DRAFT RED HERRING PROSPECTUS
Dated September 29, 2010
Please read section 60B of the Companies Act, 1956
(The Draft Red Herring Prospectus will be updated upon filing with the RoC)
Book Building Issue

ENDURANCE
Complete Solutions

ENDURANCE TECHNOLOGIES LIMITED

(Our Company was incorporated as Endurance Suspension Systems (India) Private Limited on December 27, 1999, at Aurangabad, under the Companies Act, 1956, as amended (the "Companies Act"). For details of changes in the name and registered office of our Company, see the section "History and Certain Corporate Matters" beginning on page 116 of this Draft Red Herring Prospectus.)

Registered Office: K-228, MIDC Industrial Area, Waluj, Aurangabad 431 136, Maharashtra, India
Tel: (91 240) 256 6686; **Fax**: (91 240) 255 6685
Corporate Office: E-92, MIDC Industrial Area, Waluj, Aurangabad 431 136, Maharashtra, India
Contact Person: Vivek M. Achwal, Company Secretary and Compliance Officer; **Tel**: (91 240) 256 9737; **Fax**: (91 240) 255 1700
Website: www.endurancegroup.com; **Email**: investors@endurance.co.in

PROMOTER OF OUR COMPANY: ANURANG JAIN

PUBLIC ISSUE OF 13,130,800 EQUITY SHARES OF A FACE VALUE RS. 4 EACH OF ENDURANCE TECHNOLOGIES LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE (INCLUDING A SECURITY PREMIUM OF RS. [●] PER EQUITY SHARE) CONSISTING OF A FRESH ISSUE OF 8,566,050 EQUITY SHARES AGGREGATING TO RS. [●] MILLION AND AN OFFER FOR SALE OF 4,564,750 EQUITY SHARES BY STANDARD CHARTERED PRIVATE EQUITY (MAURITIUS) II LIMITED (THE "SELLING SHAREHOLDER") AGGREGATING TO RS. [●] MILLION (THE "OFFER FOR SALE" AND TOGETHER WITH THE FRESH ISSUE, THE "ISSUE"). THE ISSUE WILL CONSTITUTE 25 % OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF THE EQUITY SHARES IS RS. 4 EACH.
THE PRICE BAND AND THE MINIMUM BID LOT SIZE WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDER IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND WILL BE ADVERTISED AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ ISSUE OPENING DATE.

In case of a revision in the Price Band, the Bid/Issue Period will be extended for at least three additional working days after revision of the Price Band, subject to the Bid/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Bombay Stock Exchange Limited ("**BSE**") and The National Stock Exchange of India Limited ("**NSE**"), by issuing a press release and also by indicating the change on the website of the Book Running Lead Managers ("**BRLMs**") and at the terminals of the Syndicate Members.

In terms of Rule 19(2)(b)(i) of the Securities Contracts Regulations Rules, 1957, as amended ("**SCRR**"), this is an Issue for more than 25% of the post-Issue capital. The Issue is being made through the Book Building Process wherein not more than 50% of the Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers ("**QIB**"). 5% of the QIB Portion (excluding Anchor Investor Portion) will be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion will be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Potential investors may participate in this Issue through an Application Supported by Blocked Amount ("**ASBA**") process providing details about the bank account, which will be blocked by the Self Certified Syndicate Banks ("**SCSBs**") for the same. For details, see the section "Issue Procedure" beginning on page 384 of this Draft Red Herring Prospectus.

RISK IN RELATION TO FIRST ISSUE

This being the first public issue of the Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is Rs. 4 each. The Floor Price is [●] times of the Face Value and the Cap Price is [●] times of the Face Value. The Issue Price (as determined and justified by our Company in consultation with the Selling Shareholder and the BRLMs as stated under the section "Basis for Issue Price" beginning on page 51 of this Draft Red Herring Prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of this Draft Red Herring Prospectus. Specific attention of the investors is invited to the section "Risk Factors" beginning on page xii of this Draft Red Herring Prospectus.

ISSUER'S AND SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

Our Company having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which will make this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. The Selling Shareholder accepts responsibility that this Draft Red Herring Prospectus contains all information about them as a Selling Shareholder, which is material in the context of the Offer for Sale.

IPO GRADING

This Issue has been graded by [●] as [●] indicating [●]. The IPO grade is assigned on a five point scale from 1 to 5 with IPO grade 5/5 indicating strong fundamentals and IPO grade 1/5 indicating poor fundamentals. For details, please see the section "General Information" beginning on page 22 of this Draft Red Herring Prospectus.

LISTING

The Equity Shares offered through Red Herring Prospectus are proposed to be listed on the BSE and the NSE. Our Company has received "in-principle" approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively. For the purposes of the Issue, the Designated Stock Exchange shall be the [●].

BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE ISSUE
kotak Investment Banking	citi	LINK INTIME INDIA PVT LTD (Formerly INTIME SPECTRUM REGISTRY LTD)
Kotak Mahindra Capital Company Limited 1st Floor, Bakhtawar 229 Nariman Point Mumbai 400 021 Tel: (91 22) 6634 1100 Fax: (91 22) 2284 0492 E-mail: endurance.ipo@kotak.com Investor Grievance Email: kmccredressal@kotak.com Website: www.kmcc.co.in Contact Person: Chandrakant Bhole SEBI Registration. No.: INM000008704	**Citigroup Global Markets India Private Limited** 12th Floor, Bakhtawar Nariman Point Mumbai 400 021 Tel: (91 22) 6631 9999 Fax: (91 22) 6646 6366 E-mail: endurance.ipo@citi.com Investor Grievance Email: investors.cgmib@citi.com Website: www.citibank.co.in Contact Person: Shashank Pandey SEBI Registration No.: INM000010718	**Link Intime India Private Limited** C-13, Pannalal Silk Mills Compound L.B.S. Marg, Bhandup (West) Mumbai 400 078 Tel: (91 22) 2596 3838 Fax: (91 22) 2594 6969 E-mail: etl.ipo@linkintime.co.in Investor Grievance E-mail: etl.ipo@linkintime.co.in Website: www.linkintime.co.in Contact Person: Sanjog Sud SEBI Registration No.: INR000004058

BID/ ISSUE PROGRAMME		
BID/ISSUE OPENS ON: [●]*	**BID/ISSUE CLOSES ON**	
	FOR QIB BIDDERS	**FOR NON-INSTITUTIONAL AND RETAIL BIDDERS**
	[●]	**[●]**

* *Our Company may consider participation by Anchor Investors. The Anchor Investor Bid/ Issue Period shall be one working day prior to the Bid/ Issue Opening Date.*

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or requires, the following terms in this Draft Red Herring Prospectus have the meaning given below:

Company Related Terms

Term	Description
"Our Company", "the Company", or "the Issuer"	Endurance Technologies Limited, a public limited company incorporated under the Companies Act, having its registered office at K-228, MIDC Industrial Area, Waluj, Aurangabad 431 136, Maharashtra, India
"we", "us", or "our"	Our Company and our Subsidiaries on a consolidated basis
AECPL	Anurang Engineering Company Private Limited
Articles of Association/Articles	The articles of association of our Company, as amended
Auditors	The statutory auditors of our Company, Deloitte Haskins & Sells, Chartered Accountants
Board of Directors/Board	The board of directors of our Company or a duly constituted committee thereof
Corporate Office	The corporate office of our Company, situated at E-92, MIDC Industrial Area, Waluj, Aurangabad 431 136, Maharashtra, India
Director(s)	The director(s) of our Company
Endurance Magneti Marelli	Endurance Magneti Marelli Shock Absorbers (India) Private Limited, India
ESIPL	Endurance Systems (India) Private Limited
HTTS	High Technology Transmission Systems (India) Private Limited
Joint Venture Company	The joint venture company as disclosed in the section "Our Subsidiaries and Joint Venture Company" beginning on page 137 of this Draft Red Herring Prospectus
Memorandum/ Memorandum of Association	The memorandum of association of our Company, as amended
Promoter	The promoter of our Company, Anurang Jain.
Promoter Group	Refers to such persons and entities which constitute the Promoter Group of our Company in terms of Regulation 2 (1) (zb) of the SEBI Regulations and a list of which is provided in the section "Our Promoter and Promoter Group" beginning on page 141 of this Draft Red Herring Prospectus
Registered Office	The registered office of our Company, K-228, MIDC Industrial Area, Waluj, Aurangabad 431 136, Maharashtra, India
SCPE / Selling Shareholder	Standard Chartered Private Equity (Mauritius) II Limited
Subsidiaries	The subsidiaries of our Company as disclosed in the section "Our Subsidiaries and Joint Venture Company" beginning on page 137 of this Draft Red Herring Prospectus

Conventional/General Terms

Term	Description
Companies Act	Companies Act, 1956, as amended
Consolidated FDI Policy	Consolidated FDI Policy dated March 31, 2010 issued by the Government of India, Ministry of Commerce and Industry effective from April 1, 2010, as amended
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996, as amended
DP/Depository Participant	A depository participant as defined under the Depositories Act
EPS	Earnings per share, which is the profit after tax for a fiscal year divided by the weighted average of outstanding number of equity shares at the end of the fiscal year

Term	Description
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder and amendments thereto
FEMA Regulations	FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 and amendments thereto
FII(s)	Foreign Institutional Investors as defined under SEBI (Foreign Institutional Investor) Regulations, 1995, as amended registered with SEBI under applicable laws in India
Financial Year/ Fiscal/ FY	Period of 12 months ended March 31 of that particular year
Income Tax Act	Income Tax Act, 1961, as amended
Indian GAAP	Generally Accepted Accounting Principles in India
NRE Account	Non Resident External Account
NRI	Non Resident Indian, is a person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of up to 60% by NRIs including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in this Issue
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act 1992, as amended
Securities Act	U.S. Securities Act, 1933, as amended from time to time
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended
State Government	Government of a State of India
Takeover Code	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended
U.S./ United States	United States of America
US$	United States Dollars
VCFs	Venture Capital Funds as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as amended from time to time

Issue Related Terms

Term	Description
Allotment/Allot/Allotted	The allotment of Equity Shares pursuant to the Fresh Issue and the transfer of the Equity Shares pursuant to the Offer for Sale to successful Bidders
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor category, with a minimum Bid of Rs. 100 Million
Anchor Investor Allocation Notice	Notice or intimation of allocation of Equity Shares sent to Anchor Investors who have been allocated Equity Shares.
Anchor Investor Bid/Issue Period	The day, one working day prior to the Bid/Issue Opening Date, on which Bids by Anchor Investors shall be accepted and allocation to Anchor Investors shall be completed
Anchor Investor Issue Price	The final price at which Equity Shares will be Allotted to Anchor Investors in terms of the Prospectus, which price will be equal to or higher than the Issue Price. The Anchor Investor Issue Price will be decided by our Company in consultation with

Term	Description
	the BRLMs
Anchor Investor Portion	Up to 30% of the QIB Portion, which may be allocated by our Company and the Selling Shareholder in consultation with the BRLMs to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
ASBA Account	Account maintained by an ASBA Bidder with a SCSB which will be blocked by such SCSB to the extent of the Bid Amount of the ASBA Bidder
ASBA Bid cum Application Form	The form, whether physical or electronic, used by an ASBA Bidder to make a Bid through ASBA process, which will be considered as the application for Allotment for the purposes of the Prospectus
ASBA Bidder	Prospective investors (except Anchor Investors) in this Issue who Bid/apply through ASBA
ASBA Revision Form	The form used by the ASBA Bidders to modify the quantity of Equity Shares or the Bid Amount in any of their ASBA Bid cum Application Forms or any previous ASBA Revision Form(s)
Banker(s) to the Issue/ Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as Bankers to the Issue with whom the Escrow Account(s) will be opened and in this case being [●]
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Bidders under the Issue and which is described in the section "Issue Procedure" beginning on page 384 of this Draft Red Herring Prospectus
Bid	An indication to make an offer during the Bid/Issue Period by a prospective investor pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/ Issue Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto
Bid /Issue Closing Date	The date after which the Syndicate and the SCSBs will not accept any Bids for this Issue, which shall be notified in English national daily, Hindi national daily and regional language newspaper
Bid /Issue Opening Date	The date on which the Syndicate and the SCSBs shall start accepting Bids for the Issue, which shall be the date notified in English national daily, Hindi national daily and regional language newspaper
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder upon submission of the Bid (except for Anchor Investors)
Bid cum Application Form	The form in terms of which the Bidder (which, unless expressly provided, includes the ASBA Bid cum Application Form used by an ASBA Bidder, as applicable) shall make on offer to subscribe for or purchase the Equity Shares and which will be considered as the application for Allotment for the purposes of the Prospectus
Bid/Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective Bidders (other than Anchor Investors) can submit their Bids, inclusive of any revisions thereof. Our Company may consider closing the book for QIBs one day prior to the Bid/Issue Closing Date in accordance with the SEBI Regulations
Bidder	Any prospective investor (including an ASBA Bidder) who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form
Book Building Process/Method	The book building process as provided under Schedule XI of the SEBI Regulations, in terms of which the Issue is being made
BRLMs/Book Running Lead Managers	The Book Running Lead Managers to the Issue, in this case being Kotak and Citi

Term	Description
Business Day	Any day on which commercial banks in Mumbai are open for business
CAN/Confirmation of Allotment Note	The note or advice or intimation sent to each successful Bidder indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Cap Price	The higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue Price will not be finalised and above which no Bids will be accepted
Citi	Citigroup Global Markets India Private Limited
Controlling Branches	Such branches of the SCSBs which coordinate with the BRLMs, the Registrar to the Issue and the Stock Exchanges and a list of which is available at http://www.sebi.gov.in/pmd/scsb.pdf
Cut-off Price	Issue Price, finalised by our Company in consultation with the Selling Shareholder and the BRLMs, which can be any price within the Price Band. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. No other category of Bidders are entitled to Bid at the Cut-off Price
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Bid cum Application Forms used by the Bidders applying through the ASBA process and a list of which is available on http://www.sebi.gov.in/pmd/scsb.pdf
Designated Date	The date on which funds are transferred by the Escrow Collection Banks from the Escrow Account or the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the Board of Directors shall Allot Equity Shares to successful Bidders in the Fresh Issue and the Selling Shareholder shall give delivery instructions for transfer of the Equity Shares constituting the Offer for Sale
Designated Stock Exchange	[●]
Draft Red Herring Prospectus	This draft red herring prospectus dated [●] issued in accordance with Section 60B of the Companies Act and the SEBI Regulations, filed with SEBI and which does not contain complete particulars of the price at which the Equity Shares are offered and the size of the Issue
Eligible NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares offered thereby
Equity Shares	Equity shares of our Company of Rs. 4 each pursuant to the split in the face value of the equity shares of our Company from Rs. 10 to Rs. 4 in terms of the resolutions of the Board dated September 27, 2010 and the shareholders dated September 27, 2010
Escrow Account	An account opened with the Escrow Collection Bank(s) and in whose favour the Bidder (excluding the ASBA Bidders) will issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement dated [●] to be entered into among our Company, the Selling Shareholder, the Registrar to the Issue, the BRLMs, the Syndicate Members and the Escrow Collection Bank(s) for collection of the Bid Amounts and where applicable, remitting refunds of the amounts collected to the Bidders (excluding the Bidders applying through ASBA process) on the terms and conditions thereof
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form or the ASBA Bid cum Application Form or ASBA Revision Form
Floor Price	The lower end of the Price Band, at or above which the Issue Price and the Anchor Investor Issue Price will be finalised and below which no Bids will be accepted
Fresh Issue	The fresh issue of 8,566,050 Equity Shares aggregating to Rs. [●] Million by our Company
Issue	Public issue of 13,130,800 Equity Shares for cash at a price of Rs. [●] per Equity Share aggregating to Rs. [●] Million comprising the Fresh Issue and Offer for Sale.
Issue Agreement	The agreement entered into on September 27, 2010 amongst our Company, the Selling Shareholder and the BRLMs, pursuant to which certain arrangements are

Term	Description
	agreed to in relation to the Issue
Issue Price	The final price at which the Equity Shares will be Allotted in terms of the Prospectus. The Issue Price will be decided by our Company in consultation with the Selling Shareholder and the BRLMs on the Pricing Date
Kotak	Kotak Mahindra Capital Company Limited
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended
Mutual Funds Portion	5% of the QIB Portion (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only
Net Proceeds	The Fresh Issue proceeds less the Issue expenses
Non-Institutional Bidders	All Bidders, including sub accounts of FIIs registered with SEBI which are foreign corporates, or foreign individuals, that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount of more than Rs. 100,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Issue being not less than 1,969,620 Equity Shares available for allocation to Non-Institutional Bidders on a proportionate basis
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FIIs registered with SEBI and FVCIs registered with SEBI
Offer for Sale	The offer for sale by the Selling Shareholder of 4,564,750 Equity Shares aggregating Rs. [●] Million
Price Band	Price Band with a minimum price of Rs. [●] (Floor Price) and the maximum price of Rs. [●] (Cap Price) and includes revisions thereof. The Price Band and the minimum Bid lot size for the Issue will be decided by our Company and the Selling Shareholder in consultation with the BRLMs and advertised, at least two working days prior to the Bid/ Issue Opening Date, in [●] edition of English national daily [●], [●] edition of Hindi national daily [●] and [●] edition of regional language newspaper [●]
Pricing Date	The date on which our Company, in consultation with the Selling Shareholder and the BRLMs, finalise the Issue Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 60 of the Companies Act after the Pricing Date, containing, *inter alia*, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information
Public Issue Account	An account opened with the Bankers to the Issue to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
QIB Portion	The portion of the Issue being not more than 50% of the Issue consisting of 6,565,400 Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under Regulation 2(1)(zd) of the SEBI Regulations, and includes public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual funds registered with SEBI, FIIs and sub-accounts registered with SEBI (other than a sub-account which is a foreign corporate or foreign individual), multilateral and bilateral development financial institutions, venture capital funds registered with SEBI, foreign venture capital investors registered with SEBI, state industrial development corporations, insurance companies registered with IRDA, provident funds with minimum corpus of Rs. 250 Million, pension funds with minimum corpus of Rs. 250 Million, the National Investment Fund set up by the Government of India and insurance funds set up and managed by army, navy or air force of the Union of India
Red Herring Prospectus or RHP	The red herring prospectus to be issued in accordance with Section 60B of the Companies Act, which will not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The Red Herring Prospectus will be filed with the RoC at least three days before the Bid/Issue Opening Date and will become a Prospectus upon filing with the RoC after the Pricing Date
Redeemable Preference	Redeemable preference shares of our Company of Rs. 10 each

Term	Description
Shares	
Refund Account(s)	The account opened with Escrow Collection Bank(s), from which refunds (excluding refunds to ASBA Bidders), if any, of the whole or part of the Bid Amount shall be made
Refund Bank(s)	[●]
Refunds through electronic transfer of funds	Refunds through NECS, Direct Credit, NEFT, RTGS or the ASBA process, as applicable
Registrar to the Issue	Link Intime India Private Limited
Retail Individual Bidders	Individual Bidders (including HUFs applying through their karta and Eligible NRIs) who have not Bid for Equity Shares for an amount of more than Rs. 100,000 in any of the bidding options in the Issue
Retail Portion	The portion of the Issue being not less than 4,595,780 Equity Shares available for allocation to Retail Individual Bidder(s) on a proportionate basis
Revision Form	The form used by the Bidders, other than ASBA Bidders, to modify the quantity of Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	Registrar of Companies, Maharashtra situated at Everest, 5th Floor, 100, Marine Drive, Mumbai 400 002
SEBI Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on http://www.sebi.gov.in/pmd/scsb.pdf
Stock Exchanges	BSE and NSE
Syndicate	The BRLMs and the Syndicate Members
Syndicate Agreement	The agreement to be entered into among our Company, the Selling Shareholder and the Syndicate in relation to the collection of Bids in this Issue (excluding Bids from ASBA Bidders)
Syndicate Members	Kotak Securities Limited
TRS or Transaction Registration Slip	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the Bidder, as proof of registration of the Bid
Underwriters	The BRLMs and the Syndicate Members
Underwriting Agreement	The agreement amongst our Company, the Selling Shareholder and the Underwriters to be entered into on or after the Pricing Date
Working Day	All days other than a Sunday or a public holiday on which commercial banks in Mumbai are open for business

Technical/Industry Related Terms and Abbreviations

Term	Description
ACMA	Automotive Components Manufacturing Association of India
AGM	Annual General Meeting
AS / Accounting Standards	Accounting Standards issued by ICAI
AY	Assessment Year
BPLR	Benchmark Prime Lending Rates
bps	basis points
BSE	Bombay Stock Exchange Limited
BPLR	Benchmark Prime Lending Rates
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CIA	Central Intelligence Agency, the United States of America
CIN	Corporate Identity Number
CNC	Computer Numerically Controlled
CRISIL	Credit Rating and Information Services of India Limited

Term	Description
CSO	Central Statistical Office
CVT	Continuous variable transmission
DEPB	Duty Entitlement Pass Book
DIN	Director Identification Number
DP ID	Depository Participant's Identity
DSIR	Department of Scientific and Industrial Research
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
EGM	Extraordinary General Meeting
EPCG	Export Promotion Capital Good
EPS	Earnings per share, which is the profit after tax for a fiscal year divided by the weighted average of outstanding number of equity shares at the end of the fiscal year
FDI	Foreign Direct Investment
FIPB	Foreign Investment Promotion Board
GDP	Gross Domestic Product
GoI/ Government	Government of India
HNI	High Net worth Individual
HCV	Heavy commercial vehicle
HMC	Horizontal machining centre
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Income Tax Act	Income Tax Act, 1961, as amended
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial Public Offering
JV	Joint Venture
LCV	Light commercial vehicle
LIBOR	London Interbank Offered Rate
MoU	Memorandum of Understanding
MT	Metric Tonne
MUV	Multi Utility Vehicle
NAV	Net Asset Value
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NOC	No objection certificate
NR	Non Resident
NRE Account	Non Resident External Account
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OEM	Original equipment manufacturer
PTFE	Poly tetra fluoro ethylene
p.a.	per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
PIO	Persons of Indian Origin
QCDDM	Quality, Cost, Delivery, Development and Management
Re.	One Indian Rupee
RoNW	Return on Net Worth
Rs./ Rupees	Indian Rupees
RTGS	Real Time Gross Settlement

Term	Description
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SIAM	Society of Indian Automobile Manufacturers
SPV	Special Purpose Vehicle
Sq. Ft./ sq. ft.	Square feet
Sq. Mtrs./ sq. mtrs.	Square metres
SUV	Sports Utility Vehicle
TPM	Total Productive Maintenance
VDA	Verband der Automobilindustrie
VMC	Vertical machining centre

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references to "India" contained in this Draft Red Herring Prospectus are to the Republic of India, all references to "Germany" are to the Federal Republic of Germany and all references to "Italy" are to the Italian Republic.

In this Draft Red Herring Prospectus, our Company has presented numerical information in "Million" units. One Million represents 1,000,000.

Financial Data

Unless stated otherwise, the financial data in this Draft Red Herring Prospectus is derived from our consolidated financial statements as on and for the fiscal years ended March 31, 2006, 2007, 2008, 2009 and 2010, prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations and included in this Draft Red Herring Prospectus. Our fiscal year commences on April 1 and ends on March 31 of the following year. In this Draft Red Herring Prospectus, any discrepancies in any table, graphs or charts between the total and the sums of the amounts listed are due to rounding-off.

There are significant differences between Indian GAAP and IFRS. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices, Indian GAAP, the Companies Act and the SEBI Regulations on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. We have not attempted to explain the differences between Indian GAAP and IFRS or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Any percentage amounts, as set forth in the sections "Risk Factors", "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages xii, 86 and 301 of this Draft Red Herring Prospectus, respectively, and elsewhere in this Draft Red Herring Prospectus, unless otherwise indicated, have been calculated on the basis of our restated consolidated and unconsolidated financial statements prepared in accordance with the Indian GAAP.

Currency, Units of Presentation and Exchange Rates

All references to "Rupees" or "Rs." are to Indian Rupees, the official currency of the Republic of India. All references to "US$", "USD" or "US Dollars" are to United States Dollars, the official currency of the United States of America, "Euro" or "€" are to the official currency of the European Union and "JPY" are to Japanese Yen, the official currency of Japan.

Unless otherwise stated, our Company has, in this Draft Red Herring Prospectus, used the following conversion rates as on June 30, 2010:

1 US$ = Rs. 46.92, 1 Euro = Rs. 57.51 and 100 JPY = Rs. 53.13.

(Source: Bank of Maharashtra Selling Rate)

Definitions

For definitions, see the section "Definitions and Abbreviations" beginning on page i of this Draft Red Herring Prospectus. In the section "Main Provisions of Articles of Association" beginning on page 413 of this Draft Red Herring Prospectus, defined terms have the meaning given to such terms in the Articles of Association.

Industry and Market Data

Unless stated otherwise, the industry and market data used throughout this Draft Red Herring Prospectus has been obtained from industry publications. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that the industry and market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified.

Further, the extent to which the industry and market data presented in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

FORWARD-LOOKING STATEMENTS

All statements contained in this Draft Red Herring Prospectus that are not statements of historical fact constitute forward-looking statements. All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements with respect to our business strategy, our revenue and profitability, our projects and other matters discussed in this Draft Red Herring Prospectus regarding matters that are not historical facts. Investors can generally identify forward-looking statements by the use of terminology such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "project", "may", "will", "will continue", "will pursue", "contemplate", "future", "goal", "propose", "will likely result", "will seek to" or other words or phrases of similar import. All forward looking statements (whether made by us or any third party) are predictions and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect.

Further the actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industries in India and overseas in which we have our businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and overseas which have an impact on our business activities or investments, the monetary and fiscal policies of India and other jurisdictions in which we operate, inflation, deflation, unanticipated volatility in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in our industry and incidence of any natural calamities and/or acts of violence. Other important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- our dependence on certain principal customers;
- our ability to integrate and manage strategic investments and alliances and acquisitions and mergers;
- our dependence on the success of particular models of vehicles;
- our ability to manage or sustain growth;
- our ability to comply with terms of financing and other agreements and to procure waivers for non-compliance or defaults;
- our failure to keep up with industry trends and preferences;
- risks and uncertainties in connection with operating in foreign countries; and
- joint venture and technical collaboration partners not complying with the terms of their agreements with us.

For further discussions of factors that could cause our actual results to differ, see the sections "Risk Factors", "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages xii, 86 and 301 of this Draft Red Herring Prospectus, respectively.

By their nature, certain risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Forward-looking statements speak only as of this Draft Red Herring Prospectus. Our Company, our Directors, the Selling Shareholder, the BRLMs, the Syndicate and their respective affiliates or associates do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI requirements, our Company, the Selling Shareholder and the BRLMs will ensure that investors in India are informed of material developments until such time as the grant of listing and trading approvals by the Stock Exchanges.

SECTION II: RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks and uncertainties described in this section are not the only risks that we currently face. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations and financial condition could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risks where the effect is not quantifiable and hence has not been disclosed in the applicable risk factors.

Unless otherwise stated, the financial information used in this section is derived from our restated consolidated or restated unconsolidated financial statements.

Internal Risk Factors

1. Our business is dependent on certain principal customers, especially Bajaj Auto Limited, and the loss of such customers or a significant reduction in purchases by such customers could adversely affect our business, results of operations and financial condition.

We are dependent on certain principal customers, especially Bajaj Auto Limited. Sales to our top five customers represented 73.5% of our net sales for the fiscal year 2010. Our two largest customers, Bajaj Auto Limited and Fiat Group Automobiles SpA represented 51.5% and 10.9%, respectively, of our net sales for the fiscal year 2010. Moreover, many of our manufacturing facilities sell a significant portion of their annual production to small groups of customers. For example, for the fiscal year 2010, sales to Bajaj Auto Limited accounted for the entire production of machined castings at our manufacturing facility in Chakan, Maharashtra and the majority production of castings and machined castings of both of our die-casting and machining facilities in Aurangabad, Maharashtra. In addition, certain models of our other products, such as gas filled shock absorbers, castings and three-wheeler brake panel assemblies are sold entirely to a single customer. Our sales to Bajaj Auto Limited were Rs. 12,384.39 Million, Rs. 11,379.46 Million and Rs. 11,943.15 Million for the fiscal years 2008, 2009 and 2010, respectively. In addition, we have no long-term purchase agreement with Bajaj Auto Limited, and instead rely on short-term purchase orders. Consequently, the loss of any significant customer, especially Bajaj Auto Limited, could have an adverse effect on our business. In addition, as a consequence of our reliance on Bajaj Auto Limited, any adverse change in the financial condition of Bajaj Auto Limited may also have an adverse effect on our business.

It is common for large OEMs to source their parts from relatively small numbers of vendors, and as a result, our customers often undertake vendor rationalisation to reduce costs related to procurement from multiple vendors. Since we are significantly dependent on certain key customers for a significant portion of our sales, the loss of any one of our key customers or a significant reduction in demand from such customers could have an adverse effect on our business, results of operations and financial condition.

2. We may not be successful in implementing our strategies, such as expanding our business in the passenger vehicle, LCV and HCV segments of the automotive components market and outsourcing our non-critical processes to outside vendors, which could adversely affect our business, results of operations and future prospects.

The success of our business depends greatly on our ability to effectively implement our business and strategies. See "Our Business" beginning on page 86 of this Draft Red Herring Prospectus. Even if we have successfully executed our business strategies in the past, there can be no assurance that we will be able to execute our strategies on time and within the estimated budget, or that we will meet the expectations of targeted customers. We expect our strategies to place significant demands on our management and other resources and require us to continue developing and improving our operational, financial and other internal controls. Our inability to effectively manage our business and strategies could have an adverse effect on our business, financial condition and profitability.

For example, for the fiscal year 2010, our sales of products to the passenger vehicle, LCV and HCV segment contributed 35.1% of our net sales. We intend to expand our business further in the passenger vehicle, LCV and HCV segment because of the growth potential of this segment and as an attempt to reduce our reliance on the two-wheeler segment. Sales of two-wheeler components accounted for 58.0%, 51.2% and 54.3% of our net sales for the fiscal years 2008, 2009, and 2010, respectively. Given our limited experience in the passenger vehicle, LCV and HCV segments, it is possible that we may not be able to anticipate or evaluate business risks or implement our strategies successfully. Our strategy of expanding our business into other segments involves understanding different market dynamics, product specifications, technology and other factors, which we may currently be unfamiliar with.

