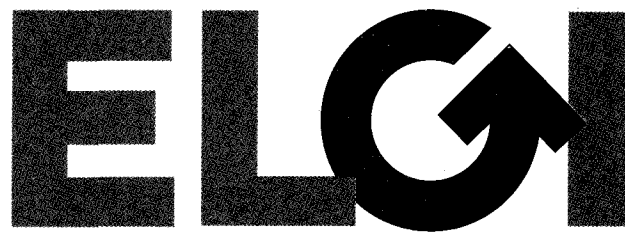


# **Annual Report 2010 - 2011**



**Elgi Rubber Company Limited**

# **Elgi Rubber Company Limited**

## **Annual Report 2010 - 2011**

### **Chariman & Managing Director**

Sudarsan Varadaraj

### **Non Executive Directors**

Dr Jairam Varadaraj  
Suresh Jagannathan  
MD Selvaraj  
CN Srivatsan  
P Vijay Raghunath

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### **Head Office**

2000, Trichy Road  
Singanallur  
Coimbatore - 641 005  
Tamilnadu

### **Registered Office**

2000, Trichy Road  
Singanallur  
Coimbatore - 641 005  
Tamilnadu

### **Plants**

Thimmavaram, Chengalpattu  
Kanjikode, Palakkad  
Annur, Coimbatore  
Kovilpalayam, Coimbatore  
Kurichi, Coimbatore  
Lorena, SP, Brasil  
Luling, Texas, USA  
Maastricht, Netherlands  
Nairobi, Kenya  
Colombo, Sri Lanka

### **Bankers**

State Bank of India  
Commercial Branch  
Coimbatore

### **Auditors**

Reddy, Goud & Janardhan  
Chartered Accountants  
Bangalore

### **Internal Auditors**

MS Jagannathan & Visvanathan  
Chartered Accountants  
Coimbatore

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### **Registrar & Share Transfer Agent**

Link Intime India Private Limited  
C/13, Pannalal Silk Mills Compound  
Bhandup (West)  
Mumbai - 400 078

### **Registrar - Branch Office**

Link Intime India Private Limited  
"Surya", 35, May Flower Avenue  
Behind Senthil Nagar  
Sowripalayam  
Coimbatore - 641 028

## Directors' Report

The Board of Directors take pleasure in presenting the 5th annual report and the audited accounts for the year ended March 31, 2011. The Management Discussion and Analysis (MD&A) Report have been included at the appropriate places in this report.

### Scheme of Amalgamation and Arrangement

Pursuant to the Scheme of Amalgamation and Arrangement under Sections 391 to 394 of the Companies Act, 1956, sanctioned by the Hon'ble High Court of Judicature at Madras vide its Order dated December 16, 2010 between the erstwhile Elgi Rubber Company Limited and Treadsdirect Limited, all the divisions of the said companies were amalgamated with the Company with effect from April 01, 2010. This Order was filed with the Registrar of Companies, Coimbatore, Tamilnadu on January 01, 2011. This being the effective date of the Scheme, certain divisions were transferred and vested with the wholly owned subsidiaries of the Company namely – Treadsdirect (India) Limited, and Titan Tyrecare Products Limited with effect from January 01, 2011.

Further, in accordance with the sanctioned scheme, the necessary application for listing of equity shares of the Company with the National Stock Exchange of India Limited, Mumbai (NSE), was filed on January 24, 2011. The said exchange has granted in principle approval dated February 21, 2011 for the listing of shares, pending relaxation under Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957 by the Securities Exchange Board of India (SEBI).

In accordance with the scheme, the company has changed its name as Elgi Rubber Company Limited with effect from April 07, 2011 and its subsidiary, Treadsdirect (India) Limited as Treadsdirect Limited with effect from May 04, 2011.

