

**BALANCE SHEET AS AT 31ST MARCH 2008**

|   | Schedule | 31st March 2008<br>(Rs. in lakhs) |                 | 31st March 2007<br>(Rs. in lakhs) |                 |
|---|----------|-----------------------------------|-----------------|-----------------------------------|-----------------|
| <b>I Sources of Funds</b>                               |          |                                   |                 |                                   |                 |
| <b>1. Shareholders' Funds</b>                           |          |                                   |                 |                                   |                 |
| a) Share Capital  | 1        | 568.09                            |                 | 568.09                            |                 |
| b) Reserves & Surplus                                   | 2        | <u>11337.59</u>                   | <u>11905.68</u> | <u>11363.64</u>                   | 11931.73        |
| <b>2. Loan Funds</b>                                    |          |                                   |                 |                                   |                 |
| a) Secured  | 3        | 14707.38                          |                 | 11603.05                          |                 |
| b) Unsecured  | 4        | <u>2975.00</u>                    | <u>17682.38</u> | <u>2975.00</u>                    | 14578.05        |
| <b>3. Deferred Taxation (Net)</b>                       |          |                                   |                 |                                   |                 |
|   |          |                                   | 515.30          |                                   | 408.69          |
|   |          |                                   | <u>30103.36</u> |                                   | <u>26918.47</u> |
| <b>II Application of Funds</b>                          |          |                                   |                 |                                   |                 |
| <b>1. Fixed Assets</b>                                  |          |                                   |                 |                                   |                 |
| Gross Block   | 5        | 17369.13                          |                 | 16069.62                          |                 |
| Less: Depreciation                                      |          | <u>4000.70</u>                    |                 | <u>3277.38</u>                    |                 |
| Net Block   |          | 13368.43                          |                 | 12792.24                          |                 |
| Capital Work-in-Progress                                |          | <u>5431.40</u>                    | <u>18799.83</u> | <u>3555.51</u>                    | 16347.75        |
| <b>2. Investments</b>                                   |          |                                   |                 |                                   |                 |
|   | 6        |                                   | 1.97            |                                   | 1.96            |
| <b>3. Current Assets, Loans &amp; Advances</b>          |          |                                   |                 |                                   |                 |
| a) Inventories  | 7        | 4539.41                           |                 | 4408.68                           |                 |
| b) Sundry Debtors                                       | 8        | 3150.97                           |                 | 3161.44                           |                 |
| c) Cash & Bank balances                                 | 9        | 944.80                            |                 | 1050.98                           |                 |
| d) Loans & Advances                                     | 10       | <u>10123.54</u>                   |                 | <u>7250.63</u>                    |                 |
|   |          | <u>18758.72</u>                   |                 | <u>15871.73</u>                   |                 |
| <b>4. Current Liabilities &amp; Provisions</b>          |          |                                   |                 |                                   |                 |
| a) Liabilities  | 11       | 6896.12                           |                 | 4850.04                           |                 |
| b) Provisions   | 12       | <u>578.58</u>                     |                 | <u>479.24</u>                     |                 |
|   |          | <u>7474.70</u>                    |                 | <u>5329.28</u>                    |                 |
| <b>Net Current Assets</b>                               |          |                                   |                 |                                   |                 |
| Miscellaneous Expenditure to the extent not written off | 13       |                                   | 17.54           |                                   | 10542.45        |
| Total   |          |                                   | <u>30103.36</u> |                                   | <u>26918.47</u> |
| Significant Accounting Policies and Notes on Accounts   |          |                                   |                 |                                   |                 |
|   | 20       |                                   |                 |                                   |                 |

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

As per our report of even date attached

For and on behalf of

**LODHA & CO.**

Chartered Accountants

**For and on behalf of the Board**

**R.P. Singh**

Partner

Membership No.: 52438

Kolkata, 30th July 2008

**Umesh Bhargava**

Managing Director

**V.R.S. Hudda**

Director

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2008**

|  | Schedule                | 31st March 2008<br>(Rs. in lakhs) |          | 31st March 2007<br>(Rs. in lakhs) |          |
|--|-------------------------|-----------------------------------|----------|-----------------------------------|----------|
| <b>Income</b>  |                         |                                   |          |                                   |          |
| Sales (net of returns & discounts)                             |                         | 49559.05                          |          | 32178.63                          |          |
| Less: Excise Duty  |                         | 4990.13                           | 44568.92 | 4297.73                           | 27880.90 |
| Other Income   | 14                      |                                   | 400.15   |                                   | 350.85   |
|  |                         |                                   | 44969.07 |                                   | 28231.75 |
| <b>Expenditure</b>   |                         |                                   |          |                                   |          |
| Raw Materials consumed   | 15                      |                                   | 22323.50 |                                   | 19501.43 |
| Increase(-)/Decrease(+) in stock                               | 16                      |                                   | -372.37  |                                   | -553.14  |
| Factored Goods   | 17                      |                                   | 11221.10 |                                   | 323.02   |
| Manufacturing, Administrative, Selling & Distribution Expenses | 18                      |                                   | 9732.67  |                                   | 7708.98  |
| Interest & Finance Charges (Net)                               | 19                      |                                   | 898.56   |                                   | 378.98   |
| Depreciation   |                         | 724.34                            |          | 290.94                            |          |
| Less: Transfer to Revaluation Reserve                          |                         | 362.33                            | 362.01   | 9.67                              | 281.27   |
|  |                         |                                   | 44165.47 |                                   | 27640.54 |
| <b>Profit before taxation</b>                                  |                         |                                   |          |                                   |          |
|  |                         |                                   | 803.60   |                                   | 591.21   |
| Provision for Taxation:  |                         |                                   |          |                                   |          |
| For Current Year - Current Tax                                 |                         |                                   | 218.07   |                                   | 80.80    |
| - Fringe Benefit Tax   |                         |                                   | 24.67    |                                   | 13.23    |
| - Deferred Tax   |                         |                                   | 103.91   |                                   | 109.98   |
|  |                         |                                   | 346.65   |                                   | 204.01   |
| Excess Provision of Income Tax of Earlier Year Written Back    |                         |                                   | -106.64  |                                   | -9.11    |
|  |                         |                                   | 240.01   |                                   | 194.90   |
| <b>Profit after taxation</b>                                   |                         |                                   |          |                                   |          |
|  |                         |                                   | 563.59   |                                   | 396.31   |
| Profit brought forward from previous year                      |                         |                                   | 38.36    |                                   | 41.44    |
| <b>Profit available for appropriation</b>                      |                         |                                   |          |                                   |          |
|  |                         |                                   | 601.95   |                                   | 437.75   |
| <b>Appropriations:</b>   |                         |                                   |          |                                   |          |
| Less: Transfer to General Reserve                              |                         | 200.00                            |          | 200.00                            |          |
| Proposed Dividend  |                         | 198.83                            |          | 170.43                            |          |
| Corporate Dividend Tax   |                         | 33.79                             | 432.62   | 28.96                             | 399.39   |
| <b>Balance carried to Balance Sheet</b>                        |                         |                                   |          |                                   |          |
|  |                         |                                   | 169.33   |                                   | 38.36    |
| Basic and diluted earnings per share                           | Note 13 of Schedule 20B |                                   | 9.92     |                                   | 6.98     |
| Significant Accounting Policies and Notes on Accounts          |                         |                                   |          |                                   |          |
|  | 20                      |                                   |          |                                   |          |

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

As per our report of even date attached

For and on behalf of

**LODHA & CO.**

Chartered Accountants

**For and on behalf of the Board**

**R.P. Singh**

Partner

Membership No.: 52438

Kolkata, 30th July 2008

**Umesh Bhargava**

Managing Director

**V.R.S. Hudda**

Director

## SCHEDULES TO ACCOUNTS

|   | 31st March 2008<br>(Rs. in lakhs) | 31st March 2007<br>(Rs. in lakhs) |
|---|-----------------------------------|-----------------------------------|
| <b>SCHEDULE 1</b>   |                                   |                                   |
| <b>SHARE CAPITAL</b>  |                                   |                                   |
| Authorised :<br>2,35,00,000 equity shares of Rs. 10/- each  | <b>2350.00</b>                    | 2350.00                           |
| Issued, Subscribed and Paid up 56,80,922 (56,80,922)<br>Equity shares of Rs. 10/- each fully paid   | <b>568.09</b>                     | 568.09                            |
| (39,18,850 equity shares of Rs.10/- each held by<br>Wealthsea Pte Ltd, Singapore, the ultimate holding<br>Company and DIL Rim & Wheel Corporation Ltd.,<br>Mauritius, the holding Company)  | <b>568.09</b>                     | <b>568.09</b>                     |
| <b>SCHEDULE 2</b>   |                                   |                                   |
| <b>RESERVES &amp; SURPLUS</b>   |                                   |                                   |
| Revaluation Reserve   |                                   |                                   |
| As per last Balance Sheet   | <b>8912.05</b>                    | 240.74                            |
| Add : Additions during the year   | -                                 | 8680.98                           |
| Less : Transferred to Profit & Loss Account   | <b>362.33</b>                     | 9.67                              |
|   | <b>8549.72</b>                    | <b>8912.05</b>                    |
| Share Premium   |                                   |                                   |
| As per last Balance Sheet   | <b>165.87</b>                     | 165.87                            |
| General Reserve   |                                   |                                   |
| As per last Balance Sheet   | <b>2247.36</b>                    | 2047.36                           |
| Add : Transfer from earlier year Retirement Benefits *  | <b>5.31</b>                       | -                                 |
| Add : Transferred from Profit & Loss Account  | <b>200.00</b>                     | 200.00                            |
|   | <b>2452.67</b>                    | <b>2247.36</b>                    |
| *(Net of adjustments on account of transitional provision<br>under Accounting Standard 15 on Employee Benefits -<br>Gratuity (Net of Tax Rs. 19.95 lacs), other long term<br>benefits- Leave (Net of Tax Rs. 14.64 lacs).<br>(Refer Note 11 of Schedule 20B.) |                                   |                                   |
| Surplus as per Profit & Loss Account  | <b>169.33</b>                     | 38.36                             |
|   | <b>11337.59</b>                   | <b>11363.64</b>                   |

