LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is being sent to you as an equity shareholder of Dunlop India Limited. If you require any clarification about the action to be taken, you may consult your stockbroker or investment consultant or the Manager to the offer/ Registrar to the Offer. In case you have recently sold your equity shares in Dunlop India Limited, please hand over this Letter of Offer, the accompanying Form of Acceptance-cum- Acknowledgement, Form of Withdrawal and Transfer Deed to the purchaser of the share or the member of the Stock Exchange through whom the said sale was affected.

CASH OFFER

By

WEALTH SEA PTE LTD [WSPL]

(Acquirer)

10, Anson Road,

43-03, International Plaza

Singapore - 079903

Phone: +65-6220 6211 ; Fax: +65-6220 6659

And

Manali Properties & Finance Private Limited [MPFPL]

(Person Acting in Concert)

"Ruia Centre", 46, Syed Amir Ali Avenue

Kolkata – 700 017

Ph: +91 33 2289 4747 ; Fax: +91 33 2289 3463

And

Suryamani Financing Company Limited [SFCL]

(Person Acting in Concert)

"Ruia Centre", 46, Syed Amir Ali Avenue

Kolkata – 700 017

Ph: +91 33 2289 4747 ; Fax: +91 33 2289 3463

to acquire 14,396,575 fully paid-up Equity Shares representing up to 20% of the issued Equity Share Capital of

DUNLOP INDIA LIMITED ("Dunlop" or "Target Company")

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

Ph: +91 33 2282 1551 Fax: + 91 33 2282 1551

at Rs. 29.43 (Rupees Twenty Nine and Paise Forty Three only) per Equity Share (the "Offer Price"). However, for eligible affected shareholders (as defined herein after), whose equity shares are tendered and accepted under the Offer, the Offer Price would be Rs. 43.35 per Equity Share (comprising of the Offer Price of Rs. 29.43 per Equity Share and Interest of Rs. 13.92 per Equity Share). The interest payable to the Eligible Affected Shareholders has been calculated at the rate of 10% per annum from June 2, 2006 till Tuesday, February 22, 2011, i.e. the scheduled date of payment of consideration and is payable in cash.

The Offer is being made pursuant to Securities and Exchange Board of India (SEBI) order dated November 1, 2006 and in compliance with regulation 10 of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereof.

The Offer is not conditional on any minimum level of acceptance by the shareholders.

This is not a competitive bid and there has been no competitive bid as of the date of this letter of Offer.

As on the date of this Letter of Offer, as per the Acquirer and PACs, no statutory or regulatory approval is required by them to proceed with this Offer. If any statutory approvals become applicable at a later date, the offer would be subject to such statutory approvals. In case the statutory approvals are not obtained, the Acquirer and the PACs will not proceed with the Offer.

Shareholders who accept the Offer by tendering the requisite documents, in terms of the Public Announcement/ Letter of Offer, can withdraw the same up to 3 (three) working days prior to the date of closure of the Offer, in terms of Regulations 22 (5A) of the SEBI (SAST) Regulations. (i.e. Wednesday, February 02, 2011).

If there is a competitive bid(s):

- **The public offers under all the subsisting bids shall close on the same date**
- **As the Offer Price cannot be revised during 7 (seven) working days prior to the closing date of the offers/ bids, it would, therefore, be in the interest of shareholders to wait till the commencement of that period to know the final offer price of each bid and tender their acceptance accordingly.**

A copy of the Public Announcement and the Letter of Offer (including Form of Acceptance and Form of Withdrawal) is also available on SEBI's website (www.sebi.gov.in).

MANAGER TO THE OFFER		**REGISTRAR TO THE OFFER**	
	Microsec Capital Limited Azimganj House, 2nd Floor 7 Camac Street, Kolkata- 700 017 Tel.: 91-33-2282 9330 (5 Lines) Fax: 91-33-2282 9335 E-mail: mgoenka@microsec.in Website: www.microsec.in **Contact Person Mr. Manav Goenka**		**C. B. Management Services (P) Limited** P-22, Bondel Road Kolkata – 700 019 Tel.: 91-33-2280 6692/93/94 Fax: 91-33- 2287 0263 E-mail: rta@cbmsl.com **Contact Person: Mr. P. Basu**
Offer Opens on : Wednesday, January 19, 2011		**Offer Closes on: Monday, February 7, 2011**	

The schedule of activities is as per the following table:

Activity Day & Date

Activity	**Original Time Schedule**	**Revised Time Schedule**
Public Announcement Date	Thursday, February 1, 2007	Thursday, February 1, 2007
Specified Date *	Friday, February 23, 2007	Friday, February 23, 2007
Last date for a competitive bid	Thursday, February 22, 2007	Thursday, February 22, 2007
Date by which Letter of Offer will be dispatched to shareholders	Thursday, March 08, 2007	Thursday, January 13, 2011
Offer opening Date	Saturday, March 24, 2007	Wednesday, January 19, 2011
Last date for revising the Offer Price	Tuesday, April 03, 2007	Thursday, January 27, 2011
Last date for withdrawing acceptance from the Offer	Monday, April 09, 2007	Wednesday, February 02, 2011
Offer closing Date	Thursday, April 12, 2007	Monday, February 07, 2011
Date by which the acceptance/rejection would be intimated and the corresponding payment for the acquired shares and/or share certificates for the rejected shares would be dispatched	Friday, April 27, 2007	Tuesday, February 22, 2011

** Specified date is only for the purpose of determining the names of the shareholders as on such date to whom the Letter of Offer would be sent and all owners (registered or unregistered) of the shares of Dunlop (except the Acquirer and PACs) are eligible to participate in the Offer at any time before the closure of the Offer.*

RISKS RELATED TO THE PROPOSED OFFER

The risk factors set forth below pertain to the Offer and are not in relation to the present or future business operations of the Target Company or other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risk involved in participation or otherwise by a shareholder in the Offer. Shareholders of the Target Company are advised to consult their stockbroker or investment consultant, if any, for analyzing all the risks with respect to their participation in the Offer.

a) In the event that either (a) there is any litigation leading to a stay on the Offer, or (b) regulatory approval if any are not received in time or (c) SEBI instructs the Acquirer not to proceed with the Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the public shareholders of Dunlop India Limited whose Shares have been accepted in the Offer as well as the return of the Shares not accepted by the Acquirer may be delayed.

b) If the aggregate of the valid responses to the offer exceeds offer size, then the Acquirer and the PACs shall accept the valid applications received on a proportionate basis in accordance with Regulation 21(6) of the Regulations. In such an event all the equity shares tendered by the applicant may not be accepted.

c) The Shares tendered in the Offer will lie to the credit of a designated escrow account, till the completion of the Offer formalities. The Acquirer and the PACs make no assurance with respect to the market price of the Shares both during the Offer period and upon completion of the Offer, and disclaim any responsibility with respect to any decision by the shareholders on whether or not to participate in the Offer.

RISKS ASSOCIATED WITH THE ACQUIRER AND THE PACs

The Acquirer and the PACs make no assurance with respect to the financial performance of the Target Company or with respect to their investment/divestment relating to their proposed shareholding in the Target Company.

TABLE OF CONTENTS

DEFINITIONS

Acquirer	Wealth Sea Pte. Ltd.
ASE	The Ahmedabad Stock Exchange Limited
BIFR	Board for Industrial and Financial Reconstruction
BSE	Bombay Stock Exchange Limited
CSE	The Chennai Stock Exchange
CSEL	The Calcutta Stock Exchange Limited
Letter of Offer	Offer Document
DSE	The Delhi Stock Exchange Limited
Dunlop/Company	Dunlop India Limited
Eligible Affected Shareholders	Those persons who were shareholders of the Target Company as on June 2, 2006 and continue to be shareholders of the Target Company till the date of the closing of the Offer and whose Equity Shares are tendered and accepted under the Offer.
Eligible Person(s) for the Offer	All shareholders / beneficial owners (registered or otherwise) of the shares of the Target Company except the Acquirer and any persons acting in concert.
EGM	Extraordinary General Meeting
Form of Acceptance/FOA	Form of Acceptance cum Acknowledgement
FOW	Form of Withdrawal
INR	Indian National Rupee
Microsec/MCL/Manager to the offer /MB/Merchant Banker	Microsec Capital Limited
Offer	Cash offer being made by the Acquirer and PACs to the shareholders of Dunlop India Limited
Offer Price	Rs. 29.43/-
Person Acting in Concert/ PACs	Manali Properties & Finance Pvt. Ltd. and Suryamani Financing Company Limited
Public Announcement/PA	Public Announcement of the Offer made by the Acquirer / PACs on 1st February, 2007
Registrar/ Registrar to the Offer	C. B. Management Services (P) Limited
Regulations	Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereof
SEBI	Securities & Exchange Board of India
SEBI Act	Securities & Exchange Board of India Act 1992
SEBI Takeover Code/ Regulations/ Takeover Regulations/ SEBI (SAST) Regulations	Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent Amendments thereof.
Share(s)	Fully Paid up equity shares of face value of Rs 10/- each of Dunlop India Limited
Specified Date	Friday, February 23, 2007 (Specified Date is only for the purpose of determining the names of shareholders as on such date to whom the Letter of Offer would be sent). All owners of Equity Shares, registered or unregistered, of Dunlop India Limited other than the Acquirer and PACs who own shares at any time prior to the Offer closure are eligible to participate in the Offer during the Offer period.
Target Company	Dunlop India Limited
USD	United States Dollar

1 DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (SAST) REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF DUNLOP INDIA LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER, OR THE TARGET COMPANY WHOSE EQUITY SHARES/ CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER

TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGES ITS RESPONSIBILITIES ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, MICROSEC CAPITAL LIMITED, THE MANAGER TO THE OFFER, HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED 12th FEBRUARY 2007 TO SEBI IN ACCORDANCE WITH THE SEBI (SAST) REGULATIONS 1997 AND SUBSEQUENT AMENDMENTS THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

The Acquirer, the Persons Acting in Concert and the Manager to the Offer accept no responsibility for statements made otherwise than in the Letter of Offer or in the Public Announcement or in any advertisement or other announcement issued by, or at the instance of the Acquirers and the Manager to the Offer, and any person placing reliance on any other source of information would be doing so entirely at his/her/their own risk.

2 DETAILS OF THE OFFER

2.1 Background to the Offer

On November 28, 2005, Wealth Sea Pte. Ltd. (WSPL), a company registered in Singapore acquired the entire share capital of DIL Rim & Wheel Corporation Limited, (DRW), a company registered in Mauritius from Jumbo World Holdings Ltd. (Jumbo), a company incorporated in British Virgin Islands which then owned the entire share capital of DRW. As of November 28, 2005, DRW held 74.50% of the equity shares of Dunlop India Limited ('Dunlop'), the Company incorporated in India and having their equity shares listed on various stock exchanges in India.

The Securities and Exchange Board of India ('SEBI') vide its order dated 1.11.2006, directed WSPL as follows:

- To make a Public Announcement for acquisition of equity shares as required under the Regulations to the shareholders of Dunlop.
- To calculate the price payable to the shareholders considering either 28th November, 2005 or three months from the date of consummation of the acquisition of DRW by WSPL, whichever was higher, as the reference date.
- To pay interest @10% per annum on the offer price from 02/06/06 (being the last date by which payment would have been due on the basis of 28/11/2005 as the reference date) till the actual date of payment of consideration to the shareholders whose interest has been adversely affected and who tender shares in the Open Offer which are accepted pursuant to the Offer.

In compliance with the said order, this offer is being made by Wealth Sea Pte. Ltd. (the Acquirer) along with Manali Properties & Finance Pvt. Ltd. and Suryamani Financing Company Limited (the Persons acting in concert) to the shareholders of Dunlop India Limited.

For the entire copy of the SEBI order please visit http://www.sebi.gov.in/cmorder/wealth.html

2.2 The shareholders are required to take the note of the following:

The draft letter of offer was filed with SEBI on 14.02.2007 wherein the Acquirer had made an open offer to the shareholders of the Target Company at a price of Rs. 10 per share. Owing to complaint received regarding the negotiated price/ offer price, SEBI had appointed an Independent Chartered Accountant Bansi S. Mehta & Co on December 28, 2007 to value the shares of the Target Company in terms of regulation 20(5) of the Takeover Regulations. Bansi S. Mehta & Co. had submitted a report dated March 28, 2008 providing the offer price of Rs. 43.73 per equity share.

Being aggrieved by the valuation provided by Bansi S. Mehta & Co., the Acquirer and the PACs (hereinafter collectively referred to as the "Appellants") filed an appeal before the Securities Appellate Tribunal ("SAT") praying to set aside the Offer Price determined by Bansi S. Mehta & Co.. The Hon'ble SAT vide its order dated July 13, 2009 disposed the case and appointed Deloitte Touche Tohmatsu India Private Limited ("DTTIPL") to evaluate the fair price of the equity shares of the Target Company as on November 28, 2005. DTTIPL has submitted its valuation report dated May 15, 2010 providing the fair price / Offer Price of Rs. 29.43. The SAT, vide its order dated June 10, 2010, has directed SEBI to offer its comments on the Letter of Offer on the basis of the price as determined by DTTIPL. The Acquirer is thus making this open offer to the shareholders of the Target Company at a price of Rs. 29.43 per equity share.

