

**DUNLOP INDIA LIMITED****BOARD OF DIRECTORS**

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

**BANKERS**

Central Bank of India  
 State Bank of India  
 Kotak Mahindra Bank  
 Indusind Bank  
 Axis Bank

**CHIEF FINANCIAL OFFICER**

Mr. Raj Kumar Gupta

**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

**VICE PRESIDENT – LEGAL & COMPANY SECRETARY**

Mr. Ashok Kumar Agarwal

**REGISTERED OFFICE**

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

**AUDITORS**

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

**CORPORATE OFFICE**

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

**SOLICITORS**

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

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**TEN YEAR SUMMARY**

|                            |           | 2009-10   | 2008-09   | 2007-08   | 2006-07   | 2005-06   | 2004-05   | 2003-04   | 2002-03   | 2001-02   | 2000-01   |
|----------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|                            |           | 12 months | 12 months | 12 months | 12 months | 12 months | 12 months | 12 months | 12 months | 12 months | 12 months |
| Income                     | Rs Crores | 180.70    | 183.01    | 122.16    | 341.42    | 4.06      | 37.16     | 9.19      | 28.68     | 6.08      | 102.61    |
| Operating Profit/(Loss)    | Rs Crores | 5.63      | 9.75      | 7.36      | 335.99    | (6.09)    | 14.08     | (10.99)   | (0.26)    | (41.89)   | (58.93)   |
| Profit before Tax          | Rs Crores | 1.27      | 1.36      | 4.85      | 489.01    | 71.93     | (5.46)    | 32.67     | (39.23)   | (88.57)   | (89.38)   |
| Profit after Tax           | Rs Crores | 1.27      | 1.36      | 4.85      | 488.81    | 71.88     | (5.46)    | 32.67     | (39.23)   | (88.57)   | (89.38)   |
| Earnings per Equity share  | Rs.       | 0.18      | 0.19      | 0.69      | 108.65    | 15.98     | (1.21)    | 7.26      | -         | -         | -         |
| Dividends per Equity share | Rs.       | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         |
| Net Worth per Equity share | Rs.       | 157.68    | 158.06    | 182.52    | 302.02    | (58.05)   | (73.56)   | (63.05)   | (68.99)   | (47.96)   | (55.14)   |
| Net Assets employed        | Rs Crores | 1409.27   | 1342.67   | 1499.44   | 1632.12   | (98.42)   | (160.25)  | (115.14)  | (83.55)   | (21.71)   | 59.05     |
| Shareholder's Funds        | Rs Crores | 1135.02   | 1137.74   | 1312.73   | 1358.77   | (261.16)  | (330.92)  | (283.65)  | (310.36)  | (215.75)  | (104.71)  |
| Gearing                    | %         | 24.16     | 17.73     | 14.22     | 20.12     | 108.76    | 112.46    | 87.05     | 111.79    | 75.13     | 58.33     |

**DUNLOP INDIA LIMITED**

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

**NOTICE**

**NOTICE** is hereby given that the **Eighty Third** Annual General Meeting of the Members of **Dunlop India Limited** will be held at The Ballroom, The Oberoi Grand, 15, Jawaharlal Nehru Road, Kolkata – 700013 on **Tuesday, 15th June, 2010 at 11.00 a.m.** to transact the following business :

**ORDINARY BUSINESS**

1. To consider and adopt the Profit & Loss Account for the year ended 31st March, 2010 and the Balance Sheet as at that date and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Pawan Kumar Ruia, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Ram Krishen Sadhu, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Messers K. N. Gutgutia & Co., Chartered Accountants, Kolkata, the retiring Auditors of the Company, who being eligible, offer themselves for re-appointment as the Auditors, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to authorize the Board of Directors of the Company to fix their remuneration.

**SPECIAL BUSINESS**

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

5. **As an Ordinary Resolution :**  
"RESOLVED THAT Mr. Virendra Kumar Agrawal be and is hereby appointed a Director of the Company."
6. **As an Ordinary Resolution :**  
"RESOLVED THAT Mr. Damodar Prasad Dani be and is hereby appointed a Director of the Company."
7. **As Special Resolutions :**  
"RESOLVED THAT in accordance with and subject to the provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to the approval of the Central Government, the consent of the Company be and is hereby accorded for the appointment of Mr. Rakesh Kumar Budhiraja as the Executive Director (being the Whole-time Director) & CEO of the Company for the period commencing from 28th December, 2009 till 10th May, 2010 on the terms and conditions including

the remuneration as are set out in the Agreement already been entered into between the Company and Mr. Rakesh Kumar Budhiraja, original of which is placed before this Meeting, which is hereby specifically sanctioned subject to the condition that the said remuneration shall not exceed the limits specified in Schedule XIII to the Companies Act, 1956 including any statutory modification or re-enactment thereof for the time being in force."