31st March 2008  
(Rs. in lakhs)

31st March 2007  
(Rs. in lakhs)

**SCHEDULE 3**

**SECURED LOANS**

Cash Credit from Banks  
(Secured by hypothecation of company's present and future fixed asset, current assets, stock and book debts and pari-passu charge on company's present and future fixed assets)

5947.17

5403.05

**OTHER SECURED LOANS**

Term Loan - Syndicate Bank  
(Secured by hypothecation of company's Plant & Machinery and immovable properties situated at Mysore and pari-passu first charge on the current assets and fixed assets of the Company)

5060.21

3700.00

Term Loan - Yes Bank  
(Secured by subservient charge on whole of current assets and movable fixed assets, Corporate guarantee of Monotona Tyres Ltd. from where assets are under acquisition through a Group Company and pledge of shares of MTL. This is to be further secured by first pari-passu charge on assets of MTL)

3700.00

2500.00

14707.38

11603.05

**SCHEDULE 4**

**UNSECURED LOANS**

Other loan from body corporates (Interest free)

2975.00

2975.00

2975.00

2975.00

## SCHEDULE - 5

### FIXED ASSETS

(Rs. in lakhs)

|  | GROSS BLOCK         |                |                  |                  | DEPRECIATION        |                     |                 |                               | NET BLOCK           |                     |                     |
|--|---------------------|----------------|------------------|------------------|---------------------|---------------------|-----------------|-------------------------------|---------------------|---------------------|---------------------|
|  | As on<br>01.04.2007 | Additions      | Revalua-<br>tion | Sale of<br>Asset | As on<br>31.03.2008 | Up To<br>01.04.2007 | For the<br>Year | Sale of Asset<br>For the Year | Up To<br>31.03.2008 | As on<br>31.03.2008 | As on<br>31.03.2007 |
| Land   | 4625.00             | -              | -                | -                | 4625.00             | -                   | -               | -                             | -                   | 4625.00             | 4625.00             |
| Buildings                                    | 2013.31             | 327.55         | -                | -                | 2340.86             | 387.51              | 69.78           | -                             | 457.29              | 1883.57             | 1625.80             |
| Plant &<br>Machinery                         | 8834.52             | 828.32         | -                | 2.07             | 9660.77             | 2586.92             | 612.99          | 1.02                          | 3198.89             | 6461.88             | 6247.60             |
| Computers                                    | 130.13              | 21.84          | -                | -                | 151.97              | 79.96               | 14.33           | -                             | 94.29               | 57.68               | 50.17               |
| Electrical<br>Installation                   | 335.28              | 103.47         | -                | -                | 438.75              | 151.16              | 17.38           | -                             | 168.54              | 270.21              | 184.12              |
| Office & Lab<br>Equipment                    | 28.55               | 0.47           | -                | -                | 29.02               | 13.87               | 1.42            | -                             | 15.29               | 13.73               | 14.68               |
| Furniture &<br>Fixtures                      | 72.07               | 1.26           | -                | -                | 73.33               | 43.9                | 3.20            | -                             | 47.10               | 26.23               | 28.17               |
| Vehicles                                     | 21.79               | 17.91          | -                | -                | 39.70               | 8.14                | 2.82            | -                             | 10.96               | 28.74               | 13.65               |
| Low Value<br>Assets                          | 8.97                | 0.76           | -                | -                | 9.73                | 5.92                | 2.42            | -                             | 8.34                | 1.39                | 3.05                |
|  | <b>16069.62</b>     | <b>1301.58</b> | -                | <b>2.07</b>      | <b>17369.13</b>     | <b>3277.38</b>      | <b>724.34</b>   | <b>1.02</b>                   | <b>4000.70</b>      | <b>13368.43</b>     | <b>12792.24</b>     |
| Previous year<br>figures as on<br>31.03.2007 | 5645.48             | 1749.55        | 8680.98          | 6.39             | 16069.62            | 2990.91             | 290.94          | 4.47                          | 3277.38             | 12792.24            | 2654.57             |

Notes :

1. Certain fixed assets of the company were valued based on current replacement cost by approved valuer in 1980, 1988, 1993, 1996 & 2007 and the resultant increase of Rs. 9717.76 lakhs (Rs. 9717.76) in the net book value was transferred to Revaluation Reserve. Depreciation for the period amounting to Rs. 362.33 lakhs (Rs. 9.67 lakhs) attributable to the enhanced value of assets on revaluation has been transferred from Revaluation Reserve to the credit of the Profit & Loss account.
2. Computers include intangible assets of Written Down Value Rs. 29.84 Lakhs (Rs. 33.01), Gross Block Rs. 50.14 (Rs. 45.51), including amount spent on implementation of SAP.
3. The above does not include 6 acres of land taken on lease by the company.

|  | 31st March 2008<br>(Rs. in lakhs) | 31st March 2007<br>(Rs. in lakhs) |
|--|-----------------------------------|-----------------------------------|
| <b>SCHEDULE 6</b>  |                                   |                                   |
| <b>INVESTMENTS (AT COST) (LONG TERM) (OTHER THAN TRADE)</b>  |                                   |                                   |
| <b>Quoted</b>  |                                   |                                   |
| <b>Fully paid up equity shares</b>   |                                   |                                   |
| 11,500 Equity Shares of Rs. 10/- each in Union Bank of India                                       | 1.84                              | 1.84                              |
| 200 Equity Shares of Rs. 10/- each in UCO Bank   | 0.02                              | 0.02                              |
| 400 Equity Shares of Rs. 10/- each in Indian Overseas Bank   | 0.10                              | 0.10                              |
| Aggregate Market Value of quoted investments as on<br>31.03.2008 Rs. 16.80 Lakhs (Rs. 12.41 Lakhs) |                                   |                                   |
| <b>Unquoted</b>  |                                   |                                   |
| 1 Share of Rs.1000/- in FTL House Building Co-operative<br>Society                                 | 0.01                              | -                                 |
|  | <u>1.97</u>                       | <u>1.96</u>                       |
| <b>SCHEDULE 7</b>  |                                   |                                   |
| <b>INVENTORIES:</b><br>(As per stocks taken, valued and certified by the Management)               |                                   |                                   |
| Stores & Spares  | 132.96                            | 107.14                            |
| Raw Materials  | 1865.29                           | 2174.28                           |
| Work - in - Process  | 662.36                            | 324.83                            |
| Finished Goods (Including factored goods)  | 1878.80                           | 1802.43                           |
|  | <u>4539.41</u>                    | <u>4408.68</u>                    |
| <b>SCHEDULE 8</b>  |                                   |                                   |
| <b>SUNDRY DEBTORS</b>  |                                   |                                   |
| <b>- Unsecured</b>   |                                   |                                   |
| Debts Outstanding for a period exceeding six months  |                                   |                                   |
| - considered good  | 22.31                             | 34.24                             |
| - considered doubtful  | -                                 | 62.92                             |
|  | <u>22.31</u>                      | <u>97.16</u>                      |
| Other debts - considered good  | 3128.66                           | 3127.20                           |
| Less: Provision for Doubtful Debts   | -                                 | 62.92                             |
|  | <u>3150.97</u>                    | <u>3161.44</u>                    |
| <b>Schedule 9</b>  |                                   |                                   |
| <b>Cash &amp; Bank Balances:</b>   |                                   |                                   |
| Cash balance on hand   | 10.04                             | 8.67                              |
| Cheque in hand   | 509.62                            | 459.68                            |
| Balances with Scheduled Banks :  |                                   |                                   |
| In Current Accounts  | 21.09                             | 69.88                             |
| In Unpaid Dividend Account   | 8.01                              | 8.34                              |
| In Unpaid Debenture Account  | 9.11                              | 9.26                              |
| In Deposit Accounts  | 386.93                            | 495.15                            |
| (Under lien to various Banks against Letter of Credits,<br>Bank Guarantees and borrowings)         |                                   |                                   |
|  | <u>944.80</u>                     | <u>1050.98</u>                    |