2.3 **Details of the proposed offer**

a) The Public Announcement as per regulation 15(1) of the Regulations was made in the following newspapers on Thursday, February 01, 2007:

Newspaper	Language	Editions
Financial Express	English	Kolkata, Mumbai, Chennai, Bangalore, Ahmedabad, Pune, New Delhi, Hyderabad, Chandigarh, Kochi
Jansatta	Hindi	Kolkata, New Delhi
The Times of India	Kannad	Bangalore
The Dainik Statesman	Bengali	Kolkata

b) A copy of the Public Announcement is also available on the SEBI website at www.sebi.gov.in

c) In deference to the SEBI order dated 1st November 2006, the Acquirer is making an Offer to the shareholders (other than Acquirer and PACs) of Dunlop India Limited as required under Chapter III of the Regulations in terms of Regulations 10 taking 28/11/2005 as the reference date to acquire 1,43,96,575 Equity Shares of Dunlop, representing 20% of the voting equity share capital of Dunlop India Limited, at an Offer Price of Rs. 29.43/- per fully paid-up Equity Share payable in cash. However, for eligible affected shareholders whose equity shares are tendered and accepted under the Offer, the Offer Price would be Rs. 43.35 per Equity Share (comprising of the Offer Price of Rs. 29.43 per Equity Share and Interest of Rs. 13.92 per Equity Share). The interest payable to the Eligible Affected Shareholders has been calculated at the rate of 10% per annum from June 2, 2006 till Tuesday, February 22, 2011, i.e. the scheduled date of payment of consideration (the interest amount is subject to change depending upon the actual date of payment).

d) The acquisition of entire share capital of DIL Rim & Wheel Corporation Limited (DRW) by Wealth Sea Pte. Ltd. (WSPL) had resulted in change of control of the Target Company as DRW held 74.50% of the equity shares of Dunlop India Limited. However, at the EGM of the Target Company held on January 25, 2006, the shareholders had passed a special resolution authorizing the change in control. This special resolution has exempted the Acquirer and the PACs from making a public announcement in terms of regulation 12 of the SAST Regulations. However, the Acquirer and PACs had to make a public announcement and this offer in compliance with regulation 10 of the SAST Regulations.

e) As on the date of the public announcement, the paid-up equity capital of the Target Company was Rs. 4,498.93 Lacs comprising of 44,989,297 equity shares of Rs. 10 each. The Acquirer had made a public announcement to acquire 8,997,859 equity shares of the Target Company representing 20% of its paid up capital as on the date of the Public Announcement. Pursuant to an order of BIFR dated March 16, 2007, the Target Company has issued 26,993,578 equity shares on a rights basis at a price of Rs. 10 per share on April 25, 2007. Pursuant to the rights issue, the paid up equity share capital has increased to Rs. 7,198.29 Lacs comprising of 71,982,875 equity shares of Rs. 10 each. In compliance with the provisions of the SEBI Takeover Regulations, the Acquirer is now making an open offer to acquire 14,396,575 equity shares of the Target Company representing 20% of the current paid up capital of the Target Company.

f) The Acquirer Wealth Sea Pte. Ltd has entered into an agreement dated January 29, 2007 with Manali Properties & Finance Pvt. Ltd, one of the PACs to acquire the shares pursuant to the open offer and fulfill all the obligations and responsibilities of the Acquirer in compliance with the SAST Regulations. A few important points of the said agreement are as under:

I. Pursuant to the open offer, MPFPL shall acquire the shares of Dunlop India Limited at the offer price

II. MPFPL shall appoint a merchant banker who will be responsible for managing the Offer including drafting of the letter of Offer, filing the letter of Offer with SEBI and get the final observation letter from SEBI.

III. MPFPL will also appoint a Registrar to the offer to accept the shares in the offer, prepare a reconciliation for the same, in case shares received in the offer exceed the number of shares to be acquired than to accept shares on proportionate basis etc.

IV. MPFPL shall arrange for the funds required for the offer and shall open an Escrow account with scheduled bank in the form of a bank guarantee in favour of Manager to the Offer for an amount which will be in excess of 25% of the total consideration payable.

V. MPFPL shall make a cash deposit of such amount which will be in excess of 1% of the maximum consideration payable under this offer, in a bank escrow account.

VI. All equity shares tendered and accepted under the Offer will be acquired by MPFPL subject to the maximum no of shares proposed to be acquired as per the terms and conditions set out in the 'Letter of Offer'.

g) The Offer is for the fully paid up Equity Shares of Dunlop and there are no partly paid up Equity Shares.

h) This is not a competitive bid and there have been no competitive bids from the date of the Public Announcement till the date of this Letter of Offer.

i) The Offer is not subject to any minimum level of acceptance and the Acquirer will accept all the Equity Shares tendered in valid form by the shareholders of the Target Company in terms of this Offer up to a maximum of 1,43,96,575 Equity Shares.

j) In case the shares tendered in the Offer by the shareholders of Dunlop India Limited are more than the shares to be acquired under the Offer, the acquisition of shares from each shareholder will be as per the provisions of Regulation 21(6) of the Regulations on a proportionate basis, irrespective of whether the shares are held in physical or dematerialized form.

k) Except for the shares acquired in the rights issue of the Target Company, no further equity Shares have been acquired by the Acquirer or the PAcs and their Directors from the date of the Public Announcement till the date of this Letter of Offer.

3 OBJECTS OF THE OFFER

a) The Offer to the shareholders of Dunlop is made in compliance to SEBI's Order as required under Chapter III of the Regulations in terms of Regulation 10 taking November 28, 2005 as reference date for indirect substantial acquisition of shares or voting rights.

b) The Acquirer and PACs do not have any plan at present to make any major change to the existing lines of business of the Target Company and the Acquirer and PACs will take appropriate decisions to deal with assets including the non-core assets of the company as will be in the best interest of the company. Such decisions will be governed by the provisions of the Regulations or any other applicable Act or legislation at the relevant time, and will be subject to prior approval of shareholders of Dunlop as and when required.

4 BACKGROUND OF THE ACQUIRER

Wealth Sea Pte Limited (WSPL)

a) Wealth Sea Pte Ltd was incorporated under the Companies Act, (CAP.50) of the Republic of Singapore in the name and style of "Wealth Sea Pte Ltd" as a private limited company on October 19, 2005.

b) WSPL has its registered office at 10, Anson Road, 43-03, International Plaza, Singapore - 079903. Phone: +65-6220 6211Fax: +65-6220 6659

c) Wealth Sea is engaged in the business of investments and trading.

d) Wealth Sea Pte Limited, Manali Properties & Finance Private Limited and Suryamani Financing Company Limited are part of the Ruia Group led by Mr. Pawan Kumar Ruia. The Ruia Group has made forays into diverse and distinct areas of operations including Heavy Engineering & Infrastructure, Tyres and Sugar and has a successful track record of transforming ailing industrial units through innovative management practices.

e) The Acquirer has never acquired any shares of a listed Indian Company directly and as such, the Acquirer has never incurred any obligation under Chapter II of SEBI SAST Regulations.

f) The Directors of Wealth Sea Pte Ltd are as below:

Name / Date of Appointment	DIN	Educational Qualification	Experience	Address
Mr. Nirmal Kumar Modi October 18, 2008	00767683	B.Com, FCA,FCS, CISA (USA), DISA	13 years of experience in accounts, taxation and company affairs including working stint of 2 years in Europe	195, Rabindra Sarani Burra Bazar, Kolkata- 700 007
Mr. Navin Bafna February 23, 2010	N.A.	MBA	5 years of experience in accounts, taxation, forex and company affairs	10, Anson Road, #43-03, International Plaza Singapore - 079903
Mr. Amit Kumar Joshi November 01, 2007	00474447	B.Com, ACA	10 years experience in accounts, taxation, forex and company affairs	114, Chittaranjan Avenue Kolkata - 700 073

g) Out of the above directors, none of the directors are on the Board of the Target Company and therefore as required under regulation 22(9) of the Regulations, they are not required to recuse themselves from the Offer and they can participate in matters concerning or relating to the Offer including any preparatory steps leading to the open offer.

h) None of the above Directors have acquired any shares of the Target Company during the preceding 12 months.

i) Selected Financial Data from the financial statements of Wealth Sea Pte Ltd is provided below:

Profit and Loss Statement

Particulars	2008		2009		2010	
	USD	Rs. (Lacs)	USD	Rs. (Lacs)	USD	Rs. (Lacs)
Interest Income	120,000	47.96	123,005	62.67	17,589	7.94
Liability written back	-	-	8,129,287	4,141.87	-	-
Increase/(Decrease) in stock	-	-	-	-	-	-
Total Income	**120,000**	**47.96**	**8,252,292**	**4,204.54**	**17,589**	**7.94**
Total Expenditure	**6,629**	**2.65**	**11,673,312**	**5,947.55**	**131,080**	**59.17**
Profit before Interest, Depreciation and Tax	**113,371**	**45.31**	**(3,421,020)**	**(1743.01)**	**(113,491)**	**(51.23)**
Depreciation	-	-	-	-	-	-
Interest	1,478,027	590.77	5,041,313	2,568.55	7,804,199	3,522.82
Profit/(Loss) before Tax	**(1,364,656)**	**(545.45)**	**(8,462,333)**	**(4311.56)**	**(7,917,690)**	**(3574.05)**
Provision for Tax	-	-	-	-	-	-
Profit/(Loss) after Tax	**(1,364,656)**	**(545.45)**	**(8,462,333)**	**(4311.56)**	**(7,917,690)**	**(3574.05)**

Balance Sheet Statement

Particulars as at 31st March	2008		2009		2010	
	USD	Rs. (Lacs)	USD	Rs. (Lacs)	USD	Rs. (Lacs)
Sources of Funds						
Paid up share capital	185,380	74.10	185,380	94.45	185,380	83.68
Reserves & Surplus (excluding revaluation reserves)	(3,172,616)	(1,268.09)	(11,634,950)	(5,928.01)	(19,552,640)	(8,826.06)
Net Worth	**(2,987,236)**	**(1,194.00)**	**(11,449,570)**	**(5,833.56)**	**(19,367,260)**	**(8,742.38)**
Secured Loan	44,475,000	17,776.66	127,176,881	64,796.62	125,000,000	56,425.00
Unsecured Loan	-	-	-	-	-	-
Amount due to Subsidiary Company	-	-	10,430,011	5,314.09	10,430,011	4,708.11
Total	**41,487,764**	**16,582.66**	**126,157,322**	**64,277.16**	**116,062,751**	**52,390.73**
Uses of Funds						
Net Fixed Assets	-	-	-	-	-	-
Investment in Subsidiaries	19,615,474	7,840.30	15,615,474	7,956.08	15,615,474	7,048.82
Net Current Assets	21,872,290	8,742.35	110,541,848	56,321.07	100,447,277	45,341.90
Deferred Revenue Expenditure	-	-	-	-	-	-
Total	**41,487,764**	**16,582.66**	**126,157,322**	**64,277.16**	**116,062,751**	**52,390.73**

Other Financial Data

Particulars as at 31st March	2008		2009		2010	
	USD	Rs.	USD	Rs.	USD	Rs.
Sources of funds						
Dividend (%)	-	-	-	-	-	-
Earnings per share (Rs)	-	-	-	-	-	-
Return on Net Worth (%)	-	-	-	-	-	-
Book Value per Share (in S$)	-		-	-	-	-

Source: Audited financial Statements.

j) The equity share capital of Wealth Sea Pte Ltd comprises of 300,002 Equity Shares of 1 Singapore Dollar each.

k) Major Contingent Liabilities: None

l) Details of earlier acquisition: None

Note: Rate of Conversion of USD into INR :

Date	USD	INR
March 31, 2008	1	39.97
March 31, 2009	1	50.95
March 31, 2010	1	45.14

Source: Reserve Bank of India (www.rbi.org.in)

Significant Accounting Policies

(a) Basis of preparation

The financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore companies Act and Singapore Financial Reporting Standards ("FRS")

In the current financial year, the Group and the Company have adopted all the new and revised FRS and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods since the beginning of the financial year. The adoption of these new revised FRS and INT FRS does not result in changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current or prior years.

The Group and the Company are currently evaluating the provisions of new/revised FRS and INT FRS and amendments to FRS that were issued at the date of authorization of these financial statements but which are not yet effective till future periods. Preliminary assessment by the Company indicates that the adoption of these FRS, INT FRS and amendments to FRS will have no material impact on the financial statements of the Group and the Company in the period of their initial adoption.

