Nil	Nil
--	-----	-----

2.37 Segment Reporting

The Company operates in 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.

2.38 Disclosure as per AS-15 "Employees Benefits" (Rs in lacs)

Particulars	2011-12	2010-11
i) Change in Defined Benefit Obligation		
1) DBO at beginning of the period	923.93	932.12
2) Service Cost	72.35	76.16
3) Interest Cost	73.91	67.48
4) Plan Amendments Cost/(Credit)	-	23.08
5) Actuarial Losses/(Gains)	(122.95)	(74.91)
6) Benefit Payments	-	(100.00)
7) DBO at closing of the period	947.24	923.93
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
4) Benefit Payments	-	(100.00)
5) Fair value of Plan Assets at closing of the period	-	-
iii) Net Asset/(Liability) Recognised in Balance Sheet-31.3.2012		
1) Present Value of Defined Benefit Obligation	947.24	923.93
2) Fair Value of Plan Assets	-	-
3) Funded Status { Surplus/ (deficit) }	(947.24)	(923.93)
4) Net Asset/(Liability) recognised in the Balance Sheet	(947.24)	(923.93)
iv) Disclosure of Employer expenses		
1) Current Service Cost	72.35	76.16
2) Interest Cost	73.91	67.48
3) Expected Return on Plan Assets	-	-
4) Plan Amendments Cost/(Credit)	-	23.08
5) Actuarial Losses/(Gains)	(122.95)	(74.91)
6) Total employer expense recognised as expenses	23.31	91.81
v) Assumptions		
1) Discount Rate	8.60%	8.00%
2) Expected Return on Plan Assets	N.A	N.A

2.39 Earning Per Share

Particulars	2011-12	2010-11
Basic and Diluted Earning / (Loss) Per Share Before Extraordinary Items		
No of Shares Outstanding for the period	71,982,875	71,982,875
Face Value of each Share (Rs)	10.00	10.00
Net Profit / (Loss) after Tax (Rs. Lacs)	(1,146.36)	201.69
Add/(Less): Extraordinary Items (Rs. Lacs)	-	-
Net Profit / (Loss) after Tax for calculation of Earning/(Loss) per Share before extraordinary items (Rs. Lacs)	(1,146.36)	201.69
Basic & Diluted Earning / (Loss) Per Share Before Extraordinary Items (Re)	(1.59)	0.28
Basic and Diluted Earning / (Loss) Per Share After Extraordinary Items		
No of Shares Outstanding for the period	71,982,875	71,982,875
Face Value of each Shares(Rs)	10.00	10.00
Net Profit / (Loss) after Tax (Rs. Lacs)	(1,146.36)	201.69
Basic & Diluted Earning / (Loss) Per Share After Extraordinary Items (Re)	(1.59)	0.28

2.40 Previous year figures have been regrouped wherever necessary.

As per our Report of even date Attached For and on behalf of

K N Gutgutia & Co.

Chartered Accountants

Firm Registration No. 304153E

K C Sharma

Partner

Membership No. 50819

Kolkata, 19th May, 2012

For and on behalf of the Board

D. P. Dani **M. L. Chauhan**

Director

Director

S. Ghosh **K. L. Sharma**

Chief Financial Officer Company Secretary


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

1. Name of the Subsidiary Companies	Ebony Commercial Pvt. Ltd.	Dunlop East Ltd.	Dunlop South Ltd.
2. Financial Year of the Subsidiary Companies ended on	31st March, 2012	31st March, 2012	31st March, 2012
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/- each fully paid	49,940 Equity Shares of Rs. 10/- each fully paid	49,940 Equity Shares of Rs. 10/- each fully paid
b) Extent of holding	100%	99.98%	99.98%
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	NIL	NIL
b) not dealt with in the accounts of the holding Company	Rs. (1,422)	Rs. (1,4222)	Rs. (1,4222)
ii) For the previous financial years of the subsidiary since it became the holding company's subsidiary			
a) dealt with in the accounts of the holding Company	NIL	NIL	NIL
b) not dealt with in the accounts of the holding Company	Rs. (38,281)	Rs. (1,4222)	Rs. (1,4222)
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

D. P. Dani

Director

S. Ghosh

Chief Financial Officer

M. L. Chauhan

Director

K. L. Sharma

Company Secretary

Kolkata, 19th May, 2012

**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 31st March 2012, the Consolidated Statement of Profit and Loss 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. 363.35 lacs as at 31st March, 2012, the total revenue of Rs. 0.75 lacs and cash inflows amounting to Rs. 0.36 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 draw attention to the note no 2.8 regarding non provision of interest on certain loans (amount not ascertain), note no. 2.11 regarding Deferred Tax Assets and note no. 2.27 regarding Capitalisation of expenses for Refurbishment. The effect of the above on the loss for the year and its corresponding effect on reserve/ assets and liabilities is not presently ascertainable.

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 :

- a) in the case of the Consolidated Balance Sheet, of the state of the affairs of the Dunlop India Limited as at 31st March, 2012
- b) in the case of Consolidated Statement of Profit & Loss, Loss 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 19, 2012