|  | 31st March 2008<br>(Rs. in lakhs) | 31st March 2007<br>(Rs. in lakhs) |
|--|-----------------------------------|-----------------------------------|
| <b>SCHEDULE 10</b>   |                                   |                                   |
| <b>LOANS &amp; ADVANCES</b>  |                                   |                                   |
| <b>(Unsecured, considered good, unless otherwise stated)</b>                               |                                   |                                   |
| Advances recoverable in cash or in kind or for value to be received                        | 1471.22                           | 471.79                            |
| Advance for Purchase of Shares (Refer Note 5 of Schedule 20B)                              | 8204.51                           | 6314.39                           |
| Other Deposits   | 146.43                            | 129.33                            |
| Balance with Central Excise & Customs Authorities  | 213.59                            | 119.88                            |
| Advance Payment  |                                   |                                   |
| - Income tax   | 66.79                             | 203.67                            |
| - Fringe Benefit Tax   | 21.00                             | 11.57                             |
|  | <b>10123.54</b>                   | <b>7250.63</b>                    |
| <b>SCHEDULE 11</b>   |                                   |                                   |
| <b>CURRENT LIABILITIES</b>   |                                   |                                   |
| Acceptance   | 1418.61                           | 404.90                            |
| Sundry Creditors   | 2679.46                           | 2663.60                           |
| Dues to Small Scale Industries   | -                                 | 2.01                              |
| Unclaimed dividend *   | 8.01                              | 8.34                              |
| Unclaimed Debenture *  | 9.11                              | 9.26                              |
| Advance from Customers   | 1021.94                           | 462.31                            |
| Other liabilities  | 1728.89                           | 1284.45                           |
| Interest accrued but not due on loan   | 30.10                             | 15.17                             |
| * Does not include any amounts due for deposit to the Investor Education & Protection Fund |                                   |                                   |
|  | <b>6896.12</b>                    | <b>4850.04</b>                    |
| <b>SCHEDULE 12</b>   |                                   |                                   |
| <b>PROVISIONS FOR :</b>  |                                   |                                   |
| - Taxation   | 229.29                            | 224.62                            |
| - Fringe Benefit Tax   | 24.67                             | 13.23                             |
| - Proposed Dividend  | 198.83                            | 170.43                            |
| - Corporate Dividend Tax   | 33.79                             | 28.96                             |
| - Warranty   | 92.00                             | 42.00                             |
|  | <b>578.58</b>                     | <b>479.24</b>                     |
| <b>SCHEDULE 13</b>   |                                   |                                   |
| <b>MISCELLANEOUS EXPENDITURE</b>   |                                   |                                   |
| <b>(To the extent not written off)</b>   |                                   |                                   |
| - Payments under Voluntary Retirement Scheme (Opening Balance)                             | 26.31                             | 32.89                             |
| - Less: Amortised during the year (included under staff cost)                              | 8.77                              | 6.58                              |
|  | <b>17.54</b>                      | <b>26.31</b>                      |

|   | 31st March 2008<br>(Rs. in lakhs) | 31st March 2007<br>(Rs. in lakhs) |
|---|-----------------------------------|-----------------------------------|
| <b>SCHEDULE 14</b>                                    |                                   |                                   |
| <b>OTHER INCOME</b>                                   |                                   |                                   |
| Sale of Scrap   | 128.78                            | 119.10                            |
| Exchange difference (Net)                             | 42.00                             | 17.86                             |
| Export Incentives                                     | 166.22                            | 67.44                             |
| Dividend from long term, other than trade investments | 0.24                              | 0.59                              |
| Sundry Balances Adjusted (Net)                        | 43.04                             | 128.17                            |
| Profit on Sale of Asset                               | 0.98                              | 0.04                              |
| Miscellaneous Income                                  | 18.89                             | 17.65                             |
|   | <u>400.15</u>                     | <u>350.85</u>                     |
| <b>SCHEDULE 15</b>                                    |                                   |                                   |
| <b>RAW MATERIALS CONSUMED:</b>                        |                                   |                                   |
| Opening Stock   | 2174.28                           | 1776.11                           |
| Add: Purchases  | 22014.51                          | 19899.60                          |
|   | <u>24188.79</u>                   | <u>21675.71</u>                   |
| Less: Closing Stock                                   | 1865.29                           | 2174.28                           |
|   | <u>22323.50</u>                   | <u>19501.43</u>                   |
| <b>SCHEDULE 16</b>                                    |                                   |                                   |
| <b>INCREASE / DECREASE IN STOCK</b>                   |                                   |                                   |
| Opening Stock :                                       |                                   |                                   |
| Work in Process                                       | 324.83                            | 202.85                            |
| Finished Goods  | 1671.61                           | 1240.45                           |
|   | <u>1996.44</u>                    | <u>1443.30</u>                    |
| Less: Closing Stock                                   |                                   |                                   |
| Work in Process                                       | 662.36                            | 324.83                            |
| Finished Goods  | 1706.45                           | 1671.61                           |
|   | <u>2368.81</u>                    | <u>1996.44</u>                    |
| Increase (-) / Decrease (+)                           | <u>-372.37</u>                    | <u>-553.14</u>                    |
| <b>SCHEDULE 17</b>                                    |                                   |                                   |
| <b>FACTORED GOODS</b>                                 |                                   |                                   |
| Opening Stock   | 130.82                            | 39.94                             |
| Add: Purchases  | 11262.63                          | 413.90                            |
| Less: Closing Stock                                   | 172.35                            | 130.82                            |
|   | <u>11221.10</u>                   | <u>323.02</u>                     |

|   | 31st March 2008<br>(Rs. in lakhs) | 31st March 2007<br>(Rs. in lakhs) |
|---|-----------------------------------|-----------------------------------|
| <b>SCHEDULE 18</b>  |                                   |                                   |
| <b>MANUFACTURING, ADMINISTRATIVE,<br/>SELLING &amp; DISTRIBUTION EXPENSES</b> |                                   |                                   |
| Stores Consumed   | 114.46                            | 76.22                             |
| Power, Fuel and Water Charges Mixing  | 1271.65                           | 1270.64                           |
| Charges & Conversion Charges Increase /                                       | 1327.88                           | 1208.83                           |
| Decrease in Excise Duty Provision Salaries ,                                  | 7.46                              | 53.10                             |
| Wages and Bonus etc.  | 2349.26                           | 1859.44                           |
| Contribution to Provident, Gratuity & Other Funds                             | 267.15                            | 135.34                            |
| Staff Welfare Expenses  | 163.03                            | 123.81                            |
| Repairs - Plant & Machinery   | 258.49                            | 218.61                            |
| Repairs - Buildings   | 18.42                             | 13.25                             |
| Repairs - Others  | 61.95                             | 50.15                             |
| Rent  | 14.16                             | 12.65                             |
| Rates & Taxes   | 32.49                             | 9.67                              |
| Insurance   | 20.77                             | 30.50                             |
| Directors Siting Fees   | 0.80                              | 0.33                              |
| Selling & Distribution Expenses   | 1664.21                           | 1249.02                           |
| Commission  | 223.54                            | 158.86                            |
| Discount  | 964.43                            | 374.57                            |
| Bad Debts   | 93.04                             |                                   |
| Less: provision for doubtful debts  | <u>62.92</u>                      | 4.63                              |
| Provision for Doubtful Debts  | -                                 | 58.96                             |
| Royalty   | 381.60                            | 261.11                            |
| Printing & Stationery   | 40.25                             | 42.98                             |
| Communication   | 54.27                             | 52.59                             |
| Traveling & Conveyance  | 182.48                            | 156.91                            |
| Bank Charges  | 143.98                            | 135.57                            |
| Donation  | 1.16                              | -                                 |
| Miscellaneous Expenses  | 138.66                            | 151.24                            |
|   | <u>9732.67</u>                    | <u>7708.98</u>                    |
| <b>Schedule 19</b>  |                                   |                                   |
| <b>Interest &amp; Finance charge</b>  |                                   |                                   |
| Interest on   |                                   |                                   |
| - Term Loan   | 268.07                            | 3.24                              |
| - Cash Credit Account   | 578.30                            | 369.66                            |
| Other Finance Charges   | 143.81                            | 27.44                             |
|   | <u>990.18</u>                     | <u>400.34</u>                     |
| Less: Interest Received (Gross)   |                                   |                                   |
| On Fixed Deposits with Bank   |                                   |                                   |
| (TDS Rs. 4.73 lakhs (Rs.4.08 lakhs))  | 34.94                             | 21.36                             |
| - On Income tax refund  | 54.21                             | -                                 |
| - Others  | 2.47                              | -                                 |
|   | <u>91.62</u>                      | <u>21.36</u>                      |
|   | <u>898.56</u>                     | <u>378.98</u>                     |

## SCHEDULE 20

### A. SIGNIFICANT ACCOUNTING POLICIES:

#### **Basis of Accounts**

The accounts have been prepared according to historical cost convention, adjusted by revaluation of fixed assets. All expenses and income to the extent considered payable and receivable, unless stated otherwise, have been accounted for on accrual basis.

#### **Use of Estimates**

The preparation of financial statement require management to make estimates and assumptions 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.

Provision for contingencies are recorded when it is probable that a liability will be incurred and the amounts can reasonably be estimated. Differences between the actual results and estimates are recognized in the year in which the results are known / materialised.

#### **Sales**

Sales are accounted for on passing of title to the customers. Returns and rebates and discounts against goods sold are recognised as and when ascertained and deducted from sales. Sales include excise duty.

#### **Export Benefits**

Export benefits arising on account of entitlement for duty free imports are accounted for at the time of receipt of material. Other export benefits are accounted for as and when accrued.

#### **Fixed Assets**

Fixed Assets are stated at cost of acquisition / construction (net of CENVAT/VAT and other credits) or at revalued amount as the case may be and inclusive of incidental expenses, erection / commissioning expenses, pre-operative expenses, interest, etc. upto the date the asset is put to use.

#### **Depreciation / Amortisation**

- a) The classification of Plant & Machinery into continuous and non-continuous is carried as per technical certification and depreciation thereon, is provided accordingly, on straight-line method at the rates prescribed in schedule XIV of the Companies Act, 1956.
- b) Additional depreciation attributable to the increase in the value of assets on account of revaluation is transferred from Revaluation Reserve to the Profit and Loss account.
- c) Computer software, Intangible assets are amortised over the period of six years.