### Abstract of the Financial Results of the Company

(Rs. in Million)

	2010 - 2011
<b>Profit Before Depreciation and Tax</b>	<b>344.29</b>
Less : Depreciation	58.68
<b>Profit Before Taxation</b>	<b>285.61</b>
Less : Provision for Taxation	105.15
(Add) / Less: Provision for Deferred Tax	(9.64)
<b>Profit after Tax</b>	<b>190.10</b>
Less : Adjustment relating to earlier years (Income tax)	1.40
	<b>188.70</b>
Add : Balance surplus incorporated on amalgamation	637.15
<b>Profit available for appropriation</b>	<b>825.85</b>
<b>Appropriation</b>	
General Reserve	18.87
Proposed Dividend at Re 0.85 per share (85 %)	42.54
Dividend Distribution Tax	6.90
<b>Balance surplus carried to balance sheet</b>	<b>757.54</b>

### Dividend

The directors recommend a dividend of Re 0.85 per equity share of Re 1 each. This along with the dividend distribution tax comes to Rs. 49.44 Million. The dividend will be paid to the registered members, who are in the register of members as on the book closure date and upon approval by the members of the Company at the ensuing annual general meeting. In respect of the dematerialized shares, dividend will be paid to the beneficial owners based on the list provided by the depositories. The dividend will be disbursed through the National Electronic Clearing Service of State Bank of India.

### Review of Operations and Future Outlook

During the year the company has recorded sales of Rs. 1,937.90 Million. This constitutes nine months of operations of erstwhile Elgi Rubber Company Limited and Treadsdirect Limited and three months of the amalgamated company after vesting certain operations to its subsidiaries. Other income amounted to Rs. 80.52 Million. Prior to April 01, 2010, there were no operations in the company and hence the previous year's performance has not been shown in the annual report.

The performance of the company is dependent on the growth of the rubber industry, primarily in the tyre sector. During the year under review, the tyre sector covering new tyre manufacture and retreading had shown improved performance during the last three quarters of the financial year. This has helped the overall performance of the company. The spiralling cost of raw materials – particularly natural rubber and synthetic rubber, and an increased trend by tyre manufacturers to produce "green" products has resulted in a very encouraging demand for reclaimed rubber.

In March 2011, the company acquired Rubber Resources BV, a reclaimed rubber manufacturing company based in the Netherlands, effective from January 01, 2011. This unit recorded sales of Rs. 337.64 Million for the 3 month period ending March 31, 2011. This acquisition brings to the company new technologies and access to new markets. This, coupled with the planned capacity expansion in India, will give the company market leadership on a global level.

The sale of accessories to the tyre and retreading sectors have also registered a very healthy growth, especially overseas. In order to meet the increased demand, addition to manufacturing capacities are planned during the current year.

Treadsdirect Limited and Titan Tyrecare Products Limited became wholly owned subsidiaries of the Company with effect from January 01, 2011. These units have achieved sales of Rs. 447.38 Million and Rs. 4.46 Million respectively during the last quarter of 2010-2011.

**Risk and Concerns**

The company does not face any risks other than those that are prevalent in the industry. The company has taken all possible steps to overcome such risks. The main concerns are the volatility in raw material prices and fluctuations in foreign exchange rates. Effective planning in raw material purchasing and the ability to pass on raw material price increases have minimized the risk relating to the volatility in raw material prices. Foreign exchange fluctuation risk is minimized through proper planning and natural hedging.

As a part of the overall risk management strategy, all assets are appropriately insured.

**Internal Control Systems**

Quarterly Internal Audit is carried out by an independent firm of Chartered Accountants and the observations are reported to the management. Immediate steps are taken to rectify any discrepancies. All significant audit observations are discussed in the audit committee meetings.

**Human Resources and Industrial Relations**

The Company continues to enjoy a cordial relationship with all its employees. The employee count as on March 31, 2011 is 256.

**Subsidiaries**

The Ministry of Corporate Affairs vide its general circular No. 02/2011 dated February 08, 2011 has granted general exemption for all public limited Companies from publishing the annual accounts of the subsidiary companies pursuant to Section 212 of the Companies Act, 1956. This circular provides a blanket relaxation to holding companies from the compliance of the said Section subject to certain conditions. The said relaxation is applicable from the financial year 2010-2011 onwards.

According to the circular, the Board of Directors of the Company at their meeting held on May 30, 2011 have approved waiving the requirement to attach the various documents related to the subsidiary companies. Upon request, the annual accounts of the subsidiary companies will be made available for inspection by any member of the Company at the registered office of the Company and that of the subsidiary companies. The consolidated financial statements presented in this annual report include financial results of the subsidiary companies. The details of the subsidiary companies are furnished in the statement pursuant to Section 212 of the Companies Act, 1956

**Directors**

During the year MD Selvaraj, Dr. Jairam Varadaraj, Suresh Jagannathan, CN Srivatsan and P Vijay Raghunath were co-opted as additional directors at the board meeting held on January 06, 2011 and subsequently were appointed as directors at the Extra-ordinary general meeting. Further M John Edward and SR Venkatachalam, directors resigned from the board with effect from January 06, 2011.