K C Sharma
Partner
Membership No. 50819


CONSOLIDATED BALANCE SHEET
 As At 31st March, 2012

Note	As at 31st March, 2012 (Rs. Lakhs)	As at 31st March, 2011 (Rs. Lakhs)
EQUITY AND LIABILITIES		
Shareholders' Funds		
Share Capital	2.1 7198.29	7198.29
Reserves and Surplus	2.2 <u>97745.91</u>	<u>102689.54</u>
	104944.20	109887.83
Minority Interest		
	0.01	-
Non-Current Liabilities		
Long Term Borrowings	2.3 22932.86	27143.95
Other Long Term Liabilities	2.4 3055.54	3156.82
Long Term Provisions	2.5 <u>852.52</u>	<u>840.78</u>
	26840.92	31141.55
Current Liabilities		
Short Term Borrowings	2.6 10289.18	3555.51
Trade Payables	2.7 270.47	601.83
Other Current Liabilities	2.8 5338.28	3982.93
Short Term Provision	2.8 <u>94.72</u>	<u>83.15</u>
	15992.65	8223.42
TOTAL	<u>147777.78</u>	<u>149252.80</u>
ASSETS		
Non-Current Assets		
Fixed Assets		
Tangible Assets	2.9 123725.62	127673.64
Capital work-in-progress	2.9 7127.88	5409.80
Non-Current Investments	2.10 9.30	7.00
Deferred Tax Assets (Net)	9554.00	9554.00
Preliminary Expenses not written off	2.11 0.36	-
Long Term Loans and Advances	2.12 <u>378.42</u>	<u>371.85</u>
	140795.58	143016.29
Current Assets		
Inventories	2.13 6177.99	5393.63
Trade Receivables	2.14 34.62	43.14
Cash and Cash Equivalents	2.15 136.90	175.55
Short Term Loans and Advances	2.12 <u>632.69</u>	<u>624.19</u>
	6982.20	6236.51
TOTAL	<u>147777.78</u>	<u>149252.80</u>

 Significant Accounting Policies 1
 Notes on Financial Statements 2

As per our Report of even date Attached For and on behalf of the Board

For and on behalf of
K N Gutgutia & Co.
 Chartered Accountants
 Firm Registration No. 304153E **D. P. Dani** **M. L. Chauhan**
K C Sharma Director Director
 Partner
 Membership No. 50819 **S. Ghosh** **K. L. Sharma**
 Kolkata, 19th May, 2012 Chief Financial Officer Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS
 For the year ended 31st March, 2012

Note	For the year ended 31st March, 2012 (Rs. Lakhs)	For the year ended 31st March, 2011 (Rs. Lakhs)
INCOME :		
Revenue from Operations	2.16 1,982.72	17,363.48
Other Income	2.16 19.82	90.04
Total Income	<u>2,002.54</u>	<u>17,453.52</u>
Expenses:		
Cost of Materials Consumed	2.17 -	1,868.00
Purchases of Stock-in-Trade	1,387.42	13,473.55
Changes In Inventories - Finished Goods.	2.18 20.93	685.81
Work-in-Progress and Stock-in-Trade	-	-
Employee Benefit Expenses	2.19 364.98	144.15
Finance Costs	2.20 937.67	574.21
Depreciation and Amortization Expenses	2.21 146.68	143.88
Other Expenses	2.22 299.47	372.65
Total Expenses	<u>3,157.15</u>	<u>17,262.25</u>
Profit/(Loss) Before Extra Ordinary Items and Tax	(1,154.61)	191.27
Less : Minority Shareholder's Loss	-	-
Exceptional/Extra Ordinary Items	-	-
Prior Period Adjustment	2.23 (7.95)	(10.44)
Profit/(Loss) before Tax	(1,146.66)	201.71
Tax Expense:		
Current Tax	-	-
Deferred Tax	-	-
Profit (Loss) for The Year	<u>(1,146.66)</u>	<u>201.71</u>
Earning per Share (Rs)		
Basic & Diluted	(1.59)	0.28

 Significant Accounting Policies 1
 Notes on Financial Statements 2

As per our Report of even date Attached For and on behalf of the Board

For and on behalf of
K N Gutgutia & Co.
 Chartered Accountants
 Firm Registration No. 304153E **D. P. Dani** **M. L. Chauhan**
K C Sharma Director Director
 Partner
 Membership No. 50819 **S. Ghosh** **K. L. Sharma**
 Kolkata, 19th May, 2012 Chief Financial Officer Company Secretary


CONSOLIDATED CASH FLOW STATEMENT
 for the year ended 31st March, 2012

	Year ended 31.03.2012 (Rs. In Lacs)		Year ended 31.03.2011 (Rs. In Lacs)	
(A) CASH FLOW FROM OPERATING ACTIVITIES:-				
Net Profit (Loss) before tax and before exceptional item		(1146.66)		201.71
Adjustments for:				
Depreciation	146.68		143.88	
Interest Income	(0.49)		(5.96)	
Interest Expense	937.67	1083.86	574.21	712.13
Operating Profit / (Loss) before Working Capital changes		(62.80)		913.84
Adjustments for:				
Trade and other receivables	(7.92)		3152.02	
Inventories	(784.36)		(898.28)	
Trade and other Payable	599.13		(670.14)	
Long Term Trade Liabilities	(101.27)	(294.42)	(109.49)	1474.11
Cash generated from Operations		(357.22)		2387.95
Direct Taxes (paid) / Refund		-		12.28
Cash flow before extraordinary item		(357.22)		2400.23
Exceptional item		-		(60.24)
Net Cash Flow from Operating Activities		(357.22)		2,339.99
(B) CASH FLOW FROM INVESTING ACTIVITIES :				
Net Purchase/Sale of Fixed Assets		(1713.70)		(9305.68)
Movement of investments		(2.30)		(1.00)
Interest Received		1.50		3.71
Net cash used in Investing Activities		(1,714.50)		(9,302.97)
(C) CASH FLOW FROM FINANCING ACTIVITIES:-				
Proceeds from Long Term Borrowings		(4211.09)		67.46
Proceeds from Short Term Borrowings		6732.28		7374.68
Interest Paid		(488.12)		(703.98)
Net Cash used in Financing Activities		2,033.07		6,738.16
Net Increase / (Decrease) in Cash Equivalents		(38.65)		(224.82)
Cash and Cash Equivalents as at 01.04.2011		175.55		400.37
Cash and Cash Equivalents as at 31.03.2012		136.90		175.55

 As per our Report of even date Attached
 For and on behalf of

K N Gutgutia & Co.
Chartered Accountants

Firm Registration No. 304153E

K C Sharma
Partner

Membership No. 50819

Kolkata, 19th May, 2012

For and on behalf of the Board

D. P. Dani
Director
M. L. Chauhan
Director
S. Ghosh
Chief Financial Officer
K. L. Sharma
Company Secretary



1. Accounting Policies

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 Companies Accounting standard Rules 2006.

