



DUNLOP INDIA LIMITED

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



**ANNUAL
REPORT
2013-14**

**BOARD OF DIRECTORS**

Mr. Mohan Lall Chauhan
Mr. Dipak Das
Mrs. Baishali Roy
Mr. Ashok Kumar Agarwal

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
Fax : (033) 22893433
E-mail : kanhaiya.sharma@ruiagroup.co.in
Web-site : www.dunlop.co.in

BANKERS

Central Bank of India
United 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
(033) 40116700
Fax : (033) 22870263
E-mail : rta@cbmsl.com

AUDITORS

M/S. GORA & CO.,
Chartered Accountants, Kolkata

SOLICITORS

M/S. L. P. AGARWALLA & CO, KOLKATA

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**DUNLOP INDIA LIMITED**

CIN : L25191WB1926PLC008539
Registered Office : Flat No. 1, Front Side, 5th Floor
9, Syed Amir Ali Avenue, Kolkata - 700 017
Phone : +91 33-2289-4747
E-Mail : info@dunlop.co.in, www.dunlop.co.in

NOTICE

NOTICE is hereby given that the **Eighty Seventh** Annual General Meeting of the Members of **Dunlop India Limited** will be held at **Academy of Fine Arts, 2, Cathedral Road, Kolkata - 700071 on Thursday, 21st August, 2014, at 10.00 a.m.** to transact the following business :

ORDINARY BUSINESS

1. To consider and adopt the Profit & Loss Account for the year ended 31st March, 2014 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 Shri Subbaratnam Ravi (DIN : 00798456), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s Gora & 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** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 read with relevant Rules made there under and the Articles of Association of the Company and all other relevant acts and rules, Shri Dipak Das (DIN : 01595824) be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years.”
5. **As an Ordinary Resolution :**
“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 read with relevant Rules made there under and the Articles of Association of the Company and all other relevant acts and rules, Smt Baishali Roy (DIN : 06873404) be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years.”

By Order of the Board
Ashok Kumar Agarwal
Director

Place : Kolkata
Date : 29th May, 2014

NOTES :

1. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 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 ANNUAL GENERAL 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.**

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

3. Voting through electronic means.

Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 the company is pleased to provide members facility to exercise their right to vote by electronic means as an alternative to vote physically at the AGM and the business may be transacted through E-voting services provided by National Securities Depository Limited (“NSDL”). The instruction for e-voting are as under. Members are requested to follow the instruction below to cast their vote through e-voting.

- i) User ID and Password for e-voting is provided in the table given on the face of this annexure to the AGM Notice. Please note that the password is an initial password.
- ii) National Securities Depository Limited (NSDL) shall also be sending the User- ID and Password, to those members whose e-mail address are registered with the Company / Depository Participant (s). For members who have not registered their e-mail address can use the details as provided overleaf.
- iii) Launch internet browser and type the following URL: **https://www.evoting.nsdl.com**
- iv) Click on “**Shareholder-Login**”
- v) Put user ID and password as initial password noted in step (i) above. Click Login.
- vi) The **Password Change Menu** will appear on the screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combinations of the two. Note new password.
- vii) Once the e-voting home page opens, click on **e-voting>Active Voting Cycles.**



- viii) Select the **EVEN (E-Voting Event Number)** of Dunlop India Limited (the number is provided in the attached document) Once you enter the number, the **Cast Vote** page will open, Now you are ready for e-voting.
- ix) Cast your vote by selecting your favoured option and click **Submit**. Also click **confirm** when prompted.
- x) Upon confirmation, the message "**Vote cast successfully**" will be displayed.
- xi) Please note that once your vote is cast on the selected resolution, it cannot be modified.
- xii) Institutional shareholders (i.e members other than individual, HUF, NRI's etc.) are required to send a scanned copy (PDF / JPG format) of the relevant Board Resolution / Authority letter etc., together with the attested specimen signature(s) of the duly authorised signatory(ies) who is / are authorised to vote, to the Scrutinizer via email at atish.shaw@gmail.com with a copy marked at evoting@nsdl.co.in.

Please note that :

- * Login to e-voting website will be disabled upon five unsuccessful attempts to key-in the correct password. In such an event, you will need to go through '**Forgot Password**' option available on the site to reset the same.
- * Your Login ID and Password can be used by you exclusively for e-voting on the Resolution placed by the companies in which you are a shareholder.
- * It is strongly recommended that you do not share your password with any other person and take utmost care to keep it confidential.

Please note that if you have opened 3-in-1 Account with ICICI Group i.e. bank account and demat account with ICICI Bank Ltd and trading account with ICICI Securities Ltd, you can access e-Voting web-site of NSDL through their website viz., www.icicidirect.com for the purpose of casting your votes electronically by using your existing user ID and password used for accessing the website www.icicidirect.com.

Please note that in case you are not able to login through the ICICI direct website, you can also access the e-Voting system of NSDL by using your existing user ID and password for the evoting system of NSDL.

NOTES

- A) In case of any queries, you may refer the **Frequently Asked Questions (FAQs)** for Shareholders and **e-voting user manual** for shareholder available at the Downloads section of <https://www.evoting.nsdl.com>. You can also contact NSDL via e-mail at evoting@nsdl.co.in.
- B) The e-voting period commences on 16th August, 2014 at 9.00 a.m. and ends on 18th August, 2014 at 6.00 p.m. During this period, shareholders of the Company holding

shares either in physical form or in dematerialized form, as on the cut-off date of 18th August, 2014 may cast their vote electronically. The e-voting module shall also be disabled by NSDL for voting thereafter. **Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.**

- C) Since the Company is required to provide members the facility to cast their vote by electronic means, shareholders of the Company, holding share either in physical form or in dematerialized form, as on the cut-off date i.e. 18th July, 2014 shall cast their vote electronically.
- D) Mr. Atish Kumar Shaw, Practicing Chartered Accountant (Membership No. 306098) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- E) The Scrutinizer, shall within a period not exceeding 3 working days from the conclusion of the e-voting period, unlock the votes in presence of at least two witnesses, not in employment of the Company and make a Scrutinizer's Report of the vote cast in favour of or against, if any, forthwith to the Chairman of the Company.
- F) The voting rights shall be in proportion to their shares of the paid up Equity Shares capital of the Company as on 18th July, 2014.
- G) The results declared along with the Scrutinizer's Report shall be placed on the Company's website : www.dunlop.co.in and on the website of NSDL within two days of passing of the resolutions at the 87th Annual General Meeting of the Company on 21st August, 2014, and communicated to BSE Ltd.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 20th August, 2014 to 21st August, 2014 (both days inclusive).
5. 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.
6. The Members, who are still holding the Company's Equity shares in physical form and have not converted their shareholding in dematerialized form, are once again requested to convert their equity shares from physical form to dematerialized form as the same will provide adequate facility in trading in the Company's scrip at Stock Exchange in future.
7. Members who have not registered their e-mail addresses so far are requested to register their e-mail address either with the Company or its RTA for receiving all communications including Annual Report, Notices, Circulars etc from the Company electronically 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 Notices / Documents / Communication timely, promptly and without any loss in postal transit by them.

8. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of name are requested to send the share certificates to our RTA for consolidation in to a single folio.
9. Non - Resident Indian Members are requested to inform the Company's RTA, M/s. C.B. Management Services (P) Ltd., immediately of :
 - i. the change in the Residential status on return to India for permanent settlement.
 - ii. the particulars of the Bank Account maintained in India with complete name, branch, account type, account number and address of Bank with Pin code Number, if not furnished earlier.
10. As per provisions of Section 72 of the Companies Act, 2013 facility for making nominations is available, to individuals, holding shares in the Company. Nomination Form prescribed can also be obtained for the purpose from the Company's RTA.
11. All documents referred to in the accompanying Notice and the Statement pursuant to Section 102(1) of the Companies Act, 2013 will be available for inspection at the Registered office of the Company during business hours on all working days upto the date of declaration of the results of the 87th Annual General Meeting of the Company.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013.

Item Nos. 4 & 5.

Shri Dipak Das (DIN : 01595824) and Smt Baishali Roy (DIN : 06873404) were appointed as the Directors of the Company in the category of an Independent Directors w.e.f. 2nd May, 2014 and 29th May, 2014 respectively. In accordance with the provisions of Sections 149, 152 and Article 91 of the Articles of Association of the Company, Shri Dipak Das and Smt Baishali Roy shall hold office up to the date of this Annual General Meeting. The Company has received two separate notices in writing under Section 160 of the Companies Act, 2013 from the members along with the deposit of requisite amount proposing their candidature for the office of Directors.

Shri Dipak Das and Smt Baishali Roy are not disqualified from being appointed as the Directors in terms of Section 164 of the Act and have given their consents to act as Directors.

As per Section 149 of the Act, the independent directors can hold office for a term up to 5 (five) consecutive years on the Board and they shall not be included in the total number of

directors for retirement by rotation.

In the opinion of the Board, Shri Dipak Das and Smt Baishali Roy fulfills the conditions for their appointments as the Independent Directors as specified in the Act and the Listing Agreement.

Keeping in view the qualification and the experience possessed by Shri Dipak Das and Smt Baishali Roy, your Directors feel that the appointments of Shri Das and Smt Roy as the Independent Directors of the Company will be beneficial to your Company and accordingly, recommend the Resolutions set out in Item Nos. 4 & 5 of the Notice for your consideration and approval.

None of the Directors of the Company except Shri Das and Smt Roy are interested or concerned in the Resolution set out in Item Nos. 4 & 5 of the Notice.

By Order of the Board
Ashok Kumar Agarwal
Director

Place : Kolkata
Date : 29th May, 2014

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

1. Name : Shri Subbaratnam Ravi
Age : 65 Years.
Qualifications : B. Tech (Hons)
Expertise : He has wide experience of more than 42 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.
Date of Appointment : 10th September, 2011.
No. of Equity Shares held in the Co. : Nil.
Other Directorships :
Name of the Public Ltd. Company : Committee Memberships, if any, with position
Jessop & Co. Ltd. : Audit Committee - Member.
Falcon Tyres Ltd. : Share Transfer & Investors Grievance Committee - Member
Remuneration Committee - Member.
2. Name : Shri Dipak Das
Age : 54 Years.