Moreover, our strategy of outsourcing our non-critical processes to outside vendors may not be successful. Such vendors may not meet their contractual obligations, may delay in the delivery of our orders or may not implement adequate quality control measures. Deficiencies in quality, non-performance of obligations or vendor delays may lead to delays in product deliveries to our customers, cancellation of orders by our customers or inadequate performance of our products, which may have an adverse effect on our business, results of operations, financial condition and goodwill.

In addition, our TPM initiatives are an important component of our strategy for growth. Our TPM initiatives focus on quality, cost control, morale, safety and profit. If we are unable to implement such initiatives effectively, or at all, our business and results of operations may be adversely affected.

In order to achieve future growth, we need to effectively manage our expansion projects, accurately assess new markets, attract new customers, obtain sufficient financing for our expected capital expenditures, control our input costs, maintain sufficient operational and financial controls and make additional capital investments to take advantage of anticipated market conditions. We may not be able to achieve growth in revenues and profits or maintain such rate of growth in the future. If we are unable to execute our strategies effectively, our business and financial results will be adversely affected. Our inability to manage the expansion of our business could have an adverse effect on our business, results of operations and financial condition.

3. ***We have undertaken and may continue to undertake strategic investments and alliances, acquisitions and mergers in the future, which may be difficult to integrate and manage.***

We have pursued and may continue to pursue acquisitions, mergers and strategic investments and alliances as a mode of expanding our operations. For example, we currently have a joint venture agreement with Magneti Marelli SpA and technical assistance agreements with components manufacturers such as Teksid Aluminium Srl, Akebono Brake Industry Company Limited and WP Suspension Austria GmbH. In addition, we have acquired our overseas Subsidiaries, Fondalmec SpA, ("Endurance Fondalmec") and Amann Druckguss GmbH ("Amann Druckguss"), to complement our overall strategy for growth. There can be no assurance that the integration of any future expansion or acquisitions will be successful or that the expected strategic benefits of any future expansion, acquisitions, mergers or alliances will be realised.

For example, during the fiscal year 2010, our Company sold its equity shareholding in Nuova Renopress SpA ("Nuova"), an Italian subsidiary of our Company, at a loss. As a result of the global economic downturn, the diminution in value associated with this transaction was Rs. 243.08 Million. We were unable to derive strategic benefits from investments in Nuova, due to a variety of factors including the global economic downturn and our inability to integrate their operations with our business. During the fiscal year 2010, due to the continuous losses incurred by Paioli Meccanica SpA, in which we owned 40.0% of the share capital, as a result of lack of professional management, weak financial condition and associated financial and legal risks, we sold our entire 40.0% shareholding to the majority shareholder for Euro 1.00. We wrote off our entire investment of Rs. 376.73 Million during the fiscal year 2009 and debited our business reserve reconstruction account. Additionally, Endurance Far East Limited, a former indirect subsidiary, was voluntarily wound up during the third quarter of the fiscal year 2010 on account of sustained losses.

During the last three fiscal years, our Company has invested in Amann Druckguss to maintain positive share capital, on account of amortisation of goodwill which accrued as a result of our acquisition of Amann Druckguss, to comply with German accounting laws. As of March 31, 2010, our Company's total investment in Amann Druckguss, including loans and interest thereon, amounted to Euro 30.94 Million. We cannot assure you that we will not be required to make additional investments in Amann Druckguss in order to comply with German accounting laws or otherwise, or that our investments in Amann Druckguss and other overseas investments will provide us with the desired results. Our failure to successfully integrate an acquired business or our inability to realise the anticipated benefits of such expansion or acquisitions could adversely affect our business, results of operations and financial condition.

Going forward, we may undertake further acquisitions, mergers, investments and expansions to enhance our operations and technological capabilities. There can be no assurance that we will be able to raise sufficient funds to finance such strategies for growth. Further expansion and acquisitions may require us to incur or assume new debt, expose us to future funding obligations or integration risks and we cannot assure you that such expansion or acquisitions will contribute to our profitability. In addition, there can be no assurance that we will be able to consummate our expansions, acquisitions, mergers or alliances in the future on terms acceptable to us, or at all.

4. The discontinuation of, the loss of business with respect to, or a lack of commercial success of, a particular vehicle model for which we are a significant supplier could affect our business and results of operations.

Although we have work orders from many of our automotive customers, these work orders generally provide for the supply of a customer's requirements, which may range from one month to one year, for a particular vehicle model and assembly plant and are renewable for the same time periods, rather than for the purchase of a specific quantity of products. Therefore, the discontinuation of, loss of business with respect to, or a lack of commercial success of, a particular vehicle model for which we are a significant supplier could reduce our sales and affect our estimates of anticipated sales, which could have an adverse effect on our business and results of operations.

5. We have experienced significant growth in the past few years and if we are unable to sustain or manage our growth, our business, results of operations and financial condition may be adversely affected.

We have experienced significant growth in the past five years. For the fiscal year 2010, we had Rs. 24,092.53 Million of total income, as compared to Rs. 5,244.87 Million for the fiscal year 2006. Our operations have also grown significantly over the last five calendar years. In 2005, we had 12 manufacturing facilities and two research and development centres in India, and no manufacturing facilities outside of India. We now have 16 manufacturing facilities in India, five research and development centres in India, including one owned by our joint venture, EMM JV, and three manufacturing facilities outside of India. We may not be able to sustain our rates of growth, due to a variety of reasons including a decline in the demand for automotive components, increased price competition, non-availability of raw materials, lack of management availability or a general slowdown in the economy. A failure to sustain our growth may have an adverse effect on our business, results of operations and financial condition.

We are embarking on a growth strategy which involves expansion and diversification of our current business. Such a growth strategy will place significant demands on our management as well as our financial, accounting and operating systems. If we are unable to increase our production capacity, we may not be able to successfully execute our growth strategy. Further, as we scale-up and diversify our operations, we may not be able to execute our operations efficiently, which may result in delays, increased costs and lower quality products. We cannot assure you that our future performance or growth strategy will be successful. Our failure to manage our growth effectively may have an adverse effect on our business, results of operations and financial condition.

6. ***Our financing agreements contain covenants that limit our flexibility in operating our business. In addition, we are not in compliance with certain of these covenants. If we are unable to obtain the required waivers in respect of such breaches, our lenders may accelerate the repayment schedules, and if we are unable to repay the debt, enforce their respective security interests, leading to an adverse effect on our business and financial condition.***

We are bound by restrictive and other covenants in our facility agreements with various lenders, including but not limited to, restrictions on the utilisation of the loan for certain specified purposes, timely provision of information and documents, timely creation of security, obtaining prior consent from existing lenders to provide any security pursuant to any sanction documents, maintenance of financial ratios and obtaining prior written approval from the appropriate lender for various corporate actions. As of the date of this Draft Red Herring Prospectus, we have not complied with and are in breach of certain of these covenants.

In addition, we have not been and are not in compliance with the financial covenants contained in our debt financing agreements. For example, during the fiscal years 2009 and 2010, we paid Rs. 77.34 Million and Rs. 27.59 Million, respectively, as penal interest on account of our breach of such covenants in respect of our loan agreement with ICICI Bank Limited and Bank of India. Going forward, if we are unable to pay such amounts, the affected lenders could also proceed against any collateral granted to them to secure such indebtedness. If any of our lenders accelerate the repayment of our borrowings, we cannot assure you that we will have sufficient assets to repay amounts outstanding under our loan agreements or continue our business.

We have applied for waivers from the appropriate lenders in respect of our breaches of these covenants, and although we have received waivers from some of our lenders in respect of our past breaches of the financial covenants and some of the other terms under our debt financing agreements, we cannot assure you that these lenders will not seek to enforce their rights in respect of future breaches or that we will be able to procure waivers from our remaining lenders. In the absence of waivers for any breach of the covenants contained in these debt financing agreements, our lenders could elect to accelerate all amounts outstanding under the relevant financing arrangements and declare such amounts immediately due and payable together with accrued and unpaid interest. As of August 31, 2010, the aggregate indebtedness outstanding under these debt financing agreements was Rs. 9,191.27 Million, which includes non-fund based facilities of Rs. 1,995.35 Million in the form of letter of credit, stand-by letter of credit, bank guarantee and buyers' credit. Moreover, in the future, as a result of adverse market condition or other reasons beyond our control, we may be unable to comply with the terms of our financing agreements, particularly the financial covenants. A violation of the terms of our debt financing agreements may result in the acceleration of repayment or other events of default which may adversely affect our business and financial condition.

Furthermore, these covenant defaults, both current and potential, may result in cross-defaults in our other debt financing agreements. We cannot assure you that we will be able to procure waivers for such cross-defaults. If any or all of these amounts are accelerated, and we are unable to repay the amounts due, such lenders and/or security trustees may enforce their respective security interests in certain of our assets, including our fixed assets, land, buildings, property, plants and machinery, which may have an adverse effect on our business, liquidity and financial condition.

7. ***Our failure to identify and understand evolving industry trends and preferences and develop new products to meet our customers' demands may adversely affect our business.***

Changes in regulatory or industry requirements or in competitive technologies may render certain of our products obsolete or less attractive. Our ability to anticipate changes in technology and regulatory standards and to successfully develop and introduce new and enhanced products on a timely basis is a significant factor in our ability to remain competitive. For example, one of our strategies for growth is to aim to focus on advanced technology products. However, there can be no assurance that we will be able to secure the necessary technological knowledge, through technical assistance agreements or otherwise, which will allow us to develop our product portfolio in this manner. If we are unable to obtain such knowledge in a timely manner, or at all, we may be unable to effectively implement our strategies, and our business and results of operations may be adversely affected. Moreover, we cannot assure you that we will be able to achieve the technological advances that may be necessary for us to remain competitive or that certain of our products will not become obsolete. We are also subject to the risks generally associated with new product introductions and applications, including lack of market acceptance, delays in product development and failure of products to operate properly.

To compete effectively in the automotive components industry, we must be able to develop and produce new products to meet our customers' demand in a timely manner. We cannot assure you, however, that we will be able to install and commission the equipment needed to produce products for our customers' new product programs in time for the start of production, or that the transitioning of our manufacturing facilities and resources to full production under new product programs will not impact production rates or other operational efficiency measures at our facilities. In addition, we cannot assure you that our customers will execute on schedule the launch of their new product programs, for which we might supply products. Our failure to successfully develop and produce new products, or a failure by our customers to successfully launch new programs, could adversely affect our results of operations.

8. ***Our Company's auditors, for the respective financial years, have qualified their report with respect to certain matters in the financial statements for the fiscal years 2008, 2009 and 2010.***

Our Company's auditors, for the respective financial years, have qualified their report with respect to the matters set out below:

Fiscal Year 2008

- Our Company has restated certain foreign currency denominated long term loans that are covered by foreign exchange forward contracts, using the respective forward contracts' strike rates as the exchange rate, instead of the cross currency spot exchange rate as of March 31, 2008. Had the foreign currency term loans been restated at spot rates, we would have incurred a loss and increased term loan liabilities of Rs. 351.6 Million for the fiscal year 2008, and further, reserves would have decreased by Rs. 351.6 Million for the fiscal year 2008.

Fiscal Year 2009

- Under a scheme of arrangement during the fiscal year 2009, our wholly owned subsidiary, Endurance Systems (India) Private Limited ("ESIPL") merged with and into our Company, with effect from December 1, 2009 with an appointed date of April 1, 2008 (the"Scheme"). Under the terms of the Scheme, we were required to record all the assets, liabilities and investments of ESIPL and of our Company, as of the date of approval of the Scheme, July 28, 2009, at their respective fair values. In the opinion of our Board of Directors, with the exception of tangible fixed assets and our and ESIPL's overseas investments, the values of ESIPL's assets, liabilities and investments as of April 1, 2008 and our Company's assets, liabilities and investments as of March 31, 2009, represented their respective fair values, and have been recorded as their respective book values.

Fiscal Year 2010

- In reference to previous qualifications highlighted for the fiscal year 2009, in the absence of an independent assessment of our decision to record the fair values of the assets, liabilities and investments as of their book values, as of April 1, 2008 or March 31, 2009, the impact on our Company's financial statements, including the current carrying amounts of such assets, investments and liabilities, is not ascertainable.

For more details, see the Auditors Reports for the Restated Unconsolidated Financial Information and Restated Consolidated Financial Information in section "Financial Statements" beginning on page 144 of this Draft Red

Herring Prospectus. If such qualifications are contained in future Auditor Reports, the price of our Equity Shares may be adversely impacted.

9. Our failure to compete effectively in the highly competitive automotive components industry could result in the loss of customers, which could have an adverse effect on our business, results of operations, financial condition and future prospects.

We compete with global competitors to retain our existing business as well as winning new business for the new and redesigned existing vehicle platforms of our automotive customers and to win new businesses from our non-automotive customers. Our failure to obtain new business or to retain or increase our existing business could adversely affect our financial results. In addition, we may incur significant expense in preparing to meet anticipated customer requirements which may not be recovered.

We face increasing competition across our product portfolio. Our premium products face competition from well-established, international producers of automotive components. Our low-cost products face increasing competition from other low-cost producers in India and outside of India.

There is no assurance that we will remain competitive with respect to technology, design and quality. Some of our competitors may have certain advantages, including greater financial resources, technology, research and development capability, greater market penetration and operations in diversified geographies and product portfolios, which may allow our competitors to better respond to market trends. Accordingly, we may not be able to compete effectively with our competitors, which may have an adverse impact on our business, results of operations, financial condition and future prospects.

10. We are subject to risks associated with our overseas operations, which could negatively affect our sales to customers in foreign countries as well as our operations and assets in such countries.

We have international operations in Germany and Italy and we distribute our products in various countries outside of India. For the fiscal year 2010, our revenue from outside India was Rs. 6,739.74 Million, or 28.0%, of our total income.

Our international operations are subject to risks that are specific to each country and region in which we operate as well as risks associated with international operations in general. Our international operations are subject to, among other risks and uncertainties, the following:

- Fluctuations in foreign currency exchange rates against the Indian Rupee, which can affect our results of operations, the value of our foreign assets, the relative prices at which we and foreign competitors sell products in the same markets and the cost of certain inventory and non-inventory items required in our operations For instance, fluctuation of the Euro and the Indian Rupee would have an impact on the export revenues and profits of our operations.

- Compliance with local laws, including environmental, health, safety and accounting laws, may impose onerous obligations on our foreign subsidiaries. For example, as of March 31, 2010, we have invested Euro 30.94 Million, including loans and interest thereon, in Amann Druckguss to maintain positive share capital, on account of German accounting laws, and we may be required to invest additional amounts in the future. If we are unable to comply with such laws, our business, results of operations and financial condition could be adversely affected.

- Changes in foreign laws, regulations and policies, including restrictions on trade, import and export license requirements, and tariffs and taxes, as well as changes in policies relating to foreign trade and investment, may affect our ability to operate and the way in which we manage our business in the countries in which we operate.

- Adverse weather conditions, social, economic and geopolitical conditions, such as natural disasters, civil disturbance, terrorist attacks, war or other military action would affect our business and operations. For example, the Eurozone sovereign debt crisis has adversely affected the European economies, including that of Germany and Italy, which may have an adverse effect on our overseas operations based in those countries.

Any of these risks could have an adverse effect on our business, prospects, results of operations and financial condition.

11. Our joint venture partner may not perform its obligations satisfactorily and its interests may differ from ours, which could have an adverse effect on our business and results of operations.

We currently have one joint venture and three active technical collaboration agreements and we will continue to pursue such strategic alliances in the future. The success of our business collaborations depends significantly on the satisfactory performance by our strategic partners of their contractual and other obligations. As we do not control our partners, we face the risk that they may not perform their obligations. If they fail to perform their obligations satisfactorily, we may be unable to successfully carry out our operations. In such a circumstance, we may be required to make additional investments or become liable for our partners' obligations, which could result in reduced profits or, in some cases, significant losses. Our collaborations may face difficulties in their operations due to a variety of circumstances, which could have an adverse effect on our business, results of operations and financial condition. If the interests of our partners conflict with our interests, this and other factors may cause our joint venture partners to act in a manner that is contrary to our interests, or otherwise be unwilling to fulfil their obligations under our arrangements with them. Any of the foregoing could have an adverse affect on our business, results of operations, financial condition and reputation.

12. We require certain approvals and licenses in the ordinary course of business, and the failure to obtain or retain them in a timely manner all may adversely affect our operations.

We require certain approvals, licences, registrations and permissions for operating our business, some of which may have expired and for which we may have either made, or are in the process of making, an application for obtaining the approval for its renewal. If we fail to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, our business may be adversely affected. Furthermore, our government approvals and licenses are subject to numerous conditions, some of which are onerous and require us to make substantial compliance-related expenditure. If we fail to comply or a regulator claims that we have not complied with these conditions, our business, prospects, financial condition and results of operations may be adversely affected. For details see "Governments and Other Approvals" on page 362 of this Draft Red Herring Prospectus.

13. We do not have firm commitment supply agreements with our Indian customers. If our customers choose not to source their requirements from us, our business and results of operations may be adversely affected.

Consistent with the automotive component industry practice, we do not have long-term supply agreements with our Indian customers and instead rely on purchase orders to govern the volume and other terms of our sales of products. Many of the purchase orders we receive from a customers specify a per unit price and delivery schedule and the quantities to be delivered are determined at a later date. However, such orders may be amended or cancelled prior to finalisation, and should such an amendment or cancellation take place, we may be unable to seek compensation for any surplus unpurchased products that we manufacture. Further, in cases where we have contracts with customers, such contracts do not bind our customers to provide us with a specific volume of business and can be terminated by our customers with or without cause, with little advance notice and without compensation. Consequently, there is no commitment on the part of the customer to continue to pass on new work orders to us and as a result, our sales from period to period may fluctuate significantly as a result of changes in our customers' vendor preferences.

Additionally, our customers have high and exacting standards for product quantity and quality as well as delivery schedules. Any failure to meet our customers' expectations could result in the cancellation or non-renewal of contracts. There are also a number of factors other than our performance that are beyond our control and that could cause the loss of a customer. Customers may demand price reductions, set-off any payment obligations, require indemnification for themselves or their affiliates, change their outsourcing strategy by moving more work in-house, or replace their existing products with alternative products, any of which may have an adverse effect on our business, results of operations and financial condition.

14. ***Dependence on our suppliers and the absence of long-term supply contracts may adversely affect the availability of key inputs at reasonable prices, which may in turn affect our margins and have an adverse effect on our business, results of operations and financial condition.***

We are dependent upon a limited number of suppliers for our major raw materials. Discontinuation of production by these suppliers or a failure of these suppliers to adhere to the delivery schedule or the required quality could hamper our production schedule and, therefore, also affect our business and results of operations. This dependence may also adversely affect the availability of key materials at reasonable prices thus affecting our margins and may have an adverse effect on our business, results of operations and financial condition. There can be no assurance that strong demand, capacity limitations or other problems experienced by our suppliers will not result in occasional shortages or delays in their supply of raw materials. If we were to experience a significant or prolonged shortage of raw materials from any of our suppliers, and we cannot procure the raw materials from other sources, we would be unable to meet our production schedules for some of our key products and to ship such products to our customers in timely fashion, which would adversely affect our sales, margins and customer relations. In the absence of long-term contracts, we cannot assure you that a particular supplier will continue to supply our products in the future. For example, we generally do not have any long-term contracts in place for our aluminium requirements. Any change in the supplying pattern of our raw materials can adversely affect our business and profits.

Further, the automotive industry has experienced significant volatility with respect to raw materials prices in the recent past, primarily in ferrous and non-ferrous metals. Historically, as a practice, we have passed on the increase in cost of metals, especially aluminium and steel onto our customers. However, our cash flows may still be adversely affected because of any gap in time between the date of procurement of those primary raw materials and date on which we can reset the component prices for our customers, to account for the increase in the prices of such raw materials. Our need to maintain a continued supply of raw materials may make it difficult to resist price increases and surcharges imposed by our suppliers, which may have an adverse effect on our business and results of operations.

15. ***We are dependent on third parties for the supply of raw materials and delivery of products and if such providers fail to meet their obligations, our business and results of operations could be adversely affected.***

We use third parties for the supply of our raw materials and for deliveries of finished and unfinished products to our domestic and overseas customers as well as between production facilities. Transportation strikes have in the past and could in the future have an adverse effect on our supplies and deliveries to and from particular plants on a timely and cost efficient basis. An increase in freight costs or the unavailability of adequate port and shipping infrastructure for transportation of our products to our markets may have an adverse effect on our business and results of operations.

In addition, we have entered into agreements with creditors of certain of our third party suppliers, pursuant to which such credtiors may debit our accounts held with them, should such third party suppliers fail to meet their payment obligations under their financing arrangements with the creditors. As of March 31, 2010, the agrregate amount outstanding under such arrangements, recorded as 'acceptances' under our current liabilities, was Rs. 505.24 Million.

16. ***Product liability and other civil claims and costs incurred as a result of product recalls could harm our business, results of operations and financial condition.***

We face an inherent business risk of exposure to product liability or recall claims, especially in respect of our foreign operations, in the event that our products fail to perform as expected or such failure results, or is alleged to result, in bodily injury or property damage or both. We have begun outsourcing certain non-critical manufacturing processes, and as we no longer have direct control over such processes, the outsourcing of such processes may enhance our product liability risk. Consequently, we cannot assure you that we will not experience any material product liability losses in the future or that we will not incur significant costs to defend any such claims.

Vehicle manufacturers have their own policies regarding product recalls and other product liability actions relating to their suppliers. However, as suppliers become more integrally involved in the vehicle design process and assume more vehicle assembly functions, vehicle manufacturers may seek compensation from their suppliers for contributions when faced with product recalls, product liability or warranty claims. Vehicle manufacturers are also increasingly requiring their outside suppliers to provide warranties for their products and bear the costs of repair and replacement of such products under new vehicle warranties. For example, certain of our braking, suspension and transmission products are under warranty for periods ranging from 6 months up to 27 months. Depending on the terms under which we supply products, our customers may hold us responsible for some or all of the repair or replacement costs of defective products under new vehicle warranties provided by us or by our customers, when the product supplied does not perform as expected. Such warranties may be enforced against us even in cases where the underlying sales contract has expired. A successful warranty or product liability claim or costs incurred for a product recall in excess of our available insurance coverage, if any, would have an adverse effect on our business, results of operations and financial condition.

We do not carry insurance for product liability or recall in India. As a result of product liability legislation, civil claims may be brought against OEMs, and we may be made parties to such claims where damages may have been caused by any faulty products that we produced. We cannot assure you that such claims will not be brought against us in the future, and any adverse determination may have an adverse effect on our business, results of operations and financial condition.

17. ***There is outstanding litigation against our Company, our Subsidiaries, our Directors and our Promoter, which if determined adversely, could affect our business and results of operations.***

Our Company, our Subsidiaries, our Directors and our Promoter are defendants in certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally from us and other parties. Should any new developments arise, such as any change in applicable Indian law or any rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase expenses and current liabilities. Any adverse decision may have an adverse effect on our business, results of operations and financial condition.

Litigation against Company

Nature of litigation	**Number of outstanding litigations**	**Aggregate approximate amount involved (in Rs. Million)**
Tax Proceedings*	14	17.79
Labour cases	29	4.04
Trademark Cases	1	-
Arbitration Proceedings	1	2.13
Notices	2	0.60

** For details of disputed and contested tax demands, along with the disclosures of amount, period for which such demands or claims are outstanding, financial implications and the status of the case, see the section "Outstanding Litigation and Material Developments" on page 351 of this Draft Red Herring Prospectus.*

Litigation by Company

Nature of litigation	Number of outstanding litigations	Aggregate approximate amount involved (in Rs. Million)
Criminal Cases	1	0.21
Tax Proceedings*	16	8.01
Labour cases	2	0.83
Civil Cases	3	10.00

** For details of disputed and contested tax demands, along with the disclosures of amount, period for which such demands or claims are outstanding, financial implications and the status of the case, see the section "Outstanding Litigation and Material Developments" on page 351 of this Draft Red Herring Prospectus.*

Litigation involving Subsidiaries

Name of the Subsidiary	Nature of litigation	Number of outstanding litigations	Aggregate approximate amount involved (in Rs. Million)
High Technology Transmission Systems (India) Private Limited	Criminal Cases	3	0.14
	Tax Proceedings*	2	0.14
	Labour cases	3	2.02
	Civil Cases	1	0.40
Amann Druckguss GmbH	Labour cases	1	-

** For details of disputed and contested tax demands, along with the disclosures of amount, period for which such demands or claims are outstanding, financial implications and the status of the case, see the section "Outstanding Litigation and Material Developments" on page 351 of this Draft Red Herring Prospectus.*

Litigation involving Promoter

Name of Promoter	Nature of litigation	Number of outstanding litigations	Aggregate approximate amount involved (in Rs. Million)
Anurang Jain	Labour Cases	4	4.50
	Civil Cases	1	-
	Notice	1	-

itigation involving Directors other than our Promoter

Name of Director	Nature of litigation	Number of outstanding litigations	Aggregate approximate amount involved (in Rs. Million, except as specified)
Roberto Testore	Labour Case	1	€0.01
Partho Datta	Economic Offence	1	-

For further details on the outstanding litigation against our Company, our Subsidiaries, our Directors and our Promoter, see "Outstanding Litigation and Material Developments" on page 351 of this Draft Red Herring Prospectus.

18. ***We have substantial capital expenditure and working capital requirements and may require additional financing to meet those requirements, which could have an adverse effect on our results of operations and financial condition.***

Our business is capital intensive as we have expanded and upgraded our existing production facilities. For the fiscal years 2010, 2009 and 2008, we incurred capital expenditure expenses of Rs. 1,026.20 Million, Rs. 1,494.68 Million and Rs. 2,620.80 Million, respectively. Although we do intend to and currently incur certain capital expenditures during the fiscal year 2011, the actual amount and timing of our future capital requirements may differ from estimates as a result of, among other factors, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, economic conditions, engineering design changes, weather related delays, technological changes and additional market developments and new opportunities in the forging industry. Our sources of additional financing, where required to meet our capital expenditure plans, may include the incurrence of debt or the issue of equity or debt securities or a combination of both. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations. Any issuance of equity, on the other hand, would result in a dilution of your shareholding.

In many cases, a significant amount of our working capital is required to finance the purchase of materials and the performance of engineering, procurement, manufacturing and other work before payment is received from customers. Our working capital requirements may increase if the payment terms in our agreements include reduced advance payments or longer payment schedules. These factors may result, or have resulted, in increases in the amount of our receivables and short-term borrowings. Continued increases in our working capital requirements may have an adverse effect on our financial condition and results of operations.

19. We are subject to risks arising from interest rate fluctuations, which could adversely affect our results of operations, planned expenditures and cash flows.

As of March 31, 2010, 70.6% of our indebtedness was at floating interest rates. If the interest rates of our existing or future borrowings increase significantly, our cost of funds will increase. This may adversely affect our results of operations, planned expenditures and cash flows.

20. We regularly work with hazardous materials and activities in our operation can be dangerous, which could cause injuries to people or property.

Our business requires individuals to work under potentially dangerous circumstances or with flammable materials. For example, if improperly handled, molten metal can seriously hurt or even kill employees or other persons, and cause damage to our properties and the properties of others. Despite compliance with requisite safety requirements and standards, our operations are subject to significant hazards, including:

- explosions;
- fires;
- mechanical failures and other operational problems;
- inclement weather and natural disasters;
- discharges or releases of hazardous substances, chemicals or gases; and
- other environmental risks.

These hazards can cause personal injury and loss of life, catastrophic damage or destruction of property and equipment as well as environmental damage, which could result in a suspension of operations and the imposition of civil or criminal liabilities. The loss or shutting down of our facilities could disrupt our business operations and adversely affect our results of operations, financial condition and reputation. We have experienced one work-related fatality in each of the fiscal years 2010 and 2011. We could also face claims and litigation, in India or overseas, filed on behalf of persons alleging injury predominantly as a result of occupational exposure to hazards at our facilities. If these claims and lawsuits, individually or in the aggregate, are resolved against us, our business, results of operations and financial condition could be adversely affected.

21. We might infringe upon the intellectual property rights of others, any misappropriation of which could harm our competitive position.

While we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty as to whether we are infringing on any existing third-party intellectual property rights which may force us to alter our technologies, obtain licenses or cease some of our operations. We may also be susceptible to claims from third parties asserting infringement and other related claims. If claims or actions are asserted against us, we may be required to obtain a license, modify our existing technology or cease the use of such technology and design a new non-infringing technology. Such licenses or design modifications can be extremely costly. Furthermore, necessary licenses may not be available to us on satisfactory terms, if at all. In addition, we may decide to settle a claim or action against us, which settlement could be costly. We may also be liable for any past infringement. Any of the foregoing could adversely affect our business, results of operations and financial condition.

In addition, in certain cases, our customers share their intellectual property rights in the course of the product development process that we carry out for them. If our customer's intellectual property rights are misappropriated by our employees in violation of any applicable confidentiality agreements, our customers may seek damages and compensation from us. This could have an adverse effect on our business, results of operations and financial condition and damage our reputation and relationships with our customers.

22. Our failure to keep our technical knowledge confidential could erode our competitive advantage.

Like many of our competitors, we possess extensive technical knowledge about our products. Such technical knowledge has been built up through our own experiences and through licensing agreements and technical assistance agreements, which grant us access to new technologies. Our technical knowledge is a significant independent asset, which may not be adequately protected by intellectual property rights such as patent registration. Some of our technical knowledge is protected only by secrecy. As a result, we cannot be certain that our technical knowledge will remain confidential in the long run.

Even if all reasonable precautions, whether contractual or otherwise, are taken to protect our confidential technical knowledge of our products and business, there is still a danger that certain proprietary knowledge may be leaked, either inadvertently or wilfully, at various stages of the production process. A significant number of our employees have access to confidential design and product information and there can be no assurance that this information will remain confidential. Moreover, certain of our employees may leave us and join our various competitors. Although we may seek to enforce non-disclosure agreements in respect of research and development and certain other key employees, we cannot guarantee that we will be able to successfully enforce such agreements. We also enter into non-disclosure agreements with a number of our customers and suppliers but we cannot assure you that such agreements will be successful in protecting our technical knowledge. The potential damage from such disclosure is increased as many of our designs and products are not patented, and thus we may have no recourse against copies of our products and designs that enter the market subsequent to such leakages. In the event that the confidential technical information in respect of our products or business becomes available to third parties or to the general public, any competitive advantage we may have over other companies in the automotive components sector could be harmed. If a competitor is able to reproduce or otherwise capitalise on our technology, it may be difficult, expensive or impossible for us to obtain necessary legal protection. Consequently, any leakage of confidential technical information could have an adverse effect on our business, results of operations, financial condition and future prospects.