#### **Impairment**

Fixed assets are reviewed at each balance sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of fixed assets is determined. An impairment loss is recognized, whenever the carrying amount of assets either belonging to Cash Generating Unit (CGU) or otherwise exceeds recoverable amount. The recoverable amount is the greater of assets net selling price or its value in use. In assessing value in use, the estimated future cash flow from the use of the assets is discounted to their present value at appropriate rate. An impairment loss is reversed if there has been a change in the recoverable amount and such loss either no longer exists or has decreased. Impairment loss/reversal thereof, which in case of CGU, are allocated to its assets on a pro rata basis, is adjusted to carrying value of its respective assets.

#### **Investments**

Long Term Investments are valued "at cost" except where there is a diminution in value, other than temporary, in which case, adequate provision is made against such shortfall.

#### **Inventory**

Inventories are valued at lower of cost or estimated net realisable value. Cost of inventories has been computed on weighted average basis. In case of work in progress and finished goods cost represents materials, direct labour and appropriate portion of factory overheads. Adequate provision for defective, slow/non moving, obsolete stocks are made on the basis of technical evaluation.

#### Transactions in Foreign Currency

Transaction in foreign currency is accounted for at the exchange rate prevailing on the date of the transaction. Foreign currency monetary assets and liabilities at the year-end are translated using the closing exchange rates whereas non-monetary assets are translated at the rate on the date of the transaction. The gain and loss thereon and also on the exchange differences on settlement of the foreign currency transactions during the year are recognised as income or expense and are adjusted to the profit and loss account.

#### Employee Benefits

Employee benefits are accrued in the year in which the employees have rendered services.

Contribution to defined contribution schemes such as Provident Fund, Superannuation Fund etc. are recognized as and when incurred.

Long-term employee benefits under defined benefit scheme such as gratuity, leave etc. are determined at the end of the year at present value of the amount payable using actuarial valuation techniques.

Actuarial gain and losses are recognized in the year when they arise.

#### Research and development expenditure

Research and development expenditure of revenue nature are charged to the profit & loss account, while capital expenditures are added to fixed assets in the year in which they are incurred.

#### Contingencies

Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of Notes to the Accounts.

#### Borrowing costs

Borrowing costs incurred in relation to the acquisition, construction of assets are capitalised as part of the costs of such assets upto the date when such assets are ready for intended use. Other borrowing costs are charged as an expense in the year in which these are incurred.

#### Taxes on Income

Provision for Current Income Tax is made on the taxable income using the applicable tax rates and tax laws. Deferred tax arising on account of timing differences and which are capable of reversal in one or more subsequent periods, is recognised using the tax rates and tax laws that have been enacted or substantively enacted. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situation where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

#### Warranties

Warranty costs are accrued in the year of sale, based on past experience.

#### Miscellaneous Expenditure

Expenses incurred under voluntary retirement scheme are amortized over a period of five years unless required to be amortized over a shorter period by the relevant accounting standard.

## B. NOTES ON ACCOUNTS

- Contingent liabilities not provided for

(Rs. in lakhs)

| Sl. No. | Particulars                               | Amount as on 31.03.08 | Amount as on 31.03.07 |
|---------|---|-----------------------|-----------------------|
| 1       | Bill discounted with the banks and others | 320.03                | 60.88                 |
| 2       | Claims not acknowledged as debt           | 25.00                 | 165.88                |

2. Estimated amount of contracts remaining to be executed on Capital account (net of advances) Rs. 537.66 lakhs (Rs. 2264.28 lakhs)
3. Sundry balances adjusted (net) includes liabilities/provisions no longer required written back amounting to Rs. 56.09 lakhs (Rs. 135.80 lakhs).
4. Certain sundry debit and credit balances are subject to confirmation / reconciliation. Consequent adjustments in this respect, if any, will be considered as and when the reconciliation done.
5.
  - a) Pursuant to an agreement dated 20th December 2006 with Blessing Commercial Private Limited (BCPL), a group company, the company has agreed to purchase entire equity shareholding of BCPL in Monotona Tyres Limited (MTL) and Rs. 7500 lakhs has been paid towards the same. However, these equity shares are lying with the bank against term loan taken for acquiring the assets of MTL and are yet to be transferred in the favour of the Company.
  - b) Pending transfer of shares of MTL, Rs. 7500 lakhs paid as above and interest and other finance charges aggregating to Rs. 704.51 lakhs (including Rs. 490.12 lakhs for the year) on term loans taken for acquiring these shares have been shown as recoverable from BCPL towards purchase of these shares. Necessary confirmation from BCPL in this respect is awaited.
  - c) Necessary approval from share holders with respect to above will be obtained in the forthcoming general meeting of the company.
6.
  - a) Major expansion projects undertaken by the company inter alia includes installation of various tyres and tube producing machineries, captive power plant of the company. Pending completion of the entire project, various plant and machineries on attainment of commercial production have been capitalized from time to time. Accordingly, the preoperative expenses of Rs. 585.18 lakhs and interest costs of Rs. 573.85 lakhs are capitalized as per (b) below to the cost of acquisition/construction of the assets on these assets being put to commercial use.
  - b) Capital work in progress includes capital advances of Rs.142.16 lakhs (Rs. 1767.40) and project preoperative expenses pending allocation as follows:

(Rs. in lakhs)

| Particulars                     | 2007-08 | 2006-07 |
|---------------------------------|---------|---------|
| Balance brought forward         | 418.19  | -       |
| Salaries, Wages and Bonus etc.  | 164.10  | 41.02   |
| Interest & Finance Charges      | 419.21  | 249.14  |
| Stores Consumed                 | 145.00  | 421.24  |
| Traveling, Conveyance & others  | 12.53   | 5.48    |
| Total:                          | 1159.03 | 716.88  |
| Less: Allocated to Fixed Assets | 191.42  | 298.69  |
| Balance carried forward         | 967.61  | 418.19  |

- c) Capital work in progress includes Rs. 925.10 in respect of fabrication and maintenance and other charges allocation whereof to respective assets are under compilation and reconciliation. Pending this, it has been carried forward as capital work in progress.

7. Micro, Small and Medium Enterprise (to the extent information available with the Company)

(Rs. in lakhs)

| Particulars   | For the Year ended March 31, 2008 |          |
|---|-----------------------------------|----------|
|   | Principal                         | Interest |
| Amount due to vendors   | 52.82                             | 0        |
| Principal amount and interest paid beyond the appointment date  | 10.52                             | 0        |
| Interest accrued and remaining unpaid beyond the appointment date (other than interest specified u/s 18 of the Act) | 0                                 | 0        |
| Interest accrued and remaining unpaid as at the end of the year (As per the Act)                                    | 0                                 | 0.34     |

8. Provisions of Accounting Standard 29 on 'Provision, Contingent Liabilities and Contingent Assets':  
Disclosures in this respect as required in terms of the said Accounting Standard are as follows:

( Rs. in lakhs)

| Nature of Item           | Warranty |         |
|--------------------------|----------|---------|
|                          | 2007-08  | 2006-07 |
| Opening Provision        | 42.00    | 53.50   |
| Provided during the Year | 200.65   | 88.80   |
| Amount Utilized          | 150.65   | 100.30  |
| Closing Provision        | 92.00    | 42.00   |

The above Warranty Cost represents the expected cost of free replacement as estimated in terms of the stipulation for sales / industry practice, on the basis of the past experience in respect of the goods sold during the last two years. Liability against such provision is expected to occur in the next financial year.

9. Salary, Wages and bonus include retainer-ship fees amounting to Rs.16.55 lakhs (Rs. 10.73 lakhs).

10. Selling and distribution expenses include Rs. 54 lakhs relating to prior period.

**11. Employment Benefits**

- i) Effective from 1.4.2007, the Company has adopted revised Accounting Standard 15 on "Employee Benefits" (AS-15) notified in the Companies (Accounting Standards) Rules, 2006. The net effect of transitional provisions being gain of Rs. 5.31 lakhs (net of deferred tax of Rs. 2.70 lakhs) as required by AS-15 has been adjusted to the general reserve of the Company.
- ii) Provision for sick and casual compensated absence amounting to Rs. 32.21 lakhs has been made during the year and thereby profit for the year is lower to that extent.
- iii) The disclosures required under Accounting Standard 15 "Employee Benefits" notified in the Companies (Accounting Standards) Rules 2006, are given below:

**Defined Contribution Scheme**

Contributions to Defined Contribution Plan, recognized for the year are as under:

(Rs. in lakhs)

|     |  |        |
|-----|--|--------|
| i.  | Employer's Contribution to Provident Fund      | 116.09 |
| ii. | Employer's Contribution to Superannuation Fund | 34.71  |