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

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

Place : Kolkata  
Date : 11th May, 2010

**NOTES :**

1. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business of the Meeting is annexed hereto and forms part of this Notice.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE VALID AND EFFECTIVE, MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE / CORPORATE OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 8th June, 2010 to 15th June, 2010 (both days inclusive).
4. Members are requested to bring their copies of the Annual Report and the Admission Slip at the Meeting. Annual Report will not be distributed at the Meeting. No Food Packet will be served at the AGM.

**ANNEXURE TO THE NOTICE****EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.****Item Nos. 5 & 6**

Mr. Virendra Kumar Agrawal and Mr. Damodar Prasad Dani were appointed as the Additional Directors of the Company with effect from 11th May, 2010. In accordance with the provisions of Section 260 of the Companies Act, 1956 and Article 91 of the Articles of Association of the Company, above Directors shall hold office up to the date of this Annual General Meeting. The Company has received Notices from two Members in writing under Section 257 of the Companies Act, 1956 separately signifying their intention to propose the appointment of the aforesaid persons as the Directors at this Annual General Meeting.

**DUNLOP INDIA LIMITED**

Keeping in view the qualifications and the experience possessed by the aforesaid persons, your Directors feel that the appointment of the said persons as Directors of the Company will be beneficial to your Company and accordingly, recommend the Ordinary Resolutions set out in item Nos. 5 & 6 of the Notice for your consideration and approval.

None of the Directors of the Company except Mr. Virendra Kumar Agrawal and Mr. Damodar Prasad Dani are interested or concerned in the Ordinary Resolutions set out in item Nos. 5 & 6 of the Notice.

**Item No. 7.**

The Board of Directors of the Company at its Meeting held on 28th December, 2009 has appointed Mr. Rakesh Kumar Budhiraja as the Executive Director (being the Whole-time Director) & CEO of the Company for 3 years commencing from 28th December, 2009 subject to the approval of the Shareholders at the ensuing Annual General Meeting and the approval of the Central Government for which the requisite application has already been submitted by the Company to the Central Government within time. Mr. Rakesh Kumar Budhiraja has joined as the Executive Director (being the Whole-time Director) & CEO of the Company on 28th December, 2009. Mr. Rakesh Kumar Budhiraja ceased to be the Executive Director (being the wholetime Director) & CEO of the Company w.e.f. 11th May, 2010.

The broad particulars of the terms and conditions of the appointment including the remuneration payable to Mr. Rakesh Kumar Budhiraja are as under :

| Designation  | Period of Appointment                           | Salary (Rs.) per month | Perquisites, Allowances & Re-imbursements (Rs.) per month |
|--|---|------------------------|---|
| Executive Director (being the Whole - time Director) & CEO | Period commencing from 28.12.2009 to 10.05.2010 | 1,80,000/-             | 3,53,250/-  |

The perquisites and allowances payable to Mr. Rakesh Kumar Budhiraja include house rent allowance, special pay and medical reimbursement up to the amount specified above, subject to over all ceiling of remuneration stipulated in Sections 198 and 309 of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956. The said perquisites and allowances shall be evaluated, wherever applicable, as per the Income Tax Act, 1961 or any Rule there under (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force).

The terms and conditions set out for the above appointment and payment of remuneration herein / or in the Agreement already been entered into between the Company and Mr. Rakesh Kumar Budhiraja.

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

The Agreement entered into between the Company and Mr. Rakesh Kumar Budhiraja on 28th December, 2009 incorporating the above particulars of remuneration is available for inspection at the Corporate Office of the Company on all working days up to the date of the ensuing Annual General Meeting between 11:00 a.m. and 1:00 p.m.

The above may also be treated as an abstract of the terms of the contract / agreement entered into between the Company and Mr. Rakesh Kumar Budhiraja pursuant to Section 302 of the Companies Act, 1956.

Keeping in view the qualification and the experience possessed by Mr. Rakesh Kumar Budhiraja, your Directors feel that Mr. Rakesh Kumar Budhiraja's appointment as the Executive Director (being the Whole-time Director) & CEO of the Company for the aforesaid period was beneficial to your Company and accordingly, recommend the Special Resolutions set out in Item No. 7 of the Notice for your consideration and approval as Mr. Budhiraja's above appointment and payment of remuneration requires your approval.

None of the Directors of the Company except Mr. Rakesh Kumar Budhiraja are interested or concerned in the Resolutions set out in Item No. 7 of the Notice.