23. Our efforts in obtaining and protecting our patents may be costly and, unsuccessful, which may have any adverse effect on our business and results of operations.

Patent protection is an important component of our domestic strategy going forward. Patents covering our developed products provide exclusivity in the Indian market, which is important for the successful marketing and sale of our products. We seek patents covering a variety of our products across various product lines in India. Currently, we have 17 patent applications pending. Our applications may be opposed, or our competitors may have filed similar patent applications or hold issued patents relating to products or processes that compete with those that we are developing or are seeking to protect. We cannot assure you that we will be granted patents that we apply for, in a timely manner, or at all.

We currently hold three patents and even if we are successful in obtaining patents with respect to our pending applications, third parties may challenge, seek to invalidate or circumvent our patents and patent applications. Although we may defend our patent rights, there can be no assurance that our defence will be successful. Moreover, patent litigation and other challenges to our Company's patents may be costly and unpredictable. If one or more of our important patented products lose patent protection in profitable markets, sales of those products may decline significantly if alternative versions of those products become available, and this may have an adverse effect on our business and results of operations.

24. Our business may be adversely affected by environmental and safety regulations to which we are subject to.

We are required to comply with Indian central, state and local laws, as well as German, Italian and European Union laws and regulations governing the protection of the environment and occupational health and safety, including laws regulating the generation, storage, handling, use and transportation of waste materials, the emission and discharge of waste materials into soil, air or water, and the health and safety of employees. We are also required to obtain and comply with environmental permits for certain of our operations. There can be no assurance that we will at all times be in complete compliance with such laws, regulations and permits. If we violate or fail to comply with these requirements, we could be fined or otherwise sanctioned by the relevant regulators. In some instances, such a fine or sanction could adversely affect our business, reputation, financial condition or results of operations. In addition, these requirements may become more stringent over time and there can be no assurance that we will not incur significant environmental costs or liabilities in the future. We are also subject to laws requiring the clean-up of contaminated property. Under such laws, we could be held liable for costs and damages relating to contamination at our facilities and at third-party sites to which these facilities send waste material, which could have an adverse effect on our business and results of operations.

25. Our employees are members of unions and we may be subject to industrial unrest, slowdowns and increased wage costs, which may adversely affect our business and results of operations.

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. As of July 31, 2010, 1,651 of our employees, representing 38.5% of our workforce, are members of labour unions, thus it may be difficult for us to maintain flexible labour policies, and we may face the threat of labour unrest, work stoppages and diversion of our management's attention due to union intervention. Strikes or work stoppages can adversely affect the results of our operations and reputation. We have signed nine agreements with labour unions, which are set to expire between April 2011 and March 2014. Work stoppages or slow-downs experienced by our customers or key suppliers could result in slow-downs or closures of our units or assembly plants where our products are included in the end products. In the event that we or one or more of our customers or key suppliers experiences a work stoppage, such work stoppage could have an adverse effect on our business, results of operations and financial condition.

26. We are highly dependent on our management team and certain key personnel, and the loss of any key team member may adversely affect our business performance.

Our business and the implementation of our strategy is dependent upon our key management team including our Promoter and Managing Director, who oversees our day-to-day operations, strategy and growth of our business. If our Promoter and Managing Director or one or more members of our key management team are unable or unwilling to continue in their present positions, such persons would be difficult to replace and our business, prospects and results of operations could be adversely affected.

In addition, our success in expanding our business will also depend, in part, on our ability to attract, retain and motivate appropriately qualified management personnel. Our failure to successfully manage our personnel needs could adversely affect our business prospects and results of operations. These risks could be heightened to the extent we invest in businesses or geographical regions in which we have limited experience. If we are not able to address these risks, our business, results of operations and financial condition could be adversely affected.

27. We appoint contract labour for carrying out certain of our ancillary operations and we may be held responsible for paying the wages of such workers, if the independent contractors through whom such workers are hired default on their obligations, and such obligations could have an adverse effect on our results of operations and financial condition.

In order to retain flexibility and control costs, our Company appoints independent contractors who in turn engage on-site contract labour for performance of certain of our ancillary operations in India. Although our Company does not engage these labourers directly, we may be held responsible for any wage payments to be made to such labourers in the event of default by such independent contractors. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and financial condition. In addition, under the Contract Labour (Regulation and Abolition) Act, 1970, as amended, we may be required to absorb a number of such contract labourers as permanent employees. Thus, any such order from a regulatory body or court may have an adverse effect on our business, results of operations and financial condition.

28. Our continued operations are critical to our business and any shutdown of our manufacturing facilities may have an adverse effect on our business, results of operations and financial condition.

Our manufacturing facilities are subject to operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of efficiency, obsolescence, labour disputes, natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities. The assembly lines of our customers rely significantly on the timely delivery of our components and our ability to provide an uninterrupted supply of our products is critical to our business. In addition, certain of our customers impose significant penalties on component manufacturers like us for any stoppage in any assembly line, caused either by delayed delivery of a component or a defect in the components delivered. Our business and financial results may be adversely affected by any disruption of operations of our product lines, including as a result of any of the factors mentioned above.

29. We may not have sufficient insurance coverage to cover our economic losses as well as certain other risks including those pertaining to claims by third parties and litigation.

Our business involves many risks and hazards which may adversely affect our profitability, including breakdowns, failure or substandard performance of equipment, third party liability claims, labour disturbances, employee fraud and infrastructure failure. We cannot assure you that the operation of our business will not be affected by any of the incidents and hazards listed above. In addition, our insurance may not provide adequate coverage in such circumstances including those involving claims by third parties and is subject to certain deductibles, exclusions and limits on coverage.

If our arrangements for insurance or indemnification are not adequate to cover claims, including those exceeding policy aggregate limitations or exceeding the resources of the indemnifying party, we may be required to make substantial payments and our results of operations and financial condition may be adversely affected.

30. We have significant energy requirements and any disruption to these power sources could increase our production costs and adversely affect our results of operations.

We require substantial electricity for our manufacturing facilities, and energy costs represent a significant portion of the production costs for our operations. For the fiscal years 2008, 2009 and 2010, our power, water and fuel costs was Rs. 1,054.73 Million, Rs. 1,135.93 Million and Rs. 1,180.27 Million, constituting

4.6%, 4.9% and 4.9%, respectively, of our total income. We source almost all the electricity requirements for our manufacturing facilities from local utilities. If supply is not available for any reason, we will need to rely on alternative sources, which may not be able to consistently meet our requirements. The cost of electricity purchased from alternative sources could be significantly higher, thereby adversely affecting our cost of production and profitability. Further, if for any reason such electricity is not available, we may need to shut down our plants until an adequate supply of electricity is restored. Interruptions of electricity supply can also result in production shutdowns, increased costs associated with restarting production and the loss of production in progress. If energy costs were to rise, or if electricity supplies or supply arrangements were disrupted, our profitability could decline.

31. Discontinuance or non-availability of fiscal benefits enjoyed by us or our inability to comply with related requirements may have an adverse effect on our business and results of operations.

Our Company currently enjoys certain fiscal benefits on account of policies of the Government of India, including concessions on duty imports and incentives relating to Duty Entitlement Pass Book licences ("DEPB Licences") and under the Export Promotion Capital Goods Scheme (the "EPCG Scheme") of the Government of India. DEPB licenses are issued as a form of export incentive scheme to neutralise the incidence of customs duty on imported contents of export products. The DEPB License of our Pantnagar plants are set to expire and the non-availability of fiscal benefits under the DEPB Licence may have an adverse effect on our business and results of operations. The EPCG scheme allows imports at concession rates of custom duty and requires the importer to export a specified quantity of goods over a period of eight years and to maintain an average quantity of export per year. Non-fulfilment of such obligations may result in confiscation of capital goods imported under this scheme and other penalties as set out in this scheme. As of March 31, 2010, the total outstanding export obligations of our Company under the EPCG Scheme was Rs. 2,800.00 Million over the next seven years, with a requirement to maintain an average export of Rs. 400.00 Million per annum. We have not been subject to any penalties on account of failure to meet our export obligations in the past, since the value of exports undertaken by us has exceeded our export commitments. However, in the event of any default under the EPCG Scheme, our results of operations may be adversely affected. As we seek to export a larger proportion of our products outside of India, any changes in the policies of the Government of India has a proportionately greater adverse effect on our results of operations and financial condition.

32. We have experienced negative cash flows in prior periods and any negative cash flows in the future could adversely affect our financial condition and the trading price of our Equity Shares.

We experienced negative cash flows (only negative flows are indicated for each period):

	Fiscal Year 2007 (Rs. In Million)	**Fiscal Year 2008 (Rs. in Million)**	**Fiscal Year 2009 (Rs. In Million)**	**Fiscal Year 2010 (Rs. in Million)**
Net cash from/(used in) Operating Activities	-	-	-	-
Net cash from/(used in) Investing Activities	(5,209.89)	(2,536.44)	(977.10)	(1,569.14)
Net cash from/(used in) Financing Activities	-	-	(2,625.56)	(1,018.99)

Any negative cash flows in the future could adversely affect our financial condition and the trading price of the Equity Shares.

33. Our contingent liabilities that have not been provided for in our financial statements may adversely impact our financial condition.

Our contingent liabilities not provided for as of March 31, 2010 based on our restated consolidated financial statements included the following:

(Rs. in Million)

Particulars	March 31, 2010
Outstanding Letters of Credit	582.52
Guarantees Given By Company's Bankers	104.73
Bank Guarantees favouring Commissioner of Custom	-
SBLC Given to ICICI Bank for EOSRL	402.31
Corporate Guarantee given to Bank of India, London for the loan taken by Amann Druckguss GMBH.	601.03
Corporate Guarantee	
Corporate Guarantee given to Andhra Bank for loan taken by EMM	-
SBLC given to Bank of India, London for the working capital loan taken by Amann Druckguss GMBH.	-
Disputed Excise Demand	57.28
Claims by suppliers under dispute	0.45
Service Tax Matters	3.13
Sales Tax Matters	0.04
Excise Matters	0.15
Claims towards workman compensation	-
Foreign Bill discounting	-
Disputed Grampanchayat Tax	-
Bank Guarantee Outstanding (Maharashtra State Electricity Distribution Company Ltd., Aurangabad-Rs.13,99,625/-)	-
Corporate Guarantee given to Andhra Bank for loan taken by EMM	110
Total	**1,861.64**
Disputed Income tax	-

34. Some of our Subsidiaries have incurred losses in the last three years.

Some of our Subsidiaries have had losses during the last three years (as per their standalone financial statements), as set forth below:

Profit/Loss of our Subsidiaries and Joint Venture Company

(In Million)

Subsidiary	Profit/(Loss) Fiscal Year 2010	Profit/(Loss) Fiscal Year 2009	Profit/(Loss) 15 months period ended March 31, 2008
Endurance Overseas SrL	Euro (1.77)	Euro (5.68)	Euro (0.73)
Amann Druckguss GmbH	Euro (1.57)	Euro (11.00)	Euro (4.66)
Endurance Magneti Marrelli Shock Absorbers (India) Private Limited	INR (89.06)	INR (18.59)	-

35. We have issued Equity Shares during the last one year at a price that may be below the Issue Price.

In the last one year, we have issued Equity Shares at a price that may be lower than the Issue Price:

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration	Allottee
September 27, 2010	586,096	10	682.48	Cash	SCPE

36. A portion of the proceeds of the Issue will be to the account of the Selling Shareholders instead of our Company.

The Issue consists of an offer for sale by the Selling Shareholders (the "Offer"), the entire proceeds of the Offer will be paid to the Selling Shareholders and the Company will not receive any proceeds from the Offer.

37. Our Promoter will continue to retain majority shareholding in us after the Issue, which will allow them

to exercise significant influence over us.

After the completion of the Issue, our Promoter will hold approximately 50.29% of our outstanding Equity Shares. Accordingly, our Promoter will continue to exercise significant influence over our business and all matters requiring shareholders' approval, including the composition of our Board of Directors, the adoption of amendments to our certificate of incorporation, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. This concentration of ownership may also delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of our Promoter. The interests of our Promoter, as our Company's controlling shareholder, could conflict with our Company's interests, your interests or the interests of our other shareholders. There is no assurance that our Promoter will act to resolve any conflicts of interest in our Company's or your favour.

38. We have entered into, and will continue to enter into, related party transactions and there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties.

We have entered into transactions with several related parties, including our Promoter, Directors and Subsidiaries, which were conducted in compliance with applicable laws. Furthermore, it is likely that we will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations. The transactions we have entered into and any future transactions with our related parties have involved or could potentially involve conflicts of interest. For more information regarding our related party transactions, see "Related Party Transactions" in section "Financial Statements" beginning on page 144 of this Draft Red Herring Prospectus.

External Risk Factors

39. Downward pricing pressure from customers may adversely affect our gross margin, profitability and ability to increase our prices, which in turn may adversely affect our business, results of operations and financial condition.

Downward pricing pressure from automotive manufacturers is characteristic of the industry in which we operate. Virtually all automakers pursue aggressive but systematic price reduction initiatives and objectives each year with their suppliers, and such actions are expected to continue in the near future, especially in light of the downturn that the automotive industry is currently experiencing. Pursuing cost-cutting measures while maintaining rigorous quality standards may lead to an erosion of our margins, which may have an adverse effect on our business, results of operations and financial condition.

In addition, estimating amounts of such price reductions is subject to risk and uncertainties as any price reduction is the result of negotiations and other factors. Accordingly, suppliers must be able to reduce their operating costs in order to maintain profitability. Such price reductions may affect our sales and profit margins. If we are unable to offset customer price reductions in the future through improved operating efficiencies, new manufacturing processes, sourcing alternatives and other cost reduction initiatives, our business, results of operations and financial condition may be adversely affected.

Additionally, our business is very capital intensive, requiring us to maintain a large fixed cost base. Therefore, our profitability is dependent, in part, on our ability to spread fixed production costs over higher production volume. However, our customers generally negotiate for larger discounts in price as the volume of their orders increase. If we are unable to generate sufficient production cost savings in the future to offset price reductions or if there is any reduction in consumer demand for vehicles, which will result in decreased sales, our gross margin and profitability may be adversely affected.

Pursuant to our long term agreements with trade unions, wage increases of our unionised employees are linked to productivity. Further, historically, wage costs in the Indian automotive components industry have been significantly lower than wage costs in developed countries for comparable skilled technical personnel. However, in the long term, wage increases in India may make us less competitive unless we are able to increase our efficiency and productivity proportionately and we can pass through such costs in the prices that we charge our customers. Any significant increase in our wage costs could have an adverse effect on our business, results of operations and financial condition.

40. ***Significant declines in automotive production levels have reduced our sales, particularly in Europe, and adversely affected our results of operations and financial condition, and the continuation or worsening of industry conditions will have an adverse effect on our business and results of operations.***

Demand for our automotive components is directly related to automotive vehicle production. Automotive sales and production are historically cyclical and exhibit fluctuations from year to year and are subject to many factors beyond our control, including, but not limited to, economic growth rates, consumer confidence, employment levels, fuel prices, interest rates, labour relations issues, technological developments, regulatory requirements and trade agreements. The automobile industry has witnessed substantial changes in recent years, including, among others, continued consolidation, outsourcing, decreasing profit margins in certain sectors, regulatory, shifts in production to low-cost manufacturing centres, an increased focus on sales outside of Western Europe and North America and technological changes. In light of the global economic downturn and its reverberating effects, such as the European debt crisis, automotive industry conditions, particularly in Western Europe continue to be challenging. The European automotive industry is suffering from sharp declines in sales, significant overcapacity, fierce competition, high fixed cost structures and significant employee pension and health care obligations. As a result, several suppliers in Europe are facing significant financial distress, including bankruptcy. For example, our Subsidiaries have been operating at low production levels since the last quarter of calendar year 2008. We recorded a decline in our overall production during the fiscal year 2009 as compared to the fiscal year 2008, and our production levels for the fiscal year 2010 have grown but not recovered to pre-crisis levels. There is no assurance that we will be able to utilise our capacity fully in the future to increase our production level. Although the volumes in the Indian automotive market in the second half of the calendar year 2009 exceeded the level before the global economic downturn as a result of factors such as declining interest rates and stimulus packages offered by the Government of India, the growth in the Indian automotive market could be adversely affected if such packages are withdrawn or other adverse events occur.

Unfavourable industry conditions have also resulted in financial distress of some at the world's largest automobile manufacturers. Both our foreign and domestic operations have been adversely affected by such conditions. For example, during the fiscal year 2010, we were required, under German accounting law, to invest in our German subsidiary, Amann Druckguss, to maintain positive share capital to comply with German accounting laws. As of March 31, 2010, our total investment in Amann Druckguss, including loans and interest thereon, was Euro 30.94 Million. We have also exited from certain foreign operations, such as our investment in Nuova as a consequence of the economic downturn. In the domestic market, our largest customer, Bajaj Auto Limited, was also adversely affected by the difficult economic conditions and ours total sales to Bajaj Auto Limited have fallen the fiscal year 2008 to the fiscal year 2010. Notwithstanding the government support provided to the automotive industry, the financial prospects of certain automotive and automotive components companies remain uncertain. Further, the terms, conditions and extent of any funding support provided by governments to our competitors could have an adverse effect on our business, results of operations and financial condition.

In addition, the automotive component industry is sensitive to other factors such as technological changes, cyclicality and unforeseen events, including political instability, recession, inflation, further volatility in fuel prices and other adverse occurrences. Any such event that results in decreased demand in the automotive industry, or increased pressure on automobile manufacturers to develop, implement and maintain in-house auto component facilities, could have an adverse effect on our business, results of operations and financial condition.

41. ***We are heavily dependent on the performance of the automotive sector in India, particularly the market for two-wheelers, and any adverse changes in the conditions affecting these markets can adversely impact our business, results of operations and financial condition.***

Our business is heavily dependent on the performance of the automotive sector in India, particularly the two-wheeler market. While we have expanded our operations to three-wheelers, passenger vehicles, LCVs and HCVs and to customers outside India, our products portfolio has been and continues to be concentrated on providing components for two-wheelers manufacturers in India. In the event of a decrease in demand for two-wheelers, or any developments that make the sale of components in the two-wheeler market less economically beneficial, we may experience more pronounced effects on our business, results of operations and financial condition than if we had further diversified our portfolio across different segments of the automotive components market. Our business, results of operations and financial condition have been and will continue to be largely dependent on the performance of, and the prevailing conditions affecting, the two-wheeler market in India.

The automotive market in India may perform differently, and be subject to market and regulatory developments that are dissimilar to the automotive markets in other parts of the world. We cannot assure you that the demand for our products in India will grow, or will not decrease, in the future. The automotive market is affected by, among others, changes in government policies, economic conditions, demographic trends, employment and income levels and interest rates, which may negatively affect the demand for and the valuation of our products. These and other factors may negatively contribute to changes in the prices of and demand for our products in India and may adversely affect our business, results of operations and financial condition.

42. The cyclical nature of automotive sales and production can adversely affect our business.

Our automotive business is directly related to our customers' vehicle sales and production levels across various segments. Automotive sales and production are highly cyclical and depend on general economic conditions and other factors, including consumer spending and preferences as well as changes in interest rate levels, consumer confidence and fuel costs. For example, our net sales for the fiscal year 2009 was Rs. 22,209.88 Million, as compared to Rs. 23,210.85 Million for the fiscal year 2010. We attribute this disparity to the global economic downturn that adversely affected our business and industry. Our sales are also affected by inventory levels and production levels of automotive manufacturers. We cannot predict when manufacturers will decide to either build or reduce inventory levels or whether new inventory levels will approximate historical inventory levels. This may result in variability in our sales and financial condition. Uncertainty regarding inventory levels may be exacerbated by favourable consumer financing programs initiated by manufacturers which may accelerate sales that would otherwise occur in future periods. In the past, we have experienced sales declines during the manufacturers' scheduled shutdowns or shutdowns resulting from unforeseen events. As we have high fixed production costs, even relatively modest declines in our customers' production levels and thus, our production volumes, can have a significant adverse impact on our profitability. In addition, recently lower global automotive sales have resulted in substantially all automotive manufacturers lowering vehicle production schedules. There is no assurance that global automotive sales will continue to recover or not decrease further. Continued uncertainty and other unexpected fluctuations could have an adverse effect on our business, results of operations and financial condition.

43. A slowdown in economic growth in India could cause our business to suffer.

Our performance and growth are dependent on the health of the Indian economy. For the fiscal year 2010, 72.0% of our total income was derived from revenue in India. The economy could be adversely affected by various factors such as political or regulatory action, including adverse changes in liberalisation policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors. Any slowdown in the Indian economy may adversely affect our business and financial performance and the price of our Equity Shares.

44. Terrorist attacks, communal disturbances, civil unrest and other acts of violence or war involving India and other countries may adversely affect the financial markets and our business.

Terrorist attacks and other acts of violence or war may negatively affect the Indian markets on which our

Equity Shares trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, and adversely affect our business. In addition, any deterioration in relations between India and its neighbouring countries might result in investor concern about stability in the region, which may adversely affect the price of our Equity Shares.

India has also witnessed civil unrest including communal disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic and political events in India may have a negative impact on us. Such incidents may also create a greater perception that investment in Indian companies involves a higher degree of risk and may have an adverse impact on our business and the price of our Equity Shares.

45. The occurrence of natural or man-made disasters may adversely affect our business, results of operations and financial condition.

The occurrence of natural disasters, including hurricanes, floods, earthquakes, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, may adversely affect our financial condition or results of operations. The potential impact of a natural disaster such as the H5N1 "avian flu" virus, or H1N1, the swine flu virus, on our results of operations and financial position is speculative, and would depend on numerous factors. Although the long-term effect of such diseases cannot currently be predicted, previous occurrences of avian flu and swine flu had an adverse effect on the economies of those countries in which they were most prevalent. In the case of any of such diseases, should the virus mutate and lead to human-to-human transmission of the disease, the consequence for our business could be severe. An outbreak of a communicable disease in India or in the particular region in which we have projects would adversely affect our business and financial conditions and the result of operations. We cannot assure prospective investors that such events will not occur in the future or that our business, results of operations and financial condition will not be adversely affected.

46. Any downgrading of India's debt rating by an independent agency may harm our ability to raise financing.

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our capital expenditure plans, business and financial performance and the price of our Equity Shares.

47. Changes in trade policies may affect us.

Any change in policies by the countries, in terms of tariff and non-tariff barriers, from which our suppliers import their raw materials, components and/or countries to which we export our products, may have an adverse effect on our profitability.

48. If the rate of Indian price inflation increases, our business and results of operations may be adversely affected.

In the recent past, India has experienced fluctuating wholesale price inflation as compared to historical levels due to the global economic downturn. An increase in inflation in India could cause a rise in the price of raw materials and wages, or any other expenses that we incur. If this trend continues, we may be unable to accurately estimate or control our costs of production and this could have an adverse effect on our business and results of operations.

49. Currency exchange rate fluctuations could have an adverse effect on our results of operations.

We have exposure, related to our revenue, expenditure and financing, to currencies other than Indian Rupees. We have term loans and other borrowings in currencies other than Indian Rupees. As of March 31, 2010, we had Rs. 4,675.48 Million of foreign currency borrowings outstanding. Further, we also import various equipment for our facilities for which we make payment in foreign currencies, such as U.S.

Dollars, Japanese Yen and Euros.

In addition, we report our consolidated results of operations in Indian Rupees, while our Subsidiaries report their financial results in their respective local currencies. In accordance with "Accounting Standard 21 — Consolidated Financial Statements" issued by Institute of Chartered Accountants of India, at the time of conversion of the financial statements during the consolidation process, line items of the profit and loss account are converted using an average exchange rate for the period or year under consideration except for opening and closing stock, which are converted at the opening and closing exchange rate respectively, and depreciation, which is converted using the exchange rate at the date of purchase of the assets, whereas items of the balance sheet are converted using the closing exchange rate for the period or calendar year under consideration. Exchange rate fluctuations may have an adverse effect on our revenues and financial results as a result of variations at the time of preparation of our consolidated financial statements or otherwise, including if we are unable to match income received in foreign currencies with costs paid in the same currency.

In the past, we have also recognised losses on account of derivative instruments related to foreign exchange positions. For the fiscal years 2008, 2009 and 2010, our losses on account of such derivative instruments was Rs. 260.19 Million, Rs. 64.38 Million and Rs. 56.45 Million, respectively. We cannot guarantee that we will not experience similar losses going forward and such losses may continue to have an adverse effect on our business, results of operations and financial condition.

50. After this Issue, our Equity Shares may experience price and volume fluctuations or an active trading market for our Equity Shares may not develop.

The price of the Equity Shares may fluctuate after this Issue as a result of several factors, including volatility in the Indian and global securities markets, the results of our operations, the performance of our competitors, developments in the Indian automotive components sector and changing perceptions in the market about investments in the Indian automobile and automotive components sectors in general and our Company in particular, adverse media reports on us or the Indian automotive sector, changes in the estimates of our performance or recommendations by financial analysts, significant developments in India's economic liberalisation and deregulation policies and significant developments in India's fiscal regulations.

There has been no public market for the Equity Shares prior to this Issue and an active trading market for the Equity Shares may not develop or be sustained after this Issue. Further, the price at which the Equity Shares are initially traded may not correspond to the prices at which the Equity Shares will trade in the market subsequent to this Issue.

51. Any future issuance of Equity Shares may dilute your shareholding and sales of our Equity Shares by our Promoter or other major shareholders may adversely affect the trading price of the Equity Shares.

Any future equity issuances by us, including a primary offering, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by our Promoter or other major shareholders may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences for us including difficulty in raising debt-financing. In addition, any perception by investors that such issuances or sales might occur may also affect the trading price of our Equity Shares.

52. You will not be able to sell immediately on an Indian stock exchange any of the Equity Shares you purchase in the Issue.

The Equity Shares will be listed on the BSE and the NSE. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. Investors' book entry, or "demat", accounts with depository participants in India are credited within three working days of the date on which the basis of allotment is approved by Designated Stock Exchange. Upon receipt of final approval from the Designated Stock Exchange, trading in the Equity Shares is to commence within twelve working days of the date of closure of the issue. We cannot assure that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified above.

53. ***There is no guarantee that the Equity Shares issued pursuant to the Issue will be listed on the BSE and the NSE in a timely manner or at all and any trading closures at the BSE and the NSE may adversely affect the trading price of our Company's Equity Shares.***

In accordance with Indian law and practice, permission for listing of the Equity Shares will not be granted until after those Equity Shares have been issued and allotted. Approval requires all other relevant documents authorising the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the BSE and the NSE. Any failure or delay in obtaining the approval would restrict investors' ability to dispose of their Equity Shares.

The regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in Europe and the U.S. The BSE and the NSE have in the past experienced problems, including temporary exchange closures, broker defaults, settlements delays and strikes by brokerage firm employees, which, if continuing or recurring, could affect the market price and liquidity of the securities of Indian companies, including the Equity Shares, in both domestic and international markets. A closure of, or trading stoppage on, either of the BSE and the NSE could adversely affect the trading price of the Equity Shares.

Prominent Notes to Risk Factors

1. Our Company was incorporated as Endurance Suspension Systems (India) Private Limited on December 27, 1999 under the Companies Act. For details of change in name of the Company in the last three years along with reasons thereof and consequent changes to the Memorandum of Association, see the section "History and Certain Corporate Matters" on page 116 of this Draft Red Herring Prospectus.

2. Public issue of 13,130,800 Equity Shares for cash at a price of Rs. [•] per Equity Share (including a share premium of Rs. [•] per Equity Share) consisting of a Fresh Issue of 8,566,050 Equity Shares aggregating to Rs. [•] Million and an Offer for Sale of 4,564,750 Equity Shares by the Selling Shareholder aggregating to Rs. [•] Million.

3. Our Company's net worth, including preference shares, on a consolidated basis as at March 31, 2010 was Rs. 3,218.60 Million.

4. The average cost of acquisition per Equity Share by our Promoter is Rs. 4.15.

5. The net asset value per Equity Share as adjusted for subdivision of our equity shares into face value of Rs. 4 each was Rs. 59.45 as at March 31, 2010 as per the Company's consolidated financial statements.

6. For details of the related party transactions entered into by our Company with our Subsidiaries and joint venture company, please see "Related Party Transactions" in section "Financial Statements" beginning on page 144 of this Draft Red Herring Prospectus.

7. Investors may contact any of the BRLMs for complaints, information, clarifications or complaints pertaining to the Issue.

8. There has been no financing arrangement whereby members of the Promoter Group, the Directors and their relatives have financed the purchase by any other person of securities of the Company other than in normal course of the business of the financing entity during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus.

SECTION III: INTRODUCTION

SUMMARY OF INDUSTRY

The Indian Economy

The Indian economy has demonstrated a sustained growth rate of more than 6.0% per annum since 1997, which has made it one of the world's fastest growing economies. According to the CIA World Factbook, India's economy grew by 9.0%, 7.4% and 6.5% in 2007, 2008 and 2009, respectively. India's population is approximately 1.16 billion, second only to China. India had an estimated GDP of approximately US$ 3.57 trillion in 2009, which makes it the fourth largest national economy in the world after the United States of America, China and Japan, in purchasing power parity terms *(Source: CIA World Factbook)*. The GDP growth rates for certain developed and developing economies are set out below:

GDP Growth Rates			
Countries	**2007 (estimated) %**	**2008 (estimated) %**	**2009 (estimated) %**
Australia	4.8	2.2	1.0
Brazil	6.1	5.1	(0.2)
China	13.0	9.0	8.7
India	**9.0**	**7.4**	**6.5**
Japan	2.3	(1.2)	(5.3)
Malaysia	6.2	4.6	(2.8)
Russia	8.1	5.6	(7.9)
Thailand	4.9	2.5	(2.8)
United Kingdom	2.6	0.5	(4.8)
United States of America	2.1	0.4	(2.4)

(Source: CIA World Factbook website: https://www.cia.gov/library/publications/the-world-factbook/geos/in.html)

The Government of India's Eleventh Five Year Plan, which covers the period from 2007 to 2012, aims to achieve a sustainable growth rate of 9.0% with an emphasis on a broad-based and inclusive approach that would improve the quality of life of the residents of India and reduce disparities across regions and communities. *(Source: Government of India, Eleventh Five Year Plan 2007–2012, Volume I*)

Indian Real GDP Growth

The Indian economy is among the fastest growing economies globally and has grown at an average rate of 8.2% per annum during the last five years. (*Source: Reserve Bank of India, Second Quarter Review of Monetary Policy For the Year 2010-2011 and 2009-2010, and First Quarter Review of Monetary Policy For the Year 2007-2008 and 2006-07*). India follows a system of successive five-year plans (each, a "Plan") that establish targets for economic development in various sectors, including the power sector. According to the Planning Commission of India, the Eleventh Plan (2008 to 2012) is aimed at achieving a sustainable GDP growth rate of 9.0%. The growth of the Indian economy slowed down significantly to 6.7% in 2009, largely due to the effects of the global financial crisis. In 2010, driven mainly by growth in the second and fourth quarters, the Indian economy grew at an annual rate of 7.4%.