**Defined Benefit Scheme**

The employee's gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

(Rs. in lakhs)

|   |                          |
|---|--------------------------|
| <b>i. Change in the present value of the defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:</b> | <b>Gratuity (Funded)</b> |
| Liability at the beginning of the year  | 497.89                   |
| Interest Cost   | 40.39                    |
| Current Service Cost  | 29.67                    |
| Actuarial (gain) / loss on obligations  | 41.53                    |
| Benefits paid   | -79.61                   |
| Liability at the end of the year  | 529.87                   |
| <b>ii. Changes in the Fair Value of Plan Asset representing reconciliation of opening and closing balances thereof are as follows:</b>                      | <b>Gratuity (Funded)</b> |
| Fair value of Plan Assets at the beginning of the year  | 380.84                   |
| Expected Return on Plan Assets  | 28.97                    |
| Contributions by the Company  | 49.94                    |
| Benefits paid   | -79.61                   |
| Actuarial gain / (loss) on Plan Assets  | 6.06                     |
| Fair value of Plan Assets at the end of the year  | 386.20                   |
| Total actuarial gain / (loss) to be Recognized  | 35.47                    |
| <b>iii. Actual return on Plan Assets</b>  | <b>Gratuity (Funded)</b> |
| Expected return on Plan Assets  | 28.97                    |
| Actuarial gain / (loss) on Plan Assets  | 6.06                     |
| Actual Return on Plan Assets  | 35.03                    |
| <b>iv. Amount Recognized in Balance Sheet</b>   | <b>Gratuity (Funded)</b> |
| Liability at the end of the year  | 529.87                   |
| Fair value of Plan Assets at the end of the year  | 386.20                   |
| Amount Recognized in the Balance Sheet  | 143.67                   |

|  |                          |
|--|--------------------------|
| <b>v. Expenses Recognized in the Income Statement</b>            | <b>Gratuity (Funded)</b> |
| Current Service Cost   | 29.67                    |
| Interest Cost  | 40.39                    |
| Expected Return on Plan Assets                                   | -28.97                   |
| Net Actuarial (gain) / loss to be Recognized                     | 35.47                    |
| Expenses Recognized in Profit & Loss Account                     | 76.56                    |
| <b>vi. Balance Sheet Reconciliation</b>                          | <b>Gratuity (Funded)</b> |
| Opening Net Liability  | 117.05                   |
| Expenses as above  | 76.56                    |
| Employers Contribution   | -49.94                   |
| Amount Recognized in Balance Sheet                               | <b>143.67</b>            |
| <b>vii. Principal Actuarial assumptions at the Balance Sheet</b> | <b>Gratuity (Funded)</b> |
| Discount Rate  | 8.30%                    |
| Rate of Return on Plan Assets                                    | 7.50%                    |
| <b>viii. Experience Adjustment</b>                               | <b>Gratuity (Funded)</b> |
| Experience adjustments on plan liabilities (Loss/ (Gain)).       | 41.53                    |
| Experience adjustments on plan Assets (Loss/(Gain))              | -6.06                    |
|  | 35.47                    |

#### Compensated Absences

The obligation for compensated absences is recognised in the same manner as gratuity. The actuarial liability of Compensated Absences (unfunded) of accumulated privileged, sick and casual leaves of the employees of the Company as at 31st Mar 2008 is given below:

(Rs. in lakhs)

| Particulars      | Amount |
|------------------|--------|
| Privileged Leave | 121.13 |
| Sick Leave       | 16.84  |
| Casual Leave     | 15.37  |

Liability for Short term Compensated Absences on account of privileged leave amounts to Rs. 10.14 lakhs

#### Notes:

- Assumptions relating to future salary increases, attrition, interest rate for discount & overall expected rate of return on Assets have been considered based on relevant economic factors such as inflation, market growth & other factors applicable to the period over which the obligation is expected to be settled.
- The Company expects to contribute Rs. 80 lakhs to Gratuity fund in 2008-09.
- The expected rate of return on Plan Assets has been determined based on expectation of average long term rate of return expected on investments of the Fund during the estimated term of the obligation.
- This being the first year of implementation, previous year figures have not being given.

## 12. The break up of deferred tax Assets and Liabilities are as under:

(Rs. in lakhs)

| Provision for Deferred Tax           | Opening as at 01.04.07 | Adjustment pursuant to AS-15* | Charge / (Credit) | Closing as at 31.03.08 |
|--------------------------------------|------------------------|-------------------------------|-------------------|------------------------|
| <b>Deferred Tax Assets</b>           |                        |                               |                   |                        |
| Expenses allowable on Payment basis: |                        |                               |                   |                        |
| - Retirement benefits                | 61.78                  | 2.70                          | (33.42)           | 92.50                  |
| - Provision for Doubtful Debts       | 21.39                  |                               | 21.39             | -                      |
| - Amt. Inadmissible under Sec 43B    | 12.29                  |                               | 9.22              | 3.07                   |
| Sub Total                            | 95.46                  | 2.70                          | (2.81)            | 95.57                  |
| <b>Deferred Tax Liabilities</b>      |                        |                               |                   |                        |
| Depreciation                         | 504.15                 |                               | 106.72            | 610.87                 |
| <b>Net Deferred Tax Liability</b>    | 408.69                 | 2.70                          | 103.91            | 515.30                 |

\*Refer note 11(i)

13. Earning per share has been calculated on the basis of number of equity shares outstanding during the period ended 31st March, 2008 in accordance with the provisions of Accounting Standard-20 "Earning Per Share".

|   | 2007-2008 | 2006-2007 |
|---|-----------|-----------|
| Profit attributable to Equity Shareholders (in lakhs) | 563.59    | 396.31    |
| No. of shares   | 5680922   | 5680922   |
| Basic and diluted earning per share (in Rs.)          | 9.92      | 6.98      |

14. Remuneration paid to Executive Director & Managing Director (Ex)

(Rs. in lakhs)

|                                  | 2007-2008 | 2006-2007 |
|----------------------------------|-----------|-----------|
| Salary                           | 195.46    | 22.20     |
| Perquisites                      | 41.20     | 12.42     |
| Contribution to PF & other funds | 37.75     | 4.38      |
| Total                            | 274.41    | 39.00     |

15. Auditors' Remuneration (included in Miscellaneous expenses)

(Rs. in lakhs)

|                                       | 2007-2008 | 2006-2007 |
|---------------------------------------|-----------|-----------|
| Audit                                 | 3.50      | 3.50      |
| Tax audit & Other Expenses            | 1.75      | 1.75      |
| Other Matters (excluding service tax) | -         | 1.00      |
| Total                                 | 5.25      | 6.25      |

16. Related party disclosures as required as per Accounting Standard (AS-18) on "Related Party Disclosures" are as below:

- a) All the Companies in the group as discussed below are directly / indirectly controlled by the Ruia Group of Companies under the Chairmanship of Sri. Pawan Kumar Ruia and its various subsidiary / associate companies which held the controlling stake in the Company during the year ended 31st March 2008.
- b) Holding Company: Wealth Sea Pte. Ltd., (Singapore) through DIL Rim and Wheel Corporation Limited Mauritius.
- c) Associates / Group Companies

- i. With whom the Company has transaction

Blessings Commercial Pvt Limited; Dunlop India Limited; Jessop & Co. Ltd.; Suryamani Financing Company Ltd.; Monotona Tyres Limited (pending transfer of shares in the name of the Company shown as an associate instead of subsidiary); Manali Properties & Finance Pvt. Ltd.;

- ii. Others

Acurate Traders Pvt Ltd; Alpha Airways Pvt Ltd; Anoush Traders Pvt Ltd; Bharatiya Hotels Pvt.Ltd; Bloom Billions Sdn Bhd- Malaysia; Chinsurah Chemicals Pvt. Ltd; Dunlop Estates Pvt. Ltd.; Dunlop Infrastructure Pvt. Ltd.; Dunlop Investments Ltd.; Dunlop Properties Pvt. Ltd.; Dunlop Rubber Limited; Dunlop Tyres Limited; Dunlop UK Ltd; Global Finvest Ltd ; Goldman Stock & Brokers Ltd; Hirakud Industrial Works Ltd.; Hirakud Rolling Mill Ltd; Hiland Traders Pvt Ltd.; India Tyre & Rubber Co (India) Ltd.; Indo-Wagon Engineering Ltd.; Jessop Infotech Pvt.Ltd; Jessop Shipyard Limited; Jessop Estate Pvt Ltd; Jessop Properties Pvt Ltd; Jessop Infrastructure Pvt. Ltd; Kailash Enterprises (New Delhi) Pvt. Ltd.; Kulu Properties & Finance Pvt. Ltd.; Liluah Ceramics Pvt. Ltd. ; Metropole Hills Hotel Pvt. Ltd.; Mudrika Commercials Pvt. Ltd.; Pacific Apparels Ltd.; Pallavi Manufacturers Pvt. Ltd.; Parnika Marketing Pvt. Ltd.; Pawan Herbals Pvt. Ltd.; Radiant Investment Ltd-Mauritius; Raghav Industries Ltd.; Rapid Investment Ltd - Mauritius; Ruia & Sons Pvt Ltd; Ruia Agro Products Pvt. Ltd.; Ruia Hospital & Educational Research Institution; Ryham Pte. Ltd.- Singapore; Rose Investment Ltd-Mauritius; Schlegel Automotive Europe Ltd.; Securities Brokers India limited; Shalini Properties & Developers Pvt. Ltd.; Spices Valley Estates Ltd.; SPR Resorts Ltd.; SPR Textiles Pvt. Ltd.; Wealth Overseas Pte Ltd - Singapore; Wealth Ocean Pte Ltd - Singapore; Zipco Industrial Finance Pvt. Ltd.

The above (ii) though not required in terms of Accounting Standard 18 on "Related Party Disclosure" has been disclosed in view of disclosure requirement of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 in relation to inter se transfer of shares among group companies.