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

Place : Kolkata  
Date : 11th May, 2010

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

|  |   |
|--|---|
| 1. Name                                | : Mr. Pawan Kumar Ruia.   |
| Age                                    | : 51 Years.   |
| Qualifications                         | : B.Com (Hons.), AICWA, FCA, LLB, AASM, MIIA (USA).                           |
| Expertise                              | : Mr Ruia has 25 years of rich experience in running Business and Industries. |
| Date of Appointment                    | : 25th January, 2006.   |
| No. of Equity Shares held in the Co.   | : Nil.  |
| Other Directorships                    | :   |
| <u>Name of the Public Ltd. Company</u> | <u>Committee Memberships, if any, with position</u>                           |
| Falcon Tyres Ltd.                      | None.   |

**DUNLOP INDIA LIMITED**

2. Name : Mr. Ram Krishen Sadhu.  
 Age : 73 Years.  
 Qualifications : M.A.  
 Expertise : Mr. Sadhu has over 45 years of varied experience in the fields of Administration, Finance, Banking and Industry. Earlier been Directors on the Board of several Companies including BIFR Nominee Director under SICA.  
 Date of Appointment : 28th January, 2005.  
 No. of Equity Shares held in the Co. : Nil.  
 Other Directorships :  
Name of the Public Ltd. Company : Committee Memberships, if any, with position  
 None : None
3. Name : Mr. Rakesh Kumar Budhiraja.  
 Age : 55 Years.  
 Qualifications : FCA, LLB, MBA, FCS.  
 Expertise : Mr. Budhiraja has 30 years of experience in Finance & General Management.  
 Date of Appointment : 28th December, 2009.  
 No. of Equity Shares held in the Co. : Nil.  
 Other Directorships :  
Name of the Public Ltd. Company : Committee Memberships, if any, with position  
 None : None
4. Name : Mr. Virendra Kumar Agrawal.  
 Age : 57 years.  
 Qualifications : B.Com, FCA.  
 Expertise : Mr. Agrawal has an experience over 33 years in the field of Finance, Commercial and General management.  
 Date of Appointment : 11th May, 2010.  
 No. of Equity Shares held in the Co. : Nil.  
 Other Directorships :  
Name of the Public Ltd. Company : Committee Memberships, if any, with position  
 None : None
5. Name : Mr. Damodar Prasad Dani.  
 Age : 56 years.  
 Qualifications : M.Sc., MBA.  
 Expertise : Associated with Automotive Tyre Industry for over 33 years in various positions including serving as CEO as well as on the Board of a large Automotive Tyre Manufacturing Company.  
 Date of Appointment : 11th May, 2010.  
 No. of Equity Shares held in the Co. : Nil.  
 Other Directorships :  
Name of the Public Ltd. Company : Committee Membership, if any, with position  
 Dunlop Rubbers Ltd. : None

**HOLDING OF EQUITY SHARES**

| Category  | As on 31.03.2010<br>Equity Shares |               | As on 31.03.2009<br>Equity Shares |               |
|---|-----------------------------------|---------------|-----------------------------------|---------------|
|   | (Nos.)                            | (%)           | (Nos.)                            | (%)           |
| <b>Promoters' Holding</b>   |                                   |               |                                   |               |
| Foreign Promoters   | 33515229                          | 46.56         | 33515229                          | 46.56         |
| Promoters' Associates<br>(Persons acting in concert)                        | 20109137                          | 27.94         | 20109137                          | 27.94         |
| <b>Sub Total</b>  | <b>53624366</b>                   | <b>74.50</b>  | <b>53624366</b>                   | <b>74.50</b>  |
| <b>Non-Promoters' Holding</b>   |                                   |               |                                   |               |
| Financial Institutions,<br>Insurance Companies,<br>Mutual Funds, Banks etc. | 8452292                           | 11.74         | 10116463                          | 14.05         |
| Non-Residents   | 46879                             | 0.06          | 42354                             | 0.06          |
| Private Corporate Bodies  | 5246385                           | 7.29          | 3733957                           | 5.18          |
| Indian Public   | 4612953                           | 6.41          | 4465735                           | 6.21          |
| <b>Sub Total</b>  | <b>18358509</b>                   | <b>25.50</b>  | <b>18358509</b>                   | <b>25.50</b>  |
| <b>Grand Total</b>  | <b>71982875</b>                   | <b>100.00</b> | <b>71982875</b>                   | <b>100.00</b> |

**DUNLOP INDIA LIMITED****REPORT OF THE DIRECTORS**

Your Directors present the 83rd Annual Report of the Company together with the audited accounts for the financial year ended 31st March, 2010.

**SUMMARIZED FINANCIAL RESULTS**

|  | Rs. in Lacs |          |
|--|-------------|----------|
|  | 2009-10     | 2008-09  |
| Sales & other Income                       | 18070.21    | 18300.73 |
| Profit before Depreciation, Interest & Tax | 563.47      | 975.31   |
| Financial Charges                          | 281.47      | 701.90   |
| Depreciation                               | 140.72      | 135.94   |
| Profit before exceptional Items            | 141.28      | 137.47   |
| Exceptional Item                           | —           | (55.51)  |
| Prior Period Adjustment                    | (14.57)     | 54.27    |
| Profit before Tax                          | 126.71      | 136.23   |
| Profit after Tax                           | 126.71      | 136.23   |

**OPERATIONS**

During the period, the plants were opened and production is getting stabilized.