As per the provisions of Companies Act and the Articles of Association of the Company, directors of the Company MD Selvaraj and Suresh Jagannathan retire by rotation. Being eligible, they offer themselves for re-appointment.

Sudarsan Varadaraj, Director of the Company was appointed as Chairman & Managing Director with effect from January 01, 2011. Considering his expertise and experience, the Board of Directors at their meeting held on January 6, 2011 have appointed him as per the terms and conditions set out in the agenda of the notice of the Annual General Meeting. The board recommends the approval of the resolution by the members in the ensuing Annual General Meeting.

**Auditors**

M/s Reddy, Goud and Janardhan, Chartered Accountants, Statutory Auditors of the Company retire in the ensuing Annual General Meeting and are eligible for re-appointment.

**Directors' Responsibility Statement**

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956, the Directors confirm that they have:

1. In the preparation of annual accounts, followed the applicable accounting standards along with proper explanation relating to material departures.
2. Selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company and of the profit of the Company for the financial year.
3. Taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. Prepared the annual accounts on a going concern basis.

**Other Information**

Particulars as required by Section 217(1) (e) of the Companies Act, 1956, relating to Conservation of Energy, Technology absorption and Foreign Exchange earnings and outgo are provided as an annexure to this report along with the particulars of employees as required under section 217(2A) of the Companies Act, 1956.

**Corporate Governance**

A separate report on the compliance with Clause 49 of the Listing Agreement with the Stock Exchanges and the Auditors' Certificate on the compliance form part of this report.

**Cautionary Statement**

Statements in this report, especially those relating to MD & A giving details of company's objectives, projections, estimates and expectations may be construed as "forward looking statements" within the realm of applicable laws and regulations. Actual results are liable to differ materially from those either expressed or implied.

**Acknowledgement**

The Directors thank the Company's customers, vendors, investors, business associates and bankers for their support to the Company. The Directors also wish to place on record their appreciation of the contributions made by all the employees towards the growth of the Company.

## Annexure to Directors Report \*

### Annexure 1

#### A. Conservation of Energy -

a) **Energy conservation measures taken**

Energy conservation is one of the primary objectives of the company and measures taken albeit small, is an ongoing process

b) **Additional investments and proposals, if any, being implemented for reduction of consumption of energy**

There are no significant proposals

c) **Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.**

There is a marginal reduction in energy costs.

d) **Total energy consumption per unit of production**

Not applicable

#### B. Technology absorption

e) **Efforts made in technology absorption**

(i) **Research and Development (R&D)**

1. **Specific areas in which R & D is carried out by the Company**

Improvements in products and processes

2. **Benefit derived as a result of above R & D**

Increase in orders from new markets.

3. **Future plan of action**

No significant plans.

4. **Expenditure on R & D**

Rs. in Million

a. Capital	: 1.99
b. Recurring	: 6.60
c. Total	: 8.59
d. Total R & D expenditure as a percentage of total turnover	: 0.44%

(ii) **Technology absorption, adaptation and innovation**

Not applicable

#### C. Foreign Exchange Earnings & Outgo

(f) **Activities relating to exports; initiatives taken to increase exports, development of new export markets for products and services and export plan**

The Company is constantly and consciously planning to penetrate unexplored markets to improve its international market share.

(g) **Total Foreign Exchange earned and used**

Foreign Exchange Earned : Rs. 425.33 Million

Foreign Exchange Used : Rs. 160.69 Million

### Annexure – 2

Information Pursuant to Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended and forming part of the Directors Report for the year ended March 31, 2011

Name	Designation & Nature of Duties	Age / Qualification & Experience	Total Remuneration (In Rs.)	Date & of Commencement of Employment	Previous Employer
Sudarsan Varadaraj	Chairman & Managing Director	53 years BE (Hons) MS (ME) 30 years	15,386,109	01.01.2011	LSA Engineers Inc Houston, US Ertswile ERCL

#### Note

1. The Chairman & Managing Director was appointed for a period of five years.

2. Remuneration includes salary, company's contribution to provident fund and reimbursement of medical expenses, commission and other perquisites as applicable.

3. Sudarsan Varadaraj, Chairman & Managing Director is related to Dr. Jairam Varadaraj, Director of the Company.

\* vide the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988.