The First Quarter Review of Monetary Policy For the Year 2009-2010 of the Reserve Bank of India released in July 2010 placed real GDP growth for the 2010 above 8.0% (*Source: Reserve Bank of India First Quarter Review of Monetary Policy For the Year 2009-2010, July 26, 2010*). Since the second quarter of 2010, the Indian economy has staged a slow recovery and the year-on-year economic growth in the fourth quarter of 2010 was 8.6%.

The year-on-year real GDP growth (at 2004-05 prices) for each quarter of 2010 and the corresponding quarters of 2009 in selected sectors, are set forth below:

Real GDP Growth (%) at Factor Cost

Sector	Q1 (April – June)		Q2 (July – September)		Q3 (October – December)		Q4 (January – March)	
	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10
Agricultural	3.2	1.9	2.4	0.9	-1.4	-1.8	3.3	0.7
Electricity, Gas and Water	3.3	6.6	4.3	7.7	4.0	4.7	4.1	7.1
Finance, Real Estate and Business Services	9.1	11.8	8.5	11.5	10.2	7.9	12.3	7.9
Overall	**7.8**	**6.0**	**7.5**	**8.6**	**6.1**	**6.5**	**5.8**	**8.6**

Source: Central Statistical Office ("CSO")

The Automotive Industry

Global Automotive Industry

The global economic downturn led to a severe slump in the automotive industry worldwide in the second half of 2008 and the first half of 2009. The industry witnessed unprecedented and simultaneous slowdown across segments and geographies. During the last quarter of 2008, most of the world's markets, regardless of region, experienced a 40.0% to 60.0% decline in volume, as compared to the same period in the previous year. The overall decline in volume resulted in significant overcapacity among many manufacturers, causing OEMs to implement a series of cost-cutting measures such as plant closures, renewed pricing pressure on automotive components and raw materials suppliers, and maintenance of lower inventory levels to lower operating expenses. However, the global automotive markets showed signs of revival during the second half of 2009. (*Source: Association of German Auto Industry/Verband der Automobilindustrie; website: http://www.vda.de/en/index.html*).

Global automotive production showed a decline of 12.8%, from 70.78 Million vehicles in 2008 to 61.73 Million vehicles in 2009. (*Source: Association of German Auto Industry/Verband der Automobilindustrie; website: http://www.vda.de/en/index.html*) Almost all countries (with the exception of Italy and China) that were considered by the Association of German Auto Industry, showed a decline of approximately 10.0% to 30.0% in passenger vehicle production.

In 2008 and 2009 (2009 figures are estimates or partially interim), Europe produced 18.36 and 15.11 Million passenger vehicles, respectively. The United States produced 8.45 and 5.58 Million passenger vehicles, respectively. China, on the other hand, showed a 47.6% jump in production, from 5.68 Million passenger vehicles in 2008 to 8.38 Million passenger vehicles in 2009. (*Source: Association of German Auto Industry:* (*Source: Association of German Auto Industry/Verband der Automobilindustrie; website: http://www.vda.de/en/index.html*)

Similarly, almost all countries considered, with the exception of China, showed a drop of approximately 30.0% to 50.0% in commercial vehicle production. In 2008 and 2009 (2009 figures are estimates, or partially interim), Europe produced 3.43 and 1.82 Million commercial vehicles and the United States produced 224,648 and 132,283 commercial vehicles, respectively. (*Source: Association of German Auto Industry: http://www.vda.de/en/index.html*) In this segment, China demonstrated an increase of 49.4%, from 3.62 Million commercial vehicles in 2008 to 5.41 Million commercial vehicles in 2009 which was against the global trend. (*Source: Association of German Auto Industry/Verband der Automobilindustrie; website: http://www.vda.de/en/index.html*).

Similar to that of China, India's passenger and commercial vehicle industry also grew between 2008 and 2009. From 2008 to 2009, India increased production by 44.4%, from 1.8 Million to 2.6 Million passenger vehicles. During the same period, India production of commercial vehicles increased by 35.9% from 416,800 in 2008 to 566,608 commercial vehicles in 2009. (Source: SIAM website, http://www.siamindia.com/scripts/production-trend.aspx)

SUMMARY OF BUSINESS

Overview

We are a leading automotive component manufacturing company in India. We manufacture and supply a diverse range of components for two-wheelers, three-wheelers, passenger vehicles, light commercial vehicles ("LCVs") and heavy commercial vehicles ("HCVs").

Our products include:

- aluminium die-casting products, such as high-pressure, low-pressure and gravity die-castings and two-wheeler aluminium alloy wheels;

- suspension products, such as shock absorbers for two-wheelers and three-wheelers, front forks for motorcycles and hydraulic and gas-charged dampers, struts and gas springs for passenger vehicles, LCVs and HCVs;

- transmission products, such as clutches, friction plates and continuous variable transmissions; and

- brake products, such as hydraulic disc brakes for two-wheelers, rotary brake discs for two-wheelers and hydraulic drum brakes and tandem master cylinders for three-wheelers.

We have 16 manufacturing plants in India, all of which are located in the major automotive manufacturing belts of the country, comprising seven in Aurangabad, Maharashtra, five in Pune, Maharashtra, two in Pantnagar, Uttarakhand, and one each in Manesar, Haryana and Chennai, Tamil Nadu. We also have two manufacturing plants in Massenbachhausen, Germany, which are owned by our subsidiary Amann Druckguss GmbH ("Amann Druckguss"), and one in Torino, Italy, which is owned by our indirect subsidiary Endurance Fondalmec SpA, ("Endurance Fondalmec"). The following table sets forth the production capacities and volumes for the fiscal year 2010 at our various manufacturing locations:

	India		Outside of India		Total	
	Capacity (As of March 31, 2010)	**Production Volume (Fiscal Year 2010)**	**Capacity (As of March 31, 2010)**	**Production Volume (Fiscal Year 2010)**	**Capacity (As of March 31, 2010)**	**Production Volume (Fiscal Year 2010)**
Casting						
*High-Pressure, Low Pressure, Gravity Casting (in MT)**	51,157	42,087	10,000	4,347	61,157	46,434
Alloy Wheels (in units)	3,240,000	1,608,253	-	-	3,240,000	1,608,253
Transmissions (in units)						
Clutch Assemblies	3,660,000	2,301,900	-	-	3,660,000	2,301,900
CVTs	90,000	6,409			90,000	6,409
Suspensions						
Suspensions – Two-Wheeler and Three-Wheelers (in units)	10,773,000	8,261,951	-	-	10,773,000	8,261,951

	India		Outside of India		Total	
	Capacity (As of March 31, 2010)	**Production Volume (Fiscal Year 2010)**	**Capacity (As of March 31, 2010)**	**Production Volume (Fiscal Year 2010)**	**Capacity (As of March 31, 2010)**	**Production Volume (Fiscal Year 2010)**
Suspensions – Passenger Vehicles, LCVs and HCVs (in units)	3,300,000	277,226	-	-	3,300,000	277,226
Brakes (in units)	2,400,000	2,143,199	-	-	2,400,000	2,143,199

** At our Indian and German operations, the majority of castings produced by us are machined, and at our Italian operations, we machine castings, which are purchased from third parties.*

We are promoted by Mr. Anurang Jain, who commenced aluminium die-casting operations in 1985 through Anurang Engineering Company Private Limited, which subsequently merged with and into our Company. Since then, other brake, suspension and transmission businesses promoted by Mr. Anurang Jain in India was consolidated with our Company. Our Company also owns an 85.0% equity interest in High Technology Transmission Systems (India) Private Limited ("HTTS India"), our subsidiary, and the balance equity interest is held by Adler SpA ("Adler"). HTTS India manufactures and sells clutches, friction plates and CVTs for two-wheelers and three-wheelers. We also have a joint venture in India with Magneti Marelli SpA ("Magneti Marelli"), Endurance Magneti Marelli Shock Absorbers (India) Private Limited ("EMM JV"), a company in which we own a 50.0% equity interest. EMM JV manufactures struts, shock absorbers and gas springs for passenger vehicles and LCVs.

We have also completed several strategic acquisitions outside India with the objective of gaining access to advanced technology and diversifying our customer base. We acquired Amann Druckguss, our German subsidiary in 2006 and acquired 51.0% of the shareholding in Endurance Fondalmec, through Endurance Overseas Srl, our Italian subsidiary, in 2007. Endurance Overseas Srl subsequently increased its shareholding in Endurance Fondalmec to 100.0% in 2009. Endurance Fondalmec and Amann Druckguss are engaged in the business of manufacturing and supplying aluminium die-casting automotive components. Amann Druckguss and Endurance Fondalmec have long-standing relationships with leading OEMs such as Daimler AG and subsidiaries of Fiat Group Automobiles SpA, respectively, and we have been able to leverage these acquisitions to develop relationships with new customers for our Indian operations, for both the domestic and export markets. Through these acquisitions, we have also been able to gain access to advanced technologies and manufacturing processes.

Our customers include global OEMs such as various subsidiaries of Fiat Group Automobiles SpA and associated brands including Lancia and Alfa Romeo, Daimler AG, Audi AG, Porsche AG, Magyar Suzuki ZRT and two leading French automobile manufacturers, as well as leading Indian OEMs such as Bajaj Auto Limited, the two leading HCV manufacturers in India, a leading Indian MUV and SUV manufacturer, India Yamaha Motor Private Limited, Royal Enfield Motors Limited, a Korean automobile manufacturer that currently operates in India, Maruti Suzuki India Limited and Honda Motorcycle & Scooter India Private Limited. We have a long-standing relationship with Bajaj Auto Limited, which is our largest customer. We have been supplying components to Bajaj Auto Limited since our inception.

We have adopted the TPM initiative across all of our manufacturing locations to improve the efficiency and reliability of our manufacturing processes. We use TPM as a tool to improve our manufacturing processes in terms of productivity, quality, cost control, delivery, employee safety and morale.

We have won several industry awards including the 'Component Manufacturer of the Year - 2008' at the NDTV Profit, Car India and Bike India Awards in 2008 and 'Auto Component Manufacturer of Year' at the Auto Monitor Awards in 2008. We have also received several awards and recognitions for quality, cost, delivery and vendor performance from our customers such as Bajaj Auto Limited, Fiat India Automobiles Private Limited, Honda Motorcycle & Scooter India Private Limited and a leading Indian HCV manufacturer.

For the fiscal year 2010, our total income and our net profit after tax, as restated, was Rs. 24,092.53 Million and Rs. 39.09 Million, respectively. For the fiscal year 2010, our total revenue in India was Rs. 17,338.89 Million and our total revenue from outside India was Rs. 6,739.74 Million. Sales of two-wheeler, three-wheeler and passenger vehicle, LCV and HCV components constituted 54.6%, 10.6%, and 35.1%, respectively, of our net sales, including trade sales, for the fiscal year 2010. For the same period, sales of die-cast and machined products, suspension, brake and transmission components constituted 62.0%, 27.3%, 4.4% and 6.3%, respectively, of our net sales, including trading sales.

Our Competitive Strengths

We believe that the following are our primary competitive strengths:

A Diverse Range of Products for Many Vehicle Segments

We believe that we have established a strong presence across various product lines of the automotive components industry such as aluminium die-casting (including value-added machined products), brakes, suspensions and transmission systems. We manufacture a wide range of products to service the diverse requirements of customers in the two-wheeler and three-wheeler segments and have begun offering a number of products in the passenger vehicle, LCV and HCV segments. We have a very strong presence in the Indian two-wheeler and three-wheeler markets, which we intend to continue to expand in the near future. Our long-term relationships with our key customers, such as Bajaj Auto Limited, which we have been servicing since our inception, allows us to understand and cater to their diverse requirements, including the development of new products. We believe that we are also better protected than some of our competitors against our products becoming obsolete because of the wide range of products that we currently offer and the research and development activities that we undertake in each of our product divisions to continuously innovate and develop new products and processes.

Strong Customer Relationships

We have a strong and established relationship with our customers. Our customers include global OEMs such as various subsidiaries of Fiat Group Automobiles SpA and associated brands including Lancia and Alfa Romeo, Daimler AG, Audi AG, Porsche AG, Magyar Suzuki ZRT and two leading French automobile manufacturers, as well as leading Indian OEMs such as Bajaj Auto Limited, the two leading HCV manufacturers in India, a leading Indian MUV and SUV manufacturer, India Yamaha Motor Private Limited, Royal Enfield Motors Limited, a Korean automobile manufacturer that currently operates in India, Maruti Suzuki India Limited and Honda Motorcycle & Scooter India Private Limited. We have a long-standing relationship with Bajaj Auto Limited, which is our single largest customer. Daimler AG is the single largest customer of our subsidiary, Amann Druckguss, while subsidiaries of Fiat Group Automobiles SpA in the aggregate are the largest customer of our Italian subsidiary, Endurance Fondalmec. We have partnered with many of our key customers in the product development process, for example, we are currently developing alloy wheels for a major international motorcycle manufacturer and for the conversion of the fly wheel housing from a gravity die-casting product to a high-pressure die-casting product for a leading Indian HCV manufacturer, thus, enabling our products to meet their exacting specifications and ensuring repeat orders.

Superior Research and Development and Technological Capabilities

We place strong emphasis on research and development to enhance our product range and improving our manufacturing processes. We believe that we have developed strong product design capabilities, which allow us to service our customers more effectively and in a timely manner. We own four dedicated research and development centres, three in Aurangabad (one each for two-wheeler and three-wheeler suspensions, transmissions and brake systems) and one in Pune (for casting). We also own an additional research and development centre in Pune through EMM JV, for research in passenger vehicle suspension systems. All of these centres are approved by the Government of India's Department of Scientific and Industrial Research ("DSIR"). We own two patents with respect to suspension products and one patent with respect to casting products and have applied for 17 patents for a variety of products including shock absorbers, clutch assemblies and aluminium alloy wheels. Some of our other product innovations include alloy wheels that we are developing for a major international motorcycle manufacturer and the conversion of a fly wheel housing from a gravity die-casting product to a high-pressure die-casting product for a leading Indian HCV manufacturer. We have an in-house R&D team of 95 employees, including 60 engineers, who have in-depth knowledge of the design and engineering of critical automotive components.

We have also enhanced our technological capabilities through collaborations and a joint-venture with prominent automotive component manufacturers, such as Magneti Marelli, for the development of passenger vehicle, LCV and HCV suspension products, Teksid for the manufacture of passenger vehicle aluminium cylinder heads, Akebono for the manufacture of drum brake shoes and linings and WP Suspension Austria for front forks and shock absorbers.

High Capacity and Strategically Located Manufacturing Capabilities

We presently own 16 manufacturing plants in five different locations in India, two manufacturing plants in Germany and one plant in Italy. Our manufacturing capabilities and the location of our plants and provide us with the following distinct advantages:

- We have one of the largest aluminium die-casting facilities in India. *(Source: Aluminium Casters Association of India)* We have an annual aluminium die-casting capacity of 50,797 MT per annum. We machine approximately 75.1% of our casting products, which is an important value-added process in the casting industry. With aluminium emerging as a preferred metal for automotive manufacturing as a result of stricter emission norms and the need for lighter vehicles, we believe that we are well-positioned to take advantage of this growing markets;

- All of our manufacturing plants are strategically located close to our customer base. Each of our plants is located in a recognised automotive manufacturing belt in close proximity to many leading OEMs. We recently established our presence in Chennai, Pantnagar and Manesar to gain access to OEMs who have a manufacturing presence in those regions. Our manufacturing presence in these belts helps to reduce our operational costs, allows us greater customer interaction and gives us the ability to respond to customer requirements in a timely manner.

- Our large-scale suspension capacity of 14,073,000 units, brake capacity of 2,400,000 units and transmission capacity of 3,750,000 units per annum allows us to service customer requirements in a timely and efficient manner. We have full-service capabilities across the product manufacturing value chain, including research and development, design, manufacturing, casting, machining, surface coating, sub-assemblies and quality testing.

- Our in-house design capabilities and tool room, with over 200 moulds and dies, also allows us to achieve a quicker response time to customer requirements and achieve larger production volumes.

Focus on Quality, Cost Reduction and Delivery

Our commitment to focus on quality, cost reduction and adherence to delivery schedules is evidenced by the following key initiatives:

- We have adopted the TPM programme across all of our manufacturing plants to improve the efficiency and reliability of our manufacturing processes.

- All of our critical manufacturing processes such as nickel hard chrome plating, welding and anodising are carried out in-house, which also allows us to monitor the quality of our manufactured products, control our production costs and maintain our delivery schedules.

- We have undertaken several initiatives to reduce costs, including the outsourcing of certain non-critical processes, which require large investments and offering space on our premises to an aluminium vendor to source aluminium in a molten state to reduce energy and transportation costs.

- Our focus on quality is also exemplified through the ISO 9002, ISO 9001 and TS-16949 certifications that we have obtained with respect to our manufacturing processes. The TS-16949 certification indicates a quality management system that is primarily focused on defect prevention and the reduction of waste in the supply chain.

- We also focus on our relationships with vendors to ensure that our quality, costs and delivery objectives are met. We have taken steps such as regular vendor audits, vendor ratings, annual vendor awards and providing assistance to our vendors in adopting TPM methodologies.

- We have a centralised sourcing and vendor management and development team for our plants in India which ensures that we gain economies of scale in raw material procurement, especially with respect to our most important raw material, aluminium, and allows us to develop global supply chain management capabilities to ensure timely deliveries.

Highly Qualified Management and Motivated Employee Base

We are led by a management team and staffed with employees who have significant experience in the automotive component industry. Our Promoter and Managing Director, Mr. Anurang Jain, has been involved in the automotive component industry since 1985. Through their commitment and experience, our management team has grown our business in India and overseas and has demonstrated an ability to successfully integrate acquired foreign businesses into our corporate set-up.

We require the application of high levels of technology at key stages of our design, engineering and manufacturing processes. We have, therefore, been focused on the recruitment, training and retention of a highly skilled employee base. As of July 31, 2010, we have 4,287 employees, which includes a large talent pool of 1,245 engineers. This coupled with on-site continuous learning and training programmes has helped us to develop and adopt new technologies, maintain high productivity and achieve faster product development times.

Strategy

The key elements of our strategy are as follows:

Diversify and Expand Customer Base

We intend to continue to diversify our customer base. Our largest customer, Bajaj Auto Limited, constituted 51.4% of our net sales, including trading sales, for the fiscal year 2010 as compared to 95.1% of our net sales, including trading sales, for the fiscal year 2006. One of the main objectives of our overseas acquisitions was the diversification of our customer base, which gave us an opportunity to take advantage of existing relationships and create new relationships with customers such as Fiat Group Automobiles SpA, Daimler AG and two leading French automobile manufacturers, and also resulted in new orders for our domestic facilities, such as orders for high-pressure die-casting components from a leading global automotive transmission manufacturer in the United Kingdom. We also intend to broaden our customer base by expanding our product portfolio to include newer passenger vehicle, LCV and HCV components, including brakes, clutches and casting products. We intend to develop our relationships with existing and potential passenger vehicle, LCV and HCV customers to service their new product requirements. For example, we are currently supplying aluminium die-castings to a leading Indian HCV manufacturer for its low-cost small car, another leading Indian HCV manufacturer for its HCVs and Maruti Suzuki India Limited for its passenger vehicles.

In addition, we also aim to add new customers through our joint venture with Magneti Marelli, which recently commenced production of shock absorbers for passenger vehicles, LCVs and HCVs. We have already received orders for supplying shock absorbers to several leading passenger vehicle manufacturers including Fiat India Automobiles Private Limited and Maruti Suzuki India Limited in the domestic market.

We have also increased our focus on the ‘aftermarket’ segment to cater to the replacement market in India and overseas and to reduce the proportion of our sales to OEMs. We believe that the ‘aftermarket’ segment will also add to our brand value and provide us with better margins.

Focus on Advanced Technology Products

We intend to leverage our design, engineering and manufacturing capabilities to increase our focus on advanced technology products. We believe that high value added and technology driven components will provide us with early-mover advantages and higher profit margins, thus giving us the opportunity to consolidate our position with our customers. We have entered into collaborations with leading global automotive component manufacturers such as Magneti Marelli, WP Suspension, Akebono and Teksid to gain access to the required know-how for developing certain key advanced technology products and to acquire newer customers. We also intend to focus on new process-based technologies such as vacuum die-casting, complete squeeze casting and using special alloys to further improve the quality of our products and our manufacturing processes and to add new products to our portfolio. We intend to graduate from a castings supplier to a modular parts supplier for all our customers. We believe that an expanded product portfolio will assist us in developing long-term relationships with our customers.

Focus on Exports from India

As the globalisation trend continues and barriers to trade in various markets are lowered across the world, we believe that an export-oriented strategy will continue to offer us business advantages. Globally, the aluminium die-casting industry is increasingly witnessing the outsourcing of manufacturing processes to low-cost locations, particularly India. Our aluminium die-casting manufacturing capabilities allow us to leverage the low-cost advantages of manufacturing and design in India. We also aim to capitalise on the available tax incentives provided by the Government of India, such as EPCG and DEPB schemes, to offer cost advantages to our overseas customers. We aim to work closely with the global sourcing offices of our overseas customers to develop relationships and enhance our global customer base. We believe that we can take advantage of the existing relationships of our overseas subsidiaries with a number of customers and expand these relationships into other product segments. Further, with an increasing number of OEMs aiming to manufacture products at lower cost by setting up manufacturing operations in India, we believe that our export-oriented strategy will allow us to establish new relationships with these OEMs in India, for the production of export goods, and consequently increase the sales of our Indian operations.

Focus on Cost Reduction and Reduction of Investment Exposure through Outsourcing of Non-critical Processes

Improving cost efficiency in our manufacturing processes and reducing investments in non-critical manufacturing processes continues to be one of our primary business strategies. Recently, we have undertaken several cost-reduction steps such as outsourcing certain non-critical manufacturing processes, manpower reduction, inventory reduction, consolidation of production capacities, reduction in waste and phasing out our low-margin products. We intend to continue to focus on TPM initiatives to strengthen our manufacturing processes to improve the quality of our products, reduce costs and eliminate waste. We outsource certain non-critical processes, such as high-pressure die-casting machining, which require large investments, to external suppliers to reduce our capital expenditure. For example, by utilising this strategy, we have made significant cost savings by avoiding the purchase of up to 20 high-pressure die-casting machines which range in capacity from 400 to 800 MT. We believe this strategy will also allow us to focus our resources on other critical processes and to develop new technologies for other high-end processes.

Continue to Pursue Strategic Alliances and Inorganic Growth Opportunities

We intend to continue to pursue strategic alliances and inorganic growth opportunities that provide us access to better technology with respect to our existing products and allows us to diversify our product and customer base. We undertook the acquisitions of our overseas subsidiaries, Amann Druckguss and Endurance Fondalmec with the objectives of gaining access to their technology in aluminium die-casting manufacturing and to their customer base, which included leading OEMs such as Daimler AG and Fiat Group Automobiles SpA. We will continue to evaluate similar strategic alliance or acquisition opportunities that arise in other markets and we aim to harness our experience of acquiring and integrating new operations in other markets into our current operations. We also believe that we can combine our low-cost base and manufacturing capabilities with high-end technologies through technical collaborations with global automotive components manufacturers to obtain a competitive advantage. We currently have a number of collaborations and we will continue to pursue newer collaborations which allow us to add to our product portfolio. We will also target strategic alliances and acquisitions to establish or strengthen our relationships with global OEMs who already have, or are in the process of establishing, a manufacturing presence in India.

SUMMARY FINANCIAL INFORMATION

The following tables set forth summary financial information derived from our restated unconsolidated and consolidated financial statements as of and for the years ended March 31, 2006, 2007, 2008, 2009 and 2010. These financial statements have been prepared in accordance with the Indian GAAP, the Companies Act and the SEBI Regulations and presented under the section "Financial Statements" beginning on page 144 of this Draft Red Herring Prospectus. The summary financial information presented below should be read in conjunction with our restated unconsolidated and consolidated financial statements, the notes thereto and the sections "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Statements" beginning on pages 301 and 144 of this Draft Red Herring Prospectus, respectively.

RESTATED UNCONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(Rs. In Million)

Particulars		As at 31st March				
		2006	2007	2008	2009	2010
A.	**Fixed Assets**					
	Gross Block	3,635.78	5,573.52	7,686.81	12,830.99	12,942.05
	Less : Accumulated Depreciation & Amortization	881.40	1,328.80	2,039.30	3,478.80	4,410.04
	Net Block	**2,754.38**	**4,244.72**	**5,647.51**	**9,352.19**	**8,532.01**
	Capital Work- in -Progress (Including Capital advances)	531.67	739.79	368.64	210.49	259.25
	Total	**3,286.05**	**4,984.51**	**6,016.15**	**9,562.68**	**8,791.26**
B.	**Investments**	**78.68**	**2,555.46**	**2,783.18**	**2,372.24**	**2,823.36**
C.	**Current Assets, Loans & Advances**					
	Inventories	444.88	653.79	863.10	762.79	1,035.60
	Sundry Debtors	722.00	1,545.20	1,563.36	1,255.33	2,443.61
	Cash & Bank Balances	529.78	588.36	516.07	423.05	433.27
	Other Current Assets (Interest accrued on Fixed Deposits)	50.06	32.16	6.93	6.72	5.90
	Loans & Advances	259.25	452.74	793.48	588.87	804.05
	Total	**2,005.97**	**3,272.25**	**3,742.94**	**3,036.76**	**4,722.43**
D	**Liabilities and Provision**					
	Secured Loans	1,827.26	3,841.87	5,957.30	7,236.76	6,017.66
	Unsecured Loans	1,069.81	1,704.65	1,625.14	1,350.61	2,087.51
	Deferred Tax Liability (net)	236.05	297.36	277.58	4.16	159.77
	Deferred Payment	-	239.55	207.70	15.29	13.55
	Current Liabilities	1,190.73	1,663.09	1,385.44	2,769.58	3,498.41
	Provisions	27.73	6.84	278.18	207.39	243.52
	Total	**4,351.58**	**7,753.36**	**9,731.34**	**11,583.79**	**12,020.42**
	NET WORTH (A+B+C-D)	**1,019.12**	**3,058.86**	**2,810.93**	**3,387.89**	**4,316.63**
	Represented by :					
E	Share Capital	12.11	17.00	169.97	169.97	586.77
F	Share Capital - Pending Allotment	2.88	-	-	-	-
G	Reserves & Surplus	1,004.13	3,041.86	2,640.96	3,217.92	3,729.86
	NET WORTH (E+F+G)	**1,019.12**	**3,058.86**	**2,810.93**	**3,387.89**	**4,316.63**

Note :

The above statement should be read with the Significant Accounting policies, appearing in Annexure 4; Notes to the Restated Financials Information, appearing in Annexure 5; Statement on Adjustments to Audited Financial Statements, appearing in Annexure 6: and Notes to Statement on Adjustments to Audited Financial Statements, appearing in Annexure 7.

RESTATED UNCONSOLIDATED STATEMENT OF PROFITS AND LOSSES

(Rs. In Million)

Particulars	For the year ended 31st March				
	2006	2007	2008	2009	2010
INCOME :					
Gross Sales	4,590.20	11,226.76	14,214.41	15,913.73	16,759.24
Less : Excise Duty	615.01	1,543.71	1,802.18	1,690.10	1,185.75
Net Sales	3,975.19	9,683.05	12,412.23	14,223.63	15,573.49
Job Work Receipts	85.62	170.61	134.65	100.58	169.00
Wind Power Generated - Captively Consumed	0.92	11.28	11.57	25.38	22.18
Wind Power Generated - Sales	15.11	17.22	18.64	21.27	19.91
Other Income	165.76	410.58	589.82	385.22	540.91
A. Total Income	**4,242.60**	**10,292.74**	**13,166.91**	**14,756.08**	**16,325.49**
EXPENDITURE :					
Material Cost	2,636.44	6,575.40	8,933.66	9,794.38	9,722.05
Employee Cost	155.15	376.52	621.12	771.25	752.30
Other Expenses	696.43	1,930.50	2,403.34	2,571.73	3,170.26
B. Total Expenditure	**3,488.02**	**8,882.42**	**11,958.12**	**13,137.36**	**13,644.61**
Profit / (Loss) Before Interest, Depreciation, Tax and Extra Ordinary Expenses	**754.58**	**1,410.32**	**1,208.79**	**1,618.72**	**2,680.88**
Interest	75.92	264.95	480.80	672.21	677.43
Depreciation & Amortization	200.12	508.71	730.57	1,012.67	1,107.57
Total	**276.04**	**773.66**	**1,211.37**	**1,684.88**	**1,785.00**
Profit before / (Loss) Taxation and Extra Ordinary Expenses	**478.54**	**636.66**	**(2.58)**	**(66.16)**	**895.88**
Provision for Taxation					
Current Tax	126.50	85.00	-	-	174.15
Minimum Alternate Tax Credit Eligible for Set Off	-	-	-	-	(28.95)
Wealth Tax	0.08	0.21	0.21	0.03	0.13
Deferred Tax	88.10	77.14	(36.40)	(358.15)	159.67
Fringe Benefit Tax	2.14	5.00	7.50	5.12	-
Current Tax of earlier years	0.50	0.01	0.72	-	2.92
Total	**217.32**	**167.36**	**(27.97)**	**(353.00)**	**307.92**
Net Profit after Tax, before Extra Ordinary Expenses and adjustments	**261.22**	**469.30**	**25.39**	**286.84**	**587.96**
Extra Ordinary Expenses (Refer Note. 12 of Annexure 5)	-	-	306.23	-	56.45
Depreciation and Amortization Written back (Refer Note. 1 (b) of Annexure 7)	163.18	-	-	-	-
Expense related to Amalgamation	-	16.77	-	-	-
Transfer from General Reserve	-	(16.77)	-	-	-

Particulars	For the year ended 31st March				
	2006	2007	2008	2009	2010
Net Profit / (Loss) before Adjustments	**424.40**	**469.30**	**(280.84)**	**286.84**	**531.51**
Adjustments (Net of Tax) (Refer Annexure 7)	**(111.38)**	**(28.35)**	**32.93**	**(4.29)**	**(4.98)**
Net Profit / (Loss) after Taxation, As Restated	**313.02**	**440.95**	**(247.91)**	**282.55**	**526.53**
Add :					
Balance brought forward from previous year	128.75	22.50	457.63	209.71	798.42
Acquired under the scheme of arrangement	64.15	-	-	306.15	-
Amount available for appropriation, as restated	**505.92**	**463.45**	**209.71**	**798.42**	**1,324.95**
APPROPRIATIONS :					
Transferred to General Reserve	480.00	-	-	-	-
Dividend	3.00	5.10	-	-	-
Tax on Dividend	0.42	0.72	-	-	-
Dividend on Preference Shares	-	-	-	-	12.47
Dividend Tax on Preference Shares	-	-	-	-	2.12
Balance carried to Balance Sheet as restated	22.50	457.63	209.71	798.42	1,310.36
Total	**505.92**	**463.45**	**209.71**	**798.42**	**1,324.95**

Note :

The above statement should be read with the Significant Accounting policies, appearing in Annexure 4; Notes to the Restated Financials Information, appearing in Annexure 5; Statement on Adjustments to Audited Financial Statements, appearing in Annexure 6: and Notes to Statement on Adjustments to Audited Financial Statements, appearing in Annexure 7.