**DIVIDEND**

Your Directors have decided to retain the internal accruals and therefore do not recommend any dividend for the financial year 2009-10.

**PUBLIC DEPOSIT**

During the year under review, the Company paid fixed deposit of Rs. 1,04,000/-. Fixed Deposits matured up to September, 2000 but not paid up to 31st March, 2010 amount to Rs. 8,92,14,000/-.

**DIRECTORS**

During the year under review, Mr. Damodar Prasad Dani, resigned from the Directorship w.e.f. 4<sup>th</sup> November, 2009. Mr. Damodar Prasad Dani also ceased to be the Executive Director and CEO of the Company w.e.f. 4<sup>th</sup> November, 2009. The Board placed on record its deep appreciation for the valuable services rendered by Mr. D. P. Dani.

Mr. Rakesh Kumar Budhiraja was appointed as Additional Director of the Company w.e.f. 28<sup>th</sup> December, 2009 by the Board, who will hold Office upto the date of the 83<sup>rd</sup> Annual General Meeting and is eligible for re-appointment. Mr. Rakesh Kumar Budhiraja was also appointed as the Executive Director (being the Whole-time Director) and CEO of the Company for 3 years w.e.f. 28<sup>th</sup> December, 2009 till 27<sup>th</sup> December, 2012.

In accordance with Article 103 of the Articles of Association of your Company and the applicable provisions of the Companies Act, 1956, Mr. Pawan Kumar Ruia and Mr. Ram Krishen Sadhu will retire from the Board by rotation at the 83<sup>rd</sup> Annual General Meeting and being eligible, offer themselves for re-appointment.

**AUDITORS**

M/s. K. N. Gutgutia & Co., Chartered Accountants, Kolkata, Auditors of your Company, will hold office until the conclusion of 83rd Annual General Meeting and being eligible, offer themselves for re-appointment. The Company has received a letter from them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956.

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

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

**DIRECTORS' RESPONSIBILITY STATEMENT**

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

- That in the preparation of the Accounts for the Financial Year ended 31st March, 2010, the applicable Accounting Standards have been followed and proper explanations have been provided for material departures, wherever applicable;
- That the Board of Directors have selected such Accounting Policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the State of Affairs of the Company at the end of the Financial Year and of the Profit or Loss of the Company for the year under review;
- 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
- That the Accounts for the Financial Year ended 31st March, 2010 have been prepared on a "going concern" basis.

**CORPORATE GOVERNANCE**

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

**PERSONNEL**

The Management of the Company and its Unions have cordial and healthy relationship. After a tripartite meeting in November, 2009 between the Unions, Management and the Labour Minister, the Management has lifted the suspension of operations at its Sahaganj Plant.

At the Ambattur Factory, the Union and the Management have entered into a Memorandum of Settlement for a period of three years and thereafter, the Plant has opened in October, 2009.

**ACKNOWLEDGEMENT**

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

**SUBSIDIARY COMPANIES**

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

For and on behalf of the Board

Place : Kolkata  
Date : 22nd April, 2010

**Pawan Kumar Ruia**  
Chairman

**DUNLOP INDIA LIMITED**
**ANNEXURE TO THE DIRECTORS' REPORT DATED 22ND APRIL, 2010 PURSUANT TO SECTION 217(3) OF THE COMPANIES ACT, 1956.**

Reference is made to the comments of the Auditors in respect of certain records and information. In this regard, attention is drawn to Note 4(d), 11 and 12 of Schedule 19B to the Accounts, which are self explanatory.

For and on behalf of the Board

Place : Kolkata  
Date : 22nd April, 2010

**Pawan Kumar Ruia**  
Chairman

**Statement of Particulars under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 forming part of the Directors' Report for the year ended 31st March, 2010.**

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

Your Company has taken steps to improve efficiency by reduction of Boiler Blowdown time, controlling consumption of coal by installing Belt Wigher, installation of new Capacitors to improve power factor and replacement of standard lighting set by energy efficient lighting system.