The preparation of financial statements in conformity with FRS requires management to exercise its judgements in the process of applying the Group's and the Company's accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. Critical accounting estimates and assumptions used that are significant to the financial statements and involve a higher degree of judgement or complexity are separately disclosed when necessary.

(b) Financial instruments

Financial assets and financial liabilities are recognized on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

(i) Financial assets

Trade and other receivables

Trade and other receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognized in the statement of comprehensive income when there is objective evidence that the asset is impaired. The allowance recognized is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period. Income is recognized on an effective interest basis for debt instruments other that those financial instruments "at fair value through profit or loss".

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each statement of financial position date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables where the carrying amount is reduced through the use of an allowance account. When a trade and other receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to the statement of comprehensive income. Changes in the carrying amount of the allowance account are recognised in the statement of comprehensive income.

Other investments

Investments are recognised and derecognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and is initially measured at fair value, plus directly attributable transaction costs.

Investments are classified as either investments held-for-trading or as available-for-sale, and are measured at end of the subsequent reporting period at fair value. Where securities are held-for-trading purposes, gains and losses arising from changes in fair value are included in the profit and loss for the period. For available-for-sale investments, gains and losses arising from changes in fair value are recognised in other comprehensive income, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in other comprehensive income is included in the profit or loss for the period. Impairment losses recognised in the profit and loss for equity investments classified as available-for-sale are not subsequently reversed through the statement of comprehensive income.

Impairment losses recognised in the statement of comprehensive income for debt instruments classified as available-for sale are subsequently reversed if an increase in the fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment loss.

(ii) Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group and the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue cost.

Financial liabilities

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method with interest expense recognised on an effective yield basis, except for short-term payables when the recognition of interest would be immaterial.

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's and the Company's accounting policy for borrowing costs.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate, a shorter period.

Financial guarantee contract liabilities are measured initially at their fair values and subsequently at the higher of the amount recognised as a provision and the amount initially recognised less accumulated amortisation. Amortisation (if any) is recognised in the statement of comprehensive income over the guarantee period on a straight-line basis.

(c) Impairment of non-financial assets

At the end of the reporting period, the Group and the Company review the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine th extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group and the Company estimate the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset (or cash-geneating unit) is estimated to be less that its carrying amount, the carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of comprehensive income.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of comprehensive income.

(d) Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, as follows:-

		No. of years
Freehold building	-	30
Furniture and fittings	-	3
Computers	-	3
Plant & equipment	-	3
Low value assets	-	3
Office equipment	-	3
Motor vehicle	-	3
Electrical installation	-	3

The estimated useful lives, residual values and depreciation methods are reviewed at each year-end, with the effect of any changes in estimates accounted for on a prospective basis.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in the income statement.

Fully depreciated assets still in use are retained in the financial statements.

(e) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as at the reporting date. The financial statements of the subsidiary are prepared for the same reporting date as the holding company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, transactions, income and expenses and unrealized gains and loss resulting from intra-group transactions that are recognised in assets, are eliminated in full.

Acquisitions of subsidiaries are accounted for by applying the purchase method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Adjustments to those fair values relating to previously held interest are treated as a revaluation and recognised in equity. Any excess of the cost of business combination over the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities is recorded as goodwill on the balance sheet. Any excess of the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as income in the income statement on the date of acquisition.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

(f) Subsidiaries

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities accompanying a shareholding of more than one half of the voting rights or the ability to appoint or remove the majority of the members of the board of directors or to cast the majority of votes at meetings of the board of directors. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. In the Company's own separate financial statements, the investments in subsidiaries are stated at cost less any provision for impairment in value. Impairment loss recognised in profit or loss for a subsidiary is reversed only if there has been a change in estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The net book values of the subsidiaries are not necessarily indicative of the amounts that would be realized in a current market exchange.

(g) Associated Company

An associated company is defined as a company, not being a subsidiary or joint venture, in which the company has a long-term interest of not less than 20% of the equity and in whose financial and operating policy decisions the Company exercises significant influence.

Investments in associated companies in the Company's books are stated at cost and allowance is made for impairment in values.

The directors do not consider accounting for investments in associates under FRS28. 'Investments in associates' relevant as they believe that this will not add value to users of the financial statements.

(h) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at bank, demand deposits and other short-term highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

(i) Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost incurred in bringing each product to its present location and conditions are accounted for as follows :

Raw materials – purchase cost on a weighted average basis; and

Finished goods and work-in-progress-cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity and on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(j) Goodwill

Goodwill acquired in a business combination is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is reviewed for impairment annually or more frequently if events and circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquire is allocated to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing to carrying amount of cash-generating unit, including the allocated good-will with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash generating unit is less than the carrying amount, an impairment loss is recognized in the statement of comprehensive income. Impairment losses recognized for goodwill is not reversed in subsequent period.

(k) Related party

Parties are considered to be related if one party has the ability to control (directly or indirectly) the other party or exercise significant influence over the other party in making financial and operating decisions.

(l) Provisions

Provisions are recognized when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that the Group and the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

(m) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods

Revenue from the sale of goods is recognized when all the following conditions are satisfied:

(i) the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
(ii) the Company retains neither continuing managerial involvement to the degree usually associated with ownership not effective control over the goods sold;
(iii) the amount of revenue can be measured reliably;
(iv) it is probable that the economic benefits associated with the transaction will flow to the entity; and
(v) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest income

Interest income is recognized on a time recognition basis using the effective interest method.

Dividend income

Dividend income from investments is recognized when the shareholders' rights to receive payment have been established.

(n) Capital work in progress

Capital work in progress includes capital advances and expenses pending allocation till the installation of respective assets.

(o) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in the statement of comprehensive income in the period in which they are incurred.

(p) Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from the profit reported in the statement of comprehensive income because it excludes income or expense items that are taxable or deductible in other years and items that are not taxable or tax deductible. The Company's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in computing taxable profit, and is accounted for using the balance sheet liability method.
Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary differences arise from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in transaction that affects neither the taxable profit not the accounting profit.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group and the Company intend to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognized as an expense or income in the statement of comprehensive income, except when they relate to items recognized in other comprehensive income, in which case the tax is also recognized in other comprehensive income, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contigent liabilities over cost.

(q) Functional and foreign currency

Functional currency

Item included in the financial statements of the Company are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to entity. The financial statements of the Company are presented in United States dollars, which is the functional currency of the Company.

Foreign currency transactions

Transactions in currencies other than the Company's functional currency are recorded at exchange rates approximating those prevailing on the transaction dates. At the end of the reporting period monetary assets and liabilities denominated in foreign currencies are retranslated at the rates of exchange prevailing at the end of the reporting period. Non-monetary itmes carried at fair value that are denominated in a foreign currency are retranslated using the exchange rates at the date when the fair value was determined. Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items and on retranslation of monetary items at the end of the reporting period are recognized in the statement of comprehensive income. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the statement of comprehensive income except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognized in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognized in other comprehensive income.

(r) Employee benefits

Defined contribution plans

The Company makes contributions to the CPF in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognized as an expense in the period in which the related service is performed.

Employee leave entitlement

Employee entitlements to annual leave are recognized when they accrue to employees. A provision is made for the estimated liability for leave as a result of services rendered by employees up to the end of the reporting year.

5 BACKGROUND OF PERSONS ACTING IN CONCERT (PACs)

5.1 MANALI PROPERTIES & FINANCE PRIVATE LIMITED (MPFPL)

a) MPFPL was incorporated under the Companies Act, 1956 as a private limited company on April 25, 1994 vide Certificate of Registration No. 63020 of 1994 issued by the Registrar of Companies, West Bengal.

b) MPFPL has its registered office at 46 Syed Amir Ali Avenue, Kolkata-700 017 and is presently engaged in the business of investments in stocks

c) MPFPL is a 100% subsidiary of Suryamani Financing Company Limited

d) Wealth Sea Pte Limited, Manali Properties & Finance Private Limited and Suryamani Financing Company Limited are part of the Ruia Group led by Mr. Pawan Kumar Ruia.

e) Manali Properties & Finance Private Limited has never acquired any shares of the Target Company. Therefore, the compliances under Chapter II of SEBI (SAST) Regulation have not been applicable to the Company.

g) The Directors of MPFPL are as below:

Name / Date of Appointment	**DIN**	**Educational Qualification**	**Experience**	**Address**
Mr. Soumitra Ghose May 09, 2007	00245028	B.Com, FCA,FCS,LLB	20 years of experience in accounts, taxation and related financial matters	210/A, Prince Anwar Shah Road, Kolkata - 700 045
Mr. Ashok Kumar Agarwal May 09, 2007	00240778	B.Com (Hons), LLB, FCS	28 years of experience in secretarial, legal and administrative matters	Flat No. D/4, 98 Rajdanga Gold Park (North) Kolkata - 700 107
Mr. S.K.Garodia May 05, 2010	00500526	B.Com	25 years of experience in accounts, taxation and related financial matters	No. 5, Russel Street , Kolkata - 700 071

h) Out of the above directors, none of the directors are on the Board of the Target Company and therefore as required under regulation 22(9) of the Regulations, they are not required to recuse themselves from the Offer and they can participate in matters concerning or relating to the Offer including any preparatory steps leading to the open offer.

i) None of the above Directors have acquired any shares of the Target Company during the preceding 12 months.

j) Selected Financial Data from the financial statements of Manali Properties & Finance Private Limited is provided below:

Profit and Loss Statement

Rs. in Lacs

Particulars	**For period ended 31st March**		
	2008	**2009**	**2010**
Income from Operations	890.58	929.83	2,586.11
Other Income	84.19	106.77	528.33
Total Income	**974.77**	**1,036.60**	**3,114.44**
Total Expenditure	**963.27**	**1,023.35**	**3,082.88**
Profit before Interest, Depreciation and Tax	**11.50**	**13.25**	**31.56**
Depreciation	-	-	-
Interest	-	-	-
Profit / (Loss) before Tax	**11.50**	**13.25**	**31.56**
Provision for Tax	0.55	0.35	0.09
Profit / (Loss) after Tax	**10.95**	**12.90**	**31.47**

Balance Sheet Statement

(Rs. in Lacs)

Particulars	**as on 31st March**		
	2008	**2009**	**2010**
Sources of Funds			
Paid up Share Capital	111.10	111.10	111.10
Reserves & Surplus (excluding revaluation reserves)	260.45	273.43	304.91
Net Worth	**371.55**	**384.53**	**416.01**
Secured Loan	-	-	-
Unsecured Loan	-	-	-
Total	**371.55**	**384.53**	**416.01**
Uses of Funds			
Net Fixed Assets	-	-	-
Investment	1,389.04	1,389.04	2,819.47
Net Current Assets	(1,017.49)	(1,004.51)	(2,403.46)
Total	**371.55**	**384.53**	**416.01**

Other Financial Data			
	2008	**2009**	**2010**
Dividend (%)	-	-	-
Earnings per share (Rs)	0.99	1.16	2.83
Return on Net Worth (%)	2.95	3.35	7.57
Book Value per Share (Rs.)	33.44	34.61	37.44

Source: Audited financial Statements

Major Contingent Liabilities: None
Details of earlier acquisition: None

Significant Accounting Policies

1) Investments have been taken at cost.
2) Income and expenditures are taken on accrual basis.