Qualifications	: B. Com., F.C.A.	3. Name	: Smt Baishali Roy
Expertise	: He has a rich experience of more than 25 years in Financial Management, accounting and audit (internal, statutory, management) with expertise in evaluation, resource planning and deployment and purchase with hands on experience in networking with external auditors, statutory authorities, banks and financial institutions in the corporate sector and various other experience in different field as well.	Age	: 44 Years.
Date of Appointment	: 2nd May, 2014.	Qualifications	: B. Com., LL.B
No. of Equity Shares held in the Co.	: Nil.	Expertise	: As a professional advocate, she has a very good experience of over 10 years in handling all type of matters under civil and criminal procedures. During this journey, she has handled corporate and non corporate clients as well.
Other Directorships	:	Date of Appointment	: 29th May, 2014.
<u>Directorship(s) in other Public Companies</u>	<u>Committee Memberships, if any, with position of other public companies</u>	No. of Equity Shares held in the Co.	: Nil.
Falcon Tyres Ltd	Audit Committee - Member & Chairman	Other Directorships	:
Jessop & Co Ltd.	Share Transfer & Investors Grievance Committee - Member & Chairman	<u>Directorship(s) in other Public Companies</u>	<u>Committee Memberships, if any, with position of other public companies</u>
	Remuneration Committee - Member & Chairman	Falcon Tyres Ltd	-
		Jessop & Co. Ltd	-

**HOLDING OF EQUITY SHARES**

Category	As on 31.03.2014 Equity Shares		As on 31.03.2013 Equity Shares	
	(Nos.)	(%)	(Nos.)	(%)
Promoters' Holding				
Foreign Promoters	26575206	21.79	26650085	21.85
Promoters' Associates (Persons acting in concert)	20130780	16.50	20130780	16.50
Sub Total	46705986	38.29	46780865	38.35
Non-Promoters' Holding				
Financial Institutions, Foreign Institutional Investors, Insurance Companies, Mutual Funds, Banks etc.	8111829	6.65	8111829	6.65
Non-Residents	406980	0.33	407873	0.34
Private Corporate Bodies	55523726	45.52	55679003	45.64
Indian Public	11234354	9.21	11003305	9.02
Sub Total	75276889	61.71	75202010	61.65
Grand Total	121982875	100.00	121982875	100.00

**REPORT OF THE DIRECTORS**

Your Directors present the 87th Annual Report of the Company together with the audited accounts for the financial year ended 31st March, 2014.

SUMMARIZED FINANCIAL RESULTS

	Rs. in Lacs	
	2013-14	2012-13
Sales & other Income	0.63	13.85
Profit / (Loss) before Depreciation,		
Interest & Tax	(212.09)	(203.33)
Financial Charges	5.54	380.38
Depreciation	146.39	146.39
Profit/(Loss) before Exceptional Items	(364.02)	(730.10)
Exceptional Item	-	(262.59)
Prior Period Adjustment	(0.22)	106.85
Profit / (Loss) before Tax	(364.22)	(885.84)
Profit / (Loss) after Tax	(364.22)	(885.84)

OPERATIONS

Manufacturing operations at Sahaganj Plant in West Bengal and at Ambattur Plant in Chennai continues to be suspended during the current year despite sincere efforts to restart the operations.

DIVIDEND

In view of suspension of operations and loss during the year, your Directors are unable to consider any Dividend for the year.

PUBLIC DEPOSIT

Fixed Deposits matured up to September, 2000 but not repaid as on 31st March, 2014 stand at Rs. 7,99,56,000/-.

DIRECTORS

Shri Dipak Das and Smt Baishali Roy were appointed as Independent Directors of the Company w.e.f. 2nd May, 2014 and 29th May, 2014 respectively by the Board. Both the Directors shall hold Office upto the date of the ensuing Annual General Meeting of the Company.

In accordance with Article 103 of the Articles of Association of your Company, Shri Subbaratnam Ravi will retire from the Board by rotation at the 87th Annual General Meeting and being eligible, offers himself for re-appointment.

AUDITORS

M/s. Gora & Co., Chartered Accountants, Kolkata, Auditors of your Company, hold office till the conclusion of 87th 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 141(3)(g) of the Companies Act, 2013.

COST AUDIT

Since there was no manufacturing operations in Sahaganj Plant in West Bengal and Ambattur Plant in Chennai and the operations suspended in both the plants w.e.f. 8th October, 2011 and 21st February, 2012 respectively. Thus there is no requirement for filing of Cost Audit Report consequent to exemption obtained from Central Government.

CURRENT LEGAL STATUS

The Hon'ble Supreme Court of India upon hearing on 12th June, 2013 against special leave petition moved by the Company, passed an order of stay against the order dated 2nd May 2013 of the Division Bench of Hon'ble High Court of Calcutta directing winding up of the Company.

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 has not been attached in view of the suspension of operations.

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:

- i) That in the preparation of the Accounts for the Financial Year ended 31st March, 2014, the applicable Accounting Standards have been followed and proper explanations have been provided for material departures, wherever applicable;
- ii) That the Board of Directors have selected such Accounting Policies and applied them consistently and made judgments 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, 2014 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

As briefed in the previous paras that the manufacturing operations in Sahaganj Plant in West Bengal and Ambattur Plant in Chennai suspended by the Management w.e.f. 8th October, 2011 and 21st February, 2012 respectively. 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.

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.

ACKNOWLEDGEMENT

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

Place : Kolkata
Date : 29th May, 2014

For and on behalf of the Board
A. K. Agarwal **Dipak Das**
Director Director



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, 2014, your Board had One Non-Executive / Independent Director and Two Non Executive Directors who are 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 current Financial Year under review, three meetings of the board of directors were held on the following dates:- 30th August, 2013, 8th November, 2013 and 11th February, 2014.

No Board Meeting was held during April / June quarter 2013 due to winding up Order passed by Hon'ble High Court at Calcutta vide order dated 31st January, 2013 which was subsequently stayed by Hon'ble Supreme Court of India vide orders dated 12th June, 2013 and 30th July, 2013.

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, 2014	No. of other Directorships & Committee Memberships/ Chairmanships as on 31.03.2014		
	Other Directorships	Committee Memberships	Committee Chairmanships
Mr. M. L. Chauhan Non-executive / Independent Director	2	2	2
Mr. S. Ravi Non-executive Director	2	2	-
Mr. A. K. Agarwal Non-executive Director	10	-	-

Note :

- The Directorships, held by Directors as mentioned above, do not include Alternate Directorships and Directorships in Foreign Companies, Companies registered under Section 25 of the Companies Act, 1956 and Private Limited Companies.
- 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 01.04.2013 to 31.03.2014		
	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 23.09.2013
Mr. M.L. Chauhan	3	2	Yes
Mr. S. Ravi	3	2	Yes
Mr. A. K. Agarwal	3	3	Yes

3. Audit Committee

The Audit Committee constituted by the Board of Directors of the Company had one Non-executive / Independent Directors and two Non- Executive Directors as on 31st March, 2014.

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 177 of the Companies Act, 2013 corresponding to 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, 2014	Category
Mr. M. L. Chauhan, Member & Chairman	Non-Executive / Independent Director
Mr. A. K. Agarwal, Member & Alternate Chairman	Non-Executive Director
Mr. S. Ravi, Member	Non-Executive Director

During the year under review, three meetings of the Audit Committee were held. The committee met on 30th August, 2013, 8th November, 2013 and 11th February, 2014 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 01.04.2013 to 31.03.2014	
	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. M. L. Chauhan	3	2
Mr. S. Ravi	3	2
Mr. A. K. Agarwal	3	3

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 one Non-Executive / Independent Director and two Non Executive 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.

Non-Executive / Independent 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. S. Ravi and Mr. A. K. Agarwal, 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 2013-14 are given below :

Name of the Director	Salary (Rs.)	Perquisites (Rs.)	Sitting Fees (Rs.)	Total (Rs.)
Mr. M. L. Chauhan	-	-	30000	30000
Mr. S. Ravi	-	-	-	-
Mr. A. K. Agarwal	-	-	-	-

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 one Independent / Non Executive Director and two Non Executive Directors as on 31st March, 2014.

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

Name of the Committee Members as on 31st March, 2014	Category	No. of Meetings attended during the year under review
Mr. M. L. Chauhan, Member & Chairman	Non-Executive / Independent Director	2
Mr. S. Ravi, Member	Non-Executive Director	2
Mr. A. K. Agarwal, Member	Non- Executive Director	3

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, three meetings of the Shareholders' / Investors' Grievances Committee were held. The Committee met on 30th August, 2013, 8th November, 2013 and 11th February, 2014.

At the beginning of the year (i.e. on 1st April, 2013), 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, 4 (four) 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, 2014, 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.

6. General Body Meetings:

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

AGM	YEAR	VENUE	DATE	TIME
84th	2010-2011	'The Ballroom', The Oberoi Grand 15, J. L. Nehru Road, Kolkata - 700013	10/09/11	11.30 a.m.
85th	2011-2012	Kala Mandir, 48, Shakespeare Sarani, Kolkata - 700 017	18/07/12	11.00 a.m.
86th	2012-2013	Kala Mandir, 48, Shakespeare Sarani, Kolkata - 700 017	23/09/13	11.00 a.m.

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

7. Disclosures:

The disclosures on materially significant related party transactions as compiled by the management and relied upon by the Auditors is given in note 2.29(1b) appearing in Notes 2 on Financial Statements of the Company for the Financial Year ended 31st March, 2014.

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 / half yearly results are normally published in 'Business Standard' in English Newspaper and in 'Arthik Lipi' 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 : Thursday, 21st August, 2014
Venue and Time : At 10 AM at 'Academy of Fine Arts',
2, Cathedral Road
Kolkata - 700 071

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

Financial Reporting for the Financial Year 2014 - 2015 :

First Quarter Results - end of August, 2014
Second Quarter and
Half Yearly Results - mid of November, 2014
Third Quarter Results - mid of February, 2015
Fourth Quarter and
Yearly Results - end of May, 2015

iii) Dates of Book Closure: from 20th August, 2014 to
21st August, 2014
(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 listing of aforesaid 5,00,00,000 Equity Shares and necessary listing fees for the said additional shares has already been paid by the Company.

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 confirmation of delisting of its shares from Delhi Stock Exchange Limited is yet to be received. The Company's Equity Shares continue to remain listed and traded at BSE.