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

Earnings - Rs. 18.63 Lacs  
Outgo - Rs. 1.72 Lacs

For and on behalf of the Board

Place : Kolkata  
Date : 22nd April, 2010

**Pawan Kumar Ruia**  
Chairman

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

|                                      |           | 31.03.2010 | 31.03.2009 |   |           | 31.03.2010 | 31.03.2009 |
|--------------------------------------|-----------|------------|------------|---|-----------|------------|------------|
| Unit                                 |           | Total      | Total      | Unit                                      |           | Total      | Total      |
| <b>A. Power and Fuel Consumption</b> |           |            |            | <b>b) Furnace Oil (Boiler)</b>            |           |            |            |
| <b>1 Electricity</b>                 |           |            |            | Qty                                       | TON       | 148.50     | Nil        |
| a) Purchased :                       |           |            |            | Total Amount                              | RS / LACS | 45.26      | Nil        |
| Unit                                 | MWH       | 5007.14    | 4664.55    | Average Rate                              | RS / KG   | 30.48      | Nil        |
| Total Amount                         | RS / LACS | 308.43     | 265.02     | <b>4 Others/Int.Gen (D.Oil)</b>           |           |            |            |
| Rate / Unit                          | RS / KWH  | 6.16       | 5.68       | Qty                                       | KLTR      | 47.55      | 23.69      |
| b) Own Generation :                  |           |            |            | Total Amount                              | RS / LACS | 16.91      | 8.44       |
| (i) Diesel Gen Unit                  | MWH       | 13.59      | 1.15       | Rate/Unit                                 | RS / LTR  | 35.56      | 35.60      |
| Unit / Ltr of D.Oil                  | KWH / LTR | 3.18       | 2.80       | <b>B. Consumption / Ton of Production</b> |           |            |            |
| Cost / Unit                          | RS / KWH  | 35.02      | 12.37      | Purchased                                 | MWH       | 5007.14    | 4664.55    |
| (ii) F.Oil Gen. Unit                 | MWH       | NA         | NA         | Generated                                 | MWH       | 13.59      | 1.15       |
| Unit / Kg. of F.Oil                  | KWH / KG  | NA         | NA         | Electricity                               | KWH / TON | 3759.07    | 3542.67    |
| Cost / Unit                          | RS / KWH  | NA         | NA         | F.Oil (Elec. Gen) Qty                     | TON       | NA         | NA         |
| <b>2 Coal</b>                        |           |            |            | F.Oil (Elec. Gen)                         | KG / TON  | NA         | NA         |
| Qty                                  | TON       | 1619.50    | 3823.41    | F.Oil (Steam Gen) Qty                     | TON       | 148.50     | Nil        |
| Total Cost                           | RS / LACS | 72.88      | 169.04     | F.Oil (Steam Gen)                         | KG / TON  | Nil        | Nil        |
| Average Rate                         | RS / TON  | 4500.15    | 4421.28    | Coal (Steam Gen) Qty                      | TON       | 1619.50    | 3823.41    |
| <b>3 a) Furnace Oil (Generator)</b>  |           |            |            | Coal (Steam Gen)                          | KG / TON  | 2696.83    | 5215.00    |
| Qty                                  | TON       | NA         | NA         | D. Oil (Elec. Gen) Qty                    | KLTR      | 47.55      | 23.69      |
| Total Amount                         | RS / LACS | NA         | NA         | D.Oil (Elec.Gen) Qty                      | LTR / TON | Nil        | Nil        |
| Average Rate                         | RS / KG   | NA         | NA         |   |           |            |            |

**Statement of Particulars of Employees pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 forming part of the Directors' Report for the year ended March 31, 2010.**

| Sl. No. | Name of the Employee    | Designation                    | Remuneration (Rs.) | Qualification      | Experience | Date of Commencement of Employment | Age (in years) | Last Employment held |
|---------|-------------------------|--------------------------------|--------------------|--------------------|------------|------------------------------------|----------------|----------------------|
| 1.      | Rakesh Kumar Budhiraja* | Executive Director & CEO       | 1,668,556          | FCA, FCS, MBA, LLB | 28 yrs     | 28th December, 2009                | 55             | Escorts Ltd.         |
| 2.      | Damodar Prasad Dani*    | Executive Director & CEO       | 2,366,664          | M.Sc., MBA         | 32 yrs     | 28th May, 2007                     | 56             | Modi Rubber Ltd.     |
| 3.      | Pradeep Suresh Shukla*  | Sr. Vice President - Marketing | 2,394,952          | B.Sc., PGDM        | 32 yrs     | 1st March, 2006                    | 56             | Ceat India Ltd.      |

\* Part employment during the financial year.



**DUNLOP INDIA LIMITED****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, 2010, your board had five directors comprised of one non-executive chairman (being the promoter), one executive director (being the whole-time director) and three independent directors, who were professionals, with expertise and experience in general corporate management, legal, finance, technical, engineering and other allied fields.

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

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

During the financial year under review, six meetings of the board of directors were held on the following dates – 30th April, 2009, 9th June, 2009, 25th July, 2009, 24th October, 2009, 28th December, 2009 and 29th January, 2010.