- d) Key Management Personnel: Mr.Pawan Kumar Ruia (Executive Chairman) & Mr.A.Sadasivam (Erstwhile Managing Director)

| Nature of Transaction   | Enterprises where control exits or which exercise control |         | Associates |         | Key Management Personnel |         | Total    |         |
|---|---|---------|------------|---------|--------------------------|---------|----------|---------|
|   | 2007-08   | 2006-07 | 2007-08    | 2006-07 | 2007-08                  | 2006-07 | 2007-08  | 2006-07 |
| <b>Income</b>   |   |         |            |         |                          |         |          |         |
| <b>Sale of Finished Goods</b>   |   |         |            |         |                          |         |          |         |
| Monotona Tyres Limited  | -   | -       | 2,585.85   | -       | -                        | -       | 2,585.85 | -       |
| <b>Sale of Materials</b>  |   |         |            |         |                          |         |          |         |
| Dunlop India Ltd  | -   | -       | 65.43      | 20.22   | -                        | -       | 65.43    | 20.22   |
| Monotona Tyres Limited  | -   | -       | 32.64      | -       | -                        | -       | 32.64    | -       |
| Others  | -   | -       | -          | 0.38    | -                        | -       | -        | 0.38    |
| <b>Expenses</b>   |   |         |            |         |                          |         |          |         |
| <b>Royalty</b>  |   |         |            |         |                          |         |          |         |
| Dunlop India Ltd  | -   | -       | 335.19     | 300.44  | -                        | -       | 335.19   | 300.44  |
| <b>Purchase of Factored Goods</b>   |   |         |            |         |                          |         |          |         |
| Dunlop India Ltd  | -   | -       | 1,422.13   | -       | -                        | -       | 1,422.13 | -       |
| Monotona Tyre Ltd   | -   | -       | 3,434.56   | 317.78  | -                        | -       | 3,434.56 | 317.78  |
| Others  | -   | -       | -          | 4.96    | -                        | -       | -        | 4.96    |
| <b>Purchase of Materials</b>  |   |         |            |         |                          |         |          |         |
| Dunlop India Ltd  | -   | -       | 19.41      | -       | -                        | -       | 19.41    | -       |
| Monotona Tyre Ltd   | -   | -       | 33.48      | -       | -                        | -       | 33.48    | -       |
| <b>Purchase of Spares</b>   |   |         |            |         |                          |         |          |         |
| Jessop & Co. Ltd.   | -   | -       | 1.59       | -       | -                        | -       | 1.59     | -       |
| <b>Remuneration</b>   |   |         |            |         |                          |         |          |         |
| Pawan Kr. Ruia  | -   | -       | -          | -       | 226.40                   | -       | 226.40   | -       |
| A. Sadasivam  | -   | -       | -          | -       | 48.01                    | 38.99   | 48.01    | 38.99   |
| <b>Others</b>   |   |         |            |         |                          |         |          |         |
| DIL RIM & Wheel Corp.   | 6.41  | -       | -          | -       | -                        | -       | 6.41     | -       |
| Dunlop India Ltd.   | -   | -       | 8.57       | -       | -                        | -       | 8.57     | -       |
| Manali Properties & Finance Pvt Ltd.  | -   | -       | 1.97       | -       | -                        | -       | 1.97     | -       |
| Others  | -   | 4.00    | -          | -       | -                        | -       | -        | 4.00    |
| <b>Assets</b>   |   |         |            |         |                          |         |          |         |
| <b>Advance Paid</b>   |   |         |            |         |                          |         |          |         |
| India Tyre & Rubber Co (I) Ltd  | -   | -       | -          | 3.00    | -                        | -       | -        | 3.00    |
| Dunlop India Ltd  | -   | -       | -          | 8.57    | -                        | -       | -        | 8.57    |
| Ruia Marketing Ltd.   | -   | -       | -          | 2.30    | -                        | -       | -        | 2.30    |
| <b>Refurbishment / Installation / Commissioning/ Rental Charges Capitalised</b> |   |         |            |         |                          |         |          |         |
| Jessop & Co. Ltd.   | -   | -       | 104.00     | 850.00  | -                        | -       | 104.00   | 850.00  |
| Dunlop India Ltd.   | -   | -       | 10.00      | -       | -                        | -       | 10.00    | -       |

| Nature of Transaction                             | Enterprises where control exits or which exercise control |         | Associates |          | Key Management Personnel |         | Total      |          |
|---|---|---------|------------|----------|--------------------------|---------|------------|----------|
|   | 2007-08   | 2006-07 | 2007-08    | 2006-07  | 2007-08                  | 2006-07 | 2007-08    | 2006-07  |
| <b>Advance given for purchase of shares</b>       |   |         |            |          |                          |         |            |          |
| Blessing Commercials Pvt Ltd                      | -   | -       | 1,890.12   | 6,314.39 | -                        | -       | 1,890.12   | 6,314.39 |
| <b>Liabilities</b>                                |   |         |            |          |                          |         |            |          |
| <b>Unsecured Loan Taken</b>                       |   |         |            |          |                          |         |            |          |
| Debt assigned by Suryamani Financing Company Ltd. | -   | -       | (2,600.00) | 2,975.00 | -                        | -       | (2,600.00) | 2,975.00 |
| To Manali Properties & Finance Pvt Ltd.           | -   | -       | 2,600.00   | -        | -                        | -       | 2,600.00   | -        |
| <b>Balance as on 31.03.2008</b>                   |   |         |            |          |                          |         |            |          |
| <b>Loans and Advances</b>                         |   |         |            |          |                          |         |            |          |
| Dunlop India Ltd.                                 | -   | -       | -          | 116.68   | -                        | -       | -          | 116.68   |
| Blessing Commercials Pvt Ltd                      | -   | -       | 8,204.51   | 6,314.39 | -                        | -       | 8,204.51   | 6,314.39 |
| <b>Capital Work in Progress (Advance)</b>         |   |         |            |          |                          |         |            |          |
| Jessop & Co. Ltd.                                 | -   | -       | -          | 293.70   | -                        | -       | -          | 293.70   |
| <b>Creditor Balance</b>                           |   |         |            |          |                          |         |            |          |
| Dunlop India Ltd.                                 | -   | -       | 182.07     | -        | -                        | -       | 182.07     | -        |
| Monotona Tyres Ltd.                               | -   | -       | 3.96       | 197.03   | -                        | -       | 3.96       | 197.03   |
| Jessop & Co. Ltd.                                 | -   | -       | 1.54       | -        | -                        | -       | 1.54       | -        |
| <b>Current liabilities</b>                        |   |         |            |          |                          |         |            |          |
| Manali Properties & Finance Pvt Ltd.              | -   | -       | 2,600.00   | -        | -                        | -       | 2,600.00   | -        |
| Suryamani Financing Company Ltd.                  | -   | -       | 375.00     | 2,975.00 | -                        | -       | 375.00     | 2,975.00 |

\* Sales, Purchase & Other expenses are inclusive of Taxes

The above related party information have been disclosed to the extent such parties have been identified by the management on the basis of information available. This has been relied upon by the Auditors.

17. Particulars in terms of disclosure required as per Clause 32 of the Listing Agreement: Amount of loans and advances in nature of loan to subsidiaries and associates as on 31st March 2008.

| Party Name   | Maximum Outstanding |         | Closing Balance |         |
|--|---------------------|---------|-----------------|---------|
|  | 2007-08             | 2006-07 | 2007-08         | 2006-07 |
| Dunlop India Ltd.  | 108.11              | 208.34  | -               | 108.11  |
| Blessings Commercial Pvt Ltd   | 8204.51             | 6314.39 | 8204.51         | 6314.39 |
| Loans to employees where no interest or interest below section 372A of the Companies Act, 1956 was charged | 14.31               | 14.19   | 5.15            | 7.13    |

18. The Company's operations predominantly of only one product segment, Tyres and Tubes. Further, the export sales of the Company are insignificant as compared to total sales during the year so as to constitute a geographical segment. Therefore, separate segment information as required in terms of Accounting Standard (AS 17) on Segment Reporting has not been considered.

**19 Quantitative & Other Information:**

|                                 | TYRES                |                        | TUBES                 |                       | Flaps           |                    | Cycle Tyres   |                    | TOTAL                    |
|---------------------------------|----------------------|------------------------|-----------------------|-----------------------|-----------------|--------------------|---------------|--------------------|--------------------------|
|                                 | Qty Nos              | Value Rs. in lakhs     | Qty Nos               | Value Rs. in lakhs    | Qty Nos         | Value Rs. in lakhs | Qty Nos       | Value Rs. in lakhs | Value Rs. in lakhs       |
| Installed Capacity (Per annum)* | 7500000<br>(6480000) |                        | 4500000<br>(4200000)  |                       |                 |                    |               |                    |                          |
| Production**                    | 6962658<br>(6248879) |                        | 8712770<br>(8116982)  |                       |                 |                    |               |                    |                          |
| Purchases- Factored Goods       | 467023<br>(14838)    | 8,131.60<br>(93.70)    | 1618222<br>(350082)   | 3127.76<br>(307.98)   | 3364<br>(7236)  | 3.28<br>(7.26)     | (7360)        | (4.96)             | 11,262.63<br>(413.90)    |
| Opening Stock                   | 346022<br>(285373)   | 1268.90<br>(898.73)    | 690533<br>(518923)    | 528.91<br>(374.71)    | 4549<br>(4598)  | 4.55<br>(3.79)     | 106<br>(4592) | 0.07<br>(3.16)     | 1,802.43<br>(1,280.39)   |
| Sales *******                   | 7423763<br>(6203068) | 37794.26<br>(24830.79) | 10516893<br>(8295454) | 11666.64<br>(7333.98) | 6783<br>(7285)  | 7.05<br>(5.99)     | 26<br>(11846) | 0.02<br>(7.87)     | 49,467.97<br>(32,178.63) |
| Closing Stock                   | 351940<br>(346022)   | 1,410.57<br>(1268.90)  | 504632<br>(690533)    | 467.70<br>(528.91)    | 1,238<br>(4549) | 0.49<br>(4.55)     | 80<br>(106)   | 0.05<br>(0.07)     | 1,878.80<br>(1,802.43)   |

**Tonnage Information (Metric Ton)**

|                                |                  |                |
|--------------------------------|------------------|----------------|
| Installed Capacity (Per annum) | 24653<br>(21300) | 2079<br>(1940) |
| Production                     | 23424<br>(20509) | 4094<br>(3888) |

\* The installed capacity is as certified by the management, and being a technical matter reliance has been placed by the Auditors.