Listing fees to Bombay Stock Exchange Limited up to 31st March, 2014 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 considered 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@ruiagroup.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 2013-14 were as follows :

Month	Share Price (Rs.)	
	High (Rs.)	Low (Rs.)
April, 2013	–	–
May, 2013	–	–
June, 2013	–	–
July, 2013	8.00	4.52
August, 2013	5.66	3.70
September, 2013	5.56	3.83
October, 2013	6.07	4.71
November, 2013	8.38	4.61
December, 2013	7.89	6.06
January, 2014	8.86	5.98
February, 2014	6.44	5.30
March, 2014	6.40	5.37

viii) Distribution of Equity Shareholding as on 31st March, 2014:

Range of Shares from - to	No. of Shareholders	%	Number of Shares	%
1 to 500	36548	91.45	3607505	2.96
501 to 1000	1776	4.44	1460861	1.20
1001 to 2000	853	2.13	1310646	1.07
2001 to 3000	257	0.64	664815	0.54
3001 to 4000	130	0.33	464017	0.38
4001 to 5000	118	0.30	563479	0.46
5001 to 10000	172	0.43	1276604	1.05
10001 & above	110	0.28	112634948	92.34
Total	39964	100	121982875	100

ix) Geographical Distribution of Shareholding as on 31st March, 2014:

Sl. No.	City/Location	No. of Folios	%
1.	Kolkata & Adjacent Places	8814	22.06
2.	Mumbai	8050	20.14
3.	NewDelhi	2571	6.43
4.	Chennai	1460	3.65
5.	Ahmedabad	1541	3.86
6.	Bangalore	1181	2.96
7.	Pune	1093	2.73
8.	Hyderabad	605	1.51
9.	Places other than above	14649	36.66
Total		39964	100


x) Shareholding Pattern as on 31st March, 2014 in terms of Clause 35 of the Listing Agreement with Stock Exchanges :

Category	Nos.	%	Shares Pledged	
			Nos.	%
Promoters' Holding				
• Foreign Promoters	26575206	21.79	21277187	80.06
• Promoters' Associates (Persons acting in concert)	20130780	16.50	20109137	99.89
Sub-total	46705986	38.29	41386324	88.61
Non-Promoters' Holding				
• Financial Institutions, Foreign Institutional Investors, Insurance Companies, Mutual Funds, Banks etc.	8111829	6.65	-	-
• Others (including Bodies Corporate, Non-Residents & Indian Public)	67165060	55.06	-	-
Sub-total	75276889	61.71	-	-
GRAND TOTAL	121982875	100	41386324	33.92

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. 6,81,26,118 nos. Equity Shares of the Company representing 94.53% of the Company's Share Capital were dematerialized as on 31st March, 2014.

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.

For and on behalf of the Board

Place: Kolkata
Date: 29th May, 2014

A. K. Agarwal **Dipak Das**
Director Director

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

We certify that –

- We have reviewed Financial Statements and the Cash Flow Statement for the year ended 31st March, 2014 and that to the best of our knowledge and belief :
 - these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - 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.
- 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.
- 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.
- We have indicated to the Auditors and the Audit Committee that there were :
 - no significant changes in internal control over financial reporting during the year;
 - no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - 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, 29th May, 2014

Soumitra Ghose
CFO

Dipak Das
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, 2014.

Kolkata, 29th May, 2014

Soumitra Ghose
CFO

Dipak Das
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, 2014 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.

Place: Kolkata
Date: 29th May, 2014

For M/s. GORA & CO.
Chartered Accountants
Firm Registries No. 327183E
G. C. Mukherjee
Partner
Membership No. 017630

**MANAGEMENT DISCUSSION & ANALYSIS REPORT**

Manufacturing operations in Plants at Sahaganj in West Bengal and at Ambattur in Chennai continue to be under suspension of operations. However dialogue with Unions of both plants and respective government authorities is taking positive shape. In case the results of these discussions turn out to be fruitful, both plants of the company may come into operations. In case both the factories start production, views of the management is given hereunder:

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. Tyre Industry Structure & Development

Although in general Tyre industry has seen a lesser growth in the year 2013-2014. Tyre industry is strongly linked to Automobile sector which in turn is driven by agriculture and infrastructural activity that takes place in the region. In 2013-14, there was sluggish demand for automobile industry in this part of world. This was the main reason for lesser growth of the industry.

2. Opportunities and Threats

Over 20% fall in rubber prices has been the biggest plus for the sector. The fall in rubber prices and revival of replacement demand have been driving the rally. Rubber accounts for 55% of raw material cost of tyre makers.

Rubber prices have fallen 27% from Rs 195 per kg to Rs 153 per kg since the end of July on sluggish demand. Additionally, China has withdrawn its plan to procure 2,00,000 tonnes rubber for building a reserve stock.

If the government increases import duty to motivate domestic rubber growers, it may cause an uptick in prices.

The replacement market will continue to be strong over the next couple of years as almost 90 lakh automobiles were added between 2009-10 and 2011-12.

Agencies, in its latest study on Indian Tyre Industry, scaled down their earlier estimates for total tyre volume growth for 2013-14 to 2-4% due to the higher than anticipated weakness in the passenger car and Truck & Bus (T&B) segments. The tonnage growth is likely to be a shade weaker as the larger T&B OEM tyre segment posts declines. This muted volume growth in the tyre industry comes after two consecutive years of weak demand during 2011-12 and 2012-13 respectively.

While the demand outlook for 2013-14 continues to be modest, operating margins are expected to post a ~190-200 bps expansion during 2013-14 supported by a softer raw material scenario and higher export realizations. Companies which can tweak their product mix, by increasingly focusing on the relatively high margin on T&B and export segments are likely to post relatively healthier margins. The operating margin however would remain vulnerable to raw material price trends and competitive pressures.

3. Outlook

The future is expected to see many strategic alliances among the domestic and global players to enable them to have access to latest technology and expand their distribution network. A better distribution will also ensure easy availability. The introduction of newer auto models will significantly have a bearing on the tyres demand. The tyre companies will also be looking for tie-ups with the OEM's for better stability and long-term relationship. The

government's emphasis on improving the road infrastructure will facilitate the road transport sector that in turn will brighten the prospects of the tyre industry in the coming years.

While the demand outlook of tyres appears favourable, 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.

The Audit Committee and the Board of Directors have been informed 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.

4. Economic Risk

The business is substantially affected by the prevailing economic conditions in India. In Centre, with the ushering in of New Government, the Industry is expecting that some measures will be taken by this Government which will be Pro-industry and at the same time various fiscal discipline being introduced by RBI will curb the inflation to a moderate level. We anticipate growth in Automobile sector in due course of time.

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

Your company has incorporated standard preventive maintenance practices in the plants to enable uninterrupted production of all the products - truck, OTR 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.

6. 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.

7. Human Resources & Industrial Relations

Both the factories of the company have been put under suspension of operations and their is no change in the present status.

8. CAUTIONARY STATEMENT

The Management Discussion & Analysis report gives description of company's major objectives, expectations or anticipations which are essentially 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.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF DUNLOP INDIA LIMITED****Report on the Financial Statements**

We have audited the accompanying financial statement of DUNLOP INDIA LIMITED ("the Company"), which comprises the Balance sheet as at March 31, 2014, and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

1. Refer to note no. 2.6 regarding non-provision of interest amounting to Rs. 1697.10 lakhs on loan from a bank for working capital of Rs. 3920.65 lakhs.

- 2) Refer to note no. 2.8 regarding non provision of interest on certain loans against which one time settlement is under active consideration (amount not ascertained).
- 3) Refer to note no. 2.9 regarding decapitalization of Assets of Rs. 29384.14 lakhs representing refurbishment expenditure incurred in earlier years for restoration of full capacity of plants.
- 4) Refer to note no. 2.11 regarding providing of deferred tax assets amounting to Rs. 9740.00 lakhs on carry forward loss and unabsorbed depreciation without virtual certainty of profit in future years.
- 5) We could not verify the investment held as non-current of book-value of Rs.7.00 lakhs as neither the share certificates in physical form nor any demat certificate produced to us.

The cumulative effects of above could not be ascertainable on the net Loss and shareholder's fund as amount on certain notes is not quantified.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion Paragraph, the financial statements 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 Balance Sheet of the state of affairs of the Company as at 31st March, 2014;
- b. in the case of Statement of Profit and Loss, of the Loss for the year ended on that date ; and
- c. in the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub- section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;
 - c. The Balance Sheet, Statement of Profit & Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;



- d. In our opinion, the 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.
- e. Based on legal opinion obtained, none of the present directors are disqualified as on 31.03.2014 for being appointed as a director, in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956.

for **GORA & CO.**

Chartered Accountants

C/O Abhijit Dutt & Associates Firm's Registration no. 327183E

8/2, K.S.Roy Road, 2nd Floor, **G. C. Mukherjee**

Room No. 2 & 3, Kolkata-700001 *Partner*

Dated: 29th May, 2014 Membership No. 017630

ANNEXURE REFERRED TO IN PARA 1 OF OUR REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS OF EVEN DATE.

- I. a) Proper records showing full particulars, including quantitative details and situation of fixed assets were 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 in the previous 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, clause 4 (ii) (b) is not applicable during the year.
- c) The company was 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 as the record

of inventory was not produced to us.

- 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 maintain 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. However, during the year there is no sale of goods and services and purchase of inventory.
- 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) No such contracts or arrangements have been made during the year of purchase and sale.
- 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.345.77 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. 489.52 lakhs as below :



Particulars	Amount(Rs in lakhs)
Provident Fund	161.09
E.S.I	120.44
TDS	20.72
Professional Tax	6.40
Sales Tax	180.87
Total	489.52

- 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 and also in the immediately preceding financial year.
- XI. The management has settled all the liabilities of loan taken by earlier management from financial institution / Bank except two loans amounting to Rs 1083.05 Lakhs.
- XII. We have been informed and explained that the Company has not granted any loans and advances on the basis of security by way of pledge of shares and, debentures and other securities.
- XIII. The Company is not a chit fund or a nidhi/mutual fund/society. Accordingly, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- XIV. The Company is not dealing in or trading in shares, securities debentures and other Investments. Accordingly, the provisions of Clause 4(xiv) of the Companies (Auditor's report) Order, 2003 are not applicable to the Company.
- XV. 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. According to the information and explanations given to us, no term loans were raised and hence application for the purposes for which they were raised does not arise.
- 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 **GORA & CO.**
Chartered Accountants
Firm's Registration No. 327183E

C/O Abhijit Dutt & Associates
8/2, K.S.Roy Road, 2nd Floor,
Room No. 2 & 3, Kolkata-700001
Dated: 29th May, 2014

G. C. Mukherjee
Partner
Membership No. 017630

**INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF DUNLOP INDIA LIMITED****Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of DUNLOP INDIA LIMITED ("the Company") and its subsidiary/ies, which comprises the consolidated Balance sheet as at March 31, 2014, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis of Qualified Opinion

We draw attention to following notes:

- 1) Refer to note no. 2.6 regarding non-provision of interest amounting to Rs. 1697.10 lacs on loan from a bank for working capital of Rs. 4025.90 lakhs.
- 2) Refer to note no. 2.8 regarding non provision of interest on certain loans against which one time settlement is under active consideration (amount not ascertained).
- 3) Refer to note no. 2.9 regarding decapitalization of Assets of Rs. 29384.14 lakhs representing refurbishment expenditure incurred in earlier years for restoration of full capacity of plants.
- 4) Refer to note no. 2.11 regarding providing of deferred tax assets amounting to Rs. 9740.00 lakhs on carry forward loss and unabsorbed depreciation without virtual certainty of profit in future years.
- 5) We could not verified the investments held as non-current of book-value of Rs.7.00 lakhs as neither the share certificates in physical form nor any demat certificate produced to us.
The cumulative effects of above could not be ascertainable on the net Loss and shareholder's fund as amount on certain notes is not quantified.

Qualified Opinion

Subject to above, in our opinion and to the best of our information and according to the explanations given to us, **and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries as noted below**, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:-

- (a) in the case of the consolidated Balance Sheet of the state of affairs of the Company as at 31st March, 2014;
- (b) in the case of consolidated Statement of Profit and Loss, of the Profit for the year ended on that date; and
- (c) in the case of consolidated Cash Flow Statement, of the Cash Flows for the year ended on that date.