The Consolidated Financial Statements relate to Dunlop India Limited and its subsidiaries incorporated in India namely :

Name of the Company	% of Holding
Ebony Commercial Pvt. Ltd.	100
Dunlop South Ltd.	99.99
Dunlop East Ltd.	99.99

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

- i) 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.
- ii) The financial statements of subsidiaries used in the consolidation are drawn upto 31st March, 2012, the same reporting date as that of the Company.
- iii) Minority Interest's share of net profit/(Loss) of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- iv) Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.

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

2. Notes on Consolidated Financial Statements

2.1 Share Capital

	As at 31.03.2012 (Rs. Lakhs)	As at 31.03.2011 (Rs. Lakhs)
Authorised Capital		
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>
Issued, Subscribed and fully Paid up		
7,19,82,875 Equity Shares of Rs. 10 each (7,19,82,875)	7,198.29	7,198.29
	<u>7,198.29</u>	<u>7,198.29</u>

As at
31.03.2012

As at
31.03.2011

Notes :

- a) Equity Shareholder holding more than 5% of equity shares along with the number of equity shares held is as given below :

Name of the Shareholder	%	No. of Shares	%	No. of Shares
1. DIL Rim and Wheel Corpn. Ltd.	28.94	20,832,585	28.94	20,832,585
2. Wealth Overseas Pte Ltd.	8.08	5,817,500	17.62	12,682,644
3. Hiland Traders Pvt. Ltd.	27.94	20,109,137	27.94	20,109,137
4. Life Insurance Corpn. of India Ltd.	8.86	6,379,452	8.86	6,379,452
5. Kanpur Properties & Finance Pvt. Ltd.	5.46	3,932,123	5.46	3,932,123

- b) Terms/rights attached to equity share

The Company has issued one class of equity share having par value of Rs. 10/- per share. Each holder of equity share is entitled to one vote per share.

2.2 Reserves and Surplus

	As at 31.03.2012 (Rs. in Lakhs)	As at 31.03.2011 (Rs. in Lakhs)
Capital Reserve	51.45	51.45
Capital Redemption Reserve	70.00	70.00
Share Premium Reserve	264.81	264.81
Debenture Redemption Reserve	1.33	1.33
Revaluation Reserve		
As per last Balance Sheet	85,885.22	89,692.17
Less : Transferred to Profit and Loss a/c	<u>3,796.97</u>	<u>3,806.95</u>
General Reserve	7,871.34	7,871.34
Surplus		
As per last Balance Sheet	8,545.39	8,343.71
Add/(Less): Profit/(Loss) for the year	<u>(1,146.66)</u>	<u>201.68</u>
	<u>97,745.91</u>	<u>102,689.54</u>

2.3 Long Term Borrowings

	As at 31.03.2012 (Rs. Lakhs)	As at 31.03.2011 (Rs. Lakhs)
a) Secured		
Term Loans		
From Banks	6.66	8.23
From Others	3,004.02	778.90
From Related Parties	4,138.45	4,128.46
	<u>7,149.13</u>	<u>4,915.59</u>

Note :

Term Loan from Banks represent Vehicle loans secured by way of hypothecation of vehicles.

Term Loan from others are secured by way of creation of charge on fixed assets of an Associated Company.

Loan from related parties are secured by Second charge of Company's Fixed Assets.



	As at 31.03.2012 (Rs. in Lakhs)	As at 31.03.2011 (Rs. in Lakhs)
b) Unsecured		
Loans from Related Parties	14,892.63	21,034.10
Deposits (Dealers and C & FA)	381.49	684.65
Other Loans and Advances	509.61	509.61
	<u>15,783.73</u>	<u>22,228.36</u>
TOTAL (a+b)	<u>22,932.86</u>	<u>27,143.95</u>

2.4 Other Long term liabilities

Trade Payables	1,237.74	1,329.01
Statutory Liabilities	71.86	71.86
Others	1,745.95	1,755.95
	<u>3,055.55</u>	<u>3,156.82</u>

Note :

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.

2.5 Long term Provision

Provision for Employee Benefits	852.52	840.78
	<u>852.52</u>	<u>840.78</u>

2.6 Short Term Borrowings :
Secured

Cash Credit/Overdraft from Banks	4,025.90	3,545.43
Current portion of Vehicle Loan	3.50	10.08
	<u>4,029.40</u>	<u>3,555.51</u>

Unsecured

Other Loans and Advances	6,000.00	-
Other Loans and Advances from Related Parties	259.78	-
	<u>6,259.78</u>	<u>-</u>

TOTAL

	<u>10,289.18</u>	<u>3,555.51</u>
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Note :

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 and are further secured by hypothecation of moveable fixed assets and equitable mortgage of land at Sahaganj.

Term Loan from Banks represent Vehicle loans secured by way of hypothecation of vehicles.

2.7 Trade Payable

	As at 31.03.2012 (Rs. in Lakhs)	As at 31.03.2011 (Rs. in Lakhs)
Micro, Small and Medium Enterprises	-	-
Others	270.47	601.83
	<u>270.47</u>	<u>601.83</u>

Note :

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.

2.8 Other Current Liabilities & Provisions
Other Current Liabilities

Advance from Customers	39.24	455.60
Statutory Liabilities	469.33	412.91
Matured Fixed Deposits	801.06	802.45
Interest accrued but not due	479.81	-
Other Liabilities	3,548.84	2,311.97
	<u>5,338.28</u>	<u>3,982.93</u>

Note :

Other Liabilities includes old secured loans from KSIIDC- Rs.333.05 lacs and Catholic Syrian Bank - Rs.750 lacs, Company has not repaid these loans and these loans are now under active consideration of one time settlement with the Lenders. Pending settlement, no interest has been provided on these loans.

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.