\*\* Production includes, Production on Job Work basis 4496985 Nos of Tubes (4104038 Nos Tubes).

\*\*\* Sale of Raw Material Rs.91.08 lakhs not included above

\*\*\*\* Sales includes 3413 tyres & (290) tubes being discrepancy found in physical verification of finished goods

**20. Raw materials, stores and spares consumed:**

|  | 2007-2008    |                    | 2006-2007  |                    |
|--|--------------|--------------------|------------|--------------------|
|  | Qty.in MT.   | VALUE Rs. in lakhs | Qty.in MT. | VALUE Rs. in lakhs |
| Rubber and Rubber products *                                 | 14576        | 12052.34           | 12720      | 10268.34           |
| Fabric   | 1619         | 3288.89            | 1454       | 3014.43            |
| Carbon Black **  | 7268         | 3170.57            | 6295       | 2766.88            |
| Chemicals  | 4014         | 2414.87            | 3520       | 2188.78            |
| Others   | 1432         | 1396.83            | 1272       | 1263.00            |
|  | <b>28909</b> | <b>22323.50</b>    | 25261      | 19501.43           |
| Stores and Spares  |              | 114.46             |            | 76.22              |
|  |              | <b>22437.96</b>    |            | 19577.65           |
| * Consumption of Rubber includes sale of raw material        | 36.60        | 41.84              |            |                    |
| ** Consumption of Carbon Black includes sale of raw material | 62.00        | 27.68              |            |                    |

**21. Expenditure in foreign currency**

|   |              |   |                 |                  |
|---|--------------|---|-----------------|------------------|
| - | Traveling    | - | Rs. 3.36 lakhs  | (Rs.14.10 lakhs) |
| - | Professional | - | Nil             | (Rs. 4.63 lakhs) |
| - | Royalty      | - | Rs. 83.29 lakhs | (Nil)            |
| - | Others       | - | Rs. 6.40 lakhs  | (Nil)            |

**22. Remittances in foreign currency for Dividends**

The Company has not remitted any dividend in foreign currency for the year ended 2007-08  
Dividend remitted in foreign currency for the year 2006-07 is as follows

|                                     | No. of Non-Resident Shareholders | No. of Equity Shares held | Gross amt. of Dividend |
|-------------------------------------|----------------------------------|---------------------------|------------------------|
| Final Dividend for the year 2006-07 | 1                                | 3918850                   | 117.57                 |

**23. Research and Development Expenditure (charged to Profit and Loss Account) - 18.40 lakhs (Rs. 10.58 lakhs)**
**24. CIF Value of imports during the year**

|                 | 2007-2008    |                    | 2006-2007    |                    |
|-----------------|--------------|--------------------|--------------|--------------------|
|                 | QTY. In M.T. | VALUE Rs. in lakhs | QTY. In M.T. | VALUE Rs. in lakhs |
| Raw Materials   | 5279         | 4376.02            | 4503         | 4170.57            |
| Capital Goods * |              | 36.42              |              | 942.44             |
| Stores & Spares |              | 2.99               |              |                    |
| Total           |              | 4415.43            |              | 5113.01            |

\* excluding Rs. 43.80 lakhs paid for technical knowhow.

**25. Value of Raw Materials, Spares and Components consumed**

|                            | 2007-2008          |                        | 2006-2007          |                        |
|----------------------------|--------------------|------------------------|--------------------|------------------------|
|                            | VALUE Rs. in lakhs | % of Total Consumption | VALUE Rs. in lakhs | % of Total Consumption |
| <u>Raw materials</u>       |                    |                        |                    |                        |
| a) Imported                | 4956.86            | 22.2%                  | 3998.90            | 20.5%                  |
| b) Indigenous              | 17366.64           | 77.8%                  | 15502.53           | 79.5%                  |
| Total                      | 22323.50           | 100.0%                 | 19501.43           | 100.0%                 |
| <u>Stores &amp; Spares</u> |                    |                        |                    |                        |
| a) Imported                | 2.99               | 2.6%                   |                    |                        |
| b) Indigenous              | 111.47             | 97.4%                  | 76.22              | 100.0%                 |
| Total                      | 114.46             | 100.0%                 | 76.22              | 100.0%                 |

26 Earnings in Foreign Exchange on account of export of goods calculated on FOB basis Rs.1941.31 lakhs (Rs. 1083.66 lakhs)

- 27 a) The Previous year's figures have been re-grouped / re-arranged wherever considered necessary.  
b) Figures in brackets relates to the previous year.

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

**I. Registration Details**

|               |                  |   |       |   |      |   |            |   |
|---------------|------------------|---|-------|---|------|---|------------|---|
|               | Registration No. |   |       |   |      |   | State code |   |
| Balance Sheet | 0                | 0 | 2     | 4 | 5    | 5 | 0          | 8 |
| Date          | 3                | 1 | 0     | 3 | 2    | 0 | 0          | 8 |
|               | Day              |   | Month |   | Year |   |            |   |

**II. Capital Raised during the year (Amount in Rs.Thousands)**

|              |  |  |  |   |   |   |                                |  |  |  |   |   |   |
|--------------|--|--|--|---|---|---|--------------------------------|--|--|--|---|---|---|
| Public Issue |  |  |  | N | I | L | Rights Issue (Pref. Allotment) |  |  |  | N | I | L |
| Bonus Issue  |  |  |  | N | I | L | Private Placement              |  |  |  | N | I | L |

**III. Position of Mobilisation and Deployment of Funds (Amount in Rs.Thousands).**

|                   |   |   |   |   |   |   |   |              |   |   |   |   |   |   |   |
|-------------------|---|---|---|---|---|---|---|--------------|---|---|---|---|---|---|---|
| Total Liabilities | 3 | 0 | 1 | 0 | 3 | 3 | 6 | Total Assets | 3 | 0 | 1 | 0 | 3 | 3 | 6 |
|-------------------|---|---|---|---|---|---|---|--------------|---|---|---|---|---|---|---|

**Sources of Funds**

|                 |   |   |   |   |   |   |                    |                 |   |   |   |   |   |   |
|-----------------|---|---|---|---|---|---|--------------------|-----------------|---|---|---|---|---|---|
| Paid-up Capital |   | 5 | 6 | 8 | 0 | 9 | Reserves & Surplus | 1               | 1 | 3 | 3 | 7 | 5 | 9 |
| Secured Loans   | 1 | 4 | 7 | 0 | 7 | 3 | 8                  | Unsecured Loans | 2 | 9 | 7 | 5 | 0 | 0 |
| Deferred Tax    |   | 5 | 1 | 5 | 3 | 0 |                    |                 |   |   |   |   |   |   |

**Application of funds**

|                    |   |   |   |   |   |   |   |                  |  |  |   |   |   |   |
|--------------------|---|---|---|---|---|---|---|------------------|--|--|---|---|---|---|
| Net fixed assets   | 1 | 8 | 7 | 9 | 9 | 8 | 3 | Investments      |  |  |   | 1 | 9 | 7 |
| Net current assets | 1 | 1 | 2 | 8 | 4 | 0 | 2 | Misc Expenditure |  |  | 1 | 7 | 5 | 4 |
| Accumulated losses |   |   |   | N | I | L |   |                  |  |  |   |   |   |   |

**IV. Performance of Company (Amount in Rs.Thousands)**

|          |   |   |   |   |   |   |   |
|----------|---|---|---|---|---|---|---|
| Turnover |   |   |   |   |   |   |   |
|          | 4 | 9 | 5 | 5 | 9 | 0 | 5 |

+ Profit / - Loss before tax

|   |  |  |   |   |   |   |   |
|---|--|--|---|---|---|---|---|
| + |  |  | 8 | 0 | 3 | 6 | 0 |
|---|--|--|---|---|---|---|---|

Earning per share in Rs.

|  |  |  |  |   |   |   |   |
|--|--|--|--|---|---|---|---|
|  |  |  |  | 9 | . | 9 | 2 |
|--|--|--|--|---|---|---|---|

Total expenditure

|  |   |   |   |   |   |   |   |
|--|---|---|---|---|---|---|---|
|  | 4 | 9 | 1 | 5 | 5 | 6 | 0 |
|--|---|---|---|---|---|---|---|

+ Profit / - Loss after tax

|   |  |  |   |   |   |   |   |
|---|--|--|---|---|---|---|---|
| + |  |  | 5 | 6 | 3 | 5 | 9 |
|---|--|--|---|---|---|---|---|

Dividend @ %

|   |   |
|---|---|
| 3 | 5 |
|---|---|

**V. Generic names of three principal products / service of Company (as per monetary terms)**

Item Code No. (ITC Code)

|   |   |   |   |
|---|---|---|---|
| 4 | 0 | 1 | 1 |
|---|---|---|---|

Product Description

|   |   |   |   |   |   |   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| N | E | W |   | P | N | E | U | M | A | T | I | C |
| T | Y | R | E | S |   | O | F |   |   |   |   |   |
| R | U | B | B | E | R |   |   |   |   |   |   |   |