Other Matter

We did not audit the financial statements of subsidiaries, whose financial statements reflect total assets(net) of Rs. 363.27 lakhs as at 31st March,2014, total revenues amounting to Rs.0.44 lakh and net cash inflows amounting to Rs. 0.26 lakh for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

for **GORA & CO.**

Chartered Accountants

C/O Abhijit Dutt & Associates Firm's Registration No. 327183E

8/2, K.S.Roy Road, 2nd Floor, **G. C. Mukherjee**

Room No. 2 & 3, Kolkata-700001 *Partner*

Dated: 29th May, 2014 Membership No. 017630


**BALANCE SHEET
AS AT 31ST MARCH, 2014**

	Note	As at 31st March, 2014 (Rs. in Lakhs)	As at 31st March, 2013 (Rs. in Lakhs)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2.1	12,198.29	12,198.29
Reserves and Surplus	2.2	61,237.66	94,783.00
		<u>73,435.95</u>	<u>1,06,981.29</u>
Non-Current Liabilities			
Long Term Borrowings	2.3	23,301.92	23,508.08
Other Long Term Liabilities	2.4	1,765.99	1,765.99
Long Term Provisions	2.5	594.43	594.43
		<u>25,662.34</u>	<u>25,868.50</u>
Current Liabilities			
Short Term Borrowings	2.6	4,388.06	4,362.16
Trade Payables	2.7	41.91	62.90
Other Current Liabilities	2.8	6,566.03	6,162.95
Short Term Provision	2.8	181.18	239.97
		<u>11,177.18</u>	<u>10,827.98</u>
TOTAL		<u>1,10,275.47</u>	<u>1,43,677.77</u>
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	2.9	86,451.94	1,19,779.43
(ii) Intangible assets			
Capital work-in-progress	2.9	7,411.37	7,411.37
Non-Current Investments	2.10	21.33	21.33
Deferred Tax Assets (Net)	2.11	9,554.00	9,554.00
Long Term Loans and Advances	2.12	288.37	360.46
		<u>1,03,727.01</u>	<u>1,37,126.59</u>
Current Assets			
Inventories	2.13	5,767.30	5,767.30
Trade Receivables	2.14	34.62	34.62
Cash and Cash Equivalents	2.15	136.47	136.58
Short Term Loans and Advances	2.12	610.07	612.68
		<u>6,548.46</u>	<u>6,551.18</u>
TOTAL		<u>1,10,275.47</u>	<u>1,43,677.77</u>
Significant Accounting Policies	1		
Notes on Financial Statements	2		

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

Gora & Co.
Chartered Accountants
Firm Registration No. 327183E
G. C. Mukherjee
Partner
Membership No. 017630
Kolkata, 29th May, 2014

For and on behalf of the Board

A. K. Agarwal
Director

S. Ravi
Director

S. Ghose
Chief Financial Officer

K. L. Sharma
Company Secretary


**STATEMENT OF PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31st MARCH, 2014**

	Note	For the year ended 31st March, 2014 (Rs. in Lakhs)	For the year ended 31st March, 2013 (Rs. in Lakhs)
Revenue from Operations	2.16	–	–
Other Income	2.16	0.63	13.85
Total Revenue		0.63	13.85
Expenses:			
Cost of Materials Consumed	2.17	–	–
Purchases of Stock-in-Trade		–	–
Changes In Inventories-Finished Goods, work-in-progress and Stock-in-Trade	2.18	–	–
Employee Benefit Expenses	2.19	126.04	83.75
Finance Costs	2.20	5.54	380.38
Depreciation and Amortization Expenses	2.21	146.39	146.39
Other Expenses	2.22	86.68	133.43
Total Expenses		364.65	743.95
Profit/(Loss) Before Extra Ordinary Items and Tax		(364.02)	(730.10)
Exceptional/Extra Ordinary Items		–	(262.59)
Prior Period Adjustment	2.23	(0.22)	106.85
Profit/(Loss) before Tax		(364.24)	(885.84)
Tax Expense:			
Current Tax		–	–
Deferred Tax		–	–
		–	–
Profit (Loss) for The Year		(364.24)	(885.84)
Basic And Diluted (Rs.)		(0.30)	(0.73)
Significant Accounting Policies	1		
Notes on Financial Statements	2		

As per our Report of even date Attached
For and on behalf of
Gora & Co.
Chartered Accountants
Firm Registration No. 327183E
G. C. Mukherjee
Partner
Membership No. 017630
Kolkata, 29th May, 2014

For and on behalf of the Board

A. K. Agarwal
Director

S. Ravi
Director

S. Ghose
Chief Financial Officer

K. L. Sharma
Company Secretary


**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2014**

	Year ended 31st March, 2014 (Rs. in Lakhs)	Year ended 31st March, 2013 (Rs. in Lakhs)	
(A) CASH FLOW FROM OPERATING ACTIVITIES :			
Net Profit (Loss) before tax and before exceptional item	(364.24)	(623.25)	
Add: Adjustment for			
Depreciation	146.39	146.39	
Interest Income	-	(1.87)	
Interest Expense	5.54	380.38	524.90
Operating Profit / (Loss) before Working Capital changes	(212.31)	(98.35)	
Adjustments for:			
Trade and other receivables	74.70	28.61	
Inventories	-	60.69	
Trade and other Payable	175.92	1,764.76	
Long Term Trade Liabilities	-	(989.55)	864.51
Cash generated from Operations	38.31	766.16	
Direct Taxes (paid) / Refund	-	-	
Cash Flow before extraordinary item	38.31	766.16	
Exceptional item	-	(262.59)	
Net Cash Flow from Operating Activities	38.31	503.57	
(B) CASH FLOW FROM INVESTING ACTIVITIES :			
Net Purchase/Sale of Fixed Assets	-	(283.50)	
Movement of Investments	-	-	
Interest Received	-	1.87	
Dividend Received	-	-	
Net cash used in Investing Activities	-	(281.63)	
(C) CASH FLOW FROM FINANCING ACTIVITIES :			
Share Capital	-	5,000.00	
Share Premium	-	1,000.00	
Proceeds from Long Term Borrowings	-	575.21	
Proceeds from Short Term Borrowings	(32.88)	(5,928.52)	
Interest Paid	(5.54)	(868.26)	
Net Cash used in Financing Activities	(38.42)	(221.57)	
Net Increase / (Decrease) in Cash Equivalents	(0.11)	0.37	
Cash and Cash Equivalents as at 01.04.2013	24.37	24.00	
Cash and Cash Equivalents as at 31.03.2014	24.26	24.37	

As per our Report of even date Attached
For and on behalf of
Gora & Co.
Chartered Accountants
Firm Registration No. 327183E
G. C. Mukherjee
Partner
Membership No. 017630
Kolkata, 29th May, 2014

For and on behalf of the Board

A. K. Agarwal
Director

S. Ravi
Director

S. Ghose
Chief Financial Officer

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.



ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

2. NOTES ON FINANCIAL STATEMENTS

2.1 SHARE CAPITAL

	As at 31.03.2014 (Rs. in Lakhs)	As at 31.03.2013 (Rs. in Lakhs)
Authorised Capital		
175,00,00,000 Equity Shares of Rs10 each (175,00,00,000)	17,500.00	17,500.00
	<u>17,500.00</u>	<u>17,500.00</u>
Issued, Subscribed and Paid Up Capital		
12,19,82,875 Equity Shares of Rs.10 each (12,19,82,875)	<u>12,198.29</u>	<u>12,198.29</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 Corporation Ltd	13.61	1,66,00,935	13.61	1,66,00,935
2. Wealth Overseas Pte Ltd	8.18	99,74,271	8.24	1,00,49,150
3. Hiland Traders Pvt Ltd	16.48	2,01,09,137	16.48	2,01,09,137
4. Life Insurance Corporation of India Ltd	5.23	63,79,452	5.23	63,79,452
5. Suncap Commodities Ltd	14.35	1,75,00,000	14.35	1,75,00,000
6. Regus Impex Pvt Ltd	14.35	1,75,00,000	14.35	1,75,00,000
7. Salputri Commerce Pvt Ltd	12.30	1,50,00,000	12.30	1,50,00,000

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 31.03.2014 (Rs. in Lakhs)	As at 31.03.2013 (Rs. in Lakhs)
Capital Redemption Reserve	70.00	70.00
Security Premium Reserve	1,264.81	1,264.81
Debenture Redemption Reserve	1.33	1.33
Revaluation Reserve		
As per last Balance Sheet	78,291.27	82,088.25
Less : Transferred to Profit and Loss a/c	<u>3,796.96</u>	<u>3,796.98</u>
General Reserve	8,642.03	7,871.34
Add : Adjustment of liability no longer required	<u>—</u>	<u>8,642.03</u>
	8,642.03	770.69
Surplus		
As per last Balance Sheet	6,513.56	7,399.40
Add/(Less) Decapitalisation of earlier year expenditure	<u>(29,384.14)</u>	<u>—</u>
Add/(Less): Profit/(Loss) for the period	<u>(364.24)</u>	<u>(23,234.82)</u>
	<u>61,237.66</u>	<u>94,783.00</u>

	As at 31.03.2014 (Rs. in Lakhs)	As at 31.03.2013 (Rs. in Lakhs)
--	---------------------------------------	---------------------------------------

2.3 Long Term Borrowings

a) Secured

Term Loans		
From Banks	—	—
From Others	—	—
From Related parties	<u>4,138.45</u>	<u>4,138.45</u>
	<u>4,138.45</u>	<u>4,138.45</u>

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

b) Unsecured

Loans from Related Parties	11,442.63	11,442.63
Deposits (Dealers and C & FA)	133.14	339.30
Other Loans and Advances	<u>7,587.70</u>	<u>7,587.70</u>
	<u>19,163.47</u>	<u>19,369.63</u>
TOTAL (a+b)	<u>23,301.92</u>	<u>23,508.08</u>

2.4 Other Long term liabilities

Trade Payables	—	—
Statutory Liabilities	71.85	71.85
Others	<u>1,694.14</u>	<u>1,694.14</u>
	<u>1,765.99</u>	<u>1,765.99</u>

Note : None of the above Suppliers have reported Micro, Small and Medium Enterprises status as defined in Micro, Small and Medium Enterprises Development Act,2006 to whom the company owes dues.


ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

	As at 31.03.2014 (Rs. in Lakhs)	As at 31.03.2013 (Rs. in Lakhs)
2.5 Long-term Provisions		
Provision for Employee Benefits	594.43	594.43
	<u>594.43</u>	<u>594.43</u>
2.6 Short Term Borrowings		
Secured		
Cash Credit/Overdraft from Banks	3,920.65	4,025.90
Current year liability of Vehicle Loan	-	5.31
	<u>3,920.65</u>	<u>4,031.21</u>
UnSecured		
Other Loans and Advances	-	-
Other Loans and Advances from Related Parties	467.41	330.95
	<u>467.41</u>	<u>330.95</u>
TOTAL	<u>4,388.06</u>	<u>4,362.16</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.