5.2 **SURYAMANI FINANCING COMPANY LIMITED (SFCL)**

a) SFCL was incorporated under the Companies Act, 1956, as a public limited company on December 30, 1992, vide Certificate of Registration No. 57312 of 1992 issued by the Registrar of Companies, West Bengal.

b) SFCL has its registered office at 46, Syed Amir Ali Avenue, Kolkata – 700 017 and is presently engaged in the business of investments in stocks.

c) Wealth Sea Pte Limited, Manali Properties & Finance Private Limited and Suryamani Financing Company Limited are part of the Ruia Group led by Mr. Pawan Kumar Ruia.

d) Suryamani Financing Company Limited has never acquired any shares of the Target Company. Therefore, the compliances under Chapter II of SEBI (SAST) Regulation have not been applicable to the Company.

e) The Directors of SFCL are as below:

Name / Date of Appointment	**DIN**	**Educational Qualification**	**Experience**	**Address**
Mr. Nirmal Kumar Modi November 04, 2008	00767683	B.Com, FCA,FCS, CISA (USA), DISA	13 years of experience in accounts, taxation and company affairs including working stint of 2 years in Europe	195, Rabindra Sarani Burra Bazar, Kolkata- 700 007
Mr. Ashok Kumar Goenka March 26, 2005	01594152	B.Com (Hons), LLB (Adv)	20 years of experience in accounts, taxation and related legal	73, Bangur Avenue Kolkata - 700 055
Mr. Amit Kumar Joshi November 01, 2007	00474447	B.Com, ACA	10 years experience in accounts, taxation, forex and company affairs	114, Chittaranjan Avenue Kolkata - 700 073

f) Out of the above directors, none of the directors are on the Board of the Target Company and therefore as required under regulation 22(9) of the Regulations, they are not required to recuse themselves from the Offer and they can participate in matters concerning or relating to the Offer including any preparatory steps leading to the open offer.

g) None of the above Directors have acquired any shares of the Target Company during the preceding 12 months.

h) Selected Financial Data of SFCL is provided below:

Profit & Loss Account **(Rs. in Lacs)**

Particulars	**For the year ended 31st March**		
	2008	**2009**	**2010**
Income from Operations	6,694.01	597.26	157.40
Other Income	28.29	32.76	32.77
Increase/(Decrease) in stock	(6,686.01)	(571.92)	(151.40)
Total Income	**36.29**	**58.10**	**38.77**
Total Expenditure	**7.72**	**23.87**	**3.65**
Profit before Interest, Depreciation and Tax	**28.57**	**34.23**	**35.12**
Depreciation	2.39	2.10	2.10
Interest	-	-	-
Profit / (Loss) before Tax	**26.18**	**32.13**	**33.02**
Provision for Tax	0.33	0.27	0.50
Profit / (Loss) after Tax	**25.85**	**31.86**	**32.52**

Balance Sheet Statement **(Rs. in Lacs)**

Particulars	**As on 31st March**		
	2008	**2009**	**2010**
Sources of Funds			
Paid up share capital	492.00	492.00	492.00
Reserves & Surplus (excluding revaluation reserves)	24,613.46	24,642.89	24,675.40
Net Worth	**25,105.46**	**25,134.89**	**25,167.40**
Secured Loan	-	-	-
Unsecured Loan	-	-	-
Total	**25,105.46**	**25,134.89**	**25,167.40**
Uses of Funds			
Net Fixed Assets	13.03	10.93	8.83
Investment	5,407.96	3,429.75	8,029.42
Net Current Assets	19,684.46	21694.21	17,129.15
Total	**25,105.45**	**25,134.89**	**25,167.40**

Other Financial Data

Particulars	**For the year ended 31st March**		
	2008	**2009**	**2010**
Dividend (%)	-	-	-
Earnings per share	0.53	0.65	0.66
Return on Net Worth (%)	0.10	0.13	0.13
Book Value per share	510.27	510.87	511.53

Source: Audited financial Statements

Major Contingent Liabilities: None

Significant Accounting Policies

1. Investments have been taken at cost

2. Income and expenditures are taken on accrual basis

3. Stock of shares has been taken on cost

6 DISCLOSURE IN TERMS OF REGULATION 21(2)

As per the listing agreement with the Stock Exchanges and in terms of Clause 40A of the Listing Agreement the Target Company is required to maintain at least 25% public shareholding for listing on a continuous basis. Further, the Central Government by notification dated June 4, 2010, has amended the Securities Contracts (Regulation) Rules, 1957 and inter alia raised the minimum threshold level of public shareholding to be 25% for all listed companies.

Pursuant to the successful closure of the Offer, and assuming full acceptances, the public shareholding of the Target Company is expected to fall below 25 % of the voting capital of the Target Company. The Acquirer and the PACs will take necessary actions in compliance with Securities Contracts (Regulation) Rules, 1957 to raise the level of public shareholding to the level specified for continuous listing in the Listing Agreement with the stock exchanges within one year and in accordance with the prescribed procedure under amended clause 40A (viii) of the Listing Agreement.

The Acquirer and the PACs undertake and declare that they do not have any intention to delist the equity shares of the Target Company from the Bombay Stock Exchange Limited in the next three years from the date of the Letter of Offer.

7 BACKGROUND OF DUNLOP INDIA LIMITED ("DUNLOP"/"TARGET COMPANY")

a) Dunlop was incorporated as a public limited company on 19th August, 1926 under the Indian Companies Act, 1913 under the name and style of 'The Dunlop Rubber Company (India) Ltd'. Its name was subsequently changed to Dunlop India Ltd from 1st June, 1967.

b) The Registered office of Dunlop is located at "King's Court", Flat Nos. 14 & 18, 46B, Chowringhee Road, Kolkata- 700 071. The Corporate office is located at "Ruia Centre", 46 Syed Amir Ali Avenue, Kolkata- 700 017.

c) The Company is a manufacturer of automotive tyres and tubes for all sizes and various Industrial Rubber products. The Company's brand "Dunlop" is renowned name in the Indian market. The manufacturing facility is located at P.O. Sahaganj, P.S. Chinsura, Dist: Hoogly, West Bengal & No 512, M.T.H. Road, Ambattur, Chennai, Pin-600053, Tamil Nadu.

d) Since the Company's entire Net Worth was eroded, the Board for Industrial and Financial Reconstruction (BIFR) had registered the Company as a Sick Industrial Company vide their order dated 22nd June, 1998 under provisions of section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985. However, the Net Worth of the Target Company turned positive as on March 31, 2007 and it ceased to be a Sick Industrial Company within the meaning of the aforesaid Act.

e) As on the date of the public announcement, the authorized capital of the Target Company was Rs. 7,000 Lacs and its paid-up equity capital was Rs. 4,498.93 Lacs comprising of 44,989,297 equity shares of Rs. 10 each. The Acquirer had made a public announcement to acquire 8,997,859 equity shares of the Target Company representing 20% of its paid up capital as on the date of the Public Announcement. Pursuant to an order of BIFR dated March 16, 2007, the Target Company has increased its authorized capital to Rs. 17,500 Lacs and has also issued 26,993,578 equity shares on a rights basis at a price of Rs. 10 per share on April 25, 2007. Pursuant to the rights issue, the paid up equity share capital has increased to Rs. 7,198.29 Lacs comprising of 71,982,875 equity shares of Rs. 10 each. In compliance with the provisions of the SEBI Takeover Regulations, the Acquirer is now making an open offer to acquire 14,396,575 equity shares of the Target Company representing 20% of the current paid up capital of the Target Company.

f) Current Share Capital Structure of Dunlop India Limited:

Paid Up Equity Shares of Target Company	**No. of Shares/ Voting Rights**	**% of shares/voting rights**
Fully Paid up Equity Shares	71,982,875	100%
Partly Paid Up Equity Shares	Nil	Nil
Total paid Up Equity Shares	71,982,875	100%
Total Voting Rights in the Target Company	71,982,875	100%

g) The build up of current share capital of Dunlop India Limited is as follows:

Year of Allotment	Number of Shares Issued	% of Shares Issued	Cumulative Paid up Capital	Mode of Allotment	Accounting Period
1926	25	0.00	25	Cash	Jan-Dec
Interim Period Up to 1936	499975	0.69	500000	Cash	Jan-Dec
1949	500000	0.69	1000000	Other than Cash	Jan-Dec
1951	600000	0.83	1600000	Other than Cash	Jan-Dec
1957	1400000	1.94	3000000	Cash	Jan-Dec
1961	1500000	2.08	4500000	Bonus by Capitalization of reserves	Jan-Dec
1964	1500000	2.08	6000000	Cash	Jan-Dec
1965	2000000	2.78	8000000	Other than Cash	Jan-Dec
1966	2000000	2.78	10000000	Bonus by Capitalization of reserves	Jan-Dec
1973	1000000	1.39	11000000	Cash	Jan-Dec
1976	3666667	5.09	14666667	Bonus by Capitalization of reserves	Jan-Dec
1977	330000	0.46	14996667	Cash	Jan-Dec
1983	3986340	5.54	18983007	Cash	Jan-Dec
1984	6290	0.01	18989297	Cash	Jan-Dec
2001-2002	26000000	36.12	44989297	Cash	Apr-Mar
2007-2008	26993578	37.50	71982875	Rights Issue	Apr-Mar
Total	**71982875**	**100.00**			

Note: *The above build up has been prepared from the annual reports available with the company and the dates of various allotments are not ascertainable.*

h) As on the date of public announcement, the equity shares of Target Company were listed on the Bombay Stock Exchange Limited, The Ahmedabad Stock Exchange Limited, The Calcutta Stock Exchange Limited, Delhi Stock Exchange Limited and The Chennai Stock Exchange Limited. However, the company has received voluntary delisting orders from the Calcutta Stock Exchange Limited and The Ahmedabad Stock Exchange Limited dated March 29, 2010 and March 31, 2010 respectively. Further, the Target Company has also filed voluntary delisting applications with the Delhi Stock Exchange Limited and The Chennai Stock Exchange Limited for voluntary delisting of its shares.

i) Suspension of trading

Due to its industrial sickness and non-availability of funds, the Target Company was unable to pay the listing fees for the above Stock Exchanges. On 20th November, 2001 the Company's registered office was shifted from "Dunlop House", Kolkata to "King's Court", Kolkata. The Employees' Union did not allow the Company to shift the statutory and share related records to its new registered office. As a result, the Company was unable to redress the shareholders' grievances for a long time. The Non-payment of listing fees along with non-redressal of shareholders' grievances led to suspension of trading of the shares of the Company from the Stock Exchanges.

However, the suspension in trading has been revoked by the stock exchanges w.e.f. January 12, 2010.

j) There are no partly paid up Equity Shares carrying voting rights nor outstanding convertibles nor any stock options as on the date of this Letter of Offer.

k) As per the information provided, the Target Company has made delays in complying with the provisions of Regulations 6(2) and 6(4) of Chapter II of the Regulations and of 8(3) of Chapter II of the Regulations for the year ended 31st March 1999. Henceforth the Target Company has regularly complied with the provisions of Chapter II of the Regulations. SEBI may initiate suitable action against the Target Company for delay in compliances of the Takeover Regulations. **(Details of compliances are attached as Annexure – A)**

l) As per the information provided, the promoter group of the Target Company has complied with the provisions of Chapter II of the SEBI (SAST) Regulations, 1997.**(Details of compliances are attached as Annexure –B)**

m) The Directors of Dunlop India Limited are as under:

Name	Designation	DIN	Experience	Qualification	Date of Appointment	Address
Mr. Pawan Kumar Ruia	Chairman	00137944	More than two decades of experience in running businesses and industries	B. Com (Hons), AICWA, FCA, LLB, AASM, MIIA (USA)	21/01/2006	5, Sunny Park, Kolkata, 700019, West Bengal, India
Mr. Ram Krishen Sadhu	Director	00240646	Over four decades of experience in Finance and Banking	M.A.	28/01/2005	C-8/8757, Vasant Kunj, New Delhi, 110070, Delhi, India
Mr. Dipak Rudra	Director	00240145	37 years in IAS and 3 years in RBI including handling of various portfolios in Central and State Ministries	B.A. (Hons. in Economics and Political Science	25/01/2006	CL-129, Sector II, Salt Lake City, Kolkata, 700091, West Bengal, India
Mr. Mohan Lall Chauhan	Director	00494603	35 years as service in IRS looking after Indian Taxation, Fiscal Management and HRD	M.A. in Political Science	31/10/2006	B 7 Neeta Terace, Mangaldas Road, Pune, 411001, Maharashtra, India
Mr. Damodar Prasad Dani	Executive Director & CEO	00234056	Associated with Automotive Tyre Industry for over 33 years in various positions	M.Sc, MBA	11/5/2010	Achal B - 34, Sector - 26, Noida, Noida, 201301, Uttar Pradesh, India
Mr. Virendra Kumar Agarwal	Director	03074691	Over 33 years in the field of Finance, Commercial and General Management	B.Com, FCA	11/5/2010	Flat No. 433, Bldg. No. 3, Akshay Giri Kunj, Paliram Road, Andheri West, Mumbai, 400058, Maharashtra, India
Mr. Shiv Narayan Maheswari	Director	00728138	27 years of experience in the field of finance and related matters	M.Com, FCA	11/08/2010	Smruti Pushpa 20, Panday Layout, Khamala, Nagpur – 440025 Maharashtra, India

n) There has been no merger/De-merger/Spin off during the last three years

o) The brief audited financials of Dunlop India Limited for the years ended March 31 2008, 2009 and 2010 are as under:

Profit & Loss Statement

(Rs in Lacs)

Particulars	**For period ended 31st March**		
	2008	**2009**	**2010**
Income from Operations	11,795.48	17,737.96	17,555.74
Other Income	420.49	562.77	514.47
Total Income	**12,215.97**	**18,300.73**	**18,070.21**
Total Expenditure	**11,464.08**	**17,325.42**	**17,506.74**
Profit before Interest, Depreciation and Tax	**751.89**	**975.31**	**563.47**
Depreciation	111.70	135.94	140.72
Interest	27.75	701.90	281.47
Profit / (Loss) before Tax	**612.44**	**137.47**	**141.28**
Exceptional Items	(70.27)	(55.51)	(220.43)
Prior Period Adjustments	(56.68)	54.27	(14.57)
Profit & Loss Contra	-	-	220.43
Profit / (Loss) after Exceptional Items & before tax	**485.49**	**136.23**	**126.71**
Provision for Tax	-	-	-
Profit / (Loss) after Tax	**485.49**	**136.23**	**126.71**