Short Term Provisions

Provision for Employees Benefits	<u>94.72</u>	<u>83.15</u>
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(Rs. in Lakhs)

2.9 Fixed Assets	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As on 31.03.2011	Additions	Deductions	As on 31.03.2012	As on 31.03.2011	For the period	Adjustment/ Sale during the period	As on 31.03.2012	As on 31.03.2012	As on 31.03.2011
Tangible Assets										
Freehold Land	33,843.14	-	-	33,843.14	-	-	-	-	33,843.14	33,843.14
Freehold Buildings	21,581.71	-	-	21,581.71	6,701.81	515.84	-	7,217.65	14,364.06	14,879.90
Leasehold Buildings	17.15	-	-	17.15	3.93	-	-	3.93	13.22	13.22
Plant and Machinery	128,499.50	1.12	-	128,500.62	49,805.69	3,396.49	-	53,202.18	75,298.44	78,693.81
Furniture and Fittings	572.71	0.67	-	573.38	540.60	1.00	-	541.60	31.78	32.11
Motor Vehicles	454.13	-	9.18	444.95	242.67	30.32	3.02	269.97	174.98	211.46
Total	184,968.34	1.79	9.18	184,960.95	57,294.70	3,943.65	3.02	61,235.33	123,725.62	127,673.64
Previous Year	172936.56	12,043.83	14.87	184,965.52	53,348.02	3,950.83	4.15	57,294.70	127670.82	
Capital Work in Progress	5409.80	1718.08	-	7127.88					7127.88	5409.80

As at
31.03.2012
(Rs. in Lakhs)

As at
31.03.2011
(Rs. in Lakhs)

As at
31.03.2012
(Rs. in Lakhs)

As at
31.03.2011
(Rs. in Lakhs)

2.10 Non-Current Investments
Non-Trade :
A. Quoted:

Equity Shares - fully paid
7,418 (7,418) Master Shares of
Rs.10 each of U T I

1.00 1.00

TOTAL (A)

1.00 1.00

B. Unquoted :
Others :

40, 7% Debentures fully paid of
Royal Calcutta Golf Club Ltd.
5,000, Equity Shares of USD 1 each fully paid
of Wealthsea Ltd
5,000, Equity Shares of GBP
1 each fully paid
of Global Finvest Ltd
10,000, Equity Shares of Rs 10 each
fully paid of Wizer Advertising Pvt Ltd.

1.00 1.00
2.30 -
4.00 4.00

TOTAL (B)

8.30 6.00

TOTAL (A+B)

9.30 7.00

Aggregate Market Value of Quoted Investments 1.80 2.19
Aggregate Book Value of Quoted Investments 1.00 1.00
Aggregate Book Value of UnQuoted Investments 8.30 6.00

2.11 Deferred Tax Assets/Liabilities
Deferred Tax Assets :

43 B items under Income Tax Act, Carried
forward loss and Unabsorbed Depreciation 9,740.00 9,740.00

Deferred Tax Liabilities :

Depreciation 186.00 186.00

Deferred Tax Assets (Net)

9,554.00 9,554.00

Note :

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 11th 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.

2.12 Long Term Loans and Advances
(Unsecured, Considered Good)

Security Deposits 99.13 92.56
Other loans and advances : 279.29 279.29
378.42 371.85

Short Term Loans and Advances
(Unsecured, Considered Good)

Loans and Advances to related parties 2.54 168.82
Other Short Term loans and advances :
Duties Receivable 134.74 52.27
Interest accrued but not due 16.70 17.72
Other Loans & Advances 478.71 385.38
632.69 624.19



	As at 31.03.2012 (Rs. in Lakhs)	As at 31.03.2011 (Rs. in Lakhs)		As at 31.03.2012 (Rs. in Lakhs)	As at 31.03.2011 (Rs. in Lakhs)
2.13 Inventories			2.17 Cost of Materials Consumed		
Immovable Property	350.00	350.00	Opening Stock of Raw Materials	4,496.15	2,903.52
Raw Materials	5,296.11	4,496.15	Add: Raw materials Purchased	799.96	3,460.63
Work-in-progress	232.90	235.43	Less: Closing Stock of Raw Materials	5,296.11	4,496.15
Finished Goods	136.00	154.40		<u>-</u>	<u>1,868.00</u>
Stores and spares	102.29	96.96			
Goods in Transit	60.69	60.69			
	<u>6,177.99</u>	<u>5,393.63</u>	2.18 Changes in Inventories		
Note :			Opening Stock		
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. Finished Goods are valued at lower of Cost or net realizable value.			Finished Goods	154.40	822.53
			Work-in-progress	235.43	253.11
			Stock-in-trade (if any)	-	-
				<u>389.83</u>	<u>1,075.64</u>
			Less: Closing Stock		
			Finished Goods	136.00	154.40
			Work-in-progress	232.90	235.43
			Stock-in-trade (if any)	-	-
				<u>368.90</u>	<u>389.83</u>
				<u>20.93</u>	<u>685.81</u>
2.14 Trade Receivables (Unsecured, Considered Good)			2.19 Employees Benefits Expenses		
a) More than six months from the due date	34.62	35.35	Salaries and Wages	330.60	117.18
b) Others	-	7.79	Contribution to Provident and Other Funds	28.28	14.09
	<u>34.62</u>	<u>43.14</u>	Staff Welfare Expenses	6.10	12.88
				<u>364.98</u>	<u>144.15</u>
2.15 Cash and Cash Equivalents			2.20 Finance Cost		
Balances with banks in Current account	23.93	24.34	Interest on Loans	905.26	574.21
Cash on hand	0.76	5.00	Loan Processing Fees & Charges	32.41	-
Other balances :				<u>937.67</u>	<u>574.21</u>
Fixed deposit with Bank (More than 12 months)			2.21 Depreciation and amortization expenses		
- In Deposit Account	79.07	79.07	Depreciation	3,943.65	3,950.83
- In Margin Deposit Account	33.14	67.14	Less : Transferred from Revaluation Reserve	3,796.97	3,806.95
	<u>112.21</u>	<u>146.21</u>		<u>146.68</u>	<u>143.88</u>
	<u>136.90</u>	<u>175.55</u>			
2.16 Income					
A) Revenue From Operations					
Sale of products					
-Own	26.00	3,259.41			
-Traded	1,391.81	13,568.21			
Sale of services	490.31	615.08			
Other operating revenues	75.36	189.62			
	<u>1,983.48</u>	<u>17,632.32</u>			
Less: Excise Duty	0.76	268.84			
	<u>1,982.72</u>	<u>17,363.48</u>			
B) Other Income					
Interest Income	0.49	5.96			
Excess provision/liabilities written back	18.58	83.17			
Hire Charges	0.75	0.91			
	<u>19.82</u>	<u>90.04</u>			
TOTAL	<u>2,002.54</u>	<u>17,453.52</u>			

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.29384.14 lakhs) capitalized till 31.3.11 and not put to use.