2.7 Trade payables

Micro, Small and Medium Enterprises	-	-
Others	41.91	62.90
	<u>41.91</u>	<u>62.90</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.

	As at 31.03.2014 (Rs. in Lakhs)	As at 31.03.2013 (Rs. in Lakhs)
2.8 Other Current Liabilities & Provisions		
Other Current Liabilities		
Advance from Customers	-	15.18
Statutory Liabilities	418.84	419.25
Fixed Deposits	799.56	799.56
Interest accrued but not due	-	-
Other Liabilities	5,347.63	4,928.96
	<u>6,566.03</u>	<u>6,162.95</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	181.18	239.97
	<u>181.18</u>	<u>239.97</u>

(Rs. Lakhs)

2.9 FIXED ASSETS	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	As on 31.03.2013	Additions	* Deductions	As on 31.03.2014	As on 31.03.2013	For the period	Adjustment/ Sale during the period	As on 31.03.2014	As on 31.03.2014	As on 31.03.2013
Tangible Assets										
Freehold Land	33,840.32	-	-	33,840.32	-	-	-	-	33,840.32	33,840.32
Freehold Buildings	21,581.71	-	6,126.49	15,455.22	7,733.49	515.84	-	8,249.33	7,205.89	13,848.22
Leasehold Buildings	17.15	-	-	17.15	3.93	-	-	3.93	13.22	13.22
Plant and Machinery	1,28,500.62	-	23,243.81	1,05,256.81	56,598.68	3,396.48	-	59,995.16	45,261.65	71,901.94
Furniture and Fittings	573.38	-	13.84	559.54	542.60	1.00	-	543.60	15.94	30.78
Motor Vehicles	444.95	-	-	444.95	300.00	30.03	-	330.03	114.92	144.95
Total	<u>1,84,958.13</u>	<u>-</u>	<u>29,384.14</u>	<u>1,55,573.99</u>	<u>65,178.70</u>	<u>3,943.35</u>	<u>-</u>	<u>69,122.05</u>	<u>86,451.94</u>	<u>1,19,779.43</u>
Previous Year	1,84,958.13	-	-	1,84,958.13	61,235.33	3,943.37	-	65,178.70	1,19,779.43	
Capital Work in Progress	7,411.37	-	-	7,411.37					7,411.37	7,411.37

*Refurbishment Expenses of Revenue nature incurred for restoration of full capacity of plants aggregating Rs. 29384.14 lakhs capitalised in earlier years now reversed. No depreciation has been charged since capitalisation on these assets.


ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

	As at 31.03.2014 (Rs. in Lakhs)	As at 31.03.2013 (Rs. in Lakhs)	As at 31.03.2014 (Rs. in Lakhs)	As at 31.03.2013 (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	4.99		
49,940, Equity Shares of Rs 10				
each fully paid of Dunlop South Ltd.	4.99	4.99		
Others :				
40, (40) 7% Debentures fully paid of				
Royal Calcutta Golf Club Ltd.	1.00	1.00		
5,000, (5,000) Equity Shares of USD 1				
each fully paid of Wealthsea Ltd	2.30	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	20.33		
TOTAL (A+B)	21.33	21.33		
Aggregate Market Value of				
Quoted Investments	1.80	1.80		
Aggregate Book Value of				
Quoted Investments	1.00	1.00		
Aggregate Book Value of				
UnQuoted Investments	20.33	20.33		
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	80.24	81.17		
Other loans and advances :	208.13	279.29		
	<u>288.37</u>	<u>360.46</u>		
Short Term Loans and Advances				
(Unsecured, Considered Good)				
Loans and Advances to related parties	0.46	0.46		
Other Short Term loans and advances :				
Duties Receivable	154.90	151.35		
Interest accrued but not due	16.70	16.70		
Other Loans & Advances	438.01	444.17	612.22	612.22
	<u>610.07</u>	<u>612.68</u>		
2.13 Inventories				
Raw Materials	5,296.11	5,296.11		
Work-in-progress	232.90	232.90		
Finished Goods	136.00	136.00		
Stores and spares	102.29	102.29		
Goods in Transit	-	-		
	<u>5,767.30</u>	<u>5,767.30</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	34.62		
b) Others	-	-		
	<u>34.62</u>	<u>34.62</u>		
2.15 Cash and cash equivalents				
Balances with banks in Current account	22.08	22.17		
Cash on Hand	2.18	2.20		
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	33.14	112.21
	<u>136.47</u>	<u>136.58</u>		


ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

	For the Year Ended 31.03.2014 (Rs. in Lakhs)	For the Year Ended 31.03.2013 (Rs. in Lakhs)		For the Year Ended 31.03.2014 (Rs. in Lakhs)	For the Year Ended 31.03.2013 (Rs. in Lakhs)
2.16 Income			2.20 Finance Cost		
(A) Revenue From Operations			Interest on Loans	0.37	318.38
Sale of products			Loan Processing Fees & Charges	5.17	62.00
-Own	-	-		<u>5.54</u>	<u>380.38</u>
-Traded	-	-	2.21 Depreciation and amortization expenses		
Sale of services	-	-	Depreciation	3,943.35	3,943.37
Other operating revenues	-	-	Less : Transferred from		
	-	-	Revaluation Reserve	3,796.96	3,796.98
Less: Excise Duty	-	-		<u>146.39</u>	<u>146.39</u>
	-	-	2.22 Other Expenses		
B) Other Income			Consumption of stores and spares part	-	0.08
Interest Income	-	0.67	Power and Fuel	3.43	1.28
Sundry Income	-	0.26	Rent	26.50	26.56
Excess provision/liabilities written back	0.63	12.92	Repairs to buildings	3.74	0.48
	<u>0.63</u>	<u>13.85</u>	Repair Others	-	0.10
TOTAL	<u>0.63</u>	<u>13.85</u>	Security Charges	29.18	25.83
2.17 Cost of Materials Consumed			Legal Charges	3.14	59.00
Opening Stock of Raw Materials	5,296.11	5,296.11	Insurance	1.30	0.12
Add: Raw materials Purchased	-	-	Rates and Taxes excluding taxes on Income	1.60	1.49
Less: Closing Stock of Raw Materials	5,296.11	5,296.11	Freight	-	0.00
	-	-	Director's Sitting Fees	0.25	0.50
	-	-	Auditors Remuneration		
2.18 Changes in Inventories			Audit Fees- Tax Audit	-	-
Opening Stock			Audit Fees- Statutory Audit	0.27	0.39
Finished Goods	136.00	136.00	Certification and others	-	0.76
Work-in-progress	232.90	232.90		<u>0.27</u>	<u>1.15</u>
	<u>368.90</u>	<u>368.90</u>	Audit Fees- Cost Audit	-	1.15
Less: Closing Stock			Miscellaneous Expenses	17.27	16.84
Finished Goods	136.00	136.00		<u>86.68</u>	<u>133.43</u>
Work-in-progress	232.90	232.90	2.23 Prior Period Adjustments		
	<u>368.90</u>	<u>368.90</u>	Reversal of Earlier year expenses	-	5.85
	-	-	Income of Previous Years	0.22	-
2.19 Employee Benefits Expense			Earlier year Income	-	101.00
Salaries and Wages	126.04	79.75		<u>0.22</u>	<u>106.85</u>
Contribution to provident and other funds	-	2.22			
Staff Welfare Expenses	-	1.78			
	<u>126.04</u>	<u>83.75</u>			


ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

	As at 31.03.2014 (Rs. in Lakhs)	As at 31.03.2013 (Rs. in Lakhs)
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	3,361.36
Commitments		
In respect of guarantee issued in favour of WBSEDCL.	145.20	145.20
In respect of corporate guarantee issued on behalf of Group Companies.	1783.25	1,783.25

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.1765.99 lacs appearing in Note 2.4) and Long term Advances (Rs.208.13 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 Confirmation of balances has been sought from sundry creditors, sundry debtors and loans & advances given to parties. Confirmations are awaited.

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

2.29 a) 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
As per Separate Annexure

b) The Company's related party transactions during the year and outstanding balances as at 31st March, 2014 are as below :
(Rs in Lakhs)

Sl. No.	Particulars	2013-14	2012-13
1.	Holding Company	-	-
2.	Subsidiary Companies		
	Year end Balance (Receivable)	0.46	9.98
3.	Associated Company		
	Expenses	306.31	4,538.09
	Year end Balance (Payable)	18,989.59	18,564.06
4.	Key Management Personnel		
	Sitting fees	-	-
	Remuneration	-	-



ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

2. Notes on Financial Statements

	As at 31.03.2014 (Rs. Lakhs)	As at 31.03.2013 (Rs. Lakhs)		As at 31.03.2014 (Rs. Lakhs)	As at 31.03.2013 (Rs. Lakhs)
2.30 Raw Material Consumption :			2.33 Expenditure in foreign currency	NIL	NIL
Rubber	-	-			
Fabric	-	-	2.34 Information related to foreign exchange remitted as dividend	NIL	NIL
Carbon Black	-	-			
Others	-	-	2.35 Earnings in foreign exchange	NIL	NIL
Total	<u>-</u>	<u>-</u>			
2.31 Consumption of Raw materials,spares parts and component consumed			2.36 Segment Reporting		
	2013-14	2012-13	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.		
	Value (Rs. Lacs)	Value (Rs. Lacs)			
Imported	-	-			
Indigenous	-	-			
Total	<u>-</u>	<u>-</u>			
2.32 Value of imports calculated on C.I.F basis	NIL	NIL	2.37 Disclosure as per AS-15 "Employees Benefits"		
			In view of continuing Suspension of Operation at both the Factories, Acturial valuation of Gratuity has not been done during the year. Management has paid Rs.58.79 lakhs towards Gratuity payment during 2013-14.		