For the Board of Directors

Coimbatore  
30.05.2011

Sudarsan Varadaraj  
Chairman & Managing Director

**Report on Corporate Governance – Annexure to Director's Report**  
**(In compliance with Clause 49 of the Listing Agreement)**

**1. Company's Philosophy on Corporate Governance**

The Company's philosophy on corporate governance is to ensure that its obligations are discharged in a fair and transparent manner and to enhance the value to all its stakeholders through sound and professional governance. The company has adopted a code of conduct for its non - executive directors.

**2. Board of Directors**

- The Board of Directors of the Company comprises of an executive Chairman & Managing Director and five non - executive directors (out of which four directors are independent directors). None of the directors on the board is a member of more than 10 committees or chairman of more than 5 committees across all companies in which he is a director. Necessary disclosure regarding committee positions in other public companies as on March 31, 2011 have been made by the directors.
- The composition of the directors and their attendance in the board meetings during the year, at the last annual general meeting and also the number of the other directorships are as follows

Name of the Director	Category of Directorship	Attendance Particulars		No. of other Directorship held in Public Companies *	No. of Committee positions in all companies #	
		Board	AGM		Chairman	Member
Sudarsan Varadaraj	Chairman & Managing Director - Promoter	11	Yes	7	-	3
Jairam Varadaraj ^	Non executive – Promoter	1	No	9	-	4
MD Selvaraj ^	Non executive – Independent	2	No	2	2	-
P Vijay Raghunath ^	Non executive – Independent	2	No	2	1	2
Suresh Jagannathan ^	Non executive – Independent	1	No	3	-	2
CN Srivatsan ^	Non executive – Independent	Nil	No	4	1	2
SR Venkatachalam \$	Non executive – Non Independent	9	Yes	2	-	-
M John Edward \$	Non executive – Non Independent	10	Yes	2	-	-

\* Directorships in foreign companies and private companies have not been considered.

# Only audit committee and share transfer committee are considered.

^ Directors appointed in the Board with effect from January 06, 2011.

\$ Directors resigned from the Board with effect from January 06, 2011

Sudarsan Varadaraj, Chairman & Managing Director & Jairam Varadaraj, Director are related to each other. None of the other directors are related.

Twelve board meetings were held during the year and the gap between the meetings did not exceed four months. The date on which the board meetings were held are as follows

Sl. No.	Date of Board Meeting	No. of Directors Attended	Sl. No.	Date of Board Meeting	No. of Directors Attended
1	21.05.2010	2	7	13.10.2010	3
2	31.05.2010	3	8	15.12.2010	2
3	23.06.2010	3	9	30.12.2010	3
4	30.06.2010	3	10	06.01.2011	3
5	10.07.2010	3	11	06.01.2011	3
6	23.07.2010	3	12	09.02.2011	5

**3. Audit Committee**

The audit committee was constituted by the Board of Directors of the Company on January 06, 2011, in accordance with the provisions of Clause 49 of the Listing Agreement with the stock exchange read with Section 292A of the Companies Act, 1956 and comprises of three non-executive independent directors.

The role, powers and functions of the committee are as per section 292A of the Companies Act, 1956 and the guidelines set out in the listing agreement with the stock exchange. The terms of reference of this committee are as required by SEBI – under Clause 49 of the Listing Agreement. Besides having access to all the required information from within the Company, the committee can obtain external professional advice whenever required. The committee acts as a link between the statutory and internal auditors and the board of directors of the Company. It is authorised to select and establish accounting policies, review reports of the Statutory and the Internal Auditors and meet with them to discuss their findings, suggestions and other related matters. The committee is empowered to recommend the appointment and remuneration payable to the Statutory Auditors.

During the year under review no committee meetings were held, since it is not required.

The composition of the audit committee of the board are given below

Name	Category
MD Selvaraj (Chairman)	Independent - Non Executive
Suresh Jagannathan (Member)	Independent - Non Executive
P Vijay Raghunath (Member)	Independent - Non Executive

The representatives of both Statutory and Internal Auditors of the Company and the Vice President Finance of the Company will attend the committee meetings. Company Secretary and Compliance Officer will act as Secretary of the audit committee. The minutes of the audit committee meetings will be circulated to the board, where it will be discussed and duly recorded. The committee considered and reviewed the accounts for the year 2010 – 2011, on their meeting held on May 30, 2011 before it was placed in the board.