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, 2010 | No. of other Directorships & Committee Memberships/ Chairmanships as on 31.03.2010 |                       |                         |
|---|--|-----------------------|-------------------------|
|   | Other Directorships  | Committee Memberships | Committee Chairmanships |
| Mr. P. K. Ruia<br>Non-executive Chairman                      | 1  | None                  | None                    |
| Mr. R. K. Sadhu<br>Independent Director                       | None   | 2                     | 1                       |
| Mr. D. Rudra<br>Independent Director                          | 5  | 7                     | 3                       |
| Mr. M. L. Chauhan<br>Independent Director                     | 4  | 2                     | None                    |
| Mr. R. K. Budhiraja<br>Executive Director & CEO               | None   | 1                     | None                    |

**Note :**

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

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

| Name of the Directors                                | Attendance Particulars from 01.04.2009 to 31.03.2010         |  |                                    |
|--|--|--|------------------------------------|
|  | 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 25.07.2009 |
| Mr. P. K. Ruia                                       | 6  | 6  | Yes                                |
| Mr. R. K. Sadhu                                      | 6  | 5  | Yes                                |
| Mr. D. Rudra   | 6  | 6  | Yes                                |
| Mr. M. L. Chauhan                                    | 6  | 4  | Yes                                |
| Mr. D. P. Dani<br>(resigned w.e.f. 04.11.2009)       | 4  | 4  | Yes                                |
| Mr. R. K. Budhiraja<br>(appointed w.e.f. 28.12.2009) | 2  | 2  | NA                                 |

During the year under review, Mr. D. P. Dani resigned from the directorship w.e.f. 4th November, 2009. Mr. D. P. Dani also ceased to be the executive director (being the whole-time director) & CEO of the Company w.e.f. 4th November, 2009.

Mr. R. K. Budhiraja was appointed as additional director of the company w.e.f. 28th December, 2009 and also as the executive director (being the whole-time director) & CEO of the company for 3 Years w.e.f. 28th December, 2009.

**DUNLOP INDIA LIMITED****3. Audit Committee**

The audit committee constituted by the board of directors of the company had three non-executive / independent directors as on 31st March, 2010.

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

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

| Name of the Committee Members as on 31st March, 2010 | Category                            |
|--|-------------------------------------|
| Mr.R.K.Sadhu, Chairman                               | Non-Executive/ Independent Director |
| Mr.D.Rudra, Alternate Chairman                       | Non-Executive/Independent Director  |
| Mr.M. L. Chauhan, Member                             | Non-Executive/Independent Director  |

During the year under review, four meetings of the audit committee were held. The committee met on 30th April, 2009, 25th July, 2009, 24th October, 2009 and 29th January, 2010 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 01.04.2009 to 31.03.2010                 |  |
|--------------------|--|--|
|                    | No. of Audit Committee Meetings held during the tenure of the Member | No. of Audit Committee Meetings attended during the tenure of the Member |
| Mr. R. K. Sadhu    | 4  | 4  |
| Mr. D. Rudra       | 4  | 4  |
| Mr. M. L. Chauhan  | 4  | 4  |

**4. Remuneration Committee**

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

During the year under review, one meeting of the remuneration committee was held. The committee met on 28th December, 2009 and considered appointment of a managerial personnel and payment of remuneration to such managerial personnel and various matters as required under Clause 49 of the Listing Agreement.

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

| Name of the Committee Members as on 31st March, 2010 | Category                              | No. of Meetings attended during the year under review |
|--|---------------------------------------|---|
| Mr. M. L. Chauhan, Chairman                          | Non-Executive / Independent Director  | -   |
| Mr. D. Rudra, Member                                 | Non-Executive / Independent Director  | 1   |
| Mr. R. K. Sadhu, Member                              | Non- Executive / Independent Director | 1   |

During the year under review, Mr. Rakesh Kumar Budhiraja was appointed as the executive director (being the whole-time director) &

CEO of the company for 3 (three) years from 28th December, 2009 to 27th December, 2012. Mr. Damodar Prasad Dani resigned as the executive director (being the whole-time director) & CEO of the company w.e.f. 4th November, 2009.

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

Non-executive directors of the company do not receive any remuneration from the company except the sitting fees for the board and committee meetings @ Rs. 5,000/- for every meeting.

The details of remuneration paid to the directors during the year 2009-10 are given below :

| Name of the Director                              | Salary (Rs.) | Perquisites (Rs.) | Sitting Fees (Rs.) | Total (Rs.) |
|---|--------------|-------------------|--------------------|-------------|
| Mr. P. K. Ruia                                    | -            | -                 | 30,000             | 30,000      |
| Mr. R. K. Sadhu                                   | -            | -                 | 70,000             | 70,000      |
| Mr. D. Rudra                                      | -            | -                 | 75,000             | 75,000      |
| Mr. M. L. Chauhan                                 | -            | -                 | 40,000             | 40,000      |
| Mr. D. P. Dani (resigned w.e.f. 04.11.2009)       | 9,23,000     | 14,43,664         | -                  | 23,66,664   |
| Mr. R. K. Budhiraja (appointed w.e.f. 28.12.2009) | 5,63,226     | 11,05,330         | -                  | 16,68,556   |

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

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

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

The committee had two non-executive / independent directors and one executive director (being the whole-time director) as on 31st March, 2010.