**ACCOUNTING POLICIES AND NOTES ON ACCOUNTS****2.38 Earning Per Share**

Particulars	2013-14	2012-13
Basic and Diluted Earning / (Loss)		
Per Share Before Extraordinary Items		
No of Shares Outstanding for the period	12,19,82,875	12,19,82,875
Face Value of each Share (Rs)	10.00	10.00
Net Profit / (Loss) after Tax (Rs. Lacs)	(364.24)	(885.84)
Add/(Less): Extraordinary Items (Rs. Lacs)	-	(262.59)
Net Profit / (Loss) after Tax for calculation of Earning/(Loss) per Share before extraordinary items (Rs. Lacs)	(364.24)	(1,148.43)
Basic & Diluted Earning / (Loss) Per Share Before Extraordinary Items (Re)	(0.30)	(0.94)
Basic and Diluted Earning / (Loss)		
Per Share After Extraordinary Items		
No. of Shares Outstanding for the period	12,19,82,875	12,19,82,875
Face Value of each Shares(Rs)	10.00	10.00
Net Profit / (Loss) after Tax (Rs. Lacs)	(364.24)	(885.84)
Basic & Diluted Earning / (Loss) Per Share After Extraordinary Items (Re)	(0.30)	(0.73)

2.39 Previous year figures have been regrouped wherever necessary.

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

Gora & Co.
Chartered Accountants
Firm Registration No. 327183E

G. C. Mukherjee
Partner
Membership No. 017630
Kolkata, 29th May, 2014

For and on behalf of the Board

A. K. Agarwal
Director

S. Ravi
Director

S. Ghose
Chief Financial Officer

K. L. Sharma
Company Secretary

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

1. Name of the Subsidiary Companies	Ebony Commercials Private Ltd.	Dunlop East Ltd	Dunlop South Ltd
2. Financial Year of the Subsidiary Companies ended on	31st March, 2014	31st March, 2014	31st March, 2014
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. (2,780)	Rs. (14,461)	Rs. (14,461)
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. (41,715)	Rs. (40,637)	Rs. (40,637)
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

A. K. Agarwal
Director

S. Ravi
Director

Place : Kolkata
Date : 29th May, 2014

S. Ghose
Chief Financial Officer

K. L. Sharma
Company Secretary

**AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS****INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF DUNLOP INDIA LIMITED****Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of DUNLOP INDIA LIMITED ("the Company") and its subsidiary/ies, which comprises the consolidated Balance sheet as at March 31, 2014, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and

fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis of Qualified Opinion

We draw attention to following notes:

- 1) Refer to note no. 2.6 regarding non-provision of interest amounting to Rs. 1697.10 lakhs on loan from a bank for working capital of Rs. 4025.90 lakhs.
- 2) Refer to note no. 2.8 regarding non provision of interest on certain loans against which one time settlement is under active consideration (amount not ascertained).
- 3) Refer to note no. 2.9 regarding decapitalization of assets of Rs. 29384.14 lakhs representing refurbishment expenditure incurred in earlier years for restoration of full capacity of plants.
- 4) Refer to note no. 2.11 regarding providing of deferred tax assets amounting to Rs. 9740.00 lakhs on carry forward loss and unabsorbed depreciation without virtual certainty of profit in future years.
- 5) We could not verify the investments held as non-current of book-value amounting Rs. 7.00 lakhs as neither the share certificates in physical form nor any demat certificate produced to us.

The cumulative effects of above could not be ascertainable on the net Loss and shareholder's fund as amount on certain notes is not quantified.

Qualified Opinion

Subject to above, in our opinion and to the best of our information and according to the explanations given to us, **and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries as noted below**, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:-

- (a) in the case of the consolidated Balance Sheet of the state of affairs of the Company as at 31st March, 2014;



- (b) in the case of consolidated Statement of Profit and Loss, of the Profit for the year ended on that date; and
- (c) in the case of consolidated Cash Flow Statement, of the Cash Flows for the year ended on that date.

Other Matter

We did not audit the financial statements of subsidiaries, whose financial statements reflect total assets(net) of Rs. 363.27 lakhs as at 31st March,2014, total revenues amounting to Rs.0.44 lakh and net cash inflows amounting to Rs. 0.26 lakh for the year then ended. These financial

statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

for **GORA & CO.**

Chartered Accountants

Firm's Registration No. 327183E

8/2, K.S.Roy Road, 2nd Floor

G. C. Mukherjee

Room No. 2 & 3, Kolkata-700001

Partner

Dated : 29th May, 2014

Membership No. 017630


CONSOLIDATED BALANCE SHEET
As At 31st March, 2014

	Note	As at 31st March, 2014 (Rs. in Lakhs)	As at 31st March, 2013 (Rs. in Lakhs)
EQUITY AND LIABILITIES			
Share Holders' Funds			
Share Capital	2.1	12198.29	12198.29
Reserves and Surplus	2.2	61287.89	94833.52
		<u>73486.18</u>	<u>107031.81</u>
Non-Current Liabilities			
Long Term Borrowings	2.3	23301.92	23508.08
Other Long Term Liabilities	2.4	2066.36	2065.99
Long Term Provisions	2.5	594.43	594.43
		<u>25962.71</u>	<u>26168.50</u>
Current Liabilities			
Short Term Borrowings	2.6	4388.06	4362.16
Trade Payables	2.7	41.91	62.90
Other Current Liabilities	2.8	6566.20	6163.05
Short Term Provision	2.8	181.18	239.97
		<u>11177.35</u>	<u>10828.08</u>
TOTAL		<u>110626.24</u>	<u>144028.39</u>
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets			
Tangible Assets	2.9	86454.76	119782.24
(ii) Intangible assets			
Capital work-in-progress	2.9	7411.37	7411.37
Non-Current Investments	2.10	9.30	9.30
Deferred Tax Assets (Net)	2.11	9554.00	9554.00
Preliminary Expenses not written off		0.18	0.27
Long Term Loans and Advances	2.12	297.87	369.96
		<u>103727.48</u>	<u>137127.14</u>
Current Assets			
Inventories	2.13	6117.30	6117.30
Trade Receivables	2.14	34.62	34.62
Cash and Cash Equivalents	2.15	137.24	137.10
Short Term Loans and Advances	2.12	609.60	612.23
		<u>6898.76</u>	<u>6901.25</u>
TOTAL		<u>110626.24</u>	<u>144028.39</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

Gora & Co. **A. K. Agarwal** **S. Ravi**
Chartered Accountants *Director* *Director*
 Firm Registration No. 327183E
G. C. Mukherjee
Partner **S. Ghose** **K. L. Sharma**
 Membership No. 017630 *Chief Financial Officer* *Company Secretary*
 Kolkata, 29th May, 2014

CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT
For the year ended 31st March, 2014

	Note	As at 31st March, 2014 (Rs. in Lakhs)	As at 31st March, 2013 (Rs. in Lakhs)
Revenue from Operations			
	2.16	-	-
Other Income			
	2.16	1.07	14.05
Total Revenue		<u>1.07</u>	<u>14.05</u>
Expenses:			
Cost of Materials Consumed	2.17	-	-
Purchases of Stock-in-Trade		-	-
Changes In Inventories-Finished Goods, work-in-progress and Stock-in-Trade	2.18	-	-
Employee Benefit Expenses	2.19	126.04	83.75
Finance Costs	2.20	5.54	380.38
Depreciation and Amortization Expenses	2.21	146.39	146.39
Other Expenses	2.22	87.41	133.43
Total Expenses		<u>365.38</u>	<u>743.95</u>
Profit/(Loss) Before Extra Ordinary Items and Tax		<u>(364.31)</u>	<u>(729.90)</u>
Exceptional/Extra Ordinary Items			
		-	(262.59)
Prior Period Adjustment	2.23	(0.22)	106.85
Profit/(Loss) before Tax		<u>(364.53)</u>	<u>(885.64)</u>
Tax Expense:			
Current Tax		-	-
Deferred Tax		-	-
		-	-
Profit (Loss) for The Year		<u>(364.53)</u>	<u>(885.64)</u>
Basic And Diluted (Rs.)		(0.30)	(0.73)
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

Gora & Co. **A. K. Agarwal** **S. Ravi**
Chartered Accountants *Director* *Director*
 Firm Registration No. 327183E
G. C. Mukherjee
Partner **S. Ghose** **K. L. Sharma**
 Membership No. 017630 *Chief Financial Officer* *Company Secretary*
 Kolkata, 29th May, 2014


CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31st March, 2014.

	Year ended 31.03.2014 (Rs. in Lakh)		Year ended 31.03.2013 (Rs. in Lakh)	
(A) CASH FLOW FROM OPERATING ACTIVITIES :-				
Net Profit / (Loss) before tax and before exceptional item		(364.53)		(623.51)
Add: Adjustment for				
Depreciation	146.39		146.39	
Interest Income	—		(1.87)	
Interest Expense	5.54	151.93	380.38	524.90
Operating Profit / (Loss) before Working Capital changes		(212.60)		(98.61)
Adjustments for:				
Trade and other receivables	74.81		29.97	
Inventories	—		60.69	
Trade and other Payable	175.99		1,776.23	
Long Term Trade Liabilities	—	250.80	(989.55)	877.34
Cash generated from Operations		38.20		778.73
Direct Taxes (paid) / Refund		—		—
Cash Flow before extraordinary item		38.20		778.73
Exceptional item		—		(262.59)
Net Cash Flow from Operating Activities		38.20		516.14
(B) CASH FLOW FROM INVESTING ACTIVITIES:				
Net Purchase/Sale of Fixed Assets	—		(283.50)	
Movement of Investments	—		—	
Interest Received	—		1.87	
Dividend Received	—		—	
Net cash used in Investing Activities		—		(281.63)
(C) CASH FLOW FROM FINANCING ACTIVITIES:-				
Share Capital	—		5,000.00	
Share Premium	—		1,000.00	
Proceeds from Long Term Borrowings	0.37		575.21	
Proceeds from Short Term Borrowings	(32.88)		(5,941.26)	
Interest Paid	(5.54)		(868.26)	
Net Cash used in Financing Activities		(38.05)		(234.31)
Net Increase / (Decrease) in Cash Equivalents		0.15		0.20
Cash and Cash Equivalents as at 01.04.2013		24.89		24.69
Cash and Cash Equivalents as at 31.03.2014		<u>25.04</u>		<u>24.89</u>

As per our Report of even date Attached

For and on behalf of

Gora & Co.
Chartered Accountants

Firm Registration No. 327183E

G. C. Mukherjee
Partner

Membership No. 017630

Kolkata, 29th May, 2014

For and on behalf of the Board

A. K. Agarwal
Director
S. Ravi
Director
S. Ghose
Chief Financial Officer
K. L. Sharma
Company Secretary



Accounting Policies and Notes to the Accounts

A. a) Principles of Consolidation

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

The Consolidated Financial Statements relate to Dunlop India Limited and its subsidiaries incorporated in India, viz., Ebony Commercial Private Ltd., Dunlop South Ltd and Dunlop East Ltd.

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, 2014, the same reporting date as that of the Company.
- iii) The subsidiaries being wholly owned, no Goodwill / Capital Reserve and Minority interest have arisen.