#### 4. Remuneration Committee

- (i) Remuneration committee consists of the following non - executive directors.
    1. Suresh Jagannathan
    2. MD Selvaraj
    3. CN Srivastan
  - (ii) The committee is responsible for the appointment of and determining the compensation payable to the executive and non - executive directors. The committee met on January 06, 2011 to recommend the remuneration payable to Sudarsan Varadaraj, Chairman & Managing Director. MD Selvaraj, Chairman and Suresh Jagannathan, member were present at the meeting.
  - (iii) The minutes of the remuneration committee meeting was circulated to the board, where it was discussed and duly approved.
- Details of remuneration paid to the directors for the year ended March 31, 2011 are as follows:

##### a) Executive Directors

Remuneration paid to Managerial personnel during the year is given below

Name	Position	Total Remuneration (In Rs.)	Service Contract
LG Varadarajulu *	Executive Chairman of Ertswhile ERCL	79,032	For a period of 3 years w.e.f. 01.04.2008
Sudarsan Varadaraj	Chairman & Managing Director	15,386,109	For a period of 5 years w.e.f. 01.01.2011

\* Deceased on May 19, 2010.

Remuneration includes salary, Company's contribution to Provident Fund, reimbursement of medical expenses and other perquisites.

##### b) Non Executive Directors

Sitting fees for attending board / committee meetings paid to non-executive directors are given below

Name of the Directors	Sitting Fees Paid (Rs.)#
Dr Jairam Varadaraj	10,000
MD Selvaraj	10,000
Suresh Jagannathan	10,000
P Vijay Raghunath	10,000
CN Srivatsan	-
M John Edward	-
SR Venkatachalam	-

The Company does not pay any remuneration to its non executive directors barring sitting fees for attendance for the meetings during the year.

# In addition to the above Rs. 345,000/- was paid as sitting fees to directors for attending the board and audit committee meetings of ertswhile Elgi Rubber Company Limited & Treadsdirect Limited.

c) The Company does not have any **Employee Stock Option Scheme**.

##### d) Shareholdings of Non Executive Directors

Name of Director	No. of Shares held (as on March 31, 2011)
Suresh Jagannathan	1,050
MD Selvaraj	137

None of the other non executive directors are holding any shares in the Company. There has been no materially relevant pecuniary transaction or relationship between the Company and its non executive Independent Directors during the year.

#### 5. Share Transfer & Investors' Relation Committee

The Share Transfer & Investors' Relation Committee was constituted by the Board of Directors with effect from January 06, 2011, to look into the redressal of complaints of investors such as transfer / transmission of shares, non receipt of dividend warrants and to approve transfers, transmissions, consolidation and splitting of share certificates and to make necessary endorsements on the share certificates.

The composition of share transfer & investors' relation committee and the attendance of the members in the meetings are given below:

Name	Category	No. Meetings Held	No. of Meetings Attended
MD Selvaraj - Chairman	Non Executive Director	2	2
Sudarsan Varadaraj - Member	Executive Promoter	2	2
P Vijay Raghunath - Member	Non Executive Director	2	2

K Vijayalakshmi is Company Secretary and Compliance Officer of the Company. The minutes of the share transfer & investors' relation committee were placed before the board meeting for due ratification and approval.

During the year, the Company had received one complaint from a shareholder and it was resolved satisfactorily by furnishing the requisite information / documents to the said shareholders.

#### Investors' complaints

The Company has attended to the investors' grievances and correspondence within a maximum period of 7 days from the date of receipt of the same during the year 2010 – 2011. There were no outstanding complaints as on March 31, 2011.

#### Number of shares transferred during 2010 – 2011

Physical transfers	: 2 Nos. constituting 3,075 shares
Transmission	: 7 Nos. constituting 7,317 shares
No. of pending share transfers / demat requests as on March 31, 2011	: NIL
Average turn around time	: 10 days for transfer / transmission of physical shares.
Bad deliveries received	: NIL

#### Management Discussion and Analysis Report

The contents of the Management Discussion and Analysis Report have been included in the Directors' Report at the appropriate places and thus the said report forms part of the annual report.

#### 6. Annual General Meetings

Location and time where the last three annual general meetings, extra ordinary general meetings held and details of the special resolutions passed.