Balance Sheet Statement

(Rs in Lacs)

Particulars	**as on 31st March**		
	2008	**2009**	**2010**
Sources of Funds			
Paid up share capital	7,198.29	7,198.29	7,198.29
Reserves & Surplus (excluding revaluation reserves)	16,268.94	13,347.51	16,611.79
Less: Miscellaneous Expenses not written off	-	(271.01)	-
Net Worth	**23,467.23**	**20,274.79**	**23,810.08**
Revaluation Reserve	107,806.07	93,499.12	89,692.17
Secured Loan	1,286.13	1,205.83	4,579.32
Unsecured Loan	11,629.31	15,995.21	19,878.85
Long Term Trade Liabilities	3,534.51	3,020.56	2,966.31
Total	**147,723.25**	**133,995.51**	**140,926.73**
Uses of Funds			
Net Fixed Assets	127,284.22	123,524.87	119,588.54
Capital Work-in-Progress	104.06	3,546.94	8,137.23
Investment	14,357.10	9.05	9.05
Deferred Tax	7,571.00	6,196.00	9,554.00
Net Current Assets	(1,593.13)	718.65	3,637.91
Total	**147,723.25**	**133,995.51**	**140,926.73**

Other Financial Data

	2008	**2009**	**2010**
Dividend (%)	Nil	Nil	Nil
Earnings per share	0.67	0.19	0.18
Return on Net Worth (%)	2.07	0.67	0.53
Book Value per share	32.60	28.17	33.08

Source: Audited Annual Accounts

p) The Equity shareholding of Dunlop India Limited before the Offer and after the Offer (assuming full acceptance of the Offer) is as under:

Sl. No.	Shareholders' Category	Shareholding / voting rights prior to the Offer		Shareholding / voting rights to be acquired in the Offer (assuming full acceptance)		Shareholding / voting rights after the Offer	
		(A)		(B)		(A) + (B) = ©	
		No. of shares	%	No. of shares	%	No. of shares	%
1	**Promoter Group**						
	Foreign Promoter/ Acquirer						
	Wealth Sea Pte Ltd	33,515,229	46.56%			33,515,229	46.56%
	Indian Promoters/PACs	20109137	27.94%	14,396,575	20%	34,505,712	47.94%
	Total	**53,624,366**	**74.50%**			**68,020,941**	**94.50%**
2	**Public**						
(a)	Institutional Investors	8,425,613	11.71%	(14,396,575)	(20%)	3,961,934	5.50%
(b)	Others [not included in (a) above]	9,932,896	13.80%				
	Total	**18,358,509**	**25.50%**			**3,961,934**	**5.50%**
	Grand Total	**71,982,875**	**100.00%**			**71,982,875**	**100.00%**

q) The build - up of the shareholding of the promoter group in Dunlop India Limited along with status of compliance with the applicable provisions of SEBI (SAST) Regulations/other applicable regulations under the SEBI Act 1992 and other statutory requirements, as applicable is as under:

Date	No. of Shares	% of paid up capital	Mode of Acquisition	Status of Compliance
6-May-82	750,000	1.04%	Transfer	Complied
14-Dec-84	6,765,229	9.40%	Transfer	Complied
28-Nov-05	26,000,000	36.12%	Transfer	Complied
25-Apr-07	20,109,137	27.94%	Rights Issue	Complied
Total	**53,624,366**	**74.50%**		

On November 28, 2005, Wealth Sea Pte. Ltd. (WSPL), a company registered in Singapore acquired the entire share capital of DIL Rim & Wheel Corporation Limited (DRW).

Owing to indirect change of control over the Target Company pursuant to the acquisition of the 100% shares in DIL Rim & Wheel Corporation Limited, Mauritius by Wealth Sea Pte Limited, Singapore from Jumbo World Holdings Limited, British Virgin Islands, Wealth Sea Pte Limited has become the promoter of the Company with effect from December 01, 2005. The change of control was approved by the shareholders through postal ballot held under Regulation 12 of Securities and Exchange Board of India (SAST) Regulations, 1997 and section 192A(2) of the Companies Act, 1956 and the result of the postal ballot was adopted by the shareholders in the EGM of the Company held on January 25, 2006.

r) **Status of Corporate Governance and Pending Litigation Matters**

The Company stands committed to good Corporate Governance – transparency, disclosure and independent supervision to increase the value of its stakeholders. The Company has complied with the SEBI guidelines and provisions of the listing agreement regarding Corporate Governance. The Corporate Governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management and the constitution of the Board Committees, majority of them comprising of independent directors.

The details of pending litigations against Dunlop India Limited as on date of this Letter of Offer are as under:

1. The Target Company have received 5 complaints/ show cause notice by Registrar of Companies for contravention and/or violation of various rules and regulations under the Companies Act, 1956. All these matters have been fixed for service return.

2. There are 33 cases pending under Labor Courts/ High Court under various jurisdictions against the Target Company regarding non-payment of arrear salaries, wages, bonus and various benefits to its employees / ex-employees. The total claims against the Company in this regard are approximately Rs. 610.93 Lacs where quantifiable excluding interest payable if any.

3. The Target Company has received 13 summon / notices from various Consumer Disputes Redressal Forum for non-payment to unsecured creditors and FD dues and supply of defective tyres to a customer aggregating to Rs. 7.61 Lacs where quantifiable excluding interest and other charges. The Target Company have replied to the Forum stating that in view of being a sick company as per the provisions of the Sick Industrial Companies (Special Provisions) Act, repayment will be made in terms of final orders of Board for Industrial and Financial Reconstruction (BIFR) which is awaited. No further notices / letters have been received from the Forum till date.

   Apart from above, one of the customers has filed a suit for recovery of amount with interest towards supply of fabricated items and trolleys aggregating to Rs. 1.22 Lacs excluding interest. The plaintiff has also filed an execution petition for executing movable properties. The Target Company has filed a written statement in this regard and has also filed an appeal before the Court to set aside the execution order.

4. There are 15 eviction petitions / title suit for non-payment of rent and permanent injunction suit pending against the Target Company aggregating to Rs. 25.12 where quantifiable. The Company deposited arrear rent as per Court order in two of the cases and in view of the management other claims cannot be substantiated against the Company so it has filed a counter against various orders / claims.

   Apart from above, 2 money suits filed by a plaintiff for realization of arrear rent amounting to Rs. 26.04 Lacs and interest payable thereon. Evidence and cross examination of the plaintiff is completed before the sub-judge and the Company has adduced evidence. The Court has passed decree and the appeal is under preparation.

5. 12 suits filed by suppliers / dealers for recovery of dues towards supply of goods / advance against the Target Company aggregating to Rs. 789.48 Lacs where quantifiable excluding interest payable thereon. Necessary steps have been taken by the Target Company and all the matters remain pending before the respective Courts as on date.

   Apart from above, three parties have filed an execution application before the Mumbai High Court for recovery of their decreetal dues aggregating to Rs. 6.45 Lacs excluding interest and cost of execution. The Target Company has moved applications to stay the execution proceedings which the High Court has considered and have stayed execution proceedings in view of BIFR case vide their order dated March 3, 2003 and directed the Target Company to inform any further orders passed by BIFR.

6. Three petitions have been filed with Debt Recovery Tribunal, Calcutta, two by Catholic Syrian Bank Ltd and one by Vijaya Bank for recovery of their dues. The amount claimed by Catholic Syrian Bank is Rs. 3858.07 Lacs and the petition is for appointment of receiver and injunction from disposing of the properties mortgaged with the bank. The Target Company has filed a Relief Undertaking petition and on withdrawal of the same by the bank, the Tribunal has passed an order of status quo and directed the Target Company to file A/R. The amount claimed by Vijaya Bank is Rs. 39.06 Lacs, excluding interest, and the Target Company has filed an application u/s 22(1) of SICA and obtained a stay till Bank obtains permission from BIFR.

   KSIDC have also filed a case for realization of their dues amounting to Rs. 4964 Lacs. The plaintiff has prayed for attachment of the properties offered to them as collateral securities against loan provided to Target Company. The Court have passed an ex-parte order of attachment of properties vide their order dated April 24, 2010. The Target Company has entered appearance and filed a rejoinder.

7. The Assistant Commissioner of Central Excise has filed a criminal complaint against the Target Company for offences u/s 9(1) and 9AA of Central Excise Act, 1944. It has claimed that the amount of duty evaded by the Target Company was Rs. 77.66 Lacs for the period of March, 1995 to December, 1995. The matter came up for hearing but was adjourned from time to time and is pending before the Judicial Magistrate, Alandur.

   Two appeals have also been filed by the Commissioner of Central Excise claiming a sum of Rs. 14.60 Lacs arising out of clearance of metal plastic container by the Company without payment of duty and levying of duties on samples for testing purpose. Matters remain pending before the Tribunal as on date.

8. 13 claim petitioners have been filed against the Company aggregating to Rs. 2390.35 Lacs where quantifiable excluding interest payable, if any. These parties have supplied various materials to the Company or have undertaken job work at the Sahagunj factory. Due to Relief Undertaking filed by the Company, all the matters either stand out of list or matter is not taken up for hearing. Two of the parties have filed writ petition against the Relief Undertaking notification and prayed for cancellation of the same and from giving further effects.

9. Four cases and petitions have been filed with various courts on property matters. Total amount of claim aggregates to Rs. 5.00 Lacs approximately, where quantifiable, and the matters are on different stages of proceedings. Final judgments are awaited in all four cases.

10. Three cases filed against the Company by various parties for dishonor of cheque & repayment of sums aggregating to Rs. 27.61 Lacs. Matters have been fixed for hearing and appearance.

11. Trustees of Dunlop Executive Staff Pension Fund have filed a SLP for winding up of the Fund since its purpose has been fulfilled. The financial impact on the Company aggregates to Rs. 2083 Lacs. On March 13, 2007 a split verdict was given by the Division Bench of the Supreme Court and accordingly the matter is now referred to a larger bench, which has not yet been constituted.

12. Bureau of Indian Standards have filed a suit for recovery of an amount of Rs. 3.43 Lacs alongwith interest at 18% p.a. The case was stayed when the Company was under BIFR. The principal sum has been paid in September, 2010 and negotiation for waiver / reduction of interest amount is in progress.

13. The Dunlop India Limited Employees Union HO & Sahaganj have filed a Writ Petition with the Calcutta High Court against orders passed by AAIFR dated February 25, 2003 seeking an order of stay for proposed sale of Calcutta property. The amount involved in the case is approximately Rs. 1200 Lacs. The matter has been withdrawn by one of the writ petitioners, i.e. Dunlop HO Union, and the other petition is pending.

14. Srei International Finance Limited has filed the present proceedings for execution of an award having a financial impact on DIL of an amount of Rs. 866.73 Lacs. The petitioner had financed purchase of 2 DG sets in 1995. Owing to nonpayment of installments, the matter was referred to arbitration by the petitioner and an ex parte award was passed by the arbitrator. The current proceedings were in abeyance in view of the Relief Undertaking status of DIL. However, on June 24, 2010, the matter was listed and upon call, it was dismissed for default as none appeared on behalf of the petitioner. The petitioner has filed a restoration petition, running in the monthly list of January 2011 of Justice Indira Banerjee. Upon restoration, RU Petition with latest notification will be filed by the Company for stay of proceedings.

15. Madura Coats Limited has claimed a principal amount of Rs. 361 Lacs from Dunlop India Limited against supplies made during the period prior to declaration of the company as a sick unit by BIFR under SICA in the year 1998. After obtaining leave of BIFR, the petitioner had filed summary proceedings against the company and was awarded a decree for Rs. 361 Lacs plus interest. Unable to get relief from Division Bench in High Court, DIL filed an appeal in the Supreme Court against the Order. In terms of the order of Supreme Court, DIL deposited a sum of Rs.100 Lacs in the Court in satisfaction of the decree and is permitted to defend the suit. However, the proceedings are now kept in abeyance in view of the Relief Undertaking status of DIL. The matter has been posted in the monthly list of January, 2011.

16. Three miscellaneous petitions are pending under various Courts amounting to a claim of Rs. 7.44 Lacs excluding interest payable, if any. Matters are being proceeded under the respective jurisdiction and remain pending as on date.