RESTATED UNCONSOLIDATED STATEMENT OF CASH FLOWS

(Rs. In Million)

Particulars			For the year ended 31st March				
			2006	**2007**	**2008**	**2009**	**2010**
A	**Cash Flow from Operating Activities**						
	i)	Net Profit / (Loss) before Tax and after Extra ordinary Expenses	478.54	636.66	(308.81)	(66.16)	839.43
		Adjustments on account of restatement affecting Profit / Loss before tax	4.28	(47.01)	48.88	(6.36)	(11.94)
		Proft / (Loss) before tax, as restated	482.82	589.65	(259.93)	(72.52)	827.49
	ii)	Adjustments for:					
		Depreciation & Amortisation for the Year	200.12	508.71	730.57	1,012.67	1,107.57
		Provision for Slow Moving Inventory	-	-	-	4.04	4.72
		Provision for Doubtful Debts	-	-	-	-	4.85
		Extraordinary Expenses	-	46.60	260.19	-	(37.35)
		Provision for Employee Benefit	(0.01)	(0.06)	12.46	15.77	17.30
		Provision / (Written Back) for Warranty Claims	2.29	0.25	(1.40)	0.31	(0.64)
		Deferred Revenue Expenses written off	1.60	-	-	-	-
		Interest Expenses	74.72	265.03	480.04	672.42	677.43
		(Profit) / Loss on Sale of Assets	(0.01)	0.88	(4.61)	-	15.03
		Dividend Income		(44.32)	(49.00)	(11.83)	(0.05)
		Unrealised Fluctuation Gain/Loss	-	(107.96)	35.24	1.18	(85.37)
		Interest Income	(20.88)	(26.74)	(69.44)	(41.42)	(16.09)
	iii)	**Operating Profits before Working Capital Changes**	**740.65**	**1,232.04**	**1,134.12**	**1,580.62**	**2,514.89**
						-	-
	iv)	Adjustments for:				-	-
		Increase / (Decrease) in Trade Payables, Other Liabilities & Provisions	181.75	437.98	(194.24)	325.09	799.71
		(Increase) / Decrease in Inventories	(154.01)	(208.91)	(209.31)	347.26	(277.54)
		(Increase) / Decrease in Trade and Other Receivables	(156.34)	(1,007.10)	1.44	703.40	(1,325.15)
	v)	**Cash Generated from operations**	**612.05**	**454.01**	**732.01**	**2,956.37**	**1,711.91**
		Wealth Tax Paid	(0.08)	(0.21)	(0.21)	(0.25)	(0.03)
		Direct Taxes Paid	(146.43)	(102.80)	(52.22)	(23.39)	(35.00)
		Net Cash Generated from Operating Activities	**465.54**	**351.00**	**679.58**	**2,932.73**	**1,676.88**
B	**Cash Flow from Investing Activities**						
		Purchase of Fixed Assets	(1,108.33)	(2,174.81)	(1,891.36)	(966.08)	(574.94)
		Proceeds from Sale of Fixed Assets	4.14	10.73	26.56	76.50	192.00
		Investment in Subsidiaries / Associates / Joint Ventures		(1,480.92)	(272.67)	(708.96)	(436.98)
		Investment in Mutual Funds / Shares		(777.72)	-	-	-
		Interest Received	20.88	44.64	94.51	8.96	16.90
		Dividend Received		44.32	49.00	11.83	0.05
		Sale of Investments	35.40	-	-	361.94	-

		Particulars	For the year ended 31st March				
			2006	2007	2008	2009	2010
		Loans (given to) / Repaid by Subsidiaries		(58.26)	(270.80)	(166.58)	(205.13)
		Merger expenses		(16.77)	-	-	-
		Buy back of Equity Shares	(17.84)	-	-	-	-
		Net Cash used in Investing Activities	**(1,065.75)**	**(4,408.79)**	**(2,264.76)**	**(1,382.39)**	**(1,008.10)**
C	**Cash Flow from Financing Activities**						
		Increase in Share Capital	-	2.01	-	-	-
		Share Premium	-	1,648.20	-	-	-
		Issue of Compulsorily Convertible Preference Shares	-	-	-	-	400.00
		Capital Subsidy Received	-	3.00	-	-	
		Proceeds from Borrowings	1,607.61	3,277.30	3,308.23	1,115.19	1,926.32
		Repayment of Borrowings	(791.96)	(531.97)	(1,334.61)	(2,195.62)	(2,262.99)
		Interest Paid	(70.41)	(241.09)	(460.73)	(714.50)	(715.79)
		Share Issue expenses	-	(31.84)	-	-	-
		Dividend Paid	(1.45)	(9.23)	-	-	-
		Net Cash used in Financing Activities	**743.79**	**4,116.38**	**1,512.89**	**(1,794.93)**	**(652.46)**
		Net Increase / (Decrease) in Cash & Cash Equivalents	**143.58**	**58.58**	**(72.29)**	**(244.59)**	**16.32**
				-		-	-
		Opening Cash & Cash Equivalents as on 1st April	200.50	529.78	588.36	516.07	423.05
		Add: Cash & Bank Balance acquired on amalgamation	185.70	-	-	151.57	-
		Less: Closing Cash & Cash Equivalents as on 31st March	529.78	588.36	516.07	423.05	439.37
		Net Increase / (Decrease) in Cash & Cash Equivalents	**143.58**	**58.58**	**(72.29)**	**(244.59)**	**16.32**

Notes:-

1. The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statement.
2. Cash and Cash Equivalent includes Fixed Deposits in lien with banks against loans taken.
3. Figures for the year ended 31st March 2009 are not comparable on account of the effects of the Scheme of Arrangement. Refer Note No. 9 in Annexure 5.
4. Cash Balance as on 31st March 2010, includes unrealised loss of Rs. 6.1 Million in respect of Fixed Deposits in foreign currency.
5. The cash flows disclosed above for the year ended 31st March 2010 excludes an amount of Rs.16.80 Million representing shareholders / directors loan taken by the company converted during the year into Redeemable Preference Shares. It also excludes an amount of 14.14 Million representing loan given to subsidiaries, converted during the year into Investments.
6. The above statement should be read with the Significant Accounting Policies, appearing in Annexure 4; Notes to the Restated Financials Information, appearing in Annexure 5; Statement on Adjustments to Audited Financial Statements, appearing in Annexure 6: and Notes to Statement on Adjustments to Audited Financial Statements, appearing in Annexure 7.

CONSOLIDATED RESTATED STATEMENT OF ASSETS AND LIABILITIES

(Rs. In Million)

	Particulars	As at 31st March				
		2006	2007	2008	2009	2010
A.	**Fixed Assets**					
	Gross Block	4,027.28	10,499.29	15,927.93	20,549.87	18,206.89
	Less : Accumulated Depreciation & Amortization	974.56	2,815.14	6,139.57	8,259.99	7,976.80
	Net Block	**3,052.72**	**7,684.15**	**9,788.36**	**12,289.88**	**10,230.09**
	Capital Work- in -Progress (including Capital advances)	532.25	833.92	404.86	279.20	319.03
	Total	**3,584.97**	**8,518.07**	**10,193.22**	**12,569.08**	**10,549.12**
B.	**Goodwill on Consolidation**	-	427.80	1,177.41	569.91	1,026.11
C.	**Investments**	**0.21**	**1,150.89**	**720.33**	**1.92**	**0.40**
D.	**Current Assets, Loans & Advances**					
	Inventories	501.23	1,320.11	2,257.65	1,701.10	1,768.44
	Sundry Debtors	991.79	2,744.16	4,572.37	3,512.45	4,582.34
	Cash & Bank Balances	546.36	857.43	907.84	897.17	880.12
	Other Current Assets (Interest accrued on Fixed Deposits)	50.09	41.90	10.87	6.97	6.19
	Loans & Advances	542.74	823.23	955.43	830.40	834.37
	Total	**2,632.21**	**5,786.83**	**8,704.16**	**6,948.09**	**8,071.46**
E.	**Liabilities and Provisions**					
	Secured Loans	2,010.37	5,711.65	7,944.86	8,778.95	7,265.39
	Unsecured Loans	1,139.82	3,137.52	4,416.09	3,313.56	3,229.07
	Deferred Tax Liability (net)	247.47	411.00	358.04	(6.36)	146.22
	Deferred Payment	-	239.55	207.70	15.29	13.55
	Current Liabilities	1,264.36	2,696.30	4,055.95	4,345.90	5,632.52
	Provisions	298.92	243.28	711.74	491.27	318.92
	Total	**4,960.94**	**12,439.30**	**17,694.38**	**16,938.61**	**16,605.67**
F.	**Minority Interest**	154.03	242.54	655.62	515.21	98.65
G.	**Debit Balance in Profit Loss Account**	-	-	348.30	296.50	275.83
	NET WORTH (A+B+C+D-E-F+G)	**1,102.42**	**3,201.75**	**2,793.42**	**2,931.68**	**3,218.60**
	Represented by :					
	Share Capital	12.11	17.00	169.97	169.97	586.77
	Share Capital - Pending Allotment	2.88	-	-	-	-
	Reserves & Surplus	1,087.43	3,184.75	2,623.45	2,761.71	2,631.83
	NET WORTH	**1,102.42**	**3,201.75**	**2,793.42**	**2,931.68**	**3,218.60**

Note:
The above statement should be read with the Significant Accounting policies, appearing in Annexure 27; Notes to the Consolidated Restated Financial Information, appearing in Annexure 28; Statement on Adjustments to Consolidated Financial Statements, appearing in Annexure 29: and Notes to Statement on Adjustments to Consolidated Financial Statements, appearing in Annexure 30.

CONSOLIDATED RESTATED STATEMENT OF PROFITS AND LOSSES

(Rs. In Million)

Particulars	For the year ended 31st March				
	2006	2007	2008	2009	2010
INCOME :					
Gross Sales	5,817.70	14,946.89	24,282.57	24,063.51	24,509.66
Less : Excise Duty	808.66	2,044.01	2,514.10	1,853.63	1,298.81
Net Sales	5,009.04	12,902.88	21,768.47	22,209.88	23,210.85
Trading Sales	-	-	215.76	546.41	23.88
Job Work Receipts	59.93	148.66	149.36	122.85	181.99
Wind Power Generated - Captively Consumed	0.92	16.03	23.00	25.37	22.18
Wind Power Generated - Sales	15.11	17.23	18.64	21.27	19.92
Other Income	159.87	614.09	983.64	532.66	633.71
A. Total Income	**5,244.87**	**13,698.89**	**23,158.87**	**23,458.44**	**24,092.53**
EXPENDITURE :					
Material Cost	3,192.59	8,287.59	13,568.71	13,264.81	13,282.05
Employee Cost	187.95	864.68	2,385.43	2,653.27	2,242.08
Other Expenses	941.00	2,684.49	5,008.88	5,361.58	5,146.96
Provision for Impairment of Assets	-	-	-	53.35	195.55
Provision for Impairment of Goodwill on Consolidation	-	-	-	431.29	-
B. Total Expenditure	**4,321.54**	**11,836.76**	**20,963.02**	**21,764.30**	**20,866.64**
Profit Before Interest, Depreciation, Tax and Extra Ordinary Expenses	**923.33**	**1,862.13**	**2,195.85**	**1,694.14**	**3,225.89**
Interest	89.56	392.03	759.18	909.91	790.04
Depreciation & Amortization	246.58	769.14	1,826.70	1,882.38	2,017.66
Total	**336.14**	**1,161.17**	**2,585.88**	**2,792.29**	**2,807.70**
Profit before Taxation and Extra Ordinary Expenses	**587.19**	**700.96**	**(390.03)**	**(1,098.15)**	**418.19**
Provision for Taxation					
Current Tax	163.51	150.38	160.37	96.15	258.75
Minimum Alternate Tax Credit Eligible for Set Off	-	-	-	-	(28.95)
Wealth Tax	0.08	0.24	0.25	0.03	0.13
Deferred Tax	87.18	82.57	(72.45)	(352.88)	177.39
Fringe Benefit Tax	2.54	6.08	9.98	5.66	
Current Tax of earlier years	0.50	2.42	2.96	-	24.57
Total	**253.81**	**241.69**	**101.11**	**(251.04)**	**431.89**
Net Profit / (Loss) after Tax, before Extra Ordinary Expenses Before Minority Interest and adjustments	**333.38**	**459.27**	**(491.14)**	**(847.11)**	**(13.70)**
Minority Interest	**(48.28)**	**(41.03)**	**(92.01)**	**103.25**	**(29.54)**
Share of Profits / (Loss) of Associates	**-**	**(6.17)**	**(13.92)**	**-**	**-**

Particulars	For the year ended 31st March				
	2006	**2007**	**2008**	**2009**	**2010**
Net Profit / (Loss) after Tax, before Extra Ordinary Expenses Before Minority Interest and adjustments	**285.10**	**412.07**	**(597.07)**	**(743.86)**	**(43.24)**
Extra Ordinary Expenses/(Income) net of tax (Ref Note. 8 of Annexure 28)	-	45.24	260.19	-	(78.93)
Depreciation and Amortization Written back (Refer Note. 1 (b) of Annexure 30)	163.18				
Expense related to Amalgamation	-	16.77	-	-	-
Transfer from General Reserve	-	(16.77)	-	-	-
Net Profit / (Loss) before Adjustments	**448.28**	**366.83**	**(857.26)**	**(743.86)**	**35.69**
Adjustments (Net of Tax) (Refer Annexure 7)	**(112.28)**	**7.10**	**36.87**	**(50.33)**	**3.40**
Net Profit / (Loss) after Taxation, As Restated	**336.00**	**373.93**	**(820.39)**	**(794.19)**	**39.09**
Add :					
Balance brought forward from previous year	189.07	105.80	473.09	(348.30)	(296.50)
Adjustment on account of Consolidation	-	-	-	531.37	-
Acquired under the scheme of arrangement / amalgamation	64.15	-	-	315.90	-
Amount available for appropriation, as restated	**589.22**	**479.73**	**(347.30)**	**(295.22)**	**(257.41)**
APPROPRIATIONS :					
Dividend	3.00	5.10	-	-	-
Tax on Dividend	0.42	0.72	-	-	-
Dividend on Preference Shares	-	-	-	-	12.47
Dividend Tax on Preference Shares	-	-	-	-	2.12
Tax on Dividend by Subsidiaries (Share of Parent Company)	-	0.82	1.00	1.28	-
Transferred to General Reserve	480.00	-	-	-	3.83
Balance carried to Balance Sheet	105.80	473.09	(348.30)	(296.50)	(275.83)
Total	**589.22**	**479.73**	**(347.30)**	**(295.22)**	**(257.41)**

Note:
The above statement should be read with the Significant Accounting policies, appearing in Annexure 27; Notes to the Consolidated Restated Financial Information, appearing in Annexure 28; Statement on Adjustments to Consolidated Financial Statements, appearing in Annexure 29: and Notes to Statement on Adjustments to Consolidated Financial Statements, appearing in Annexure 30.

CONSOLIDATED RESTATED STATEMENT OF CASHFLOWS

(Rs. In Million)

Particulars			For the year ended 31st March				
			2006	2007	2008	2009	2010
A	**Cash Flow from Operating Activities**						
	i)	Net Profit before Tax and after Extra ordinary Expenses	587.19	655.72	(650.22)	(1,098.15)	497.12
		Add: Adjustment on account of restatement affecting Profit/Loss before tax	3.89	3.49	28.71	(36.99)	(8.31)
	ii)	Adjustments for:					
		Depreciation & Amortisation for the Year	246.58	769.14	1,826.70	1,882.38	2,017.66
		Provision for Slow Moving Inventory	-	-	1.82	96.16	10.51
		Provision for Doubtful Debts	0.42	8.52	17.72	7.59	20.36
		Extra ordinary Expenses	-	-	260.19	-	
		Provision for Employee Benefit	(0.75)	106.52	96.69	18.03	(129.48)
		Provision / (Written Back) for Warranty Claims	3.89	12.91	(5.88)	0.38	(0.24)
		Impairment of Goodwill	-	-	-	452.25	-
		Impairment of Asset	-	-	-	-	195.55
		Forex Loss adjusted in BRR	-	-	-	(144.47)	
		Provision for MTM Losses	-	-	-	-	56.45
		Effect of Change in Inventory Valuation	(1.12)	-	-	-	-
		Interest Paid	88.35	392.00	760.00	909.71	790.04
		(Profit) / Loss on Sale of Assets	(0.02)	(95.66)	(49.42)	(19.74)	(20.49)
		Sales Tax Set off Received	(1.26)	-	-	-	-
		Dividend Received	0.01	(38.43)	(43.12)	(4.29)	(0.05)
		Exchange Difference arising on consolidation	-	3.84	(116.40)	26.57	(154.60)
		Loss/ (Profit) on Sale of Investment	7.64	-	(1.19)	-	63.41
		Amalgamation Expenses	-	(16.77)	-	-	-
		Income from restructuring of loan	-	-	-	-	(226.43)
		Provision for Impairment of Assets	-	-	-	53.35	-
		Interest Received	(21.55)	(67.50)	(74.30)	(40.00)	(14.05)
	iii)	**Operating Profits before Working Capital Changes**	**913.27**	**1,733.78**	**2,051.30**	**2,102.78**	**3,097.45**
	iv)	Adjustments for:					
		Increase / (Decrease) in Trade Payables, Other Liabilities & Provisions	188.56	(222.93)	(779.29)	145.59	1,900.63
		(Increase) / Decrease in Inventories	(121.82)	(183.50)	(521.69)	460.39	(212.61)
		(Increase) / Decrease in Trade and Other Receivables	(189.76)	(430.15)	444.41	1,059.49	(1,864.73)
	v)	**Cash Generated from operations**	**790.25**	**897.20**	**1,194.73**	**3,768.25**	**2,920.74**
		Direct Taxes Paid	(185.68)	(204.84)	(137.20)	(176.26)	(145.52)
		Net Cash Generated from Operating Activities	**604.57**	**692.36**	**1,057.53**	**3,591.99**	**2,775.22**

Particulars			For the year ended 31st March				
			2006	**2007**	**2008**	**2009**	**2010**
B	**Cash Flow from Investing Activities**						
		Acquisition of Fixed Assets	(1,227.79)	(2,748.08)	(2,532.91)	(1,498.79)	(1,026.21)
		Proceeds from Disposal of Subsidiaries	-	-	-	-	0.69
		Sale of Fixed Assets	14.25	272.10	266.68	367.81	380.64
		Investment in Subsidiaries	-	(1,925.48)	(807.82)	(61.73)	(941.62)
		Investment in Associate Companies	-	(144.78)	(45.86)	(192.42)	-
		Investment in Mutual Funds / Shares	(25.48)	(776.43)	435.34	344.90	-
		Investment in long term Investments	-	(1.34)	(0.16)	16.86	1.52
		Interest Received	9.73	75.69	105.17	41.98	15.79
		Dividend Received	(0.01)	38.43	43.12	4.29	0.05
		Net Cash used in Investing Activities	**(1,229.30)**	**(5,209.89)**	**(2,536.44)**	**(977.10)**	**(1,569.14)**
C	**Cash Flow from Financing Activities**						
		Proceeds from Issue of Shares	-	1,618.37	-	-	-
		Proceeds from Issue of Compulsorily Convertible Preference Shares	-	-	-	-	400.00
		Capital Subsidy Recd	-	5.00	-	-	
		Proceeds from Borrowings (Term Loans)	956.30	4,742.69	3,677.28	1,756.45	2,511.33
		Repayment of Borrowings (Term Loans)	(81.19)	(1,354.15)	(1,486.44)	(3,349.77)	(3,123.83)
		Dividend Paid by Subsidiaries Including tax (Minority Share)	(1.45)	(6.45)	(50.27)	(5.94)	-
		Dividend Paid on equity shares Including tax	-	(10.06)	-	-	-
		Interest Paid	(87.37)	(367.52)	(716.91)	(1,026.30)	(806.49)
		Net Cash used in Financing Activities	**786.29**	**4,627.88**	**1,423.66**	**(2,625.56)**	**(1,018.99)**
		Net Increase/ (Decrease) in Cash & Cash Equivalents	**161.56**	**110.35**	**(55.25)**	**(10.67)**	**187.09**
		Opening Cash & Bank Balance	199.10	546.36	857.43	907.84	897.18
		Add: Cash & Bank Balance acquired on acquisition	185.70	200.72	105.66	-	-
		Less: Cash & Cash Equivalents reduced on account of disposal of subsidiary	-	-	-	-	204.15
		Closing Cash & Bank Balance	546.36	857.43	907.84	897.18	880.12
		Net Increase/ (Decrease) in Cash & Cash Equivalents	**161.56**	**110.35**	**(55.25)**	**(10.67)**	**187.09**

Notes:-

1. Cash and Cash Equivalents includes Fixed Deposits in lien with banks against loans taken.
2. The above statement should be read with the Significant Accounting policies, appearing in Annexure 27; Notes to the Consolidated Restated Financial Information, appearing in Annexure 28; Statement on Adjustments to Consolidated Financial Statements, appearing in Annexure 29: and Notes to Statement on Adjustments to Consolidated Financial Statements, appearing in Annexure 30.
3. The Cash flows disclosed above for the year 31st March, 2010 excludes an amount of Rs. 16.80 Million representing shareholders / Directors Loan taken by the Company converted during the year into Redeemable

Preference Shares.

4. The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statement.

THE ISSUE

Issue of Equity Shares	13,130,800 Equity Shares
of which	
i) Fresh Issue by our Company	8,566,050 Equity Shares
ii) Offer for Sale by the Selling Shareholder	4,564,750 Equity Shares
of which	
A) QIB portion*	Not more than 6,565,400 Equity Shares
Of which	
Anchor Investor Portion**	Up to 1,969,620 Equity Shares
Balance available for allocation to QIBs other than the Anchor Investors (assuming the Anchor Investor Portion is fully subscribed)	4,595,780 Equity Shares
Of which:	
Available for allocation to Mutual Funds only (5% of the QIB Portion (excluding the Anchor Investor Portion))	229,789 Equity Shares
Balance for all QIBs including Mutual Funds	4,365,991 Equity Shares
B) Non-Institutional Portion*	Not less than 1,969,620 Equity Shares
C) Retail Portion*	Not less than 4,595,780 Equity Shares
Equity Shares outstanding prior to the Issue	43,957,140 Equity Shares
Equity Shares outstanding after the Issue	52,523,190 Equity Shares
Use of Net Proceeds	See the section "Objects of the Issue" beginning on page 39 of this Draft Red Herring Prospectus for information about the use of the Net Proceeds. Our Company will not receive any proceeds from the Offer for Sale.

Allocation to all categories, except the Anchor Investor Portion, if any, shall be made on a proportionate basis.

* *Subject to valid Bids being received at or above the Issue Price, under subscription, if any, in any category, would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company and the Selling Shareholder in consultation with the BRLMs and the Designated Stock Exchange.*

** *Our Company and the Selling Shareholders may, in consultation with the BRLMs allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. For details, see the section "Issue Procedure" beginning on page 384 of this Draft Red Herring Prospectus.*

GENERAL INFORMATION

Our Company was incorporated as Endurance Suspension Systems (India) Private Limited on December 27, 1999 under the Companies Act. On July 1, 2000, by virtue of Section 43A of the Companies Act, our Company was converted in to a public limited company and the name was changed to Endurance Suspension Systems (India) Limited with effect from July 1, 2000. Subsequently, the name was changed to Endurance Transmission Systems (India) Limited and a fresh certificate of incorporation was issued by the RoC dated December 6, 2000. On January 27, 2001, our Company was reconverted into a private company and the name was changed to Endurance Transmission Systems (India) Private Limited. Thereafter, the name was changed to Endurance Technologies Private Limited and a fresh certificate of incorporation was issued by the RoC dated August 11, 2006. Our Company was converted into a public company and the name of our Company was changed to Endurance Technologies Limited, pursuant to a fresh certificate of incorporation consequent to change in name dated July 9, 2010. For further details, see the section "History and Certain Corporate Matters" beginning on page 116 of this Draft Red Herring Prospectus.

Registered Office and Registration Number of our Company

K-228, MIDC Industrial Area, Waluj
Aurangabad 431 136
Tel: (91 240) 256 6686
Fax: (91 240) 255 6685
CIN: U34102MH1999PLC123296
Website: www.endurancegroup.com

Corporate Office of our Company
E-92, MIDC Industrial Area, Waluj
Aurangabad 431 136
Tel: (91 240) 255 9737
Fax: (91 240) 255 1700

Address of the RoC

Our Company is registered with the RoC situated at Everest, 5th Floor, 100, Marine Drive, Mumbai 400 002.

Our Board of Directors

Our Board of Directors consists of:

Name of the Director	Age	DIN	Address
Naresh Chandra *Chairman, non-executive non-independent Director*	75	00027696	Bhagwati Bhawan 31B, M.L. Dahanukar Marg Mumbai 400 026
Anurang Jain *Managing Director, executive non-independent Director*	48	00291662	Green Leaf Manor, Gat no. 41-3/B Kanchanwadi, Opp. WALMI Paithan Road Aurangabad 431 005
Nainesh Jaisingh *Non-executive non-independent Director*	43	00061014	Urvashi, 3rd Floor Flat no. 31 66 Jagmohandas Marg Napeansea Road Mumbai 400 006
Roberto Testore *Non-executive independent Director*	57	01935704	Fante SRL Corso Magenta 12 20123 Milano Italy

Name of the Director	Age	DIN	Address
Soumendra Basu *Non-executive independent Director*	60	01125409	22D2 Cape Tower VII, Hiland Park 1925, Chak Garia Kolkata 700 094
Partho Datta *Non-executive independent Director*	61	00040345	19/2, Dover Road, Ballygunge Kolkata 700 019

For further details of the Directors, see the section "Our Management" beginning on page 125 of this Draft Red Herring Prospectus.

Company Secretary and Compliance Officer

Vivek M. Achwal is our Company Secretary and Compliance Officer. His contact details are as follows:

Vivek M. Achwal
E-92/93
MIDC Industrial Area, Waluj
Aurangabad 431 136
Tel No: (91 240) 256 9737
Fax: (91 240) 255 1700
Email: investors@endurance.co.in

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of Allotted Equity Shares in the respective beneficiary account and refund orders.

Book Running Lead Managers

Kotak Mahindra Capital Company Limited
1st Floor, Bakhtawar
229 Nariman Point
Mumbai 400 021
Tel: (91 22) 6634 1100
Fax: (91 22) 2284 0492
E-mail: endurance.ipo@kotak.com
Website: www.kmcc.co.in
Contact Person: Chandrakant Bhole
SEBI Registration No.: INM000008704

Citigroup Global Markets India Private Limited
12th Floor, Bakhtawar
Nariman Point
Mumbai 400 021
Tel: (91 22) 6631 9999
Fax: (91 22) 6631 6366
Email: endurance.ipo@citi.com
Website: www.citibank.co.in
Contact Person: Shashank Pandey
SEBI Registration No.: INM000010718

For all Issue related queries and for referral of complaints, investors may also write to the BRLMs. All complaints, queries or comments received by SEBI shall be forwarded to the BRLMs, who shall respond to the same.

Syndicate Members

Kotak Securities Limited
2nd Floor, Nirlon House
Dr. Annie Besant Road
Near Passport Office, Worli
Mumbai 400 025
Tel: (91 22) 6740 9708
Fax: (91 22) 6662 7330
Email: umesh.gupta@kotak.com
Contact Person: Umesh Gupta
SEBI Registration No.: BSE INB01808153
NSE INB230808130

Legal Advisors

Domestic Legal Counsel to our Company

Amarchand & Mangaldas & Suresh A. Shroff & Co.
Peninsula Chambers
Peninsula Corporate Park
Ganpatrao Kadam Marg, Lower Parel
Mumbai 400 013
Tel: (91 22) 2496 4455
Fax: (91 22) 2496 3666

Domestic Legal Counsel to the Underwriters

S&R Associates
64, Okhla Industrial Estate Phase - III
New Delhi 110 020
Tel: (91 11) 4069 8000
Fax: (91 11) 4069 8001

International Legal Counsel to the Underwriters

Jones Day
3 Church Street
#14-02 Samsung Hub
Singapore 049483
Tel: (65) 6538 3939
Fax: (65) 6536 3939

Auditors to our Company

Deloitte Haskins & Sells, Chartered Accountants
706, B-wing, ICC Trade Tower
Senapati Bapat Road
Pune – 411 016
Tel: (91 20) 6624 4642
Fax: (91 20) 6624 4605
Email: hmjoshi@deloitte.com
Firm Registration No.: 117 366W

Registrar to the Issue

LINK INTIME INDIA PRIVATE LIMITED
C-13, Pannalal

Silk Mills Compound
L.B.S. Marg, Bhandup (West)
Mumbai 400 078
Tel: (91 22) 2596 3838
Fax: (91 22) 2594 6969
E-mail: etl.ipo@linkintime.co.in
Investor Grievance E-mail: etl.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Sanjog Sud
SEBI Registration No.: INR000004058

Bankers to the Issue and Escrow Collection Banks

[●]

Self Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process are provided on www.sebi.gov.in/pmd/scsb.pdf. For details on Designated Branches of SCSB collecting the ASBA Bid cum Application Form, please refer to the above mentioned link.