	As at 31.03.2012 (Rs. in Lakhs)	As at 31.03.2011 (Rs. in Lakhs)	
2.22 Other Expenses			
Consumption of stores and spares part	33.52	6.12	
Power and Fuel	125.00	58.31	
Rent	24.98	29.63	
Repairs to buildings	4.89	0.60	
Repairs to machinery	1.80	0.85	
Repair Others	0.81	1.16	
Security Charges	28.12	16.97	
Legal Charges	43.59	3.78	
Insurance	7.54	6.11	
Rates and Taxes excluding taxes on Income	1.07	2.86	
Freight	1.48	47.13	
Directors' Sitting Fees	1.45	2.10	
Rebates Discount Commission	2.46	179.40	
Auditors Remuneration			
Audit Fees- Tax Audit	0.31	0.31	
Audit Fees- Statutory Audit	1.30	1.27	
Certification and others	0.68	1.39	
	2.29	2.97	
Audit Fees- Cost Audit	0.35	0.35	3.32
Miscellaneous Expenses	20.12	14.31	
	<u>299.47</u>	<u>372.65</u>	

2.23 Prior Period Adjustments

Reversal of Earlier year expenses	(8.42)	(30.99)
Expenses of Previous Years	0.47	0.96
Reversal of Earlier year Income	-	19.59
	<u>(7.95)</u>	<u>(10.44)</u>

2.24 Contingent Liabilities and commitments

Contingent Liabilities

Sales Tax Demands under appeal or otherwise disputed	14,904.06	14,904.06
Income tax matters in appeal	400.00	400.00
In respect of Trade Finance facilities availed and assignment of factored debtors	3361.36	3,362.71

Commitments

1) In respect of gurantee issued in favour of WBSedCL	145.20	145.20
2) In respect of corporate gurantee issued on behalf of Group Companies	6063.05	6,063.05

2.25 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.

2.26 Other Long term liabilities(Rs.2755.54 lacs appearing in Note no. 2.4) and Long term Advances (Rs.279.29 lacs appearing in Note no. 2.12) represent liabilities/assets for pre takeover period, which in the opinion of the Management is not payable/realisable within one year of Balance Sheet date.

2.27 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.1453.92 lakhs (p.y. Rs.3810.48Lakhs) have been capitalized during 1.4.2011 to 30.9.2011.

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

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

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

i) Holding Company : Wealth Sea Pte. Ltd. (Singapore) through DIL Rim and Wheel Corporation Limited, Mauritius.

ii) **Associate Companies**

1) Aakashdeep Properties Pvt Ltd. 2) Acurate Traders Pvt Ltd. 3) Adhishwar Nivesh Pvt. Ltd. 4) Alpha Airways Pvt Ltd. 5) Always Properties & Finance Pvt Ltd. 6) American Merchandising Ltd. 7) Anchita Commercials Pvt Ltd. 8) Angan Properties Private Limited, 9) Anish Traders Pvt Ltd. 10) Anoush Traders Pvt Ltd. 11) Aparupa Properties Pvt. Ltd. 12) Ayodhya Properties & Finance Pvt Ltd. 13) Ballard Commercials Pvt Ltd. 14) Bandana Commercials Pvt Ltd. 15) Beadon Traders Pvt Ltd. 16) Bharatiya Hotels Pvt. Ltd. 17) Bipul Commercials Pvt Ltd. 18) Blackstone Holdings Private Ltd. 19) Bloom Billions Sdn Bhd- Malaysia 20) Borneo Traders Pvt Ltd. 21) Brawany Nivesh Pvt Ltd. 22) BTR Sealing System UK Ltd. - UK. 23) Chaity Commercials Pvt Ltd. 24) Chaman Trade Links Pvt Ltd. 25) Chambal Marketing Pvt Ltd. 26) Chemical Corporation of India Ltd. 27) Chinsurah Chemicals Pvt. Ltd. 28) Chorus Trade Links Pvt Ltd. 29) Climber Properties Pvt. Ltd. 30) D K Properties Pvt Ltd. 31) Dadar Properties & Finance Pvt Ltd. 32) Deblok Traders Pvt Ltd. 33) Deoghar Properties & Finance Pvt Ltd. 34) Ruia Corporate Services Pvt Ltd. 35)