Compliance Officer
Mr. A K Agarwal
V.P. - Legal & Company Secretary
Dunlop India Limited
Ruia Centre
46 Syed Amir Ali Avenue
Kolkata- 700 017
Ph: +91-33-22894747
Fax: +91-33-22893433

8 OFFER PRICE & FINANCIAL ARRANGEMENTS

8.1 Justification of Offer Price

As on the date of the Public announcement, the shares of Dunlop India Limited were listed on the Bombay Stock Exchange Limited (BSE), The Chennai Stock Exchange, The Calcutta Stock Exchange Limited, Ahmedabad Stock Exchange Limited and Delhi Stock Exchange Limited. On the date of public announcement, the shares of the Target Company were suspended from trading at all the Exchanges and are thus infrequently traded on all the stock exchanges within the meaning of regulation 20(5) of the Regulations. The Offer price of Rs 29.43 per share is justified in terms of Regulation 20(5) of the SEBI (SAST) Regulations 1997, in view of the following:-

A.	The negotiated price under the agreement for acquisition of shares/ voting rights		NA
B.	Price paid by Acquirer for acquisition, if any by way of allotment in a public or rights or preferential issue during the twenty six week period prior to the date of PA		NA
C.	The average of weekly high and low of the closing prices of the shares of the target company as quoted on BSE during twenty-six weeks prior to the reference date		Nil
D.	The average of the daily high and low of the prices of the shares during two weeks preceding the reference date		Nil
E.	The fair price of the equity shares of the Target Company as provided by the valuation report of Deloitte Touche Tohmatsu India Private Limited in terms of the SAT Order		Rs. 29.43
	Other financial Parameters	**31.03.2006**	**30.09.2006**
I	RONW	-	-
II	Book Value	(80.40)	(80.91)
III	Earnings Per Share	(1.92)	(0.51)

** The above ratios have been derived without considering extraordinary items*

The letter of offer was filed with SEBI on 14.02.2007 wherein the Acquirer had made an open offer to the shareholders of the Target Company at a price of Rs. 10 per share. Owing to complaint received regarding the negotiated price/ offer price, SEBI had appointed an Independent Chartered Accountant Bansi S. Mehta & Co on December 28, 2007 to value the shares of the Target Company in terms of regulation 20(5) of the Takeover Regulations. Bansi S. Mehta & Co. had submitted a report dated March 28, 2008 providing the offer price of Rs. 43.73 per equity share.

Being aggrieved by the valuation provided by Bansi S. Mehta & Co., the Acquirer and the PACs (hereinafter collectively referred to as the "Appellants") filed an appeal before the Securities Appellate Tribunal ("SAT") praying to set aside the Offer Price determined by Bansi S. Mehta & Co.. The Hon'ble SAT vide its order dated July 13, 2009 disposed the case and appointed Deloitte Touche Tohmatsu India Private Limited ("DTTIPL") to evaluate the fair price of the equity shares of the Target Company as on November 28, 2005. DTTIPL has submitted its valuation report dated May 15, 2010 providing the fair price / Offer Price of Rs. 29.43. The SAT, vide its order dated June 10, 2010, has directed SEBI tp offer its comments on the Letter of Offer on the basis of the price as determined by DTTIPL. The Acquirer is thus making this open offer to the shareholders of the Target Company at a price of Rs. 29.43 per equity share.

Except for the shares allotted pursuant to the rights issue, the Promoter Group has not acquired any shares of Dunlop India Limited from the date of the Public Announcement till the date of the Letter of Offer with SEBI.

Thus in the opinion of the Manager to the Offer and the Acquirer, the offer price is justified in terms of Regulation 20 of the SEBI (SAST) Regulations 1997.

Non-compete agreement

The seller and its affiliates, shall not, directly or indirectly carry on the business carried out by the Companies (i.e. the business of manufacture and marketing of automotive tyres and tubes and industrial rubber products) for a period of 3 (three) years from the Execution Date i.e. November 28, 2005. Further, the seller and its affiliates are also barred from acquiring any financial interest as shareholders in excess of 5% in the company carrying on the similar business and are also barred acquiring any management rights or control or board seat in such person in such companies. There is no consideration flowing from the Acquirer to the Seller under the head "Non Compete Fees".

8.2 **Financial Arrangement**

The maximum purchase consideration payable in the event of full acceptance of the Offer would be Rs. 5,833.73 Lacs (which includes the interest amount payable to the eligible affected shareholders and consideration payable based on the Offer Price) as indicated in the table below:

No of Shares Outstanding	71,982,875 Equity Shares
Open offer made for 20% of above	14,396,575 Equity Shares
Offer Price Per Share	Rs.29.43 Per Equity Shares
Offer Amount	Rs 4,236.91 Lacs
Eligible Affected Shares for the purpose of calculation of Interest	11,474,068 Equity Shares
Amount of Interest (1)	Rs. 1,596.82 Lacs
Total funds Required (2)	Rs. 5,833.73 Lacs

(1) Assuming full acceptance by the eligible affected shareholders.
(2) Assuming full acceptance of the Offer.

In accordance with the provisions of Regulation 28 of the Regulations, MPFPL has created as Escrow Account in the form of Bank Guarantee issued by Kotak Mahindra Bank Ltd. in favour of the Manager to the Offer Microsec Capital Limited for an amount of Rs. 459.27 Lacs. The Bank Guarantee is valid till March 9, 2011. Further, an escrow account has also been created in the form of deposit of securities. Manali Properties & Finance Pvt. Ltd has transferred 17,90,000 fully paid equity shares of Falcon Tyres Limited having a closing market price of Rs. 111.70 per equity share as on January 07, 2011, (Source: BSE website) in the escrow account opened by the Manager to the Offer. The total value of securities transferred into escrow account is Rs. 1,999.43 Lacs. The value of securities & Bank Guarantee are in excess of 25% of the maximum consideration payable under the offer. The hair cut considered for the equity shares of Falcon Tyres Limited deposited in the escrow account is 50%. The Manager to the Offer is empowered to realise the value of the securities by sale or otherwise, and if there is any deficit on realisation of the value of the securities, such deficit, if any shall be made good by the Manager to the Offer.

Manali Properties & Finance Pvt. Ltd has also made a cash deposit of Rs. 58,35,000 (Rupees Fifty Eight Lacs and Thirty Five Thousand only) which is in excess of 1% of the maximum consideration payable under this offer, in a bank escrow account with Kotak Mahindra Bank Limited. The Manager to the offer has been empowered to operate the Escrow Account in accordance with the Regulations.

Mr. Jitendra Prasad (Membership no. 064483), Partner of A. K. Ray & Co., Chartered Accountants, 34-35/2/1 Sri Aurobindo Road, 1st Floor, Howrah- 711 106, has certified vide certificate dated October 21, 2010 that Manali Properties & Finance Pvt. Ltd has made firm arrangements for meeting its obligations under the Open Offer of Dunlop India Limited by way of loans/advances from holding or associate companies.

Based on the confirmations received from the escrow bank and the chartered accountants, the Manager to the Offer confirms that adequate funds are available with the Acquirer through verifiable means to implement this offer in full.

9 INTEREST PAYMENT AND ELIGIBLE AFFECTED SHAREHOLDERS

9.1 As per paragraph 2.3(c) above, the Offer Price of Rs. 43.35 per Equity Share (comprising of the Offer Price of Rs.29.43 per Equity Share and Interest of Rs.13.92 per Equity Share) is payable to Eligible Affected Shareholders, whose Equity Shares are tendered and accepted under the Offer. The interest of Rs.13.92 per Equity Share, calculated at the rate of 10% per annum from June 2, 2006 till February 22, 2011, i.e. the scheduled date of payment of consideration (the interest amount is subject to change depending upon the actual date of payment). Such interest is payable only to Eligible Affected Shareholders, i.e., those persons who were shareholders of the Target Company as on June 2, 2006 and continue to be shareholders of the Target Company till the date of the closing of the Offer (such shareholders are referred to as the "Eligible Affected Shareholders"), and will be calculated on the payment consideration due on such of those shares accepted under this offer which are determined as forming part of their holdings as on June 2, 2006.

Equity Shares which are continuing in nature are only the number of Equity Shares held for a continuing period from June 2, 2006 upto the date of closing of the Offer and which are tendered and accepted under the Offer (e.g., A shareholder who held 200 Equity Shares on June 2, 2006 and on September 2, 2006 sold 100 Equity Shares will receive interest as a Eligible Affected Shareholders only for 100 Equity Shares provided that such Equity Shares are tendered and accepted under the Offer; a shareholder who held 200 Equity Shares on June 2, 2006 and on September 2, 2006 purchased 100 Equity Shares will receive interest as a Eligible Affected Shareholders only for 200 Equity Shares provided that such Equity Shares are tendered and accepted under the Offer; a shareholder who held 200 Equity Shares on June 2, 2006 and on September 2, 2006 sold 100 Equity Shares and on January 2007 purchased 100 Equity Shares will receive interest as a Eligible Affected Shareholders for 100 Equity Shares provided that such Equity Shares are tendered and accepted under the Offer).

9.2 As described above, only Eligible Affected Shareholders whose Equity Shares (which are determined as forming part of their holdings as on June 2, 2006) are tendered and accepted in the Offer will be eligible for interest under the Offer. Such interest will be payable only on those Equity Shares which are held by the Eligible Affected Shareholders from June 2, 2006 upto the date of closing of the Offer. Such eligibility for interest will be determined on basis of the Register of Members/ Register of Beneficial Owners as maintained by the current Registrars and Share Transfer Agents to the Company C. B. Management Services (P) Limited and as provided by the Depositories i.e. NSDL and CDSL in the following manner:

- Register of Members of the Target Company as on June 2, 2006.
- Details of all the transfers / transmissions/deletions/transpositions that have taken place since June 2,2006 till date of closing of the offer.
- Beneficiary position data as downloaded by the Registrar & Share Transfer Agent from time to time since June 2, 2006 till date of closing of the offer.
- Details of changes, if any, of name of the Eligible Affected Shareholder
- In the case of shares held in physical form, the endorsement(s) on the face or back of the relevant share certificate(s).
- Register of Members and Register of Beneficiary Owners.
- Details of dematerialization and rematerialisation requests that have been confirmed to the depositories on the date of closing of the Offer, i.e., Monday, February 07, 2011.
- Details of the changes, if any, on account of consolidation of holdings in one or more folios and split of holdings.

9.3 Furthermore those shareholders who deem to be eligible for interest should also submit the following documents to enable the Registrar to the Offer to determine their eligibility for interest under the Offer, alongwith and within the same term of, other documents mentioned under paragraphs 10 and 11 of this Letter of Offer including the Form of Acceptance:

- Eligible Affected Shareholders holding Equity Shares in physical form will be eligible for interest if no transfers have been registered in the "Memorandum of transfers" in the share certificate submitted in original after June 2, 2006 provided as per paragraph 11.1 below.

- Eligible Affected Shareholders holding Equity Shares in demat form must submit:

  i) Details of folio(s) in which Equity Shares were held in physical form OR a photocopy of share certificate, if available

  ii) Transaction/ holding statement obtained from Depository Participant ("DP") since the date of dematerialization /purchase till the date of submission of the Form of Acceptance along with the delivery instruction for transferring shares to the demat escrow account opened for this open offer

- Change of Name: Those Eligible Affected Shareholders who have changed their names at any time between June 2, 2006 till the date of closing of the Offer, are advised to submit the evidence of change of name, to enable the Registrar to the Offer to determine the eligibility of such shareholders to receive interest.

- Transmission: Those Eligible Affected Shareholders who have acquired title to the Equity Shares either by transmission, due to death of the sole / any of the joint holders, or through operation of law are advised to submit documentary evidence in support of such transmission including the details of the original holder's name, number of Equity Shares held at the time of transmission, the date of application for transmission, and in case Equity Shares held in physical form, the folio number and in case of beneficial owners, the DP name, DP ID, beneficiary account number, to enable the Registrar to the Offer to determine the eligibility of such shareholders to receive interest.

- Transposition: Those Eligible Affected Shareholders who are joint holders of Equity Shares and have transposed their names i.e. changed the order in which their names are recorded in the share certificates or in the record maintained by the depository are advised to submit documentary evidence in support of such transposition including the details of the original holder's name, number of Equity Shares held at the time of transposition, the date of application for transposition and the folio number to enable the Registrar to the Offer to determine the eligibility of such shareholders to receive interest.

In the event the Acquirer along with the PACs do not receive the above mentioned documentation from shareholders who deem to be eligible for interests, Acquirer along with the PACs are entitled to rely on the list of Eligible Affected Shareholders determined on basis of the register of members/ shareholders register/ beneficial records as provided by the Depository(s) i.e. NSDL and CDSL described in paragraph 9.2 above.

Furthermore, the shareholders who are not registered on the register of members/ shareholders register/ beneficial records as provided by the Depository(s) i.e. NSDL and CDSL ("Unregistered Shareholders") and held shares in physical form who deem to be eligible for interests, are required to provide the above mentioned documentation in order to be eligible for interests, failing to provide such documentation, they will not be considered Eligible Affected Shareholders for the purpose of the Offer.

9.4 In the event the Equity Shares tendered in the Offer by the shareholders of Dunlop are more than the Equity Shares to be acquired under the Offer,

- the acquisition of Equity Shares from each shareholder will be as per provisions of Regulation 21(6) of the Regulations on a proportionate basis, irrespective of whether the Equity Shares are held in physical or dematerialised form.