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

2.2 RESERVES AND SURPLUS

	As at 31.03.2014 (Rs. in Lakhs)		As at 31.3.2013 (Rs. in Lakhs)
Capital Reserve	51.45		51.45
Capital Redemption Reserve	70.00		70.00
Security Premium Reserve	1,264.81		1,264.81
Debenture Redemption Reserve	1.33		1.33
Revaluation Reserve			
As per last Balance Sheet	78,291.27	82,088.25	
Less : Transferred to Profit and Loss a/c	<u>3,796.96</u>	<u>74,494.31</u>	<u>3,796.96</u>
General Reserve	8,642.03	7,871.34	78,291.27
Add : Adjustment of liability no longer required			
(Less) : Decapitalisation of earlier year Expenditure	<u>—</u>	8,642.03	<u>770.69</u>
Surplus			
As per last Balance Sheet	6,512.63	7,398.73	
Add/(Less) Decapitalisation of earlier year Expenditure (29,384.14)			—
Add/(Less): Profit/(Loss) for the period	<u>(364.53)</u>	<u>23,236.04</u>	<u>(886.10)</u>
		<u>61,287.89</u>	<u>94,833.52</u>

2. Notes on Consolidated Financial Statements

2.1 Share Capital

	As at 31.3.2014 (Rs. in Lakhs)	As at 31.03.2013 (Rs. in Lakhs)
Authorised Capital		
175,00,00,000 Equity Shares of Rs10 each (175,00,00,000)	17,500.00	17,500.00
	<u>17,500.00</u>	<u>17,500.00</u>
Issued, Subscribed and fully Paid up		
12,19,82,875 Equity Shares of Rs.10 each (12,19,82,875)	12,198.29	12,198.29

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 Corporation Ltd	13.61	1,66,00,935	13.61	1,66,00,935
2. Wealth Overseas Pte Ltd	8.18	99,74,271	8.24	1,00,49,150
3. Hiland Traders Pvt Ltd	16.48	2,01,09,137	16.48	2,01,09,137
4. Life Insurance Corporation of India Ltd	5.23	63,79,452	5.23	63,79,452
5. Suncap Commodities Ltd	14.35	1,75,00,000	14.35	1,75,00,000
6. Regus Impex Pvt Ltd	14.35	1,75,00,000	14.35	1,75,00,000
7. Salputri Commerce Pvt Ltd	12.30	1,50,00,000	12.30	1,50,00,000

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.

2.3 Long Term Borrowings

a) Secured

	As at 31.03.2014 (Rs. in Lakhs)	As at 31.03.2013 (Rs. in Lakhs)
Term Loans		
From Banks	—	—
From Others	—	—
From Related parties	4,138.45	4,138.45
	<u>4,138.45</u>	<u>4,138.45</u>

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

b) Unsecured

Loans from Related Parties	11,442.63	11,442.63
Deposits (Dealers and C & FA)	133.14	339.30
Other Loans and Advances	7,587.70	7,587.70
	<u>19,163.47</u>	<u>19,369.63</u>
TOTAL (a+b)	<u>23,301.92</u>	<u>23,508.08</u>


SCHEDULES TO THE CONSOLIDATED ACCOUNTS

	As at 31.03.2014 (Rs. in Lakhs)	As at 31.03.2013 (Rs. in Lakhs)
2.4 Other Long term liabilities		
Trade Payables	300.37	300.00
Statutory Liabilities	71.85	71.85
Others	1,694.14	1,694.14
	2,066.36	2,065.99

Note : None of the above Suppliers have reported Micro, Small and Medium Enterprises status as defined in Micro, Small and Medium Enterprises Development Act, 2006 to whom the company owes dues.

2.5 Long-term Provisions

Provision for Employee Benefits	594.43	594.43
	594.43	594.43

2.6 Short Term Borrowings

Secured		
Cash Credit/Overdraft from Banks	3,920.65	4,025.90
Current year liability of Vehicle Loan	-	5.31
	3,920.65	4,031.21
UnSecured		
Other Loans and Advances	-	-
Other Loans and Advances from Related Parties	467.41	330.95
	467.41	330.95
TOTAL	4,388.06	4,362.16

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.

2.7 Trade payables

	As at 31.03.2014 (Rs. in Lakhs)	As at 31.03.2013 (Rs. in Lakhs)
Micro, Small and Medium Enterprises	-	-
Others	41.91	62.90
	41.91	62.90

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	-	15.18
Statutory Liabilities		
PF & ESI Dues	209.77	209.69
Sales Tax	180.87	180.87
TDS & Others	28.20	28.70
Fixed Deposits	799.56	799.56
Interest accrued but not due	-	-
Other Liabilities	5,347.80	4,929.05
	6,566.20	6,163.05

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	181.18	239.97
	181.18	239.97

2.9 Fixed Assets

(Rs. in Lakhs)

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 31.3.2013	Additions	* Deductions	As on 31.3.2014	As on 31.3.2013	For the period	Adjustment/ Sale during the period	As on 31.3.2014	As on 31.3.2014	As on 31.3.2013
Tangible Assets										
Freehold Land	33,843.13	-	-	33,843.13	-	-	-	-	33,843.13	33,843.13
Freehold Buildings	21,581.71	-	6,126.49	15,455.23	7,733.49	515.84	-	8,249.33	7,205.90	13,848.22
Leasehold Buildings	17.15	-	-	17.15	3.93	-	-	3.93	13.22	13.22
Plant and Machinery	1,28,500.62	-	23,243.81	1,05,256.81	56,598.68	3,396.48	-	59,995.16	45,261.65	71,901.94
Furniture and Fittings	573.38	-	13.84	559.54	542.60	1.00	-	543.60	15.94	30.78
Motor Vehicles	444.95	-	-	444.95	300.00	30.03	-	330.03	114.92	144.95
Total	1,84,960.94	-	29,384.14	1,55,576.81	65,178.70	3,943.35	-	69,122.65	86,454.76	1,19,782.24
Previous Year	1,84,960.95	-	-	1,84,960.95	61,235.33	3,943.37	-	65,178.70	1,19,782.25	-
Capital Work in Progress	7,411.37	-	-	7,411.37	-	-	-	-	7,411.37	7,411.37

*Refurbishment Expenses of Revenue nature incurred for restoration of full capacity of plants aggregating Rs. 29384.14 lakhs capitalised in earlier years now reversed. No depreciation has been charged on these assets.


SCHEDULES TO THE CONSOLIDATED ACCOUNTS

	As at 31.03.2014 (Rs. in Lakhs)	As at 31.03.2013 (Rs. in Lakhs)		As at 31.03.2014 (Rs. Lakhs)	As at 31.03.2013 (Rs. Lakhs)
2.10 Non-Current Investments			2.12 Long Term Loans and Advances		
Non-Trade :			(Unsecured, Considered Good)		
A. Quoted:			Security Deposits	80.24	81.17
Equity Shares - fully paid			Other loans and advances :	217.63	288.79
7,418 (7,418) Master Shares of				<u>297.87</u>	<u>369.96</u>
Rs.10 each of U T I	1.00	1.00	Short Term Loans and Advances		
TOTAL (A)	1.00	1.00	(Unsecured, Considered Good)		
B. Unquoted:			Loans and Advances to related parties	-	-
Investment in Subsidiary Companies			Other Short Term loans and advances :		
20,500, (20,500) Equity Shares of Rs 10 each			Duties Receivable	154.90	151.35
fully paid of Ebony Commercial Pvt Ltd.	-	-	Interest accrued but not due	16.70	16.70
49,940, Equity Shares of Rs 10 each			Other Loans & Advances	438.00	609.60
fully paid of Dunlop East Ltd.	-	-		<u>609.60</u>	<u>612.23</u>
49,940, Equity Shares of Rs 10 each					
fully paid of Dunlop South Ltd.	-	-	2.13 Inventories		
Others :			Immovable Property	350.00	350.00
40, (40) 7% Debentures fully paid of			Raw Materials	5,296.11	5,296.11
Royal Calcutta Golf Club Ltd.	1.00	1.00	Work-in-progress	232.90	232.90
5,000, (5,000) Equity Shares of USD 1 each			Finished Goods	136.00	136.00
fully paid of Wealthsea Ltd	2.30	2.30	Stores and spares	102.29	102.29
5,000, (5,000) Equity Shares of GBP 1			Goods in Transit	-	-
each fully paid of Global Finvest Ltd	4.00	4.00		<u>6,117.30</u>	<u>6,117.30</u>
10,000, (10,000) Equity Shares of Rs 10			Note : Inventories are stated at the lower of cost and estimated net realisable		
each fully paid of Wizer Advertising Pvt Ltd.	1.00	1.00	value. Cost is determined on the basis of first in first out, except engineering		
TOTAL (B)	8.30	8.30	stores, cost for which is computed on the basis of weighted average. Work-		
TOTAL (A+B)	9.30	9.30	in-progress represents materials cost, direct labour and appropriate portion		
Aggregate Market Value of			of factory overheads. Finished Goods are valued at lower of Cost or net		
Quoted Investments	1.80	1.80	realizable value.		
Aggregate Book Value of			2.14 Trade Receivables		
Quoted Investments	1.00	1.00	(Unsecured, Considered Good)		
Aggregate Book Value of			a) More than six months from the due date	34.62	34.62
UnQuoted Investments	8.30	8.30	b) Others	-	-
2.11 Deferred Tax Assets/ liabilities				<u>34.62</u>	<u>34.62</u>
Deferred Tax Assets :			2.15 Cash and cash equivalents		
43 B items under Income Tax Act,			i) Cash and cash equivalents		
Carried forward loss and			Balances with banks in Current account	22.22	22.22
Unabsorbed Depreciation	9,740.00	9,740.00	Cash on Hand	2.82	2.67
Deferred Tax Liabilities :			Other balances :		
Depreciation	186.00	186.00	Fixed deposit with Bank (More than 12 months)		
Deferred Tax Assets (Net)	9,554.00	9,554.00	Fixed deposit with		
Note : The Company had recognized deferred tax asset as on 31.03.2007			Bank- deposit Account	79.07	79.07
on account of carried forward business losses and unabsorbed depreciation			Fixed Deposit with Bank		
under Income Tax Act, 1961. This was adjusted against General Reserve.			Margin deposit Account	33.14	112.21
The Company has filed a petition on 11th March, 2010 before Hon'ble				<u>137.24</u>	<u>137.10</u>
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.					