Dil Rim and Wheel Corporation Ltd.-Mauritius 36) Divya Mercantile Ltd. 37) Dunlop Estates Pvt. Ltd. 38) Dunlop Infrastructure Pvt. Ltd. 39) Dunlop Investments Ltd. 40) Dunlop Latex Foam Europe Ltd. 41) Dunlop Polymers Pvt Ltd. 42) Dunlop Properties Pvt. Ltd. 43) Dunlop Rubbers Limited 44) Dunlop Tyres Limited, 45) Dunlop Auto Tyres Limited, 46) Dunlop UK Limited, UK, 47) Durg Properties & Finance Pvt Ltd. 48) Eco Traders Pte Ltd. 49) Edina Marketing pvt Ltd. 50) eMotions Media Pvt Ltd. 51) Empire Minerals Pvt Ltd. 52) Enormous Nivesh Pvt Ltd. 53) Eyelid Mercantile Pvt Ltd. 54) Fabulous Nivesh Pvt Ltd. 55) Falcon Tyres & Rubber PVT. Ltd. 56) Falcon Tyres Impex Pvt. Ltd. 57) Falcon Tyres Ltd. 58) FAIRVALUE IMPEX LTD. Mauritius, 59) Mahan Tyres & Tubes Pvt.Ltd.(Formerly Falken Tyres Ltd.) 60) Fiber Foam (Bombay) Pvt Ltd. 61) Fragment Nivesh Pvt Ltd. 62) Gain E-Commerce Pvt Ltd. 63) Global Fin Pro Ltd. 64) Global finvest Ltd. UK, 65) Globe Sugar Refinery Ltd. 66) GLORIOUS INVESTMENTS LTD – Mauritius, 67) Goldman Securities Ltd. 68) Goldman Stock & Share Brokers Ltd. 69) Gumasol Rubber Tec GMBH. 70) Hardcore Viniyog Pvt Ltd. 71) Herald Investments Pvt Ltd. 72) Hiker Properties Pvt. Ltd. 73) Hiland Traders Pvt Ltd. 74) Hindustan Texknit Pvt. Ltd. 75) Hirakud Industrial Works Ltd. 76) Hirakud Rolling Mill Ltd. 77) Hriday Commercials Pvt Ltd. 78) Ibcon(Calcutta) Pvt Ltd 79) India Finance Ltd 80) India Tyre & Rubber Co (India) Ltd. 81) Indo-Wagon Engineering Ltd. 82) Jai Badrinath Niketan Pvt. Ltd. 83) Jai Brijmohan Niketan Pvt. Ltd. 84) Jai Ganga Nirman Pvt. Ltd. 85) Jai Gokul Towers Pvt. Ltd. 86) Jai Harihor Tower Pvt. Ltd. 87) Jai Raghuvir Enclave Pvt. Ltd. 88) Jai Tridev Vihar Pvt. Ltd. 89) Jai Vaibhav Niketan Pvt. Ltd. 90) Janaki Marketing Pvt Ltd. 91) Jessop & Co. Ltd. 92) Jessop Estate Pvt Ltd. 93) Jessop Infotech Pvt Ltd 94) Jessop Infrastructure Pvt Ltd. 95) Jessop Properties Pvt Ltd. 96) Jessop Shipyard Limited, 97) Jessop Wagons & Coaches Ltd. 98) Kailash Enterprises (New Delhi) Pvt Ltd. 99) Kanti Commercials Pvt Ltd. 100) Kothi Lefin Pvt Ltd. 101) Kulu Properties & Finance Pvt Ltd. 102) Liluah Ceramics Pvt. Ltd. 103) Mahant Merchandise Pvt Ltd. 104) Malini Properties Pvt Ltd. 105) Manali Properties & Finance Pvt. Ltd. 106) Manidipa Properties Pvt. Ltd. 107) Manjari Properties Pvt. Ltd. 108) Mayank Services Ltd. 109) Metro Developers Ltd. 110) Metropole Hills Hotel Pvt. Ltd. 111) Monarch Exim Pvt Ltd. 112) Monotona Tyres Limited, 113) Moulishree Electricals & Electronics Ltd. 114) Mridula Marketing Pvt Ltd. 115) Mudrika Commercials Pvt. Ltd. 116) Mugdha Properties Pvt Ltd. 117) Nandini Properties Pvt Ltd. 118) Nevadita Properties Pvt Ltd. 119) Ocean Constructions Pte Ltd. 120) OM Cotex Ltd (Formerly

Ruia Cotex Ltd), 121) Onix Business Services Ltd. 122) Orion Otomotiv ve Yedek Parça Sanayi ve Tic. Turkey, 123) Orion Medencilik Metal Enerji Ticaret A.S -Turkey, 124) P.K. Constructions Pvt Ltd. 125) Pacific Apparels Ltd., 126) Pallavi Manufacturers Pvt. Ltd. 127) Parnika Marketing Private Ltd. 128) Pawan Herbals Pvt. Ltd. 129) Payneganga Sugars & Chemicals Ltd. 130) Radient Investment Ltd-Mauritius, 131) Rapid Investment Ltd - Mauritius, 132) Renuka Resorts Pvt Ltd. 133) REALWORTH TRADING LTD- Mauritius, 134) Rose Investment Ltd-Mauritius, 135) Ruia & Sons Pvt Ltd. 136) Ruia Agro Products Pvt. Ltd. 137) Ruia Electronics Pvt Ltd. 138) Ruia Holding - GMBH, 139) RUIA HOLDING FRANCE SAS, 140) RUIA INTERNATIONAL FRANCE SAS, 141) RUIA AUTOMOTIVE SRO-Chek, 142) Ruia Hospital & Educational Research Institution, 143) Ruia Hotels Pvt Ltd. 144) RUIA INDUSTRIES LTD – Mauritius, 145) Ruia Marketing Ltd. 146) Ruia Properties GMBH, 147) Ruia Technologies Ltd. 148) Ryham Pte Limited- Singapore, 149) Sagarika Properties Pvt Ltd. 150) Sanjose Polymers Pvt Ltd. 151) Sarvan Commercials Pvt Ltd. 152) Satarupa Properties Pvt. Ltd. 153) Schlegel Automotive Europe Ltd. UK 154) Schlegel Automotive India Pvt.Ltd. 155) Securities Brokers India Limited, 156) Shakambari Communications Pvt Ltd. 157) Shalimar Towers Pvt Ltd. 158) Shalini Properties & Developers Pvt. Ltd. 159) Shankar Traders & Dealers Ltd. 160) Sheetal Exports Ltd. 161) Shresth (India) Pvt Ltd. 162) Skypak Properties & Finance Pvt Ltd. 163) Spices Valley Estates Ltd. 164) SPR Resorts Ltd. 165) Ruia Global Nivesh Pvt Ltd (Formerly SPR Textiles Pvt. Ltd.), 166) Stephen Financial Services Pvt Ltd. 167) Sterling Share Brokers (P) Ltd. 168) Subhlaxmi Compusis Pvt Ltd. 169) Subhra Marketing Ltd. 170) Sugandha Industries Pvt Ltd. 171) Sukaram Marketing Ltd. 172) Suryamani Financing Company Ltd. 173) Tribhuban Marketing (P) Ltd. 174) Tulip Machineries Pvt Ltd. 175) Udbav Commercials Pvt Ltd. 176) Vidyut Petrochem Pvt Ltd. 177) Vilas Marketing Private Limited 178) Wealth Field Pte Ltd. 179) Walker Properties Pvt Ltd. 180) Wealth Ocean Pte Ltd- Sinagpore, 181) Wealth Overseas Pte Ltd- Sinagpore, 182) WEALTH VALLEY PTE LTD. 183) Wealthsea Ltd - Mauritius, 184) WEALTH TREASURY Ltd-Mauritius, 185) WEALTH PACIFIC HOLDING LTD-Mauritius 186) WEALTHSEA HOLDINGS A.S -Turkey 187) Zeal Infotech Pvt Ltd. 188) Zipco Industrial Finance Pvt. Ltd.