- Equity Shares validly tendered by the Eligible Affected Shareholders shall be treated at par with the Equity Shares validly tendered by the other shareholders of Dunlop for the purposes of acceptance.

10 TERMS AND CONDITIONS OF THE OFFER

10.1 The Letter of Offer together with the Form of Acceptance shall be mailed to the Shareholders of Dunlop (except the acquirer and PACs), whose name appear on the Register of Members of Dunlop at the close of business on Friday, February 23, 2007 (the "Specified Date").

10.2 All Equity Shares tendered and accepted under the Offer, will be acquired by the Acquirer and the PACs subject to the terms and conditions set out in this Letter of Offer. All necessary requirements for the valid transfer of the Equity Shares to the Acquirers will be preconditions for acceptance of the tendered Equity Shares.

10.3 Non-resident shareholders, if any, will be required to submit all the previous RBI Approvals (specific or general) that they would have obtained for acquiring shares of Dunlop, except where the shares have been acquired under automatic route/exemption order of RBI. In case of previous RBI Approvals not being submitted, the Acquirer and PACs reserve the right to reject the shares tendered in the offer.

10.4 All equity shareholders of Dunlop (except the Acquirer and the PACs), whose names appear in the register of members of Dunlop as of Friday, February 23, 2007 who acquire any Equity Shares of Dunlop at any time prior to the closure of the Offer, whether or not they are registered shareholders, are eligible to participate in the Offer anytime before the closure of the Offer.

10.5 The acceptance of the Offer made by Acquirer and PACs is entirely at the discretion of the shareholders of Dunlop and each shareholder of Dunlop to whom this Offer is being made, is free to offer his shareholding in Dunlop, in whole or in part while accepting the Offer by way of the Offer as per the instructions contained in the aforementioned letter of Offer.

10.6 As on the date of this Letter of Offer, no statutory or regulatory approval is required for the Acquirer and the PACs to proceed with this Offer.

10.7 If any other such approvals are required subsequently, the Offer would be subject to such additional approvals. The Acquirer and the PACs will have a right not to proceed with the Offer in the event the approvals indicated above are refused in terms of Regulation 27(b) of the SEBI (SAST) Regulations.

10.8 In case of delay in receipt of any statutory approval, SEBI has the power to grant an extension of the time required for payment of consideration under the Offer provided that the Acquirer and PACs agree to pay interest in accordance with Regulation 22(12) of the SEBI (SAST) Regulations. If the delay occurs due to the willful default or neglect or inaction or non-action on the part of the Acquirer and PACs in obtaining the requisite approvals, Regulation 22(13) of the SEBI (SAST) Regulations will become applicable.

10.9 The Acquirer and the PACs shall complete all procedures relating to the Offer within a period of 15 days from the date of closure of the Offer. In case of delay, due to non-receipt of statutory approvals, as per Regulation 22(12), SEBI may, if satisfied that the non receipt of approvals was not due to willful default or negligence on part of the Acquirers, grant an extension for the purpose of completion of the Offer subject to the Acquirers paying interest to the shareholders, at such rates as may be specified by SEBI.

10.10 Applications in respect of Equity Shares that are the subject matter of litigation wherein the shareholder(s) may be precluded from transferring the Equity Shares during the pendency of the said litigation are liable to be rejected in case directions/ orders regarding these Equity Shares are not received together with the Equity Shares tendered under the Offer. The Letter of Offer in some of these cases, wherever possible, would be forwarded to the concerned statutory authorities for further action at their end.

10.11 Accidental omission to dispatch Letter of Offer or any further communication to any person to whom

Letter of Offer is or should be made or the non-receipt of Letter of Offer by any such person shall not invalidate the Offer in any way

10.12 The instructions, authorizations and provisions contained in the Form of Acceptance and Form of Withdrawal constitute an integral part of the terms of this Offer.

10.13 Barring unforeseen circumstances and factors beyond their control, the Acquirer and PACs intend to complete all formalities pertaining to the acquisition of the Equity Shares, including dispatch payment of consideration to the shareholders who have accepted the Offer by Tuesday, February 22, 2011.

10.14 The acceptance of the Offer made by the Acquirer and the PACs is entirely at the discretion of the shareholders of the Target Company. The Acquirer and PACs will not be responsible in any manner for any loss of equity share certificate(s) and offer acceptance documents during transit and the shareholders of the Target Company are advised to adequately safeguard their interest in this regard.

10.15 This Offer is not subject to any minimum level of acceptance from the shareholders. This Offer is being made by the Acquirer and PACs to the public shareholders of Dunlop to acquire up to 1,43,96,575 Equity Shares, representing 20% of the equity share capital of the Target Company. The Acquirer and PACs will proceed with the offer even if it is unable to obtain acceptance to the full extent of the Equity Shares of Dunlop for which this Offer is made.

10.16 Equity Shares that are subject to any charge, lien or encumbrance are liable to be rejected.

10.17 The Acquirer and PACs are permitted to revise the Offer Price upward any time up to seven working days prior to the date of the closure of the Offer. If there is any upward revision in the Offer Price before the last date of revision or withdrawal of the Offer, the same would be informed by way of Public Announcement in the same newspapers where the original Public Announcement has appeared. Such revised Offer Price would be payable by the Acquirer and PACs to all shareholders who tender their Equity Shares at any time during the Offer and which are accepted under the Offer. However, the Acquirer and PACs do not intend to revise the Offer Price.

10.18 Shareholders who have sent their Equity Shares for dematerialization need to ensure that the process of getting Equity Shares dematerialized is completed well in time so that the credit in the Registrar's special depository account should be received on or before the date of closure of the offer, i.e. Monday, February 07, 2011, else the application would be rejected.

11 PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

11.1 Shareholders of Dunlop, who wish to avail this Offer should forward the under mentioned documents by hand delivery or by registered post to the Registrar to the Offer at the address of the registrar so as to reach the Registrar on or before the date of closure of the Offer (i.e. Monday, February 7, 2011)

In the case of demat Equity Shares; the Registrar is not bound to accept Equity Shares which are not credited to the Special Depository Account as on the date of closure of the Offer, i.e. Monday, February 7, 2011.

11.2 **Registered Shareholders should enclose:**

- Form of Acceptance and acknowledgement duly completed and signed in accordance with the instructions contained therein, by all shareholders whose names appear on the share certificates (in case of joint holdings) in the same order in which their names appear in the Register of Members.
- Original Share Certificate(s)
- Valid share transfer deed(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures lodged with Dunlop duly witnessed at the appropriate place. It is preferred that the transferor's signature(s) is attested by a Notary or Bank Manager or Member of Stock Exchange under their seal of office and membership number. The transfer deed should be left blank, excepting the signatures as mentioned above.

Un-Registered Shareholders should enclose:

- Form of Acceptance and acknowledgement duly completed and signed in accordance with the instructions contained therein, by all shareholders whose names appear on the share certificates (in case of joint holdings) in the same order in which their names appear in the Register of Members.
- Original Share Certificate(s)
- transfer deed(s) executed by the registered holders
- Valid share transfer deed(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures lodged with Dunlop and duly witnessed at the appropriate place. It is preferred that the transferor's signature(s) is attested by a Notary or Bank Manager or Member of Stock Exchange under their seal of office and membership number. The transfer deed should be left blank, excepting the signatures as mentioned above.

11.3 **For equity shares held in Demat form**

Beneficial Owners should enclose

- Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by sole/ all shareholders whose names (in case of joint holdings) in the same order in which their names appear in their beneficiary account. The Form of Acceptance has to be tendered by the beneficial holder of Equity Shares only.
- A photocopy of the Delivery Instruction Slip duly acknowledged by the Depository Participant ("DP") filled as per the instructions given hereunder:
- The Beneficial Owners who hold Equity Shares in demat form are required to execute a trade by tendering the Delivery Instruction for debiting their Beneficiary Account with the concerned DP and crediting the Special Depository Account. The credit in the Special Depository Account should be received on or before 3 P.M as on the date of closure of the Offer, i.e. Monday February 7, 2011.
- The Delivery Instructions to be given to the DP should be in "Off-Market" mode only. For each Delivery Instruction the Beneficial Owner should submit a separate Form of Acceptance.

  The Registrar to the Offer of Dunlop India Limited, **C. B. Management Services (P) Ltd** has opened a special depository account with The Calcutta Stock Exchange Ltd, the details of which are as under:

Name of the special depository account	CBMSPL ESCROW AC DUNLOP INDIA LTD OPEN OFFER
Depository	Central Depository Services (India) Limited
DP Name	The Calcutta Stock Exchange Limited
DP ID	13061700
Client ID	00005594
ISIN	INE509A01012

- Shareholders having their beneficiary account in National Securities Depository Limited have to use the inter-depository delivery instruction slip for the purpose of crediting their shares in favour of the special depository account with The Calcutta Stock Exchange Limited.
- Beneficial owners (holders of shares in dematerialized form) of Dunlop who wish to tender their shares will be required to send their Form of Acceptance Cum Acknowledgement along with the photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instructions in "Off market" mode, duly acknowledged by the Depository Participant ("DP"), in favour of the special depository account to the Registrar to the Offer – **C. B. Management Services (P) Ltd** at P-22, Bondel Road, Kolkata- 700 019 either by hand delivery on weekdays or by Registered Post, on or before the Close of the Offer, i.e., no later than February 7, 2011, in accordance with the instructions specified in the Letter of Offer and in the Form of Acceptance Cum Acknowledgement. The credit for the delivered shares should be received in the special depository account on or before close of the Offer, i.e., no later than February 7, 2011.
- For Equity Shares, which are tendered in electronic form, the bank account as obtained from the beneficiary position provided by the Depository will be considered and the warrants/ bank drafts will be issued with the said bank particulars.
- In case of non-receipt of the aforesaid documents, but receipt of the Equity Shares in the Special Depository Escrow Account, the Acquirer and PACs may deem the Offer to have been accepted by the shareholder.

11.4 Applicants may send their documents only by Registered Post, at their own risk, if not hand delivered at the address of the Registrar, to the Registrar to the Offer.

Please note that the Share Certificates and other documents in relation to the acceptance of the Offer should not be sent to the Acquirer and PACs or the Target Company. Such documents should NOT be sent to the Manager to the Offer.

11.5 All owners of Equity Shares registered or unregistered, who own the Equity Shares at any time prior to the closure of the Offer are eligible to participate in the Offer. Unregistered owners can send their application in writing to the Registrar to the Offer. They are required to submit, besides the documents as mentioned in 11.1 above, other documents to prove their title to the Equity Shares offered for acceptance, such as a transfer deed(s) executed by the registered holders of the Equity Shares in addition to the Form of Acceptance and share certificate(s). No indemnity is required from the unregistered owners. Unregistered owners, if they so desire, may also apply on the Form of Acceptance downloadable from SEBI's website (www.sebi.gov.in). Notwithstanding that the signature(s) of the transferor(s) have been witnessed as aforesaid, if the signature(s) of the transferor(s) differs from the specimen signature(s) recorded with Dunlop or are not in the same order, such Equity Shares are liable to be rejected under this Offer even if the Offer has been accepted by a bona fide owner of such Equity Shares**.**

11.6 In case of non-receipt of the Letter of Offer, shareholders may send their acceptance of the Offer to the Registrar to the Offer, on a plain paper stating the Name, Address, Number of Equity Shares held, Distinctive Number, Certificate Number, Folio Number, Number of Equity Shares offered, along with documents as mentioned above, so as to reach the Registrar to the Offer on or before the date of closure of the Offer (i.e. February 07, 2010). No indemnity is required in this regard. Shareholders, who have lodged their Equity Shares for transfer with Dunlop must also send the acknowledgement, if any, received from Dunlop towards such lodging of Equity Shares.