Details of meeting	Date of meeting	Time of meeting	Venue of meeting	Special Resolution
Annual General Meeting 2007 - 2008	29.09.2008	2.00 PM	2000, Trichy Road, Singanallur, Coimbatore 641 005, Tamilnadu.	—
Annual General Meeting 2008 - 2009	30.09.2009	9.00 A.M	2000, Trichy Road, Singanallur, Coimbatore 641 005, Tamilnadu.	—
Annual General Meeting 2009 - 2010	30.08.2010	10.00 A.M	2000, Trichy Road, Singanallur, Coimbatore 641 005, Tamilnadu.	—
Extra Ordinary General Meetings	30.06.2010	10.00 A.M	2000, Trichy Road, Singanallur, Coimbatore 641 005, Tamilnadu.	1. Change in name of the Company 2. Adoption of new Articles of Association
	23.07.2010	12.30 P.M	2000, Trichy Road, Singanallur, Coimbatore 641 005, Tamilnadu.	—
	12.11.2010	10.30 A.M	2000, Trichy Road, Singanallur, Coimbatore 641 005, Tamilnadu.	1. Change in name of the Company
	14.01.2011	10.30 A.M	2000, Trichy Road, Singanallur, Coimbatore 641 005, Tamilnadu.	—

**Postal ballots :** During the year there were no ordinary or special resolutions passed by the members through Postal ballot. The board does not recommend any other special resolution for the approval of the members through postal ballot.

#### 7. Disclosures

##### (1) Disclosures on materially significant related party transactions

There are no materially significant related party transactions that may have potential conflict with the interest of the Company at large. (Kindly refer to the notes forming part of accounts for details of related party transactions.)

##### (2) Details of non compliance by the Company penalties, strictures imposed on the company by stock exchange or SEBI or any Statutory Authorities or any matter relating to capital markets during the last three years

The Company has complied with all the requirements of the listing agreement of the stock exchange as well as regulations and guidelines of SEBI. Since the company's shares are not yet listed, the relevant provisions are not applicable.

##### (3) Notes on Whistle Blower Policy

The Company does not have any whistle blower policy. However any employee if he/ she so desires, would have free access to meet senior level management and report any matter of concern.

##### (4) Details of compliance with mandatory requirements and adoption of the non mandatory requirements of clause 49

The Company has complied with all the mandatory requirements of corporate governance norms as enumerated in Clause 49 of the Listing Agreement with the stock exchange.

The Company has adopted the non mandatory requirement of corporate governance recommended under Clause 49 of the Listing Agreement and constituted a remuneration committee comprising of three non executive independent directors. The Company has not adopted any other non - mandatory requirements.



## 8. Code of Conduct

The Company has framed a code of conduct for prevention of insider trading based on SEBI (Insider Trading) Regulations, 1992. This code is applicable to all directors / officers / designated employees. The code ensures the prevention of dealing in shares by persons having access to unpublished price sensitive information.

The board of directors have laid down a code of conduct for all board members and senior management of the Company. The same has been posted on the website of the Company. All board members and senior management personnel have affirmed their compliance with the code of conduct for the year under review.

The Company's Chairman & Managing Director's declaration to this effect forms part of this report.

## 9. Means of Communication

- (1) The quarterly / half yearly unaudited financial and the annual audited financial results are normally published in Financial Express & Malai Malar. The book closure and dividend declaration notices are published in Financial Express & Malai Malar. The financial results are also placed on the Company's website – [www.elgirubber.com](http://www.elgirubber.com).
- (2) The copies of the results are forwarded to concerned stock exchanges immediately after they are approved by the board for publication in their website. The company has a dedicated help desk with mail id [info@in.elgirubber.com](mailto:info@in.elgirubber.com) for providing necessary information to investors.
- (3) There were no specific presentations made to Institutional Investors or to the analysts during the year.

## 10. General Shareholder Information

### (i) Annual General Meeting

Date : August 16, 2011  
Time : 3.00 PM  
Venue : Siruthuli, Noyyal Life Centre, Sungam Bye Pass Road, Coimbatore – 641 045

### (ii) Financial Calender

Year Ending : March 31  
AGM in : August 2012  
First Quarter Results : 2<sup>nd</sup> Fortnight of July 2011  
Second Quarter Results : 2<sup>nd</sup> Fortnight of October 2011  
Third Quarter Results : 2<sup>nd</sup> Fortnight of January 2012  
Annual Results : 2<sup>nd</sup> Fortnight of May 2012  
Dividend Payment Date : September 1, 2011  
Date of Book Closure : From August 6, 2011 to August 16, 2011 (Both days inclusive)

## Listing on Stock Exchanges

The Company has received in - principle approval for listing of its shares on the National Stock Exchange of India Limited, Exchange Plaza, 5th floor, Plot no. C/1, G Block, Bandra – Kurla Complex, Bandra (East), Mumbai – 400 051. Annual listing fee have been duly paid to National Stock Exchange of India Limited, Mumbai.