Item Code No. (ITC Code)

|   |   |   |   |
|---|---|---|---|
| 4 | 0 | 1 | 3 |
|---|---|---|---|

Product Description

|   |   |   |   |   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|---|---|---|---|
| I | N | N | E | R |   | T | U | B | E | S |
| O | F |   | R | U | B | B | E | R |   |   |

Item Code No. (ITC Code)

|   |   |   |   |
|---|---|---|---|
| 4 | 0 | 1 | 2 |
|---|---|---|---|

Product Description

|   |   |   |   |  |   |   |   |   |   |
|---|---|---|---|--|---|---|---|---|---|
| T | Y | R | E |  | F | L | A | P | S |
|---|---|---|---|--|---|---|---|---|---|

As per our Report of even date attached

**For and on behalf of the Board**

 For Lodha & Co.  
Chartered Accountants

 R.P.Singh  
(Partner) Membership  
No.: 52438

**Umesh Bhargava**  
Managing Director

**V.R.S. Hudda**  
Director

Kolkata, 30th July 2008

**CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2008**

|  | Year ended<br>31.03.2008<br>(Rs.in lakhs) | Year ended<br>31.03.2007<br>(Rs.in lakhs) |
|--|---|---|
| <b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>                                 |   |   |
| Net profit before tax  | 803.60                                    | 591.21                                    |
| Adjustment for:  |   |   |
| Depreciation   | 362.01                                    | 281.27                                    |
| Interest Income  | (91.62)                                   | (21.36)                                   |
| Interest Expense   | 990.18                                    | 400.34                                    |
| Sundry Balance Adjustment (Net)  | (43.04)                                   | (128.17)                                  |
| Dividend Received  | (0.24)                                    | (0.59)                                    |
| Miscellaneous Expenditure written off  | 8.77                                      | 6.58                                      |
| Foreign exchange unrealised loss (Profit)                                      | 6.12                                      | 2.47                                      |
| /Loss from Sale of Fixed Assets Operating profit before working capital change | (0.98)                                    | (0.04)                                    |
|  | 2034.80                                   | 1131.71                                   |
| Adjustment for Change in Working Capital:                                      |   |   |
| (Increase)/ Decrease in Sundry debtors   | 4.35                                      | (284.16)                                  |
| (Increase)/ Decrease in Inventories  | (130.73)                                  | (1072.44)                                 |
| (Increase)/ Decrease in Loans & Advances                                       | (952.28)                                  | (15.06)                                   |
| Increase/ (Decrease) in Current Liabilities                                    | 2097.61                                   | 1094.59                                   |
| Increase/ (Decrease) in Provisions   | 50.00                                     | (126.90)                                  |
| Voluntary Retirement Scheme Payments   | -   | (32.89)                                   |
| Cash Generated from Operations   | 3103.75                                   | 694.85                                    |
| Direct taxes paid  | (99.18)                                   | (130.22)                                  |
| <b>NET CASH FROM OPERATING ACTIVITIES</b>                                      | <b>3004.57</b>                            | <b>564.63</b>                             |
| <b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>                                 |   |   |
| Additions to Fixed assets (Including capital work - in - progress)             | (3176.96)                                 | (5244.81)                                 |
| Sale of Fixed Assets   | 1.52                                      | 1.96                                      |
| Purchase of investment   | (0.01)                                    | -   |
| Advance given for purchase of Investment                                       | (1890.12)                                 | (6,314.39)                                |
| Interest Received  | 40.30                                     | 14.32                                     |
| Dividend Received  | 0.24                                      | 0.59                                      |
| <b>NET CASH USED IN INVESTING ACTIVITIES</b>                                   | <b>(5025.03)</b>                          | <b>(11542.33)</b>                         |
| <b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>                                 |   |   |
| Un-secured loans received  | -   | 2975.00                                   |
| Borrowings from Banks  | 3089.40                                   | 9007.98                                   |
| Interest / Finance Charges paid  | (975.25)                                  | (400.34)                                  |
| Debenture Paid   | (0.15)                                    | (0.13)                                    |
| Dividend paid  | (170.76)                                  | (143.12)                                  |
| Corporate Dividend Tax Paid  | (28.96)                                   | (19.92)                                   |
| <b>NET CASH USED IN FINANCIAL ACTIVITIES</b>                                   | <b>1914.28</b>                            | <b>11419.47</b>                           |
| <b>NET CASH FLOWS DURING THE YEAR (A+B+C)</b>                                  | <b>(106.18)</b>                           | <b>441.77</b>                             |
| <b>CASH AND CASH EQUIVALENTS (OPENING BALANCE)</b>                             | <b>1050.98</b>                            | <b>609.21</b>                             |
| <b>CASH AND CASH EQUIVALENTS (CLOSING BALANCE)</b>                             | <b>944.80</b>                             | <b>1050.98</b>                            |

Previous year figures have been re-grouped / re-arranged, wherever considered necessary.

As per our report of even date attached  
For and on behalf of  
**LODHA & CO.**  
Chartered Accountants  
**R.P. Singh**  
Partner  
Membership No.: 52438  
Kolkata, 30th July 2008

For and on behalf of the Board

**Umesh Bhargava**  
Managing Director

**V.R.S. Hudda**  
Director



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**ELECTRONIC CLEARING SERVICE (ECS) MANDATE FORMAT**

To  
 Share Department  
 Falcon Tyres Limited  
 'Gold Tower', (Formerly Chache Towers), First Floor, No. 50,  
 Residency Road, Bangalore - 560 025.

**FORM FOR ELECTRONIC CLEARING SERVICE FOR PAYMENT OF DIVIDEND**

Dear Sirs,

*(Please fill - in the information in CAPITAL LETTERS in ENGLISH ONLY. Please Tick (☑) wherever applicable)*

For share held in physical form

|                                |
|--------------------------------|
| _____For Office Use Only _____ |
| ECS Ref. No. :                 |

Master Folio No.

For share held in electronic form

DP ID

Client ID

|                      |  |
|----------------------|--|
| Name of First Holder |  |
| Bank Name            |  |
| Branch Name          |  |
| Branch Code          | <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <p>(9 Digits Code Number appearing on the MICR Band of the cheque supplied by the Bank)<br/>                 Please attach a Xerox copy of a cheque or a blank cheque of your bank duly cancelled for ensuring accuracy of the banks name, branch and code number.</p> |

|              |         |                          |         |                          |             |                          |
|--------------|---------|--------------------------|---------|--------------------------|-------------|--------------------------|
| Account type | Savings | <input type="checkbox"/> | Current | <input type="checkbox"/> | Cash Credit | <input type="checkbox"/> |
|--------------|---------|--------------------------|---------|--------------------------|-------------|--------------------------|

|   |                      |
|---|----------------------|
| Ledger No. / Ledger Folio No.             | <input type="text"/> |
| A/c No. (as appearing in the cheque book) | <input type="text"/> |
| Effective date of this mandate            | <input type="text"/> |

I, hereby, declare that the particulars given above are correct and complete. If any transactions is delayed or not effected at all for reasons of incompleteness or incorrectness of information supplied as above, Falcon Tyres Limited will not be held responsible. I agree to avail the ECS facility provided by RBI, as and when implemented by RBI / Falcon Tyres Limited.

I further undertake to inform the Company any change in my Bank / branch and account number, if any.

Place : \_\_\_\_\_

\_\_\_\_\_  
 (Signature of First Holder)  
 Name of First Holder.

Date : \_\_\_\_\_

*Note: Those who have de-materialised their shares shall furnish the above details through their Depository Participants before 20<sup>th</sup> September, 2008.*



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# FALCON TYRES LIMITED

Regd. Office: Gold Tower,  
(Formerly Chache Towers), # 50, Residency Road,  
Bangalore - 560 025.

## ATTENDANCE SLIP

D.P.I.D.  Client ID

No. of Shares  Folio NO.

To be handed over at the entrance of meeting hall  
Name and Address

**32<sup>nd</sup> ANNUAL  
GENERAL MEETING  
on Tuesday, 30.09.2008**

I certify that I am a Registered Shareholder of the Company

I hereby record my presence at the above Annual General Meeting of the Company.

A Member/Proxy wishing to attend the meeting must complete this attendance slip and hand it over at the entrance of the meeting hall.

Name of Proxy (if any) in BLOCK LETTERS

Signature of Member/Proxy

# FALCON TYRES LIMITED

Regd. Office: Gold Tower, # 50, Residency Road, Bangalore - 560 025.

## PROXY FORM

D.P.I.D.  Client ID

No. of Shares  Folio NO.

I / We \_\_\_\_\_

of \_\_\_\_\_

being a member / members of **FALCON TYRES LIMITED** hereby appoint \_\_\_\_\_

of \_\_\_\_\_ or failing him \_\_\_\_\_

of \_\_\_\_\_ as my/our proxy to attend and vote for me / us on my / our behalf at the 32nd Annual General Meeting of the Members of Falcon Tyres Limited to be held on Tuesday, the 30<sup>th</sup> September, 2008 at 11.30 A.M. at HOTEL WOODLANDS PVT. LTD., No. 5, Raja Rammohan Roy Road, Bangalore - 560 025.

Signature \_\_\_\_\_

**NOTE:** Any member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself / herself and the proxy need not be a member. This form duly completed should be deposited at the Registered Office of the Company at Bangalore not later than 48 hours before the commencement of the meeting.