11.7 **Mode of making payment**

The payment of consideration, if any, would be done through any of the following modes:

a) Electronic Clearing System (ECS) – Payment of consideration would be done through ECS for applicants having an account at any of the following 68 centers: Ahmedabad, Bangalore, Bhubaneshwar, Kolkata, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna, Thiruvananthapuram (managed by RBI); Baroda, Dehradun, Nashik, Panaji, Surat, Trichy, Trichur, Jodhpur, Gwalior, Jabalpur, Raipur, Calicut, Siliguri (Non-MICR), Pondicherry, Hubli, Shimla (Non- MICR), Tirupur, Burdwan (Non-MICR), Durgapur (Non-MICR), Sholapur, Ranchi, Tirupati (Non-MICR), Dhanbad (Non-MICR), Nellore (Non-MICR) and Kakinada (Non-MICR) (managed by State Bank of India); Agra, Allahabad, Jalandhar, Lucknow, Ludhiana, Varanasi, Kolhapur, Aurangabad, Mysore, Erode, Udaipur, Gorakpur and Jammu (managed by Punjab National Bank); Indore (managed by State Bank of Indore); Pune, Salem and Jamshedpur (managed by Union Bank of India); Visakhapatnam (managed by Andhra Bank); Mangalore (managed by Corporation Bank); Coimbatore and Rajkot (managed by Bank of Baroda); Kochi/Ernakulum (managed by State Bank of Travancore); Bhopal (managed by Central Bank of India); Madurai (managed by Canara Bank); Amritsar (managed by Oriental Bank of Commerce); Haldia (Non-MICR) (managed by United Bank of India); Vijaywada (managed by State Bank of Hyderabad); and Bhilwara (managed by State Bank of Bikaner and Jaipur). This mode of payment of considerations would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of consideration through ECS is mandatory for shareholders having a bank account at any of the abovementioned 68 centers, except where the applicant, being eligible, opts to receive payment through direct credit or RTGS.

b) Direct Credit – Shareholders having bank accounts with the Escrow Banker(s), shall be eligible to receive considerations through direct credit. Charges, if any, levied by the Escrow Bank(s) for the same would be borne by the Acquirer and PACs.

c) RTGS – Shareholders having a bank account at any of the abovementioned 68 centres and whose consideration amount exceeds Rs. One Lac, have the option to receive payment through RTGS. Such eligible shareholders who indicate their preference to receive payment through RTGS are required to provide the IFSC code in the Acceptance-cum-acknowledgement form. In the event the same is not provided, payment shall be made through ECS. Charges, if any, levied by the Escrow Bank(s) for the same would be borne by the Acquirer and PACs. Charges, if any, levied by the shareholders's bank receiving the credit would be borne by the shareholder.

d) National Electronic Fund Transfer (NEFT) – Payment of consideration shall be undertaken through NEFT wherever the shareholders' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of consideration, duly mapped with MICR numbers. Wherever the shareholder have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of consideration will be made to the shareholders through this method. In the event that NEFT is not operationally feasible, the payment would be made through any one of the other modes as discussed above.

e) For all other shareholders, including those who have not updated their bank particulars with the MICR code, the payments will be dispatched under certificate of posting for value up to Rs. 1,500 and through Speed Post/ Registered Post for payments of Rs. 1,500 and above.

11.8 In case of physical Equity Shares, the Registrar to the Offer will hold in trust the share certificates, Form of Acceptance duly filled in and the transfer deed(s) on behalf of shareholders of Dunlop who have accepted the Offer, till the cheques/ drafts for the consideration and/ or the share certificates are posted.

11.9 In case of demat Equity Shares, the Equity Shares would reside in the Special Depository Account as mentioned above. The Registrar to the Offer will debit the Special Depository Account to the extent of payment of consideration made by the Acquirer and PACs and give instructions for credit to the beneficial account of the Acquirer and PACs.

11.10 Barring unforeseen circumstances and factors beyond their control, the Acquirer and PACs intends to complete all formalities pertaining to the acquisition of the Equity Shares, including dispatch of consideration to the shareholders who have accepted the Offer by February 22, 2011.

11.11 In case of physical Equity Shares, to the extent the Equity Shares are not accepted under the Offer, the rejected Share Certificates, transfer deeds and other documents, if any, will be returned by registered post by the Registrar to the Offer to the shareholders /unregistered owners. Subject to the necessary approval from RBI, for the physical Equity Shares accepted under the Offer, the Registrar shall take action for transferring the Equity Shares to Acquirer and PACs after the consideration cheques are released to the shareholders concerned.

11.12 The Equity Shares held in demat form to the extent not accepted under the Offer will be released to the Beneficial Owner's Depository Account with the respective DP as per details furnished by the Beneficial Owner in the Form of Acceptance, at the sole risk of the Beneficial Owner. An intimation to that effect will be sent to the Beneficial Owner by Ordinary Post. Subject to the necessary approval from RBI, for the Equity Shares lying in the Special Depository Account, the Registrar shall take action for transferring the Equity Shares to Acquirer and PACs after the consideration cheques are released to the Beneficial Owners.

11.13 As the shares trade in the compulsory dematerialized segment of BSE, the minimum market lot for the shares is 1 (one).

11.14 In terms of Regulation 22(5A) of the SEBI (SAST) Regulations, shareholders desirous of withdrawing their acceptances tendered in the Offer, can do so up to three working days prior to the date of Closure of the Offer. The withdrawal option can be exercised by submitting the document as per the instructions below, so as to reach the Registrar to the Offer as per the mode of delivery indicated therein on or before February 02, 2011.

- The withdrawal option can be exercised by submitting the Form of Withdrawal as enclosed herewith.
- The shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer as per the mode of delivery indicated therein on or before the last date of withdrawal.
- Shareholders should enclose the following: -

For Equity Shares held in demat form beneficial owners should enclose:

- Duly signed and completed Form of Withdrawal.
- Copy of the Form of Acceptance/ Plain paper application submitted and the Acknowledgement slip.
- Photocopy of the delivery instruction slip in "Off-market" mode or counterfoil of the delivery instruction slipin "Off-market" mode, duly acknowledged by the DP.

For Equity Shares held in physical form Registered shareholders should enclose:

- Duly signed and completed Form of Withdrawal.
- Copy of the Form of Acceptance/ Plain paper application submitted and the Acknowledgement slip.
- In case of partial withdrawal, Valid Share Transfer form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with Dunlop and duly witnessed at the appropriate place.

Unregistered owners should enclose:

- Duly signed and completed Form of Withdrawal.
- Copy of the Form of Acceptance/ Plain paper application submitted and the Acknowledgement slip.

11.15 The withdrawal of Equity Shares will be available only for the Share certificates/ Equity Shares that have been received by the Registrar to the Offer or credited to the Special Depository Escrow Account.

11.16 The intimation of returned Equity Shares to the shareholders will be sent at the address as per the records of Dunlop/ Depository as the case may be.

11.17 The Form of Withdrawal along with enclosure should be sent to the Registrar to the Offer only.

11.18 In case of partial withdrawal of Equity Shares tendered in physical form, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from Dunlop. The facility of partial withdrawal is available only to Registered shareholders.

11.19 Shareholders holding Equity Shares in dematerialised form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.

11.20 In case of non-receipt of the Form of Withdrawal, the withdrawal option can be exercised by making an application on plain paper along with the following details:

- In case of physical Equity Shares: name, address, Distinctive Nos., Certificate Numbers., Folio Number, number of Equity Shares tendered
- In case of dematerialized Equity Shares: name, address, number of Equity Shares tendered, DP name, DP ID, beneficiary account number and a photocopy of delivery instructions slip in "off market" mode or counterfoil of the delivery instruction slip in "off market" mode, duly acknowledged by the DP, in favour of the Special Depository Escrow Account.

12 DOCUMENTS FOR INSPECTION

The following documents are regarded as material documents and are available for inspection at the office of the Manager to the Offer at Azimganj House, 2nd Floor 7, Camac Street, Kolkata 700 017 from 10.30 a.m. to 1.00 p.m. on any working day, except Saturdays, Sundays and Holidays until the closure of the Offer.

a) Certificate of Incorporation, Memorandum and Articles of Association of the Acquirer and the PACs.

b) Certificate dated October 21, 2010 from A. K. Ray & Co., Chartered Accountants certifying that Manali Properties & Finance Pvt. Ltd has adequate has made firm arrangements for meeting its obligations under the Open Offer.

c) Audited Reports of Dunlop India Limited for the years ended March 31, 2008, 2009 and 2010

d) Audited Reports of Wealth Sea Pte. Limited for the years ended March 31, 2008, 2009 and 2010.

e) Audited Reports of SFCL for the years ended March 31, 2008, 2009 and 2010.

f) Audited Reports of MPFPL for the years ended March 31, 2008, 2009 and 2010.

g) Letter from the Escrow Bank i.e. Kotak Mahindra Bank Limited confirming Bank Guarantee in favour of the Manager to the Offer.

h) Confirmation from Kotak Mahindra Bank Limited for the cash deposit of Rs. 58,35,000/- (Rupees Fifty Eight Lacs Thirty Five Thousand only).

i) Published copy of the Public Announcement

j) Copy of the valuation report of Deloitte Touche Tohmatsu India Private Limited

k) Copy of the Securities Appellate Tribunal Order dated June 10, 2010.

l) Copy of the escrow agreement between Manali Properties & Finance Pvt. Ltd and the Manager to the Offer.

m) Copy of Agreement entered into between with C.B. Management Services (P) Limited and The Calcutta Stock Exchange Limited for opening the special depository account for the purpose of the offer.

n) SEBI's observation letter no. CFD/DCR/TO/DMS/69/11 dated January 3, 2011.

13 DECLARATION BY THE ACQUIRER AND PACs

The Acquirer and PACs accept full responsibility for the information contained in this Letter of Offer, Form of Acceptance and Form of Withdrawal. The Acquirer and PACs shall be severally and jointly responsible for ensuring compliance with the SEBI (SAST) Regulations and for their respective obligations in terms of the SEBI (SAST) Regulations.

Mr. Soumitra Ghose has been authorized by the Acquirer and the PACs to sign the letter of offer.

Signed:

Date: January 11, 2011
Place: Kolkata

Encl.:

1) Form of Acceptance-cum-Acknowledgement
2) Form of Withdrawal
3) Transfer Deed

ANNEXURE A

STATUS OF COMPLIANCE WITH THE PROVISIONS OF CHAPTER II OF THE TAKEOVER REGULATIONS BY THE TARGET COMPANY

Sl. No.	Regulation / Sub-regulation	Due Date for compliance as mentioned in the Regulation	Actual date of compliance	Delay, if any (in no. of days) Col. 4 - Col. 3
1	**2**	**3**	**4**	**5**
1	6(2)	20-May-97	20-Oct-97	153
2	6(4)	20-May-97	20-Oct-97	153
3	8(3)	30-Apr-98	17-Apr-98	N.A.
4	8(3)	30-Apr-99	5-May-99	5
5	8(3)	30-Apr-00	28-Apr-00	N.A.
6	8(3)	30-Apr-01	27-Apr-01	N.A.
7	8(3)	30-Apr-02	25-Apr-02	N.A.
8	8(3)	30-Apr-03	23-Apr-03	N.A.
9	8(3)	30-Apr-04	23-Apr-04	N.A.
10	8(3)	30-Apr-05	20-Apr-05	N.A.
11	8(3)	30-Apr-06	10-Apr-06	N.A.
12	8(3)	30-Apr-07	18-Apr-07	N.A.
13	8(3)	30-Apr-08	10-Apr-08	N.A.
14	8(3)	30-Apr-09	16-Apr-09	N.A.
15	8(3)	30-Apr-10	14-Apr-10	N.A.

ANNEXURE B

STATUS OF COMPLIANCE WITH THE PROVISIONS OF CHAPTER II OF THE TAKEOVER REGULATIONS BY THE PROMOTER GROUP

Sl. No.	Regulation / Sub-regulation	Due Date for compliance as mentioned in the Regulation	Actual date of compliance	Delay, if any (in no. of days) Col. 4 - Col. 3
1	**2**	**3**	**4**	**5**
1	6(1)	20-Apr-97	16-Apr-97	N.A.
2	6(3)	20-Apr-97	16-Apr-97	N.A.
3	8(1)	21-Apr-98	16-Apr-98	N.A.
4	8(2)	21-Apr-98	16-Apr-98	N.A.
5	8(1)	21-Apr-99	15-Apr-99	N.A.
6	8(2)	21-Apr-99	15-Apr-99	N.A.
7	8(1)	21-Apr-00	10-Apr-00	N.A.
8	8(2)	21-Apr-00	10-Apr-00	N.A.
9	8(1)	21-Apr-01	12-Apr-01	N.A.
10	8(2)	21-Apr-01	12-Apr-01	N.A.
11	8(1)	21-Apr-02	17-Apr-02	N.A.
12	8(2)	21-Apr-02	17-Apr-02	N.A.
13	8(1)	21-Apr-03	14-Apr-03	N.A.
14	8(2)	21-Apr-03	14-Apr-03	N.A.
15	8(1)	21-Apr-04	12-Apr-04	N.A.
16	8(2)	21-Apr-04	12-Apr-04	N.A.
17	8(1)	21-Apr-05	9-Apr-05	N.A.
18	8(2)	21-Apr-05	9-Apr-05	N.A.
19	8(1)	21-Apr-06	5-Apr-06	N.A.
20	8(2)	21-Apr-06	5-Apr-06	N.A.
21	8(1)	21-Apr-07	10-Apr-07	N.A.
22	8(2)	21-Apr-07	10-Apr-07	N.A.
23	8(1)	21-Apr-08	8-Apr-08	N.A.
24	8(2)	21-Apr-08	8-Apr-08	N.A.
25	8(1)	21-Apr-09	13-Apr-09	N.A.
26	8(2)	21-Apr-09	13-Apr-09	N.A.
27	8(1)	21-Apr-10	12-Apr-10	N.A.
28	8(2)	21-Apr-10	12-Apr-10	N.A.