Key Management Personnel :

Mr. S. N. Maheshwari, Executive Director
(till 16th June, 2011)



b) The Company's related party transactions during the year and outstanding balances as at 31st March, 2012 are as below : (Rs in Lakhs)

Particulars	Associates		Key Management Personnel		Total	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-1011
Income						
-Falcon Tyres Ltd	490.31	630.08	-	-	490.31	630.08
Sales - Raw Material & Finished Goods :						
-India Tyre & Rubber Company	-	66.22	-	-	-	66.22
-Falcon Tyres Impex Pvt. Ltd.	-	602.61	-	-	-	602.61
Purchases						
Raw Material & Finished Goods						
-Monotona Tyres Ltd.	-	37.62	-	-	-	37.62
Remuneration						
-Mr. R K Budhiraja	-	-	-	5.55	-	5.55
-Mr. S N Maheswari	-	-	10.13	33.50	10.13	33.50
Purchase of Fixed Assets						
-Tulip Machineries (P) Ltd	-	1278.62	-	-	-	1278.62
Investment in Associate Co.						
-Wealthsea Mauritius Ltd	2.30	-	-	-	2.30	-
Liabilities						
Expenses/Liabilities paid by the Associates on behalf of the Company which is adjusted against either paid by the Company or reimbursed :						
-Dunlop Rubbers Ltd	-	0.14	-	-	-	0.14
-Falcon Tyres Impex Pvt Ltd	13.56	-	-	-	-	-
-Falcon Tyres Ltd	489.67	0.57	-	-	489.67	0.57
-India Tyre and Rubber Co(India) Ltd.	79.02	-	-	-	79.02	-
-Ruia Corporate Services (P) Ltd	232.19	193.03	-	-	232.19	193.03
-Ruia Sons Pvt Ltd	1079.93	204.58	-	-	1079.93	204.58
-Subh Laxmi Compusis Pvt Ltd	12.64	-	-	-	12.64	-
-Wealth Overseas Pte. Ltd	20.33	-	-	-	20.33	-
Service rendered on behalf of Associate Co.						
-Falcon Tyres Ltd	187.52	-	-	-	187.52	-
Advance Given						
-Ruia Sons Pvt Ltd	1,781.60	-	-	-	17.81.60	-
Unsecured Loan Taken						
-Falcon Tyres Ltd	-	1,950.00	-	-	-	1950.00
-India Finance Ltd	-	6,039.50	-	-	-	6039.50
-Kanti Commercials Pvt Ltd	12,942.63	-	-	-	12,942.63	-
-Ruia Sons Pvt Ltd	-	695.64	-	-	-	695.64
-Stephen Financial Services Pvt Ltd	6,239.46	-	-	-	6,239.46	-
Balances Outstanding :						
As Credit Balance						
Unsecured Loan						
-Falcon Tyres Ltd	1,950.00	1,950.00	-	-	1950.00	1950.00
-India Finance Ltd	-	18388.47	-	-	-	18388.47
-Kanti Commercials Pvt Ltd	12,942.63	-	-	-	12942.63	-
-Ruia Sons Pvt Ltd	-	695.64	-	-	-	695.64
-Stephen Financial Services Pvt Ltd	239.46	-	-	-	239.46	-
-Suryamani Financing Co Ltd	4138.45	4128.46	-	-	4138.45	4128.46
-Wealth Overseas Pte. Ltd	20.33	-	-	-	20.33	-
Current Liabilities						
-Dunlop Rubber Ltd	-	0.14	-	-	-	0.14
-Falcon Tyres Ltd	1213.10	422.67	-	-	1213.10	422.67
-Ruia Corporate Services (P) Ltd	129.40	0.75	-	-	129.40	0.75
-Ruia Sons Pvt Ltd	3.22	201.53	-	-	3.22	201.53
-India Tyre and Rubber Co(India) Ltd.	79.02	-	-	-	79.02	-
-Zeal Infotech (P) Ltd	-	0.36	-	-	-	0.36
As Debit Balance						
Debtors						
Falcon Tyres Ltd	0.44	0.44	-	-	0.44	0.44
Loans & Advances						
-Falcon Tyres Impex Pvt Ltd	2.08	120.43	-	-	2.08	120.43
-Falcon Tyres Ltd	-	48.39	-	-	-	48.39



	As at 31.03.2012 (Rs. in Lakhs)	As at 31.03.2011 (Rs. in Lakhs)
2.31 Raw Material Consumption		
Rubber	-	1155.18
Fabric	-	320.32
Carbon Black	-	182.19
Others	-	210.31
	<u>-</u>	<u>1868.00</u>

	As at 31.03.2012 Rs. Lakhs %		As at 31.03.2011 Rs. Lakhs %	
2.32 Consumption of Raw materials, spares parts and component consumed				
Imported	-	-	-	-
Indigenous	-	-	1874.12	100.00
	<u>-</u>	<u>-</u>	<u>1874.12</u>	<u>100.00</u>

2.33 Value of imports calculated on C.I.F. basis Nil Nil

2.34 Expenditure in foreign currency Nil Nil

2.35 Information related to foreign exchange remitted as dividend Nil Nil

2.36 Earnings in foreign exchange Nil Nil

2.37 Segment Reporting

The Company operates in 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.