Bankers to our Company

Bank of India
Pune Corporate Banking Branch
University Road, Shivajinagar
Pune 411 005
Tel: (91 20) 2552 1211
Fax: (91 20) 2553 6134
Email: MCB.Pune@bankofindia.co.in
Website: www.bankofindia.com

Bank of Maharashtra
Kranti Chowk Branch
JM Gandhi Building
Adalat Road
Aurangabad 431 001
Tel: (91 240) 234 7759
Fax: (91 240) 232 1106
Email: brmgr301@mahabank.co.in
Website: www.bankofmaharashtra.in

Citibank N. A.
Trent House, 2nd Floor
G-Block, Plot Number C-60
Next to Citigroup Centre
Bandra Kurla Complex
Bandra (East)
Mumbai 400 051
Tel: (91 22) 4029 6520
Fax: (91 22) 2653 2108
Email: vincent.valladares@citi.com
Website: www.citibank.co.in

Corporation Bank
Industrial Finance Branch
14 Pune-Mumbai Road
Wakdewadi
Pune 411 003
Tel: (91 20) 2553 9592
Fax: (91 20) 2551 1216
Email: cb0502@corpbank.co.in
Website: www.corpbank.com

ICICI Bank Limited
Corporate Banking Group
3rd Floor, A Wing, Shangrila Gardens
Bund Garden Road,
Pune 411 001
Tel: (91 20) 6600 3139
Fax: (91 20) 6600 3109
Email: rohit.gupta@icicibank.com
Website: www.icicibank.com

IDBI Bank Limited
Specialised Corporate banking Branch
Survey no. 20292, Ratnaprabha Building
Opposite LC Building
Adalat Road
Aurangabad 431 001
Tel: (91 240) 235 2195
Fax: (91 240) 234 5494
Email: abhijit.srivastava@idbi.co.in
Website: www.idbi.com

Indian Overseas Bank
Pune Cantonment Branch
Wonderland, 7 MG Road
Pune 411 001
Tel: (91 20) 2612 3783
Fax: (91 20) 2613 9007
Email: punecant@mumnsco.iobnet.co.in
Website: www.iob.in/default.aspx

Standard Chartered Bank
B-2, The Cerebrum IT Park, Ground Floor
Survey no. 13/B1+B2+B3, Survey no. 14
Kumar City, Vadgaonsheri
Kalyani Nagar, Haveli
Pune 411 014
Tel: (91 20) 6680 3911
Fax: (91 20) 6680 3918
Email: Subramaniam.Krishnan@sc.com
Website: www.standardchartered.co.in

Monitoring Agency

Our Company has appointed [●] as the monitoring agency pursuant to the agreement dated [●] in compliance with SEBI Regulations.

Statement of *inter se* allocation of Responsibilities for the Issue

The following table sets forth the inter se allocation of responsibility and co-ordination for various activities amongst the BRLMs:

Sr. No	Activity	Responsibility	Co-ordinator
1.	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments, etc.	Kotak, Citi	Citi
2.	Due diligence of our Company's operations/ management/business plans/legal etc. Drafting and design of the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing of the same	Kotak, Citi	Kotak
3.	Drafting and approval of all statutory advertisement	Kotak, Citi	Kotak
4.	Drafting and approval of all publicity material other than statutory advertisement as mentioned in (3) above including corporate advertisement, brochure, etc.	Kotak, Citi	Citi
5.	Preparation and finalization of the road-show presentation	Kotak, Citi	Citi
6.	Appointment of Printer(s) and Advertising Agency	Kotak, Citi	Citi
7.	Appointment of Registrar(s) and Banker(s) to the Issue	Kotak, Citi	Citi
8.	Domestic institutional marketing including banks/ mutual funds and allocation of investors for meetings and finalizing road show schedules.	Kotak, Citi	Kotak
9.	International institutional marketing including; allocation of investors for meetings and finalizing road show schedules.	Kotak, Citi	Citi

Sr. No	Activity	Responsibility	Co-ordinator
10.	Non-Institutional & Retail Marketing of the Offer, which will cover, inter alia, • Formulating marketing strategies, preparation of publicity budget • Finalising Media and PR strategy • Finalising centres for holding conferences for brokers etc • Finalising collection centres; and • Follow-up on distribution of publicity and Offer material including form, prospectus and deciding on the quantum of the Offer material	Kotak, Citi	Kotak
11.	Pricing and managing the book	Kotak, Citi	Kotak
12.	Coordination with Stock-Exchanges for book building software, bidding terminals etc.	Kotak, Citi	Kotak
13.	Post-issue activities, which shall involve essential follow-up steps including follow-up with bankers to the issue and Self Certified Syndicate Banks to get quick estimates of collection and advising the issuer about the closure of the issue, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-issue activity such as registrars to the issue, bankers to the issue, Self Certified Syndicate Banks, etc. including responsibility for underwriting arrangements, as applicable.	Kotak, Citi	Citi

Credit Rating

As the Issue is of equity shares, a credit rating is not required.

IPO Grading

This Issue has been graded by [●] as [●] indicating [●]. The rationale/description furnished by the IPO grading agency will be disclosed in the Red Herring Prospectus filed with the RoC.

Experts

Our Company has received consent from the Statutory Auditors namely, Deloitte Haskins & Sells, Chartered Accountants to include their names as an expert in this Draft Red Herring Prospectus in relation to the report of the auditors dated September 27, 2010 and statement of tax benefits dated September 27, 2010 in the form and context in which it appears in this Draft Red Herring Prospectus.

The Issue has been graded by [●]. The report of [●] in respect of the IPO Grading of the Issue will be annexed to the Red Herring Prospectus.

Trustees

As the Issue is of equity shares, the appointment of trustees is not required.

Book Building Process

The Book Building Process, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Issue Price is finalised after the Bid/ Issue Closing Date. The principal parties involved in the Book Building Process are:

1. our Company;

2. the Selling Shareholder;

3. the BRLMs;

4. the Syndicate Members who are intermediaries registered with SEBI or registered as brokers with BSE/NSE and eligible to act as Underwriters. The Syndicate Members are appointed by the BRLMs;

5. the SCSBs;

6. the Escrow Collection Bank(s); and

7. the Registrar to the Issue.

This Issue is being made in accordance with Rule 19(2)(b)(i) of the SCRR and under the SEBI Regulations, and will be made through the Book Building Process wherein not more than 50% of the Issue will be available for allocation on a proportionate basis to QIBs. Out of the QIB Portion (excluding the Anchor Investor Portion), 5% will be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the QIB portion will be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

QIB Bidders are not allowed to withdraw their Bids after the Bid /Issue Closing Date. Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Issue Period. For details, see the section "Terms of the Issue" beginning on page 377 of this Draft Red Herring Prospectus.

The Book Building Process under the SEBI Regulations is subject to change from time to time and investors are advised to make their own judgment about investment through this process prior to making a Bid in the Issue.

Illustration of the Book Building Process and Price discovery process

Investors should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors.

Bidders can bid at any price within the price band. For instance, assume a price band of Rs. 20 to Rs. 24 per equity share, offer size of 3,000 equity shares and receipt of five bids from bidders out of which one bidder has bid for 500 equity shares at Rs. 24 per equity share while another has bid for 1,500 equity shares at Rs. 22 per equity share. A graphical representation of consolidated demand and price would be made available at the bidding centers during the bidding period. The illustrative book given below shows the demand for the shares of a company at various prices and is collated from bids from various investors.

Bid Quantity	Bid Price (Rs.)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the company is able to offer the desired number of shares is the price at which the book cuts off, i.e., Rs. 22 in the above example. The company in consultation with the book running lead managers will finalise the issue price at or below such cut-off price, i.e., at or below Rs. 22. All bids at or above the issue price and cut-off price are valid bids and are considered for allocation in the respective categories.

Steps to be taken by the Bidders for bidding:

- Check eligibility for bidding (see "Who Can Bid" in the section "Issue Procedure" beginning on page 384 of this Draft Red Herring Prospectus);

- Ensure that you have an active demat account and the demat account details are correctly mentioned in the Bid cum Application Form;

- Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, for Bids of all values, ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form or the ASBA Bid cum Application Form. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction (see the section "Issue Procedure" beginning on page 384 of this Draft Red Herring Prospectus);

- Ensure that the Bid cum Application Form is duly completed as per the instructions given in the Red Herring Prospectus and in the Bid Cum Application Form, respectively;

- Bids by QIBs shall be submitted only to the BRLMs, other than Bids by QIBS who Bid through the ASBA process, who shall submit the Bids to the Designated Branch of the SCSBs; and

- Bids by ASBA Bidders will have to be admitted to the Designated Branches. ASBA Bidders should ensure that their bank accounts have adequate credit balance at the time of submission of the ASBA Bid cum Application form to the SCSB to ensure that the Bid is not rejected.

Underwriting Agreement

After the determination of the Issue Price and allocation of the Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholder intend to enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered and sold in the Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLMs shall be responsible for bringing in the amount devolved in the event that their respective Syndicate Members do not fulfil their underwriting obligations. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be filled in before the filing of the Prospectus with the RoC)

Name and Address of the Underwriter	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (In Rs. Million)
[●]	[●]	[●]
[●]	[●]	[●]

The above mentioned amount is indicative underwriting and this would be finalised after determination of the Issue Price and actual allocation of the Equity Shares.

In the opinion of the Board of Directors (based on the certificates given by the Underwriters), the resources of the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The above-mentioned Underwriters are registered with SEBI or registered as brokers with the Stock Exchanges. The Board of Directors, at its meeting held on [●], has authorised the execution and delivery the Underwriting Agreement mentioned above on behalf of our Company. The Selling Shareholder has by its board resolution dated [●] authorized the execution and delivery of the Underwriting Agreement.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitments. Notwithstanding the table above, the BRLMs and the Syndicate Members shall be responsible for ensuring payment with respect to the Equity Shares allotted to the investors procured by them.

The underwriting arrangements mentioned above shall not apply to the subscriptions by ASBA Bidders in the Issue.

Notwithstanding the foregoing, the Issue is also subject to obtaining (i) final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) the final approval of the RoC after the Prospectus is filed with the RoC.

CAPITAL STRUCTURE

The share capital of our Company as of the date of this Draft Red Herring Prospectus before and after the proposed Issue, is set forth below:

(In Rs. except share data)

		Aggregate Value at Face Value	Aggregate Value at Issue Price
A	**AUTHORIZED SHARE CAPITAL**		
	176,250,000 Equity Shares	705,000,000	
	2,000,000 Redeemable Preference Shares	20,000,000	
	Total	**725,000,000**	
B	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE**		
	43,957,140 Equity Shares	175,828,560	
	1,680,000 Redeemable Preference Shares	16,800,000	
	Total	**192,628,560**	
C	**PRESENT ISSUE IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS**		
	13,130,800 Equity Shares	52,523,200	[●]
	of which		
	Fresh Issue of 8,566,050 Equity Shares	34,264,200	
	Offer for Sale of 4,564,750 Equity Shares[2]	18,259,000	[●]
E	**ISSUE TO THE PUBLIC**		
	QIB Portion	26,261,600	[●]
	Non-Institutional Portion	7,878,480	[●]
	Retail Portion	18,383,120	[●]
F	**EQUITY CAPITAL AFTER THE ISSUE**		
	52,523,190 Equity Shares	210,092,760	
G	**SECURITIES PREMIUM ACCOUNT**		
	Before the Issue	1,786,269,403	
	After the Issue		[●]

1 *The Fresh Issue has been authorized pursuant to a resolution of our Board of Directors dated September 27, 2010 and by a special resolution passed pursuant to section 81(1A) of the Companies Act, at the EGM of the shareholders of our Company held on September 27, 2010.*

2 *The Offer for Sale has been authorized by the Selling Shareholder by a resolution dated September 16, 2010 of the board of directors of the Selling Shareholder. The Equity Shares to be offered in the offered for Sale have been held for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus and hence are eligible for being offered for sale in the Issue.*

Changes in the Authorized Capital

(1) The initial authorized share capital of Rs. 30,000,000 divided into 3,000,000 equity shares of Rs.10 each was increased to Rs. 200,000,000 divided into 20,000,000 equity shares of Rs.10 each, pursuant to a resolution of our shareholders dated November 23, 2007.

(2) The authorized share capital of Rs.200,000,000 divided into 20,000,000 equity shares of Rs.10 each was increased to Rs. 700,000,000 divided into 20,000,000 equity shares of Rs.10 each and 50,000,000 compulsorily convertible preference shares of Rs.10 each, pursuant to a resolution of our shareholders dated November 5, 2009.

(3) The authorized share capital of Rs.700,000,000 divided into 20,000,000 equity shares of Rs.10 each and 50,000,000 compulsorily convertible preference shares of Rs.10 each was increased to Rs. 725,000,000 divided into 22,500,000 equity shares of Rs.10 each and 50,000,000 compulsorily convertible preference shares of Rs. 10 each*

(4) The authorized share capital of Rs. 725,000,000 divided into 22,500,000 equity shares of Rs.10 each and 50,000,000 compulsorily convertible preference shares of Rs.10 each was reclassified to Rs. 725,000,000 divided into 22,500,000 equity shares of Rs.10 each, 48,000,000 compulsorily convertible preference shares of Rs.10 each and 2,000,000 redeemable preference shares of Rs.10 each pursuant to a resolution of our shareholders dated March 26, 2010.

(5) The authorized share capital of Rs. 725,000,000 divided into 22,500,000 equity shares of Rs. 10 each, 48,000,000 compulsorily convertible preference shares of Rs. 10 each and 2,000,000 redeemable preference shares of Rs. 10 each, was:

(i) sub-divided into 56,250,000 Equity Shares aggregating to Rs. 225,000,000; and

(ii) re-classified from 48,000,000 compulsorily convertible preference shares of Rs. 10 each aggregating to Rs. 480,000,000, into 120,000,000 Equity Shares, aggregating to Rs. 480,000,000;

in order that the authorized share capital of our Company is Rs. 725,000,000 divided into 176,250,000 Equity Shares and 2,000,000 Redeemable Preference Shares of Rs. 10 each *pursuant to a* resolution of our shareholders dated September 27, 2010.

**The authorized share capital of our Company stood enhanced pursuant to the merger of ESIPL with our Company for which the appointed date was April 1, 2008 and the effective date was December 1, 2009.*

Notes to the Capital Structure

1. **Share Capital History of our Company**

(a) The following is the history of the equity share capital and securities premium account of our Company:

Date of allotment/(buy back) of the Equity Shares	Number of equity shares of Rs. 10 each, unless otherwise specified	Face Value (Rs.)	Issue Price (Rs.)	Consideration (cash, other than cash etc)	Cumulative Number of Equity Shares	Cumulative paid-up Equity Capital (Rs.)	Cumulative securities Premium (Rs.)
December 20, 1999	4,500	10	10	Cash	4,500	45,000	-
February 12, 2000	170,000	10	10	Cash	174,500	1,745,000	-
June 26, 2000	1,100,000	10	10	Cash	1,274,500	12,745,000	-
November 20, 2005	(63,725)	10	280	Cash	1,210,775	12,107,750	-
August 12, 2006	288,027	10	-	Other than Cash**	1,498,802	14,988,020	-
August 12, 2006	18,284	10	8,215.13	Cash	1,517,086	15,170,860	150,022,597
August17, 2006	182,590	10	8,215.13	Cash	1,699,676	16,996,760	1,648,197,284
							1,616,357,284*
November 23, 2007	15,297,084	10	-	Bonus issue in the ratio 9:1 on account of	16,996,760	169,967,600	1,463,386,444

Date of allotment/(buy back) of the Equity Shares	Number of equity shares of Rs. 10 each, unless otherwise specified	Face Value (Rs.)	Issue Price (Rs.)	Consideration (cash, other than cash etc)	Cumulative Number of Equity Shares	Cumulative paid-up Equity Capital (Rs.)	Cumulative securities Premium (Rs.)
				capitalisation of securities premium account			
April 1, 2008	-	-	-	-			1,392,130,363***
September 27, 2010	586,096	10	682.48	Redemption of CCPS by way of conversion into Equity Shares	17,582,856	175,828,560	1,786,269,403
September 27, 2010	Split of face value of equity shares of Rs. 10 each into Equity Shares of face value Rs. 4 each	4	-	Share split	43,957,140	175,828,560	1,786,269,403

** Securities premium reduced by Rs. 31,840,000 being the issue expenses in relation to the issuance of Equity Shares to the Selling Shareholder.*

***Equity Shares allotted to shareholders of Anurang Engineering Company Private Limited upon amalgamation. For further details, see section "History and Certain Corporate Matters" beginning on page 116 of this Draft Red Herring Prospectus.*

**** Security premium reduced by Rs. 71,256,081 being the net amount transferred to business reconstruction reserve after giving effect to the expenses that were adjusted against business reconstruction reserve as per the scheme of arrangement sanctioned by the High Court of Bombay pursuant to an order dated October 16, 2009.*

(b) The following is the history of the preference share capital:

Type of Preference Shares	Date of allotment of the Preference Shares	Number of Preference Shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration (cash, other than cash etc)	Cumulative Number of Preference Shares	Cumulative paid-up Preference Capital (Rs.)	Cumulative Preference Share Premium (Rs.)
Compulsorily Convertible Preference Share	November 10, 2009	40,000,000*	10	10	Cash	40,000,000	400,000,000	-
Redeemable Preference Shares	March 26, 2010	1,680,000	10	10	Cash	41,680,000	416,800,000	-

** Compulsorily convertible preference shares issued to SCPE pursuant to the terms of the Supplemental Share Subscription and Shareholders' Agreement dated October 30, 2009. As on date of this Draft Red Herring Prospectus, there are no outstanding Compulsorily Convertible Preference Shares.*

(c) Our Company has allotted Equity Shares for consideration other than cash as follows:

Date of Issue	Person to whom issued	Issue Price	Reason for issue	Whether any benefit accrued to the Issuer from the issue
August 12, 2006	Shareholders of Anurang Engineering Company Private Limited	-	Amalgamation of Anurang Engineering Company Private Limited with our Company	Nil

2. **History of the Equity Share Capital held by the Promoter**

(a) *Details of the build-up of our Promoter's shareholding in our Company*:

Date of Allotment/ Transfer	Number of Equity Shares allotted/ transferred	Face Value (Rs.)	Issue/ Acquisition Price (Rs.)	Nature of consideration (Cash, gift, etc.)	Nature of transaction	% of pre-Issue Capital	% of post-Issue Capital
Anurang Jain							
December 20, 1999	1,500	10	10	Cash	Subscription to the Memorandum of Association	0.01	0.01
June 26, 2000	(1,500)	10	10	Cash	Transfer	0.00	0.00
October 30, 2001	302,500	10	10	Cash	Transfer	1.72	1.44
March 09, 2002	302,500	10	10	Gift received from Tarang Jain	Transfer	3.44	2.88
August 12, 2006	141,264	10	11.15	Other than Cash	Equity Shares issued pursuant to the merger of Anurang Engineering Company Private Limited with our Company	4.24	3.55
August 12, 2006	8,733	10	8,215.13	Cash	Allotment	4.29	3.59
November 23, 2007	6,794,973	10	Nil	Bonus	Bonus issuance	42.94	35.94
September 1, 2010	3,015,000	10	10.0	Gift received from Naresh Chandra and Suman Jain	Transfer	60.09	50.29
September 9, 2010	(10)	10	10.0	Gift given to Varsha Jain	Transfer	60.09	50.29
September 27, 2010	Split of face value of equity shares of Rs. 10 each into Equity Shares of face value Rs. 4 each			Split of face value of Equity Shares	Split of face value of Equity Shares	60.09	50.29
TOTAL	**26,412,400**					**60.09**	**50.29**

None of the Equity Shares held by our Promoter are pledged.

(b) *Details of Promoter's contribution locked in for three years*:

Date of Acquisition and when made fully paid-up	Nature of Allotment/Transfer	Number of Equity Shares locked in	Nature of Consideration (Cash)	Face Value (Rs.)	Issue/Acquisition Price per Equity Share (Rs.)	Percentage of post-Issue paid-up equity share capital
Anurang Jain						
November 23, 2007	Bonus issue	10,504,638	Bonus	4	Nil	20.00

The minimum Promoter's contribution has been brought to the extent of not less than the specified minimum lot and from the person defined as Promoter under the SEBI Regulations. The Promoter's contribution constituting not less than 20% post-Issue paid-up equity share capital shall be locked-in for a period of three years from the date of Allotment in the Issue.

The Equity Shares that are being locked-in are not ineligible for computation of Promoter's contribution as per Regulation 33 of the SEBI Regulations.

In this regard, our Company confirms that the Equity Shares being locked-in for computation of Promoter's contribution do not consist of:

(i) Equity Shares acquired during the preceding three years (a) for consideration other than cash and revaluation of assets or capitalization of intangible assets, or (b) arising from bonus issue by utilization of revaluation reserves or unrealized profits of our Company or from a bonus issue against Equity Shares which are otherwise ineligible for computation of Promoter's contribution;

(ii) Equity Shares acquired by the Promoter during the one year preceding the date of the Draft Red Herring Prospectus, at a price lower than the price at which Equity Shares are being offered to the public in the Issue;

(iii) Equity Shares issued to the Promoters upon conversion of a partnership firm; and

(iv) Equity Shares pledged with any creditor.

Our Company has obtained specific written consent from our Promoter for inclusion of the Equity Shares held by him in the minimum Promoter's contribution for lock-in. Further, our Promoter has given an undertaking to the effect that he shall not sell/transfer/dispose of in any manner, Equity Shares forming part of the minimum Promoter's contribution from the date of filing the Draft Red Herring Prospectus until the date of commencement of lock-in in accordance with the SEBI Regulations.

(c) *Details of pre-Issue Equity Share capital locked-in for one year*:

In addition to the 20% of the post-Issue paid-up equity shareholding of our Company held by our Promoter and locked-in for three years as specified above, the entire pre-Issue equity share capital, other than 4,564,750 Equity Shares which are being transferred and sold in the Offer for Sale, will be locked-in for a period of one year from the date of Allotment of the Equity Shares in this Issue.

(d) *Other requirements in respect of lock-in*:

Pursuant to Regulation 39 of the SEBI Regulations, Equity Shares held by our Promoter which are locked-in for a period of three years can be pledged only with any scheduled commercial bank or public financial institution as collateral security for loans granted by such scheduled commercial banks or public financial institution. Further, such pledge can be created only if the loan has been granted by such scheduled commercial bank or public financial institution for financing one or more of the objects of the Issue and the pledge of the Equity Shares is one of the terms of sanction of the loan.

The Equity Shares held by our Promoter which are locked-in for a period of one year can be pledged with any scheduled commercial bank or public financial institution as collateral security for loans granted by such scheduled commercial bank or financial institution, provided that the pledge of the Equity Shares is one of the terms of sanction of the loan.

The Equity Shares held by our Promoter and locked-in may be transferred to and amongst the Promoter Group or to a new promoter or persons in control of our Company, subject to the continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Code, as applicable.

The Equity Shares held by persons other than our Promoter and locked-in for a period of one year from the date of allotment in the Issue may be transferred to any other person holding Equity Shares which are locked-in, subject to the continuation of the lock-in in the hands of the transferee for the remaining period and compliance with the Takeover Code, as applicable.

(e) *Lock-in of Equity Shares to be issued, if any, to the Anchor Investor*

Any Equity Shares Allotted to Anchor Investors shall be locked-in for a period of 30 days from the date of Allotment of Equity Shares in the Issue.

3. **Shareholding Pattern of our Company**

(i) The table below presents the shareholding pattern of Equity Shares before the proposed Issue and as adjusted for the Issue:

	Pre-Issue		**Post-Issue***	
	No. of Equity Shares	**Percentage of Equity Share capital**	**No. of Equity Shares**	**Percentage of Equity Share capital**
Promoters (A)				
Anurang Jain	26,412,400	60.09%	26,412,400	50.29
Sub Total (A)	26,412,400	60.09%	26,412,400	50.29
Promoter Group (B)	11,514,750	26.19%	11,514,750	21.92
Total Holding of Promoters and Promoter Group (C=A + B)	37,927,150	86.28%	37,927,150	72.21
Others (D)				
SCPE	6,029,990	13.72%	1,465,240	2.79
Public (pursuant to the Issue) (E)	-	-	13,130,800	25.00
Total (C+D+E)	43,957,140	100%	52,523,190	100%

* *Assuming none of the shareholders participate in the Issue*

4. The list of top ten shareholders of our Company and the number of Equity Shares/equity shares of Rs. 10 each held by them is as under:

(a) As of the date of the Draft Red Herring Prospectus:

Sr. No.	Name of the shareholder	Number of Equity Shares held	Percentage (%)
1.	Anurang Jain	26,412,400	60.09
2.	Standard Chartered Private Equity (Mauritius) II Limited	6,029,990	13.72
3.	Suman Jain	5,502,750	12.52
4.	Naresh Chandra	4,488,850	10.21
5.	Naresh Chandra & Suman Jain	1,042,825	2.37
6.	Anurang Jain & Varsha Jain	468,925	1.07
7.	Naresh Chandra H.U.F.	11,250	0.03
8.	Anurang Jain H.U.F.	125	0.00
9.	Varsha Jain	25	0.00

(b) As of 10 days prior to the date of the Draft Red Herring Prospectus:

Sr. No.	Name of the shareholder	Number of equity shares of Rs. 10 each held	Percentage (%)
1.	Anurang Jain	10,564,960	62.16
2.	Suman Jain	2,201,100	12.95
3.	Standard Chartered Private Equity (Mauritius) II Limited	1,825,900	10.74
4.	Naresh Chandra	1,795,540	10.56
5.	Naresh Chandra & Suman Jain	417,130	2.45
6.	Anurang Jain & Varsha Jain	187,570	1.10
7.	Naresh Chandra H.U.F.	4,500	0.03
8.	Anurang Jain H.U.F.	50	0.00
9.	Varsha Jain	10	0.00

(c) As of two years prior to the date of the Draft Red Herring Prospectus:

Sr. No.	Name of the shareholder	Number of equity shares of Rs. 10 each held	Percentage (%)
1.	Anurang Jain	7,549,970	44.42
2.	Suman Jain	3,701,100	21.78
3.	Naresh Chandra	3,310,540	19.48
4.	Standard Chartered Private Equity (Mauritius) II Limited	1,825,900	10.74
5.	Naresh Chandra & Suman Jain	417,130	2.45
6.	Anurang Jain & Varsha Jain	187,570	1.10
7.	Naresh Chandra H.U.F.	4,500	0.03
8.	Anurang Jain H.U.F.	50	0.00

5. Our Company, our Directors, the Selling Shareholder and the BRLMs have not entered into any buy-back arrangement and/or safety net facility for the purchase of Equity Shares from any person.

6. Neither the BRLMs nor their associates hold any Equity Shares of our Company.

7. Our Company has not raised any bridge loans against the Issue Proceeds.

8. Except as stated in the section "Our Management" beginning on page 125 of this Draft Red Herring Prospectus, none of our Directors or key management personnel hold any Equity Shares in our Company.

9. Except as disclosed elsewhere in this section none of our Promoter, Promoter Group, our Directors or the immediate relatives of our directors have purchased or sold any Equity Shares during a period of six months preceding the date on which this Draft Red Herring Prospectus is filed with SEBI.

10. Except as disclosed elsewhere in this section, our Company has not made any issue of Equity Shares during

a period of one year preceding the date of this Draft Red Herring Prospectus at a price lower than the Issue price.

11. No person connected with the Issue shall offer any incentive, whether direct or indirect, in any manner, whether in cash, kind, services or otherwise, to any Bidder.

12. A Bidder cannot make a Bid for more than the number of Equity Shares offered through the Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.

13. An oversubscription to the extent of 10% of the Issue can be retained for the purposes of rounding off to the nearer multiple of minimum allotment lot.

14. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares.

15. There will be no further issue of Equity Shares, whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of this Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed.

16. Our Company presently does not intend or propose to alter the capital structure for a period of six months from the Bid/Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or issue of bonus or rights or further public issue of specified securities or qualified institutions placement or otherwise. However, if our Company enters into acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisitions or participation in such joint ventures.

17. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

18. Our Company has nine members as of the date of filing of this Draft Red Herring Prospectus.

19. Our Company has not issued any Equity Shares out of revaluation reserves.

20. All Equity Shares will be fully paid-up at the time of Allotment failing which no Allotment shall be made.

21. There have been no financial arrangements whereby the Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company, other than in the normal course of the business of the financing entity during a period of six months preceding the date of filing of this Draft Red Herring Prospectus.

OBJECTS OF THE ISSUE

The Issue consists of Fresh Issue by our Company and the Offer for Sale by the Selling Shareholder.

Offer for Sale

Our Company will not receive any proceeds from the Offer for Sale by the Selling Shareholder.

Fresh Issue

The proceeds of the Issue, after deducting the proceeds of the Offer for Sale and Issue related expenses (the "**Net Proceeds**"), are estimated to be approximately Rs. [●] Million.

The Net Proceeds are proposed to be utilised by our Company for the following objects:

(a) Funding the repayment of certain loans availed by our Company;

(b) Funding the prepayment of certain loans availed by our Company;

(c) Investment in capital expenditure of the Company;

(d) Investment in capital equipment of the Company; and

(e) General corporate purposes.

The main objects clause and objects incidental and ancillary to the main objects set out in our Memorandum of Association enable us to undertake our existing activities and the activities for which the funds are being raised through this Fresh Issue. Further, we confirm that the activities the Company has been carrying out until now are in accordance with the objects clause of our Memorandum of Association.