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

| Name of the Committee Members as on 31st March, 2010      | Category                            | No. of Meetings attended during the year under review |
|---|-------------------------------------|---|
| Mr. D. Rudra, Chairman                                    | Non-Executive/ Independent Director | 4   |
| Mr.R. K. Sadhu, Member                                    | Non-Executive/ Independent Director | 4   |
| Mr. R. K. Budhiraja, Member (appointed w.e.f. 28.12.2009) | Executive Director & CEO            | 1   |



**DUNLOP INDIA LIMITED**

Mr. D. P. Dani ceased to be the member of the committee w.e.f. 4th November, 2009. Mr. R. K. Budhiraja was appointed as the member of the committee w.e.f. 28th December, 2009 in place of Mr. D. P. Dani.

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

During the year under review, four meetings of the shareholders' / investors' grievances committee were held. The committee met on 30th April, 2009, 25th July, 2009, 24th October, 2009 and 29th January, 2010.

At the beginning of the year (i.e. on 1st April, 2009), there were 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, 40 (forty) 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, 2010, there were no transfer pending for registration and also no grievance / complaint was pending for redressal by the company's RTA.

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

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

#### 6. General Body Meetings :

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

| AGM  | YEAR      | VENUE  | DATE       | TIME       |
|------|-----------|--|------------|------------|
| 80th | 2006-2007 | The Ballroom,<br>The Oberoi Grand,<br>15, J. L. Nehru Road,<br>Kolkata - 700 013 | 19.07.2007 | 10.30 a.m. |
| 81st | 2007-2008 | The Ballroom,<br>The Oberoi Grand,<br>15, J. L. Nehru Road,<br>Kolkata - 700 013 | 19.08.2008 | 11.00 a.m. |
| 82nd | 2008-2009 | 'Crystal Room',<br>Hotel Taj Bengal<br>34B, Belvedere Road<br>Kolkata - 700 027  | 25.07.2009 | 11.00 a.m. |

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

#### 7. Disclosures :

The disclosures on materially significant related party transactions as compiled by the management and relied upon by the Auditors is given in note 8(b) of the notes on account appearing in schedule 19B to the accounts of the company for the financial year ended 31st March, 2010.

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

#### 8. Means of Communication :

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

Your company has a web-site. All quarterly results and important information are being regularly sent to the Stock Exchange(s), where your company's shares are listed. Your company is not sending a Half Yearly Report to each household of shareholders. No presentations were made to the institutional investors or to

an analyst other than the published information / press releases. A Report on Management Discussion & Analysis has been attached to this Annual Report.

#### 9. General Shareholders' Information :

##### i) Annual General Meeting :

Date of AGM : Tuesday, 15th June, 2010.  
Venue and Time : At 'The Ballroom', The Oberoi Grand, 15, Jawaharlal Nehru Road, Kolkata - 700013 at 11.00 a.m.

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

##### Financial Reporting for the Financial Year 2010 - 2011

First Quarter Results - end of July, 2010

Second Quarter and Half Yearly Results - end of October, 2010

Third Quarter Results - end of January, 2011

Fourth Quarter and Yearly Results - end of April, 2011

iii) Dates of Book Closure : from 8th June, 2010 to 15th June, 2010 (both days inclusive).

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

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

4,49,89,297 nos. equity shares of Rs. 10/- each fully paid-up of the company are already listed at Bombay stock exchange (BSE). Trading on the company's aforesaid equity shares have already been commenced at BSE w.e.f. 12th January, 2010 almost after gap of 8 years.

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

Hon'ble Delhi High Court vide its order dated 16th February, 2010 has permitted listing and trading of the company's 2,69,93,578 equity shares of Rs. 10/- each fully paid up at BSE and also dematerialized trading facilities on such equity shares, issued by the Company on 25th April, 2007 by rights basis. BSE is yet to enlist above equity shares and allow trading on such equity shares at BSE.

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 and Ahmedabad 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 and 31st March, 2010 respectively. The company is awaiting confirmation of deisting of its shares from Delhi stock exchange limited and Madras stock exchange limited. The company's equity shares continue to remain listed and traded at BSE.

Listing fees to all the aforesaid five stock exchanges upto 31st March, 2010 has been paid by the company.

The company has also submitted its application for listing and trading of its equity shares at national stock exchange limited (NSE) in February, 2010 and awaiting NSE's approval.