2.38 Disclosure as per AS-15 "Employees Benefits" (Rs in lacs)

Particulars	2011-12	2010-11
i) Change in Defined Benefit Obligation		
1) DBO at beginning of the period	923.93	932.12
2) Service Cost	72.35	76.16
3) Interest Cost	73.91	67.48
4) Plan Amendments Cost/(Credit)	-	23.08
5) Actuarial Losses/(Gains)	(122.95)	(74.91)
6) Benefit Payments	-	(100.00)
7) DBO at closing of the period	947.24	923.93

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
4) Benefit Payments	-	(100.00)
5) Fair value of Plan Assets at closing of the period	-	-

iii) Net Asset/(Liability) Recognised in Balance Sheet-31.3.2012		
1) Present Value of Defined Benefit Obligation	947.24	923.93
2) Fair Value of Plan Assets	-	-
3) Funded Status { Surplus/ (deficit) }	(947.24)	(923.93)
4) Net Asset/(Liability recognised in the Balance Sheet	(947.24)	(923.93)

iv) Disclosure of Employer expenses		
1) Current Service Cost	72.35	76.16
2) Interest Cost	73.91	67.48
3) Expected Return on Plan Assets	-	-
4) Plan Amendments Cost/(Credit)	-	23.08
5) Actuarial Losses/(Gains)	(122.95)	(74.91)
6) Total employer expense recognised as expenses	23.31	91.81

v) Assumptions		
1) Discount Rate	8.60%	8.00%
2) Expected Return on Plan Assets	N.A	N.A

2.39 Earning Per Share

Particulars	2011-12	2010-11
Basic and Diluted Earning / (Loss) Per Share Before Extraordinary Items		
No of Shares Outstanding for the period	71,982,875	71,982,875
Face Value of each Share (Rs)	10.00	10.00
Net Profit / (Loss) after Tax (Rs. Lacs)	(1,146.66)	201.71
Add/(Less): Extraordinary Items (Rs. Lacs)	-	-
Net Profit / (Loss) after Tax for calculation of Earning/(Loss) per Share before extraordinary items (Rs. Lacs)	(1,146.66)	201.71
Basic & Diluted Earning / (Loss) Per Share Before Extraordinary Items (Re)	(1.59)	0.28
Basic and Diluted Earning / (Loss) Per Share After Extraordinary Items		
No of Shares Outstanding for the period	71,982,875	71,982,875
Face Value of each Shares(Rs)	10.00	10.00
Net Profit / (Loss) after Tax (Rs. Lacs)	(1,146.66)	201.71
Basic & Diluted Earning / (Loss) Per Share After Extraordinary Items (Re)	(1.59)	0.28

2.40 Previous year figures have been regrouped wherever necessary.

As per our Report of even date Attached For and on behalf of

K N Gutgutia & Co.

Chartered Accountants
Firm Registration No. 304153E

K C Sharma
Partner

Membership No. 50819
Kolkata, 19th May, 2012

For and on behalf of the Board

D. P. Dani **M. L. Chauhan**
Director Director

S. Ghosh **K. L. Sharma**
Chief Financial Officer Company Secretary

**STATEMENT PURSUANT TO SECTION 212(8) OF THE COMPANIES ACT, 1956 RELATED TO ITS SUBSIDIARY COMPANIES, EBONY COMMERCIAL PRIVATE LTD, DUNLOP EAST LTD AND DUNLOP SOUTH LTD FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2012.**

Particulars	Ebony Commercial Pvt. Ltd.	Dunlop East Ltd.	Dunlop South Ltd.
a) Capital (Rs in '000)	205.00	500.00	500.00
b) Reserve and Surplus(Rs in '000)	5106.72	Nil	Nil
c) Total Assets (Rs in '000)	35349.22	500.00	500.00
d) Total Liabilities (Rs in '000)	35349.22	500.00	500.00
e) Details of Investment (Rs in '000) (Except in case of Investment in Subsidiaries)	Nil	Nil	Nil
f) Turnover and Other Income (Rs in '000)	74.90	-	-
g) Profit/(Loss) before Taxation (Rs in '000)	(1.42)	(14.22)	(14.22)
h) Provision for Taxation	Nil	Nil	Nil
i) Proposed Dividend	Nil	Nil	Nil

- (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 furnish the hard copy of details of Accounts of the aforesaid Subsidiary to any Shareholder on demand, who desires 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 of ensuing Annual General Meeting between 11.00 a.m. and 1.00 p.m.

For and on behalf of the Board

D. P. Dani
Director

M. L. Chauhan
Director

S. Ghosh
Chief Financial Officer

K. L. Sharma
Company Secretary

Kolkata, 19th May, 2012



DUNLOP INDIA LIMITED

Registered Office :

Flat No. 1, Front Side, 5th Floor, 9, Syed Amir Ali Avenue, Kolkata - 700 017

EIGHTY FIFTH ANNUAL GENERAL MEETING ON WEDNESDAY, 18TH JULY, 2012 AT 11:00 A.M. AT KALA MANDIR, 48, SHAKESPEARE SARANI, KOLKATA - 700017

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 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 85th Annual General Meeting

Name of Proxy (if any) in Block Letters

Signature of Member/Proxy

FOLIO NO. :

ADMISSION SLIP



DUNLOP INDIA LIMITED

Registered Office :

Flat No. 1, Front Side, 5th Floor, 9, Syed Amir Ali Avenue, Kolkata - 700 017

I/We

of

being a Member/s of Dunlop India Limited (Folio No.) hereby appoint

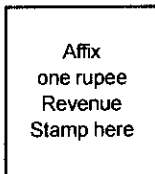
..... of or

failing him..... of

as my/our Proxy to attend and vote for me/us and on my/our behalf at the 85th Annual General Meeting of the Company to be held on 18th Juny, 2012 and at any adjournment thereof.

As witness my/our hand/s this..... day of..... 2012

Signed by the said.....



Note :

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

PROXY FORM

BOOK POST

If undelivered, please return to :

DUNLOP INDIA LIMITED

Registered Office :

Flat No. 1, Front Side, 5th Floor

9, Syed Amir Ali Avenue

Kolkata - 700 017