SCHEDULES TO THE CONSOLIDATED ACCOUNTS

	For the Year Ended 31.03.2014 (Rs. in Lakhs)	For the Year Ended 31.03.2013 (Rs. in Lakhs)		For the Year Ended 31.03.2014 (Rs. in Lakhs)	For the Year Ended 31.03.2013 (Rs. in Lakhs)
2.16 Income			2.20 Finance Cost		
(A) Revenue From Operations			Interest on Loans	0.37	318.38
Sale of products			Loan Processing Fees & Charges	5.17	62.00
-Own	-	-		<u>5.54</u>	<u>380.38</u>
-Traded	-	-	2.21 Depreciation and amortization expenses		
Sale of services	-	-	Depreciation	3,943.35	3,943.37
Other operating revenues	-	-	Less : Transferred from		
	-	-	Revaluation Reserve	3,796.96	3,796.98
Less: Excise Duty	-	-		<u>146.39</u>	<u>146.39</u>
	-	-	2.22 Other Expenses		
B) Other Income			Consumption of stores and spares part	-	0.08
Interest Income	-	0.67	Power and Fuel	3.43	1.28
Sundry Income	-	0.26	Rent	26.50	26.56
Hire Charges	0.44	0.20	Repairs to buildings	4.13	0.48
Excess provision/liabilities written back	0.63	12.92	Repair Others	-	0.10
	<u>1.07</u>	<u>14.05</u>	Security Charges	29.18	25.83
TOTAL	<u>1.07</u>	<u>14.05</u>	Legal Charges	3.15	59.00
			Insurance	1.30	0.12
2.17 Cost of Materials Consumed			Rates and Taxes excluding taxes		
Opening Stock of Raw Materials	5,296.11	5,296.11	on Income	1.60	1.49
Add: Raw materials Purchased	-	-	Freight	-	0.00
Less: Closing Stock of Raw Materials	5,296.11	5,296.11	Director's Sitting Fees	0.25	0.50
	-	-	Auditors Remuneration		
	-	-	Audit Fees- Tax Audit	-	
2.18 Changes in Inventories			Audit Fees- Statutory Audit	0.35	0.39
Opening Stock			Certification and others	-	0.76
Finished Goods	136.00	136.00		<u>0.35</u>	<u>1.15</u>
Work-in-progress	232.90	232.90	Audit Fees- Cost Audit	-	-
	368.90	368.90	Miscellaneous Expenses	17.52	16.84
Less: Closing Stock				<u>87.41</u>	<u>133.43</u>
Finished Goods	136.00	136.00	2.23 Prior Period Adjustments		
Work-in-progress	232.90	232.90	Reversal of Earlier year expenses	-	5.85
	<u>368.90</u>	<u>368.90</u>	Income of Previous Years	0.22	-
	-	-	Earlier year Income	-	101.00
	-	-		<u>0.22</u>	<u>106.85</u>
2.19 Employee Benefits Expenses					
Salaries and Wages	126.04	79.75			
Contribution to provident and other funds	-	2.22			
Staff Welfare Expenses	-	1.78			
	<u>126.04</u>	<u>83.75</u>			


SCHEDULES TO THE CONSOLIDATED ACCOUNTS

	As at 31.03.2014 (Rs. in Lakhs)	As at 31.03.2013 (Rs. in Lakhs)	
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	3,361.36	
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.	1783.25	1,783.25	
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.1765.99 lacs appearing in Note 2.4) and Long term Advances (Rs.208.13 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 Confirmation of balances has been sought from sundry creditors, sundry debtors and loans & advances given to parties. Confirmations are awaited.
			2.28 Present Directors are not disqualified in terms of Section 274(1)(g) of the Companies Act, 1956, as legally advised.
			2.29 a) 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 As per Separate Annexure

b) The Company's related party transactions during the year and outstanding balances as at 31st March, 2014 are as below :
(Rs in Lakhs)

Sl. No.	Particulars	2013-14	2012-13
1.	Holding Company	-	-
2.	Subsidiary Companies		
	Year end Balance (Receivable)	0.46	9.98
3.	Associated Company		
	Expenses	306.31	4,538.09
	Year end Balance (Payable)	18,989.59	18,564.06
4.	Key Management Personnel		
	Sitting fees	-	-
	Remuneration	-	-



SCHEDULES TO THE CONSOLIDATED ACCOUNTS

	As at 31.03.2014 (Rs. in Lakhs)	As at 31.03.2013 (Rs. in Lakhs)		As at 31.03.2014 (Rs. in Lakhs)	As at 31.03.2013 (Rs. in Lakhs)
2.30 Raw Material Consumption :			2.33 Expenditure in foreign currency	NIL	NIL
Rubber	-	-			
Fabric	-	-	2.34 Information related to foreign exchange remitted as dividend	NIL	NIL
Carbon Black	-	-			
Others	-	-	2.35 Earnings in foreign exchange	NIL	NIL
Total	<u>-</u>	<u>-</u>			
2.31 Consumption of Raw materials,spares parts and component consumed			2.36 Segment Reporting		
	2013-14	2012-13	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.		
	Value	Value			
	(Rs. Lakhs)	(Rs. Lakhs)			
Imported	-	-	2.37 Disclosure as per AS-15 "Employees Benefits"		
Indigenous	-	-	In view of continuing Suspension of Operation at both the Factories, Actuarial valuation of Gratuity has not been done during the year. Management has paid Rs.58.79 lakhs towards Gratuity payment during 2013-14.		
Total	<u>-</u>	<u>-</u>			
2.32 Value of imports calculated on C.I.F basis	NIL	NIL			

**SCHEDULES TO THE CONSOLIDATED ACCOUNTS****2.38 Earning Per Share**

Particulars	2013-14	2012-13
Basic and Diluted Earning / (Loss)		
Per Share Before Extraordinary Items		
No of Shares Outstanding for the period	12,19,82,875.00	12,19,82,875.00
Face Value of each Share (Rs)	10.00	10.00
Net Profit / (Loss) after Tax (Rs. Lacs)	(364.53)	(885.64)
Add/(Less): Extraordinary Items (Rs. Lacs)	-	(262.59)
Net Profit / (Loss) after Tax for calculation of Earning/(Loss) per Share before extraordinary items (Rs. Lacs)	(364.53)	(1,148.23)
Basic & Diluted Earning / (Loss) Per Share Before Extraordinary Items (Re)	(0.30)	(0.94)
Basic and Diluted Earning / (Loss)		
Per Share After Extraordinary Items		
No. of Shares Outstanding for the period	12,19,82,875.00	12,19,82,875.00
Face Value of each Shares (Rs)	10.00	10.00
Net Profit / (Loss) after Tax (Rs. Lacs)	(364.53)	(885.64)
Basic & Diluted Earning / (Loss) Per Share After Extraordinary Items (Re)	(0.30)	(0.73)

2.39 Previous year figures have been regrouped wherever necessary.

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

For and on behalf of the Board

Gora & Co.
Chartered Accountants
Firm Registration No. 327183E

A. K. Agarwal
Director

S. Ravi
Director

G. C. Mukherjee
Partner
Membership No. 017630

S. Ghose
Chief Financial Officer

K. L. Sharma
Company Secretary

Kolkata, 29th May, 2014

**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, 2014.**

Particulars	Ebony Commercial Pvt Ltd	Dunlop East Ltd.	Dunlop South Ltd
a) Capital (Rs in '000)	205	500	500
b) Reserve and Surplus (Rs in '000)	5103.94	–	–
c) Total Assets (Rs in '000)	35310.62	500.09	500.09
d) Total Liabilities (Rs in '000)	35310.62	500.09	500.09
e) Details of Investment (Rs in '000) (Excepting case of Investment in Subsidiaries)	Nil	Nil	Nil
f) Turnover and Other Income (Rs in '000)	20.5	–	–
g) Profit/(Loss) before taxation (Rs in '000)	–2.78	–11.95	–11.95
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 upto the date of ensuing Annual General Meeting between 11 AM and 1 PM.



CIN: L25191WB1926PLC008539

Registered Office : Flat No.1, Front Side, 5th Floor, 9, Syed Amir Ali Avenue, Kolkata – 700017

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s):	E-mail Id:
Registered address:	Folio No/*Client Id:
	*DP Id:

I/We, being the member(s) of shares of Dunlop India Limited, hereby appoint :

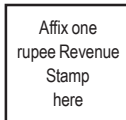
- 1) of having e-mail id.....or failing him
- 2) of having e-mail id.....or failing him
- 3) of having e-mail id.....

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 87th Annual General Meeting of the Company, to be held on Thursday, 21st August, 2014 at 10:00 a.m. at Academy of Fine Arts, 2, Cathedral Road, Kolkata - 700071 and at any adjournment thereof in respect of such resolutions as are indicated below:

** I wish my above Proxy to vote in the manner as indicated in the box below:

Resolutions	For	Against
1. Consider and adopt : Profit & Loss Account for the year ended 31st March, 2014 and the Balance Sheet as at that date and the Reports of the Board of Directors and the Auditors thereon.		
2. Re-appointment of Sri Subbaratnam Ravi who retires by rotation.		
3. Appointment of Auditors and fixing their remuneration		
To consider and, if thought fit, to pass, with or without modification(s)the following Resolution :		
4. As an Ordinary Resolution : Appointment of Sri. Dipak Das as an Independent Director.		
5. As an Ordinary Resolution : Appointment of Smt. Baishali Roy as an Independent Director		

Signed this.....day of.....2014



Signature of shareholder

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

Notes :

- (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- (2) A Proxy need not be a member of the Company.
- (3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- ** (4) This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- (5) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- (6) In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.





CIN: L25191WB1926PLC008539
Registered Office: Flat No.1, Front Side, 5th Floor, 9, Syed Amir Ali Avenue, Kolkata - 700017

ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

DP ID*		FOLIO NO	
CLIENT ID*		NO OF SHARES	

NAME AND ADDRESS OF THE SHAREHOLDER

I hereby record my presence at the **87TH ANNUAL GENERAL MEETING** of the Company held on Thursday, 21st August, 2014 at 10:00 a.m. at Academy of Fine Arts, 2, Cathedral Road, Kolkata - 700071.

* Applicable for investors holding shares in electronic form.

CHILDREN ARE NOT ALLOWED.

SIGNATURE OF MEMBER / PROXY



COURIER

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



DUNLOP INDIA LIMITED

Bombay Stock Exchange Limited
Department of Corporate Affairs
14th Floor, P.J.Towers
Dalal Street, Fort
Mumbai - 400001.

Dear Sirs,

FORM B


Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company	DUNLOP INDIA LTD
2.	Annual financial statements for the year ended	31st March, 2014
3.	Type of Audit Qualification	Qualified opinion.
4.	Frequency of qualification	Some appeared first time and some from last year.
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report.	1) Refer to note no.2.6 regarding non-provision of interest amounting to Rs.1697.10 lacs on loan from a bank for working capital of Rs.3920.65 lacs. 2) Refer to note no.2.8 regarding non-provision of interest on certain loans against which one time settlement is under active consideration (amount not ascertained). 3) Refer to note no.2.9 regarding decapitalization of Assets of Rs.29384.14 lacs representing refurbishment expenditure incurred in earlier years for restoration of full capacity of plants. 4) Refer to note no.2.11 regarding providing of deferred tax assets amounting to Rs.9740.00 lacs on carry forward loss and unabsorbed depreciation without virtual certainty of profit in future years. 5) We could not verify the investment held as non-current of book-value of Rs.7.00 lacs as neither the share certificates in physical form nor any demat certificate produced to us. The cumulative effects of above could not be ascertainable on the net loss and shareholder's fund as amount on certain notes is not quantified.
6.	Additional comments from the board/audit committee chair	No comments.
7.	To be signed by -	* Auditor of the Company. * Audit committee chairman

For DUNLOP INDIA LIMITED


SOUMITRA GHOSE
CHIEF FINANCIAL OFFICER

For Gora & Co.
Chartered Accountants


Partner
(M. No. 017630)

Audit Dibal Dar
Committee Chairman

Regd. Office : Flat No.1, 5th Floor, 9, Syed Amir Ali Avenue, Kolkata - 700017 .Phone 033 2289-4747

E-Mail : info@dunlop.co.in

CIN: L25191WB1926PLC008539,