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

C B Management Services (P) Ltd.  
P-22, Bondel Road  
Kolkata - 700019  
Telephone : (033) 22806692 / 6693 / 6694 / 2486  
(033) 40116700  
Fax : (033) 22870263  
E-mail : rta@cbmsl.com

**Corporate Office :**

'Ruia Centre'  
46 Syed Amir Ali Avenue  
Kolkata - 700 017.  
Tel : (033) 22894747  
Fax : (033) 22893433  
E-mail : ashok.agarwal@dunlop.co.in  
Web-site : www.ruiaigroup.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 :**

Trading on the company's equity shares have commenced at Bombay stock exchange limited (BSE) w.e.f. 12th January, 2010 almost after gap of 8 years.  
High and low month-wise quotations of the company's equity shares at BSE from 12th January, 2010 till 31st March, 2010 were as follows :

| Share Price (Rs.) | January, 2010 | February, 2010 | March, 2010 |
|-------------------|---------------|----------------|-------------|
| High              | 89.71         | 138.90         | 88.90       |
| Low               | 50.00         | 80.05          | 67.40       |

**viii) Distribution of Equity Shareholding as on 31st March, 2010 :**

| Range of shares from - to | No. of shareholders | %      | Number of shares | %      |
|---------------------------|---------------------|--------|------------------|--------|
| 1 - 500                   | 34741               | 96.03  | 3086154          | 4.29   |
| 501 - 1000                | 904                 | 2.50   | 683185           | 0.95   |
| 1001 - 2000               | 328                 | 0.91   | 468358           | 0.65   |
| 2001 - 3000               | 68                  | 0.19   | 170105           | 0.24   |
| 3001 - 4000               | 40                  | 0.11   | 143891           | 0.20   |
| 4001 - 5000               | 18                  | 0.05   | 84179            | 0.12   |
| 5001 - 10000              | 37                  | 0.10   | 259904           | 0.36   |
| 10001 & Above             | 42                  | 0.11   | 67087099         | 93.19  |
| Total                     | 36178               | 100.00 | 71982875         | 100.00 |

**ix) Geographical Distribution of Shareholding as on 31st March, 2010 :**

| Sl. No. | City/Location             | No. of Folios | %      |
|---------|---------------------------|---------------|--------|
| 1.      | Kolkata & Adjacent Places | 9048          | 25.01  |
| 2.      | Mumbai                    | 7888          | 21.80  |
| 3.      | Delhi                     | 2484          | 6.87   |
| 4.      | Chennai                   | 1415          | 3.91   |
| 5.      | Bangalore                 | 1026          | 2.84   |
| 6.      | Ahmedabad                 | 1313          | 3.63   |
| 7.      | Hyderabad                 | 496           | 1.37   |
| 8.      | Places other than above   | 12508         | 34.57  |
|         | Total                     | 36178         | 100.00 |

**x) Shareholding Pattern as on 31st March, 2010, in terms of Clause 35 of the Listing Agreement with Stock Exchanges :**

| Category  | Nos.            | %             | Shares Pledged  |              |
|---|-----------------|---------------|-----------------|--------------|
|   |                 |               | Nos.            | %            |
| <b>Promoters' Holding</b>   |                 |               |                 |              |
| • Foreign Promoters   | 33515229        | 46.56         | 16600935        | 49.53        |
| • Promoters' Associates (Persons acting in concert)                     | 20109137        | 27.94         | 20109137        | 100.00       |
| <b>Sub-total</b>  | <b>53624366</b> | <b>74.50</b>  | <b>36710072</b> | <b>68.46</b> |
| <b>Non-Promoters' Holding</b>   |                 |               |                 |              |
| • Financial Institutions, Insurance Companies, Mutual Funds, Banks etc. | 8452292         | 11.74         | -               | -            |
| • Others (including Bodies Corporate, Non-Residents & Indian Public)    | 9906217         | 13.76         | -               | -            |
| <b>Sub-total</b>  | <b>18358509</b> | <b>25.50</b>  | <b>-</b>        | <b>-</b>     |
| <b>GRAND TOTAL</b>  | <b>71982875</b> | <b>100.00</b> | <b>36710072</b> | <b>51.00</b> |

**xi) Dematerialisation of Equity Shares :**

Both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) have allotted International Securities Identification Number (ISIN) - INE 509A01012 on the company's 4,49,89,297 equity shares of Rs. 10/- each fully paid-up. 70,50,335 nos. equity shares of the company representing 15.67% of the company's listed share capital are dematerialized as on 31st March, 2010.  
Hon'ble Delhi High Court vide its order dated 16th February, 2010 has permitted dematerialized trading facilities on the company's 2,69,93,578 equity shares of Rs. 10/- each fully paid up issued by the company on 25th April, 2007 by rights basis. NSDL and CDSL are yet to provide dematerialized trading facilities on above equity shares.

**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.