The details of the Net Proceeds are summarized in the table below:

(In Rs. Million)

	Amount
Gross Proceeds from the Issue	[●]
(Less) Issue related Expenses*#	[●]
(Less) Offer for Sale portion	[●]
Net Proceeds*	[●]

** To be finalised upon determination of the Issue Price*
 # Only the proportionate Issue-related expenses to be incurred by the Company shall be included

Utilisation of Net Proceeds

The Net Proceeds will be utilised in accordance with the table set forth below:

(In Rs. Million)

S. No.	**Expenditure Items**	**Amount outstanding as on August 31, 2010/ Total Cost#**	**Amount deployed till August 31, 2010***	**Amount up to which will be financed from Net Proceeds**	**Estimated schedule of deployment of Net Proceeds for**		
					FY 2011	**FY 2012**	**FY 2013**
1(a)	Funding the repayment of certain loans availed by our Company	2,943.97	N.A	2,068.17	161.53	1,115.97	790.67

S. No.	Expenditure Items	Amount outstanding as on August 31, 2010/ Total Cost#	Amount deployed till August 31, 2010*	Amount up to which will be financed from Net Proceeds	Estimated schedule of deployment of Net Proceeds for		
					FY 2011	FY 2012	FY 2013
1(b)	Funding the prepayment of certain loans availed by our Company	2,279.39	-	2,040.12	2,040.12	-	-
2	Investment in capital expenditure#	46.90	-	46.90	46.90	-	-
3	Investment in capital equipment#	483.59	31.05	452.55	57.73	394.82	-
4	General corporate purposes	[●]	[●]	[●]	[●]	[●]	[●]
	Total	[●]	[●]	[●]	[●]	[●]	[●]

** These amounts have been funded by the Company out of its internal accruals as per the certificate from C.V. Chitale & Co., Chartered Accountants dated September 24, 2010.*
 # Represents the total cost of the capital equipment proposed to be purchased.

The Net Proceeds will not be used to meet our working capital requirements as we expect to have internal accruals, avail debt and/or draw down from our existing or new lines of credit to meet our working capital requirements.

Any expenditure incurred towards the aforementioned objects would be recovered from the Net Proceeds of the Issue.

The fund requirements and deployment of the funds mentioned above are based on internal management estimates and have not been appraised by any bank or financial institution. Our Company may have to revise its expenditure and fund requirements as a result of changes in external factors, which may not be within the control of its management and may entail rescheduling and revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure at the discretion of its management.

In case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the objects stated above, our Company may explore a range of options including utilising its internal accruals, seeking additional debt from existing and future lenders. Our Company believes that such alternate arrangements would be available to fund any such shortfalls.

Details of the Objects of the Fresh Issue

1. Funding the repayment of certain loans availed by our Company

Our Company has entered into certain long term facilities for foreign currency debt with various banks. As on August 31, 2010, the total amount outstanding under these loan agreements was Rs. 2,943.97 Million.

Our Company intends to utilize an amount of Rs. 2,068.17 Million from the Net Proceeds towards the repayment of the principal of an equivalent amount due under these facilities in accordance with their terms of repayment. The details of the loans proposed to be repaid out of Net Proceeds are provided in the table below:

S. No.	Date of the loan facility agreement and nature, if facility	Name of the lender	Amount Sanctioned	Principal amount outstanding as on August 31, 2010 in Equivalent INR *# (in Rs. Million)	Repayment terms	Interest (%) *	Purpose of loan	Amount proposed to be repaid out of the Net Proceeds (in Rs. Million)
1	Facility Agreement dated February 3, 2007 for ECB Loan	Bank of India	JPY 575 Million	114.56	To be repaid in 8 half yearly consecutive installments, starting at the end of 15 months from the date of first disbursal	160 basis points over the three month LIBOR from the date of each advance	To meet the capital expenditure for setting-up of a tool room and gravity die-casting unit, R&D centre at Chakan, Pune, enhancing machining capacity at Manesar, Haryana and expansion project at Takve, Pune	76.25
2	Facility Agreement dated February 27, 2008 for ECB loan	Bank of India	JPY 426 Million	166.38	To be repaid in 5 half yearly consecutive installments, starting at the end of 4 years from the date of first disbursal	200 bps over the three/six month LIBOR from the date of each advance	To meet Capital expenditure at B-1/3 and B-22 Chakan Plant Pune	99.83
3	Facility Agreement dated March 31, 2006 for ECB loan	Bank of India	JPY 247 Million	32.81	To be repaid in 8 half yearly consecutive installments starting at the end of 18 months from the initial advance.	1.5% per annum over the three month LIBOR from the date of each advance	To meet Capital expenditure B-22 Chakan Plant Pune	16.38
4	Sanction letter dated March 25, 2009 for EBC Loan	Bank of India, Wembley	Euro 6 Million	407.86	To be repaid in 20 quarterly installments after initial moratorium of 18 months from the date of first draw down	400 basis points over six months Euro LIBOR	Equity Investment in Amann Druckguss GmbH Germany	61.18
5	Credit Facility Agreement dated July 18, 2006	Citi Bank, N.A., London	US$ 15 Million or an equivalent amount in	291.11	To be repaid in 16 equal quarterly payments beginning	Aggregate of LIBOR and margin 1.2% per annum	For capital expenditure for expansion projects at B-23 chakan (for front	232.49

S. No.	Date of the loan facility agreement and nature, if facility	Name of the lender	Amount Sanctioned	Principal amount outstanding as on August 31, 2010 in Equivalent INR *# (in Rs. Million)	Repayment terms	Interest (%) *	Purpose of loan	Amount proposed to be repaid out of the Net Proceeds (in Rs. Million)
	for ECB loan		JPY		from the date falling 15 months after the last day of the availability period and to be repaid within 60 months.		fork capacity) & Manesar (Die Casting capacity expansion) and proposed new plants at Pantnagar , Uttarachnchal & Chennai India	
6	Credit Facility Agreement dated April 24, 2007 for ECB Loan	Citi Bank, N.A., London	US$ 15.50 Million or an equivalent amount in JPY	517.78	To be repaid in 17 equal quarterly payments beginning from the date falling 12 months after the last day of the availability period and to be repaid within 60 months.	Aggregate of LIBOR and margin 1.20%	for capital expenditure at pantnagar (for front fork and alloy wheel Facility), B-22 chakan (For alloy wheel) , Chennai (diecasting - m.s. project), and Acquisition in Fondalmech Italy	459.47
7	Facility Agreement dated January 27, 2006 for ECB Loan	Citi Bank, N.A., Bahrain	US$ 4.30 Million or an equivalent amount in JPY	33.63	To be repaid in 16 equal quarterly installments commencing from 15 months from each date on which the facility is utilized	Aggregate of 1.50% (margin) + LIBOR p.a.	for capital expenditure at B-22 Chakan Alloy wheel plant	16.79
8	Facility Agreement dated January 30, 2006 for ECB Loan	Standard Chartered Bank, London	US$ 3.375 Million or an equivalent amount in JPY	22.38	To be repaid in 9 semi-annual equal installments starting from end of 12th month from the drawdown date and to be repaid within 60 months	LIBOR plus 0.5% p.a.	To meet capital expenditure at B-1/3 Chakan Plant as a part of 300T die casting capacity expansion	22.38
9	Facility Agreement dated	ICICI Bank Limited	JPY 540.5 Million	283.94	To be repaid in 7 half yearly	6 months JPY LIBOR + 140 basis	For financing a die casting facility at	223.25

S. No.	Date of the loan facility agreement and nature, if facility	Name of the lender	Amount Sanctioned	Principal amount outstanding as on August 31, 2010 in Equivalent INR *# (in Rs. Million)	Repayment terms	Interest (%) *	Purpose of loan	Amount proposed to be repaid out of the Net Proceeds (in Rs. Million)
	March 26, 2007 for ECB Loan				installments payable after a 48 month moratorium after the date of first disbursement	points	Pantnagar Plant	
10	Facility Agreement dated December 7, 2006 for ECB Loan	ICICI Bank Limited	Euro 19 Million	1,073.52	(i) Tranche A: 5 semi-annual equal installments starting from the end of 48 months from average drawdown date; (ii) Tranche B: 7 quarterly equal installments starting from February 2007; and (iii) 7 semiannual equal installments starting May 2007.	Percentage rate per annum of the aggregate of applicable margin and LIBOR: (i) Tranche A: 1.35% p.a. + LIBOR; (ii) Tranche B: 0.76% p.a. + LIBOR; and (iii) Tranche C: 0.76 p.a. + LIBOR	Tranche A for acquiring shares in special purpose vehicle in Germany – which will in turn be used for the acquisition of a target company Tranche B and C : To refinance the two existing ECB's from the Bank of India San Fransisco, USA of the K-226/2 Waluj, Aurangabad and Manesar, Haryana Plant	860.15
Total (B)	**2,943.97**		**2,068.17**					

***** *For certain of its outstanding foreign currency debt facilities, the Company has entered into certain foreign currency swap and fixed forward contracts to hedge its foreign currency exposure. The outstanding amount under these loans has been disclosed as per currency swap rate or fixed forward rate. However, the remaining foreign currency loan arrangements are un-hedged and the outstanding amount is disclosed as per the exchange rate on June 30, 2010. For details, see the section "Financial Statements- Notes to Accounts" beginning on page 147 of this DRHP.*

\# *The outstanding amount has been calculated on the basis of the following exchange rates as on June 30, 2010:1 US$= Rs. 46.92, 1 Euro= Rs. 57.51, 100 JPY= Rs. 53.13. Source- Bank of Maharashtra Selling Rate.*

The Company has obtained a certificate from C.V. Chitale & Co., Chartered Accountants dated September 24, 2010 certifying the details of the source, purpose, utilisation and terms of the foreign currency debt facilities availed by the Company.

For details on source, purpose, utilisation and terms of each the foreign currency debt facilities, please see the section "Financial Indebtedness" on page 327 of this Draft Red Herring Prospectus

In case any of the above loans are repaid prior to the completion of the Issue, due to any reason, we may utilize the Net Proceeds towards repayment of a portion of our other debt, including any additional loans that we may take.

The actual amount of the repayment of long term foreign currency debt facilities may change depending on the movement of prevailing foreign currency conversion rates.

Our Company has also received the consent for this Issue from all the banks/financial institutions with which it has existing financing arrangements.

2. Funding the prepayment of certain loans availed by our Company

Our Company has entered into certain long-term rupee loan facilities with various bank and financial institutions. As on August 31, 2010, the total amount outstanding under these loan agreements was Rs. 2,279.39 Million.

Our Company intends to utilize Rs. 2,040.12 Million of the Net Proceeds towards prepayment of up to Rs. 2,040.12 Million of long-term rupee loan facilities availed by the Company. The details of the loans proposed to be prepaid out of Net Proceeds are provided in the table below:

S. No.	Date of the term loan facility agreement	Name of the lender	Amount Sanctioned (in Rs. Million)	Principal amount outstanding as on August 31, 2010 in Equivalent INR* (in Rs. Million)	Repayment terms	Interest (%)	Purpose of availing the loan facility	Amount proposed to be prepaid out of the Net Proceeds (in Rs. Million)	Prepayment conditions
1	Hypothecation cum Loan agreement dated December 28, 2007-Term Loan and Corporate Loan	Bank of India	Rs. 372.59 Million inclusive of a term loan of Rs. 122.50 Million; Foreign Currency Corporate Loan of Rs. 250 Million	Term Loan-110.66 Foreign Currency Corporate Loan-285.73	Term Loan-To be repaid in 17 quarterly instalment commencing from March 2010 Corporate Loan- In 17 quarterly installment commencing from June 2010	Term Loan: BPLR Foreign Currency Corporate Loan: 6 month US$ LIBOR + 600 bps#	Term Loan: To meet capital expenditure at B-1/3 Chakan and B-22 Chakan Plant Foreign Currency Corporate Loan: for augmentation	Term loan- Rs. 103.16 Million Foreign Currency Corporate Loan: Rs.265.73 Million	Conditions not mentioned in the agreement
2	Agreement for term loan dated November 27, 2007 as amended pursuant to memorandum to amend repayment schedule dated March 31, 2009 and Foreign Currency Loan Agreement dated December 19, 2007*	Corporation Bank	250*	263.57	To be repaid in 21 quarterly instalments commencing from February 2009	LIBOR +600 bps Foreign Currency Corporate Loan - 6 month USD LIBOR + 650 bps**	To meet long term working capital requirement	257.27	Prepayment penal charge of 1% - disallowed during the period of Rollover
5	Agreement for term loan dated March 18, 2008- Corporate Loan	Corporation Bank	80	48.33	To be repaid in 16 equal quarterly instalments after an initial 12 month moratorium period and to be repaid within 60 months	COBAR	For augmenting long term working capital requirement	35.00	Prepayment penal charge of 1% of the amount to be prepaid
6	Agreement for term loan dated March 18, 2008 – Term Loan	Corporation Bank	50	43.75	To be repaid in 8 equal half yearly	COBAR	Part financing for the capital expenditure	37.50	Prepayment penal charge of 1% of the

S. No.	Date of the term loan facility agreement	Name of the lender	Amount Sanctioned (in Rs. Million)	Principal amount outstanding as on August 31, 2010 in Equivalent INR* (in Rs. Million)	Repayment terms	Interest (%)	Purpose of availing the loan facility	Amount proposed to be prepaid out of the Net Proceeds (in Rs. Million)	Prepayment conditions
					instalments after an initial 15 month moratorium period.		to be incurred at E- 92, and B-20 Chakan		amount to be prepaid
7	Agreement for term loans under IDBI/NABARD/SIDBI loans refinance scheme dated March 24, 2006 – Term Loan	Corporation Bank	123.70	55.29	To be repaid in 18 quarterly instalments commencing from December 2008	COBAR	Part financing at Takve Plant, Pune	46.37	Not specified in the agreement
8	Agreement for term loans under IDBI/NABARD/SIDBI loans refinance schemes dated October 30, 2004 – Term Loan	Corporation Bank	160	43.20	To be repaid in 18 quarterly instalments commencing from December 2008, as restructured by a letter dated January 27, 2009	COBAR	Part Financing at Takve and Chakan Plant, Pune	35.70	Not specified in the agreement
9	Agreement for term loan dated November 27, 2007 and memorandum to amend dated March 31, 2009 – Term Loan	Corporation Bank	99.0	90.80	To be repaid in 9 half yearly installments commencing from September 2009, as restructured by a letter dated January 27, 2009	COBAR	For the capital expenditure – at L-6/3 Waluj and Takve, Pune	78.40	Prepayment penal charge of 1% of the amount to be prepaid
10	Agreement for term loans under IDBI/NABARD/SIDBI loans refinance scheme dated March 22, 2004 – Term Loan	Corporation Bank	107	11.39	To be repaid in 10 quarterly instalments commencing from March 2009, as restructured by a letter dated January 27, 2009	COBAR	For the capital expenditure – at L-6/3 Waluj, Aurangabad	3.89	Not specified in the agreement
11	Under Consortium Agreement dated June 10, 2009	Corporation Bank	132.5	130.85	To be repaid in 16 quarterly instalments from March 31, 2010, as restructured by letter dated January 27, 2009	COBAR	Working capital long term requirement	127.54	Not specified in agreement
12	Loan Agreement dated March 8, 2006	Indian Overseas Bank	123.70	61.70	Four half yearly installments starting from December 2010, restructured by sanction letter dated	BPLR (with a minimum of 12.50%)	Capital expenditure of L-6/3 Waluj Plant, Aurangabad	46.20	Subject to applicable pre-payment charges and terms and conditions

S. No.	Date of the term loan facility agreement	Name of the lender	Amount Sanctioned (in Rs. Million)	Principal amount outstanding as on August 31, 2010 in Equivalent INR* (in Rs. Million)	Repayment terms	Interest (%)	Purpose of availing the loan facility	Amount proposed to be prepaid out of the Net Proceeds (in Rs. Million)	Prepayment conditions
					March 25, 2009				
13	Loan agreements dated April 4, 2005 and April 16, 2005 – Term Loan	Indian Overseas Bank	210	84.30	Three equal half yearly instalments commencing from March 31, 2011, restructured by sanction letter dated March 25, 2009	BPLR (with a minimum of 12.50%)	Capital expenditure at L-6/3 Waluj and B-1/3 Chakan Plants	84.30	Subject to applicable pre-payment charges and terms and conditions
14	Under Consortium Agreement dated June 10, 2009	Indian Overseas Bank	132.5	129.19	To be repaid in 17 quarterly instalments from March 31, 2010, restructured by sanction letter dated March 25, 2009	BPLR	Working capital long term requirement	125.88	Not specified , Prepayment- will be subject to applicable charges
15	Under Consortium Agreement dated June 10, 2009	Bank of Maharashtra	132.5	130.85	To be repaid in 16 quarterly instalments, commencing April 1, 2010	Higher of BPLR or rates charged by other banks;	Working capital long term requirement	127.54	Not specified , Prepayment- will be subject to applicable charges
16	Tripartite Agreement dated November 19, 2009	Bajaj Auto Finance Limited	200	97.52	To be repaid in 12 monthly instalment	13.50%	Business Purpose	43.69	Conditions not mentioned in the agreement
17	Tripartite Agreement --- dated March 22, 2010	Bajaj Auto Finance Limited	225	225.00	To be repaid in 30 monthly instalment	11%	Business Purpose	210.87	Not mentioned
18	Term loan agreement dated February 28, 2008	Indian Overseas Bank	185 Original sanction amount was Rs. 340 Million, which was reduced to Rs. 185 Million by sanction letter dated March 25, 2009	69.78	To be repaid in 8 half yearly instalments commencing from March 31, 2010, restructured by sanction letter dated March 25, 2009	BPLR-2.5% per annum	Capital Expenditure at B 1/3 Chakan, Manesar, Chennai and K-226/2, Waluj plant	23.58	Not specified- subject to applicable charges
19	Under Consortium Agreement dated June 10, 2009	Bank of India	402.5	397.50	To be repaid in 20 quarterly instalments starting from June 2010	BPLR	To meet working capital long term requirements	387.50	Conditions not mentioned in the agreement
Total				**2,279.39**				**2,040.12**	

** Exchange rate utilized of 1 USD = Rs. 46.92 as on June 30, 2010.*

#Revised by letter dated July 29, 2010- BPLR applicable, if loan is in INR.

****** *Revised by letter dated August 28, 2010- COBAR applicable, if loan is in INR.*

The Company has obtained a certificate from C.V. Chitale & Co., Chartered Accountants dated September

24, 2010 certifying the details of the source, purpose, utilisation and terms of the long-term rupee loan facilities availed by the Company.

For details on source, purpose, utilisation and terms of each of the long-term rupee loan facilities, please see section "Financial Indebtedness" on page 327 of this Draft Red Herring Prospectus

In case any of the above loans are prepaid prior to the completion of the Issue, due to any reason, we may utilize the Net Proceeds towards prepayment of a portion of our other debt, including any additional loans that we may take.

In view of the requirements of our business and the dynamic nature of our industry, we may have to revise our business plan from time to time and consequently our fund requirement may also change. Thus, we may reduce or increase the amount of prepayments of loan.

Our Company has also received the consent for this Issue from all the banks/financial institutions with which it has existing financing arrangements.

3. Investment in Capital Expenditure

Our Company proposes to utilise a sum of Rs. 46.90 Million from the Net Proceeds for the purpose of investment in capital expenditure to construct the infrastructure facilities at our B-23 MIDC, Chakan Area Pune, Maharashtra. The following table sets out the outlay for capital expenditure that is currently proposed:

(in Rs. Million)

S. No.	Description	Total Cost (Estimated)	Amount deployed till August 31, 2010 *	Amount proposed to be deployed out of the Net Proceeds		Date of Quotation and Quotation obtained from
				Fiscal 2011	Fiscal 2012	
1	Pre Engineering Building (85.00/48.5 metres X 53.00/37.5 metres (including erection charges)	22.40	-	22.40	-	Kirby Building Systems India (Uttaranchal) Private Limited dated August 31, 2010
2	Civil Work for Building (Proposed Total Built-Up Area 26,319.52 square feet)	24.50	-	24.50	-	Tuljai Constortech Private Limited dated August 20, 2010
Total		**46.90**	**-**	**46.90**	**-**	

**Subject to applicable taxes and duties.*

The estimated capital expenditure plan has not been appraised by an independent organization. In addition, our capital expenditure plans are subject to a number of variables, including possible cost overruns, construction delays or defects and changes in the management's views of the desirability of current plans, among others.

4. Investment in Capital Equipment

Our Company is required to make investments in capital equipment on a recurring basis to augment its current production capacity in order to meet current requirement of business. Our Company intends to use Rs. 452.55 Million from the Net Proceeds for the purchase of equipment consisting plant and machinery and material handling equipments.

The following table sets out the outlay for proposed expenditure on equipment that is currently under order and proposed to be ordered:

Sr. No.	Description of the equipment	Name of Supplier/Prospective Supplier	Date of Purchase Order/Quotation received	Purchase Quantity	Cost per Unit* (In Rs. Million)	Total Cost	Amount deployed till August 31, 2010 (In Rs. Million)**	Amount proposed to be deployed out of the Net Proceeds (In Rs. Million)	
								Fiscal 2011	Fiscal 2012
Purchase Orders									
	Machining								
1	Vertical Machining Centre -Model -Gemini Xl	Ace Manufacturing Systems Limited	April 30, 2010	4	3.44	13.76	2.41	1.03	10.32
2	Vertical Machining Centre Model Mcv 450 Xl	Ace Manufacturing Systems Limited	April 24, 2010	1	3.53	3.53	-	0.88	2.64
3	Vertical Machining Centre Challenger +	Ace Manufacturing Systems Limited	September 6, 2010	4	2.28	9.11	-	-	9.11
4	Vertical Machining Centre Challenger +	Ace Manufacturing Systems Limited	September 6, 2010	3	2.24	6.72	-	6.72	-
5	Voltage Stabilizer 25 Kva	Neel Controls	September 7, 2010	7	0.05	0.36	-	0.36	-
6	Holder Hydraugrip Bt40	Schunk Intec India Private Limited	September 9, 2010	28	0.01	0.34	-	0.34	-
7	Vertical Machining Centre Challenger +	Ace Manufacturing Systems Limited	May 30, 2010	4	3.19	12.76	3.19	-	9.57
8	Vertical machining Centre Model MCV 400	Ace Manufacturing Systems Limited India	May 3, 2010	3	3.00	9.00	2.25	-	6.75
9	Semi Automatic Autogauging	Metrel SPA	May 25, 2010	1	9.33	9.33	-		9.33
10	Vertical Machining Centre Challenger +	Ace Manufacturing Systems Limited, India	May 3, 2010	3	3.12	9.35	2.34	-	7.01
11	Vertical Machining Centre Challenger +	Ace Manufacturing Systems Limited	March 28, 2010	3	3.08	9.24	2.31	-	6.93
12	Makino A-51 Horizontal Machining Centre	Makino Asia Pte Ltd	June 14, 2010	1	13.00	13.00	-		13.00
13	Toyoda -Horzontal Machining Centre	Jtekt Corporation	January 30, 10	1	9.34	9.34	-	-	9.34
14	2000KVA , 22KV/433 volts distribution Transformer with OLTC	Mahati Electronics	July 16, 2010	1	1.45	1.45	-	-	1.45
15	Cnc Turning Centre	Jyoti Cnc Automation Private Limited	May 30, 2010	3	1.47	4.40	0.44		3.96
16	Cnc Turning Centre	Jyoti Cnc Automation Private Limited	May 28,2010	2	1.64	3.27	0.33	-	2.94
17	Vmc Makino Slim-3 Without Pallet Changer	Makino India Private Limited	June 3, 2010	2	3.30	6.60	1.65		4.95
18	Vertical Machining Centre (Makino Slim-3 With Pallet Changer)	Makino India Private Limited	July 19, 2010 (4) July 21, 2010 (4) April 27, 2010 (2) April 27, 2010 (2) April 29, 2010 (2) December 5, 2009 (2)	16	3.90	62.40	7.80	7.80	46.80
19	Horizontal Machining Centre (Mazak)	Yamazaki Mazak Singapore Pte Ltd	December 4, 2009	3	12.90	38.70	2.39	-	-
20	Horizontal Machining Centre (Mazak)	Yamazaki Mazak Singapore Pte Ltd	March 22, 2010	2	12.90	25.80	1.57	-	-
21	Oil Hole Drill Ream Spm For Je Clutch Co	Patson Machines Private Limited	April 30, 2010	1	2.20	2.20	1.07	1.13	
22	DC Torquing System	Atlas Copco India Limited	August 8, 2010	3	0.60	1.80	-	1.80	-
	Sub-total			**96.00**		**252.44**	**27.75**	**20.07**	**204.63**
	Material Handling Equipment								
23	Fork Lift Truck -Voltas Diesel Operated (Three Ton)	Voltas Limited	August 17, 2010	1	0.73	0.73	-	0.73	-
	Sub-total			**1**		**0.73**	**-**	**0.73**	**-**
	Casting								
24	Core Shooter M/C.Model 1818	Susha Founders and Engineers Limited	August 31, 2010	1	1.07	1.07	-	1.07	-
25	Washing Machine for Cyl Block	Roop telsonic Altrasonic Limited	July 7, 2010	1	1.60	1.60	0.32	1.28	-
26	Shot Blasting Machine	Patel Furnace & Forging Private Limited	June 26, 2010	1	1.01	1.01	0.20	0.81	-
27	ABB ROBOT Model IRB-M2004-130	ABB Limited	September 16, 2010	1	2.35	2.35	-	2.35	-
28	Solutionizing Furnace-1600 Kg	Afeco Heating Systems	March 23, 2010	1	4.00	4.00	1.20	2.80	-
	Sub-total			**5.00**	**10.03**	**10.03**	**1.72**	**8.31**	**0.00**
	Research & Development Equipment								
29	Mts 849.15 Servo Hydraulic Damper Test System	MTS Systems Corporation	July 8, 2010	1	10.58	10.58	-	10.58	-
30	Hydraulic Damper Force Testing Machine	Banglore Integrated System Solutions Private Limited	June 19, 2010	1	3.95	3.95	1.58	2.37	-
	Sub-total			**2**	**14.525**	**14.525**	**1.58**	**12.945**	**-**
Quotations									
	Machining								

Sr. No.	Description of the equipment	Name of Supplier/Prospective Supplier	Date of Purchase Order/Quotation received	Purchase Quantity	Cost per Unit* (In Rs. Million)	Total Cost	Amount deployed till August 31, 2010 (In Rs. Million)**	Amount proposed to be deployed out of the Net Proceeds (In Rs. Million)	
								Fiscal 2011	Fiscal 2012
31	Vertical Machining Centre Challenger +	Ace Manufacturing Systems Limited	September 19, 2010	8	3.695	29.56	-	-	25.48
32	Vertical Machining Centre (Ams Make) With High Spindle Capacity	Ace Manufacturing Systems Limited	September 19, 2010	2	3.892	7.78	-	-	8.00
	Fanuc Robo Drill[#1]	Fanuc	September 20, 2010	8	5.87	46.98	-	-	46.98
	Sub-total			18		**84.33**	-	-	**84.33**
	Casting								
33	Spray Automation for 1650T IP[2]	AED Autoamtion GmbH	August 20, 2010	1	3.39	3.39		3.39	
34	Cold Chamber Die Casting Machine (730 T)	Zitai Precision Machinery Co. Ltd[*#]	September 17, 2010	1	22.23	22.23			22.23
35	Cold Chamber Die Casting Machine (900 T)	Zitai Precision Machinery Co. Ltd[*#]	September 17, 2010	1	27.26	27.26			27.26
36	Horizontal Machining Centre -A51	Makino Asia Pte Limited[*#]	September 17, 2010	3	18.79	56.38			56.38
37	Dcc-800 With Omron Plc -High Pressure Die Casting Machine[3]	Protos Engineering Company Private Limited	September 14, 2010	1	12.28	12.28	-	12.28	-
	Sub-total			**7.00**		**121.54**	-	**15.68**	**105.87**
TOTAL				**129**		**483.59**	**31.05**	**57.73**	**394.82**

* *Excludes applicable taxes and duties.*

*** These amounts have been funded by the Company out of its internal accruals as per the certificate from C.V. Chitale & Co., Chartered Accountants dated September 24, 2010.*

Conversion rate of 100 JPY= Rs. 55.27 as on August 31, 2010.

*# *Valid for 30 days from the date of the quotations.*

[1] *Valid upto October 20, 2010*

[2] *Valid upto October 20, 2010*

[3] *Valid upto September 30, 2010*

The prices for the equipments proposed to be purchased as set out above are as per the purchase orders placed by the Company and quotations received from the respective suppliers. Our Company will obtain fresh quotations at the time of actual placement of the order for the equipment for which are shown above on the basis of quotes. The orders placed for the imported machineries are in Euros, USD and JPY. The amounts represented above have been calculated based on the conversion rate of 1 Euro for Rs. 59.55 and 1 USD for Rs. 46.88 and Re.1 for JPY 0.5527 as on August 31, 2010.

Means of Finance

The stated objects of investment in capital expenditure and capital equipment are proposed to be entirely financed from the Net Proceeds. Thus, our Company is in compliance with the SEBI Regulations for firm arrangement of finance through verifiable means towards 75% of the stated means of finance, excluding the amount to be raised through the proposed Fresh Issue.

5. General Corporate Purposes

Our Company intends to deploy the balance Net Proceeds aggregating Rs. [•] Million for General Corporate Purposes, including but not restricted to, capital expenditure towards the various facilities owned by our Company, repayment of certain of our debt obligations, strategic initiatives, partnerships, meeting exigencies, which we may face in the ordinary course of business, or any other purposes as approved by our Board.

Bridge Financing Facilities

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Red Herring Prospectus, which are proposed to be repaid from the proceeds of this Fresh Issue.

Interim use of Net Proceeds

Our Company, in accordance with the policies established by the Board, will have flexibility in deploying the Net Proceeds. Pending utilization for the purposes described above, our Company intends to temporarily invest the funds from the Fresh Issue in interest bearing liquid instruments including deposits with banks and investments in mutual funds and other financial products, such as principal protected funds, derivative linked debt instruments, other fixed and variable return instruments, listed debt instruments and rated debentures.

Issue Expenses

The Issue related expenses consist of underwriting fees, selling commission, fees payable to BRLMs to the Issue, legal counsels, Bankers to the Issue, Escrow Bankers and Registrars to the Issue, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges. Our Company intends to use approximately Rs. [●] Million towards these expenses for the Issue. Other than listing fees, which will be paid by our Company, all expenses with respect to the Issue will be shared between the Selling Shareholder and our Company in proportion to the Equity Shares contributed to the Issue. The break-up for the Issue expenses is as follows:

Activity	Expense* (Rs. In Million)	Expense* (% of total expenses)	Expense* (% of Issue Size)
Book Running Lead Managers	[●]	[●]	[●]
Registrar to the Issue	[●]	[●]	[●]
Advisors	[●]	[●]	[●]
Bankers to the Issue	[●]	[●]	[●]
Underwriting commission, brokerage and selling commission	[●]	[●]	[●]
IPO Grading Expenses	[●]	[●]	[●]
Printing and Distribution	[●]	[●]	[●]
Advertising and Marketing	[●]	[●]	[●]
Others, if any (specify)	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

** Will be completed after finalisation of the Issue Price.*

Monitoring of Utilization of Funds

We have appointed [●] as the monitoring agency in relation to the Issue as required under the provisions of the SEBI Regulations. We will disclose the utilization of the Net Proceeds under a separate head along with details, for all such Net Proceeds that have not been utilized. We will indicate investments, if any, of unutilized Net Proceeds in our balance sheet.