The quarterly, half yearly and annual results of the Company are published in leading newspapers in India which include the Financial Express and Malai Malar.

Type of Security : Equity  
Trading group in stock exchange : Not yet allotted  
Stock Code at the stock exchange : Not yet allotted  
International Securities Identification Number (ISIN) under Depository System : INE819L01012

## Share Price Movements (Monthly High & Low)

The equity shares of the Company have not yet commenced its trading in the stock exchange and hence the information of high and low prices of the shares in the last financial year could not be furnished.

## Registrar & Share Transfer Agent : (For both physical & demat segments)

### Head Office

M/s Link Intime India Private Ltd., C/13, Pannalal Silk Mills Compound, Bhandup (West), Mumbai 400 078, Ph.: +91 22 25963838, E-Mail: [helpline@linkintime.co.in](mailto:helpline@linkintime.co.in)

### Branch

M/s Link Intime India Private Limited, Surya, 35, Mayflower Avenue, Senthil Nagar, Sowripalayam Road, Coimbatore – 641 028, Ph : +91 422 2314792/ 2315792, E-mail : [coimbatore@linkintime.co.in](mailto:coimbatore@linkintime.co.in)

## Secretarial Audit

A qualified Company Secretary carried out secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The secretarial audit report confirms that the total issued/ paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL & CDSL.

## Share Transfer System

The company's shares are transferable through the depository system. Shares in physical form are processed by the registrar and share transfer agents, Link Intime India Private Ltd and approved by the investor relation committee of the Company. The share transfers are processed within a period of 21 days from the date of receipt of the transfer documents by Link Intime India Private Limited, if the documents are complete in all respects. All requests for dematerialization of shares are processed and confirmed to the depositories, NSDL and CDSL, within 15 days. The investors' relation committee generally meets once in fortnight or in such other frequency as necessary for approving share transfers and other related activities.

Legal proceeding / disputes on share transfer against the company : Nil  
Shares under lock – in : 7,131,248 – Expiry date: 04.07.2011  
(Continuation of lock-in from erstwhile Treadsdirect Limited)

## Share Holding Pattern

Category	No. of Shares	% of Share Holding
Directors and their relatives	23,820,415	47.60
Domestic Companies	7,504,656	14.99
Non Domestic Companies	Nil	Nil
Mutual Funds	4,615	0.01
Commercial Banks	38,409	0.08
Non Resident Indians	220,887	0.44
Public Financial Institutions	2,630,365	5.25
Foreign Institutional Investors	7,175	0.01
Resident Individuals	15,823,478	31.62
<b>Total</b>	<b>50,050,000</b>	<b>100.00</b>

## Distribution of Shareholding

Range of Shareholding	No. of Shares	% of Share Holding
0001 - 5000	8,102,022	16.19
5001 - 10000	2,006,982	4.01
10001 - 20000	1,407,110	2.81
20001 - 30000	854,947	1.71
30001 - 40000	564,861	1.13
40001 - 50000	225,290	0.45
50001 - 100000	1,407,580	2.81
100000 and above	35,481,208	70.89
<b>Total</b>	<b>50,050,000</b>	<b>100.00</b>

Number of Shareholders as on March 31, 2011 : 14,092

**Dematerialisation of shares and liquidity** : Dematerialisation commenced with effect from 15.01.2011. So far 46,947,536 Equity shares accounting for nearly 93.80 % of the paid up capital of the Company has been dematerialised as on March 31, 2011. The Company has entered into agreements with both NSDL (National Securities Depository Limited, Mumbai) & CDSL (Central Depository Services (India) Limited, Mumbai) whereby shareholders have an option to dematerialise their shares with any one of the two depositories. There are no outstanding warrants or any convertible instruments. The Company has not issued GDR/ADR.

**Plant Locations** : Thimmavaram, Kanjikode, Annur, Kovilpalayam, Kurichi.