Pursuant to Clause 49 of the Listing Agreement, our Company shall on a quarterly basis disclose to the Audit Committee, the uses and applications of the Net Proceeds. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Prospectus and place it before the Audit Committee. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement will be certified by our statutory auditors. In addition, the report submitted by the monitoring agency will be placed before the Audit Committee of our Company, so as to enable the Audit Committee to make appropriate recommendations to the Board.

Our Company shall, in terms of Clause 43A of the Listing Agreement, be required to inform material deviations in the utilisation of Net Proceeds to the Stock Exchanges and shall also be required to simultaneously make the material deviations / adverse comments of the Audit Committee / monitoring agency public through advertisements in newspapers.

No part of the Net Proceeds will be paid by us as consideration to our Promoters, our Directors or key management personnel, except in the normal course of business and in compliance with applicable law.

BASIS FOR ISSUE PRICE

The Issue Price of [•] has been determined by our Company in consultation with the BRLMs on the basis of an assessment of the market demand for the Equity Shares, determined through the Book Building Process and on the basis of the following qualitative and quantitative factors. The Face Value of the Equity Shares is Rs. 4 each and the Issue Price is [•] times the Face Value at the lower end of the Price Band and [•] times the Face Value at the higher end of the Price Band.

Qualitative Factors

Competitive strengths

1. A diverse range of products for many vehicle segments;
2. Strong customer relationships;
3. Superior research and development and technological capabilities;
4. High capacity and strategically located manufacturing capabilities;
5. Focus on quality, cost reduction and delivery; and
6. Highly qualified management and motivated employee base.

For further details regarding some of the qualitative factors, which form the basis for computing the Issue Price, see the section "Our Business" and "Risk Factors" beginning on pages 86 and xii, respectively, of this Draft Red Herring Prospectus.

Quantitative Factors

Information presented in this section is derived from our restated audited unconsolidated and consolidated financial statements prepared in accordance with the Companies Act and Indian GAAP, and adjusted for subdivision of our equity shares into face value of Rs. 4 each.

Some of the quantitative factors which may form the basis for computing the Issue Price are as follows:

1. Basic and Diluted Earnings per Share ("EPS"):

Basic and Diluted EPS:

Period	Consolidated (Rs. per Equity Share)	Unconsolidated (Rs. per Equity Share)	Weights
Year ended March 31, 2008	(19.31)	(5.83)	1
Year ended March 31, 2009	(18.69)	6.65	2
Year ended March 31, 2010	0.58	12.05	3
Weighted Average	**(9.16)**	**7.27**	**-**

Note:

1. *Earnings per share calculations have been done in accordance with Accounting Standard 20 - "Earnings per Share" issued by the ICAI.*
2. *The Face Value of the Equity Share of our Company is Rs. 4 each.*

2. Price Earning Ratio ("P/E") in relation to the Issue Price of Rs. [•] per Equity Share of Face Value of Rs. 4 each

Sr. No.	Particulars	Consolidated	Unconsolidated
1.	P/E ratio based on Basic and Diluted EPS for the year ended March 31, 2010 at the Floor Price:	[•]	[•]
2.	P/E ratio based on Basic and Diluted EPS for the year	[•]	[•]

Sr. No.	Particulars	Consolidated	Unconsolidated
	ended March 31, 2010 at the Cap Price:		
3.	***Industry P/E****		
	Highest	68.8	
	Lowest	6.7	
	Industry Composite	21.6	
4.	***Industry P/E*****		
	Highest	44.1	
	Lowest	5.6	
	Industry Composite	21.1	

**P/E based on trailing 12 months earnings for the entire auto ancillaries sector*
*** P/E based on trailing 12 months earnings for the entire castings & forgings*

***Source**: Capital Markets, Volume XXV/14 dated Sep 6 – 19, 2010 (Industries – Auto Ancillaries and Castings & Forgings).*

3. Return on Net worth ("RoNW") as per restated Indian GAAP financials

Period	Consolidated (%)	Unconsolidated (%)	Weights
Year ended March 31, 2008	(33.55)	(8.82)	1
Year ended March 31, 2009	(30.14)	8.34	2
Year ended March 31, 2010	1.33	12.20	3
Weighted Average	(14.97)	7.41	-

Minimum Return on Net Worth after Issue needed to maintain Pre-Issue EPS for the Fiscal 2010:

(a). **Based on Basic and Diluted EPS**

At the Floor Price – [●]% and [●]% based on unconsolidated and consolidated financial statements, respectively.

At the Cap Price - [●]% and [●]% based on unconsolidated and consolidated financial statements, respectively.

4. Net Asset Value per Equity Share#

Period	NAV (Rs.)	
	Consolidated	Unconsolidated
Year ended March 31, 2008	57.54	66.15
Year ended March 31, 2009	62.02	79.73
Year ended March 31, 2010	59.45	91.78
NAV after the Issue	[●]	
Issue Price*	[●]	

 # Net Asset Value per Equity Share represents networth, as restated, divided by the number of Equity Shares outstanding at the end of the period.

**The Issue Price of Rs. [●] per Equity Share has been determined on the basis of the demand from investors through the Book Building Process and is justified based on the above accounting ratios.*

5. Comparison with Industry peers

Name of the Company	Face Value per equity share (Rs.)	Trailing 12 months ended June 30, 2010		For the year ended March 31, 2010	
		EPS (Rs.)	P/E	RoNW for Fiscal 2010(%)	NAV for Fiscal 2010 (Rs.)
Amtek Auto	2	7.4	23.6	6.1	179.5
Bharat Forge Limited	2	7.9	44.1	8.4	77.6
Exide Industries	1	6.8	22.0	31.5	25.8
Mahindra Forgings	10	-	-	-	91.3
Motherson Sumi	1	4.5	40.4	31.6	20.9
Sundaram Clayton	5	6.1	36.6	2.6	64.5
Endurance Technologies Limited	4	[●]	[●]	1.21	65.94

***Source**: Capital Markets, Volume XXV/14 dated Sep 6 – 19, 2010 (Industry – Auto Ancillaries and Castings & Forgings)*

The peer group listed companies as stated above are engaged in the auto ancillaries business.

For further details, see the section "Risk Factors" and the "Financial Statements" (including important profitability and return ratios) on pages xii and 144 of this Draft Red Herring Prospectus.

STATEMENT OF TAX BENEFITS

AUDITORS' REPORT ON STATEMENT OF TAX BENEFITS

To
The Board of Directors,
Endurance Technologies Limited,
Plot No. K – 228 /229,
MIDC Industrial Area, Waluj,
Aurangabad - 431136

Kind attention: Mr. Anurang Jain
Managing Director

Dear Sirs,

We hereby report that the enclosed annexure states the possible tax benefits available to Endurance Technologies Limited ('the Company') and to its shareholders under the Income Tax Act, 1961 and the Wealth Tax Act, 1957, presently in force in India. The benefits outlined in the statement will be dependent upon the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits will be dependent upon such conditions being fulfilled.

Additionally, in respect of the Company benefits listed, the business imperatives faced by the Company in the future will also affect the benefits actually claimed. The benefits discussed in the enclosed annexure are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice.

In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the offer.

We do not express any opinion or provide any assurance as to whether:

i. the Company is currently availing any of these benefits or will avail these benefits in future; or

ii. the Company's share holders will avail these benefits in future; or

iii. the conditions prescribed for availing the benefits have been / would be met with.

The contents of the enclosed annexure are based on information, explanations and representations obtained from the Company and on the basis of the understanding of the business activities and operations of the Company.

No assurance is given that the revenue authorities / Courts will concur with the views expressed herein. Our views are based on existing provisions of the law and its interpretation, which are subject to change from time to time. We do not assume any responsibility to update the views consequent to such changes. Deloitte Haskins & Sells, India shall not be liable to Endurance Technologies Limited for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. Deloitte Haskins & Sells will not be liable to any other person in respect of this statement.

This certificate is provided solely for the purpose of assisting the addressee Company in discharging its responsibilities under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009.

For **Deloitte Haskins & Sells**
Chartered Accountants

(Registration No. 117366W)

Hemant Joshi
Partner
Membership No. 38019

Place:
Date: September 27, 2010

ANNEXURE

STATEMENT OF POSSIBLE DIRECT TAX BENEFITS AVAILABLE TO ENDURANCE TECHNOLOGIES LIMITED AND TO ITS SHAREHOLDERS

Unless otherwise specified, sections referred to below are sections of the Income-tax Act, 1961 (the Act). The income tax rates referred here are the tax rates prescribed by the Finance Act 2010 for the Financial Year 2010-11. All the provisions set out below are subject to conditions specified in the respective sections. The tax benefits mentioned below are restricted to the provisions of the Income Tax Act, 1961 and Wealth Tax Act, 1957 presently in force. We have not provided any comments from the perspective of Direct Taxes Code, 2010 proposed to be implemented from 1 April 2012 as it has only been placed before the Parliament and has not yet been enacted.

Special Tax Benefits

I. Special Tax Benefits available to the Company

No special tax benefits are available to the Company.

The deduction under section 80IC of Income Tax Act, 1961, is available to the Company in relation to any profits and gains derived by an undertaking or enterprise engaged in the manufacture or production of any article or thing, except the negative list, situated in the state of Uttarakhand, subject to fulfilment of certain conditions. The amount of deduction shall be hundred percent of the profits and gains derived by such undertaking or enterprise for five assessment years beginning with the assessment year in which the undertaking begins to manufacture or produce any articles or things and thereafter thirty percent of the profits and gains for another five years derived from such industrial undertaking under section 80-IC of Income Tax Act, 1961. The total period of deduction should not exceed ten consecutive assessment years.

Further, as a part of the business of the Company viz. power generation can be grouped under the head 'Enterprises engaged in Infrastructure Development'. In accordance with and subject to the conditions specified in section 80IA of the Act, the Company may be entitled for a deduction of an amount equal to 100 per cent of profits or gains derived from industrial undertakings engaged in generation and / or distribution or transmission of power for any 10 consecutive assessment years out of 15 years beginning from the year in which the undertaking has started its operations.

II. Special Tax Benefits available to the Shareholders of the Company

There are no special tax benefits available to the shareholders of the Company.

General Tax Benefits

I. Key benefits available to the Company under the Act

A. Computation of Business Income

1. The Company is entitled to claim depreciation on specific tangible and intangible assets owned by it and used for the purpose of its business under section 32 of the Act.

   In case of any new plant and machinery (other than ships and aircraft) that will be acquired by the Company, the Company may be entitled to claim additional depreciation of twenty percent of the actual cost of such machinery or plant, subject to conditions specified in section 32 of the Act, in the year in which it is first put to use.

Unabsorbed depreciation, if any, for an assessment year can be carried forward without any time limit and set off against any source of income in the subsequent assessment years as per section 32 of the Act.

2. As per section 35D, the Company is eligible for deduction in respect of specified preliminary expenses incurred by the Company, in connection with extension of its undertaking or in connection with setting up a new unit of an amount equal to 1/5th of such expenses over 5 successive assessment years, subject to conditions and limits specified in the said section.

3. As per section 35DDA, the Company is eligible for deduction in respect of payments made to its employees in connection with their voluntary retirement in accordance with any scheme or schemes, of an amount equal to 1/5th of such payments over 5 successive assessment years, subject to conditions and limits specified in that section.

4. As per section 35, the Company is eligible for deduction in respect of any expenditure (not being expenditure on the acquisition of any land) on scientific research related to the business subject to conditions specified in that section.

   The Finance Act, 2010 has enhanced the weighted deduction under section 35(2AB) to a sum equal to two times of expenditure on scientific research (not being expenditure on the acquisition of any land or building) on an approved in-house research & development facility for companies engaged in any business of manufacture or production of any article or thing, subject to fulfillment of conditions specified therein.

5. In case of loss under the head "Profit and Gains from Business or Profession", it can be set-off with other income during the year under section 71 and the excess loss, if any can be carried forward and set-off against future business income of the next eight assessment years under section 72 of the Act.

6. As per section 36(1)(xv) of the Act, the securities transaction tax (STT) paid by the Company in respect of taxable securities transactions entered in the course of the business will be eligible for deduction from the income chargeable under the head "Profits and Gains of Business or Profession" if income arising from taxable securities transaction is included in such income.

7. The Finance Act, 2010 has increased the rate of minimum alternative tax to 18% with effect from 1st April, 2011 i.e. from Assessment Year 2011-12.

   The Finance (No.2) Act, 2009 also inserted a new clause in section 115JB which provides that if any provision for diminution in value of any asset has been debited to the profit and loss account, it shall be added to the net profit as shown in the profit and loss account for the purpose of computation of book profit. This amendment in section 115JB is made retrospectively from 1st day of April, 2001 and will accordingly apply in relation to the assessment year 2001-02 and subsequent years.

8. The Company would be required to pay tax on its book profits under the provisions of section 115JB in case where tax computed under normal provisions of the Act is less than 18% of its book profit.

   The difference between the MAT payable under section 115JB of the Act and the tax as per normal provisions of the Act for that assessment year shall be allowed to be carried forward as "MAT credit" for ten assessment years immediately succeeding the assessment year in which the tax credit becomes allowable. The MAT credit can be utilized to be set off against taxes payable on the total income computed under the normal provisions of the Act in the subsequent assessment years in accordance with the provisions and limits specified in section 115JAA of the Act.

9. Domestic Companies are subjected to an additional tax Dividend Distribution Tax (DDT) of 15% (plus applicable surcharge and education cess and secondary & higher education cess) on distribution of its profits to its shareholders under section 115-O.

   Sub-section (1A) to section 115-O provides that the domestic company will be allowed to set-off the dividend received from its subsidiary company during the financial year against the dividend distributed by it, while computing the DDT if:

- the dividend is received from its subsidiary;
- the subsidiary has paid the DDT on the dividend distributed;
- the domestic company is not a subsidiary of any other company.

For the purpose of this sub-section, a company shall be a subsidiary of another company, if such other company holds more than half in nominal value of the equity share capital of the company.

10. The tax rate for domestic companies under the Act is 30% plus surcharge at 7.5% (if the total income exceeds Rs.1 Crore) and education cess and secondary & higher education cess at 3% on aggregate of tax and surcharge.

B. Capital Gains

1. Long Term Capital Gain (LTCG)

LTCG means capital gain arising from the transfer of a capital asset being shares held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under clause (23D) of section 10 or a Zero-coupon bond, held by an assessee for more than 12 months.

In respect of any other capital assets, LTCG means capital gain arising from the transfer of a capital asset, held by an assessee for more than 36 months.

2. Short Term Capital Gain (STCG)

STCG means capital gain arising from the transfer of capital asset being shares held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under clause (23D) of section 10 or a Zero-coupon bond, held by an assessee for 12 months or less.

In respect of any other capital assets, STCG means capital gain arising from the transfer of an asset, held by an assessee for 36 months or less.

3. LTCG arising on transfer of equity share in a company or units of an equity oriented fund on a recognized stock exchange on or after October 1, 2004 are exempt from tax under section 10(38) of the Act, provided the transaction is chargeable to STT and subject to conditions specified in that section. However such LTCG will have to be taken into account in computing book profit and income tax is payable under section 115JB.

4. As per second proviso read with third proviso to section 48, LTCG (other than which is exempt) arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government), is to be computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration.

   a. As per section 112, LTCG is taxed @ 20% plus applicable surcharge and education and secondary & higher education cess.

   b. However as per proviso to section 112(1), if such tax payable on transfer of listed securities / units / Zero coupon bond, exceeds 10% of the LTCG, without availing benefit of indexation, then the excess tax shall be ignored.

5. As per section 111A of the Act, STCG arising on sale of equity shares of company or units of equity oriented mutual fund on a recognized stock exchange are subjected to tax at the rate of 15% (plus

applicable surcharge plus education and secondary & higher education cess), provided the transaction is chargeable to STT. Where the transaction is not subjected to STT, the short term capital gains would be chargeable as a part of the total income.

6. As per section 70 read with section 74 of the Act, short term capital loss arising during a year is allowed to be set off against short term as well as long term capital gain arising in that year. The remaining loss, if any, can be carried forward and set-off against short term or long term capital gains for subsequent 8 assessment years.

7. As per section 70 read with section 74, long term capital loss (other than which is exempt) arising during a year is allowed to be set off only against long term capital gains. The remaining loss, if any, can be carried forward and set-off against long term capital gains for subsequent 8 assessment years.

8. Under section 54EC of the Act, capital gains arising on transfer of a long term capital asset is exempt from capital gains tax if such capital gains are invested within a period of six months after the date of such transfer in specified bonds issued by the following and subject to the conditions specified therein:-

   - National Highway Authority of India constituted under section 3 of National Highway Authority of India Act, 1988.

   - Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.

   If only part of the long term capital gain is reinvested, the exemption shall be proportionately reduced.

   However, if these bonds are transferred or converted into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier, shall be taxable as capital gains in the year of transfer or conversion.

   Further the investment in such bonds made by the Company during a financial year should not exceed 50 Lakh rupees.

C. Income from Other Sources

1. Under section 10(34) of the Act, income by way of dividend received by the Company on its investments in shares of another domestic company on which DDT has been paid ,is exempt from income tax in the hands of the Company. However, as per section 94(7) of the Act, losses arising from sale / transfer of shares, where such shares are purchased within three months prior to the record date (date fixed for entitlement to receive dividend income) and sold within three months from the record date, will be ignored to the extent of dividend claimed as exempt.

2. Income received in respect of units of a mutual fund specified under section 10(23D) of the Act (other than income arising from transfer of units in such mutual fund) shall be exempt from tax under section 10(35) of the Act.

3. Further, as per section 94(7) of the Act, losses arising from the sale / redemption of units purchased within three months prior to the record date (date fixed for entitlement to receive dividend income) and sold within nine months from the record date, will be ignored to the extent of dividend income claimed as exempt.

4. Section 14A of the Act restricts claim of deduction of expenses incurred in relation to income which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income is not tax deductible.

II. Key benefits available to the Shareholders of the Company

A. Resident

1. Under section 10(34) of the Act, income by way of dividend received by the shareholder on its investments in shares of domestic company on which DDT has been paid is exempt from income tax in the hands of the shareholder. However, as per section 94(7) of the Act, losses arising from sale / transfer of shares, where such shares are purchased within three months prior to the record date (for entitlement to receive dividend income) and sold within three months from the record date, will be ignored to the extent of dividend claimed as exempt.

2. Under Section 10(32) of the Act, any income of minor children clubbed in the total income of the parent under section 64(1A) of the Act will be exempted from tax to the extent of Rs. 1,500 per minor child.

3. LTCG arising on transfer of equity share in a company or units of an equity oriented fund on a recognized stock exchange on or after October 1, 2004 are exempt from tax under section 10(38) of the Act, provided the transaction is chargeable to STT and subject to conditions specified in that section. However in case of a corporate shareholder such LTCG will have to be taken into account in computing book profit and income tax is payable under section 115JB.

4. Under section 54EC of the Act, capital gains arising on transfer of a long term capital asset is exempt from capital gains tax if such capital gains are invested within a period of six months after the date of such transfer in specified bonds issued by the following and subject to the conditions specified therein:-

   - National Highway Authority of India constituted under section 3 of National Highway Authority of India Act, 1988.

   - Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.

   If only part of the long term capital gain is reinvested, the exemption shall be proportionately reduced.

   However, if these bonds are transferred or converted into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier, shall be taxable as capital gains in the year of transfer or conversion.

   Further the investment in such bonds made by the Company during a financial year should not exceed 50 Lakh rupees.

5. In accordance with section 54F, capital gains arising to an individual or Hindu Undivided Family (HUF) on the transfer of any long term capital asset (other than residential house) shall be exempt from capital gains tax, if the net consideration is utilized, within a period of one year before, or two years after the date of transfer, in the purchase of residential house or construction of a residential house within three years. Such benefit will not be available, if the individual or Hindu Undivided Family-

   - owns more than one residential house, other than the new residential house, on the date of transfer; or

   - purchases another residential house, other than the new residential house, within a period of one year after the date of transfer; or

   - constructs another residential house, other than the new residential house, within a period of three years after the date of transfer;

   and

   - the income from such residential house, other than the one residential house owned on the date of transfer, is chargeable under the head "Income from House Property".

If only a part of the net consideration is invested, the exemption shall be proportionately reduced.

If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the residential house is transferred.

6. As per section 111A of the Act, STCG arising on sale of equity shares of company or units of equity oriented mutual fund on a recognized stock exchange are subjected to tax at the rate of 15% (plus applicable surcharge plus education and secondary & higher education cess), provided the transaction is chargeable to STT. Where the transaction is not subjected to STT, the short term capital gains would be chargeable as a part of the total income.

7. As per section 70 read with section 74 of the Act, short term capital loss arising during a year is allowed to be set off against short term as well as long term capital gain arising in that year. The remaining loss, if any, can be carried forward and set-off against short term or long term capital gains for subsequent 8 assessment years.

8. As per section 70 read with section 74, long term capital loss (other than which is exempt) arising during a year is allowed to be set off only against long term capital gains. The remaining loss, if any, can be carried forward and set-off against long term capital gains for subsequent 8 assessment years.

9. As per section 112, the tax on capital gains arising on account of transfer of long term capital assets being shares of listed company, where the transaction is not subject to STT, will be the lower of:

   a. 20 per cent (plus education cess and secondary & higher education cess) of the capital gains as computed after indexation of the cost or

   b. 10 per cent (plus education cess and secondary & higher education cess) of the capital gains as computed without indexation.

10. As per section 94(7) of the Act, losses arising from the sale / redemption of units purchased within three months prior to the record date (for entitlement to receive dividend income) and sold within nine months from the record date, will be ignored to the extent of dividend income claimed as exempt.

11. Section 14A of the Act restricts claim of deduction of expenses incurred in relation to income which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income is not tax deductible.

12. As per section 36(1)(xv) of the Act, the STT paid by the shareholder in respect of taxable securities transactions entered in the course of the business will be eligible for deduction from the income chargeable under the head "Profits and Gains of Business or Profession" if income arising from taxable securities transaction is included in such income.

B. Non-residents (excluding Non-resident Indians)

1. Under section 10(34) of the Act, income by way of dividend received by the shareholder on its investments in shares of domestic company on which DDT has been paid is exempt from income tax in the hands of the shareholder. However, as per section 94(7) of the Act, losses arising from sale / transfer of shares, where such shares are purchased within three months prior to the record date (for entitlement to receive dividend income) and sold within three months from the record date, will be ignored to the extent of dividend claimed as exempt.

2. Under Section 10(32) of the Act, any income of minor children clubbed in the total income of the parent under section 64(1A) of the Act will be exempted from tax to the extent of Rs. 1,500 per minor child.

3. LTCG arising on transfer of equity share in a company or units of an equity oriented fund on a recognized stock exchange on or after October 1, 2004 are exempt from tax under section 10(38) of the Act, provided the transaction is chargeable to STT (STT) and subject to conditions specified in that section. However in case of a corporate shareholder such LTCG will have to be taken into account in computing book profit and income tax is payable under section 115JB.

4. Under section 54EC of the Act, capital gains arising on transfer of a long term capital asset is exempt from capital gains tax if such capital gains are invested within a period of six months after the date of such transfer in specified bonds issued by the following and subject to the conditions specified therein:-

- National Highway Authority of India constituted under section 3 of National Highway Authority of India Act, 1988.

- Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.

If only part of the long term capital gain is reinvested, the exemption shall be proportionately reduced.

However, if these bonds are transferred or converted into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier, shall be taxable as capital gains in the year of transfer or conversion.

Further the investment in such bonds made by the Company during a financial year should not exceed 50 Lakh rupees.

5. In accordance with section 54F, capital gains arising to an individual on the transfer of any long term capital asset (other than residential house) shall be exempt from capital gains tax, if the net consideration is utilized, within a period of one year before, or two years after the date of transfer, in the purchase of residential house or construction of a residential house, within three years. Such benefit will not be available, if the individual -

- owns more than one residential house, other than the new residential house, on the date of transfer; or

- purchases another residential house, other than the new residential house, within a period of one year after the date of transfer; or

- constructs another residential house, other than the new residential house, within a period of three years after the date of transfer;

and

- the income from such residential house, other than the one residential house owned on the date of transfer, is chargeable under the head "Income from House Property".

If only a part of the net consideration is invested, the exemption shall be proportionately reduced.

If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the residential house is transferred.

6. As per section 111A of the Act, STCG arising on sale of equity shares of company or units of equity oriented mutual fund on a recognized stock exchange are subjected to tax at the rate of 15% (plus applicable surcharge plus education and secondary & higher education cess), provided the transaction is chargeable to STT. Where the transaction is not subjected to STT, the short term capital gains would be

chargeable as a part of the total income.

7. As per section 70 read with section 74 of the Act, short term capital loss arising during a year is allowed to be set off against short term as well as long term capital gain arising in that year. The remaining loss, if any, can be carried forward and set-off against short term or long term capital gains for subsequent 8 assessment years.

8. As per section 70 read with section 74, long term capital loss (other than which is exempt) arising during a year is allowed to be set off only against long term capital gains. The remaining loss, if any, can be carried forward and set-off against long term capital gains for subsequent 8 assessment years.

9. As per section 112, the tax on capital gains arising on account of transfer of long term capital assets being shares of listed company, where the transaction is not subject to STT, will be 20 percent (plus education cess and secondary & higher education cess) of the capital gains.

   In certain judicial pronouncements it has been held that non-residents are also eligible to claim a reduced tax rate of 10 per cent.

10. As per section 94(7) of the Act, losses arising from the sale / redemption of units purchased within three months prior to the record date (for entitlement to receive dividend income) and sold within nine months from the record date, will be ignored to the extent of dividend income claimed as exempt.

11. Section 14A of the Act restricts claim of deduction of expenses incurred in relation to income which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income is not tax deductible.

12. As per section 36(1)(xv) of the Act, the STT paid by the shareholder in respect of taxable securities transactions entered in the course of the business will be eligible for deduction from the income chargeable under the head “Profits and Gains of Business or Profession” if income arising from taxable securities transaction is included in such income.

13. In accordance with first proviso to section 48, capital gains arising out of transfer of capital assets being shares in the Company shall be computed by converting the cost of acquisition, expenditure in connection with such transfer and the full value of the consideration received or accruing as a result of the transfer into the same foreign currency as was initially utilised in the purchase of the shares and the capital gains computed in such foreign currency shall be reconverted into Indian currency at the prescribed exchange rates.

14. As per the provisions of section 90, the non-resident shareholder has an option to be governed by the provisions of the Double Taxation Avoidance Agreement, if they are more beneficial than the domestic law, wherever India has entered into Double Taxation Avoidance Agreement with the relevant country for avoidance of double taxation of income.

C. Non-resident Indians (NRI)

1. Under section 10(34) of the Act, income by way of dividend received by the shareholder on its investments in shares of domestic company on which DDT has been paid is exempt from income tax in the hands of the shareholder. However, as per section 94(7) of the Act, losses arising from sale / transfer of shares, where such shares are purchased within three months prior to the record date (for entitlement to receive dividend income) and sold within three months from the record date, will be ignored to the extent of dividend claimed as exempt.

2. Under Section 10(32) of the Act, any income of minor children clubbed in the total income of the parent under section 64(1A) of the Act will be exempted from tax to the extent of Rs. 1,500 per minor child.

3. LTCG arising on transfer of equity share in a company or units of an equity oriented fund on a recognized

stock exchange on or after October 1, 2004 are exempt from tax under section 10(38) of the Act, provided the transaction is chargeable to STT (STT) and subject to conditions specified in that section.

4. Under section 54EC of the Act, capital gains arising on transfer of a long term capital asset is exempt from capital gains tax if such capital gains are invested within a period of six months after the date of such transfer in specified bonds issued by the following and subject to the conditions specified therein:-

- National Highway Authority of India constituted under section 3 of National Highway Authority of India Act, 1988.

- Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.

If only part of the long term capital gain is reinvested, the exemption shall be proportionately reduced.

However, if these bonds are transferred or converted into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier, shall be taxable as capital gains in the year of transfer or conversion.

Further the investment in such bonds made by the Company during a financial year should not exceed 50 Lakh rupees.

5. In accordance with section 54F, capital gains arising to an individual on the transfer of any long term capital asset (other than residential house) shall be exempt from capital gains tax, if the net consideration is utilized, within a period of one year before, or two years after the date of transfer, in the purchase of residential house or construction of a residential house, within three years. Such benefit will not be available, if the individual -

- owns more than one residential house, other than the new residential house, on the date of transfer; or

- purchases another residential house, other than the new residential house, within a period of one year after the date of transfer; or

- constructs another residential house, other than the new residential house, within a period of three years after the date of transfer;

and

- the income from such residential house, other than the one residential house owned on the date of transfer, is chargeable under the head "Income from House Property".

If only a part of the net consideration is invested, the exemption shall be proportionately reduced.

If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the residential house is transferred.

6. As per section 111A of the Act, STCG arising on sale of equity shares of company or units of equity oriented mutual fund on a recognized stock exchange are subjected to tax at the rate of 15% (plus applicable surcharge plus education and secondary & higher education cess), provided the transaction is chargeable to STT. Where the transaction is not subjected to STT, the short term capital gains would be chargeable as a part of the total income.

7. As per section 70 read with section 74 of the Act, short term capital loss arising during a year is allowed to be set off against short term as well as long term capital gain arising in that year. The remaining loss, if

any, can be carried forward and set-off against short term or long term capital gains for subsequent 8 assessment years.

8. As per section 70 read with section 74, long term capital loss (other than which is exempt) arising during a year is allowed to be set off only against long term capital gains. The remaining loss, if any, can be carried forward and set-off against long term capital gains for subsequent 8 assessment years.

9. As per section 112, the tax on capital gains arising on account of transfer of long term capital assets being shares of listed company, where the transaction is not subject to STT, will be 20 percent (plus education cess and secondary & higher education cess) of the capital gains.

   In certain judicial pronouncements it has been held that non-residents are also eligible to claim a reduced tax rate of 10 per cent.

10. As per section 94(7) of the Act, losses arising from the sale / redemption of units purchased within three months prior to the record date (for entitlement to receive dividend income) and sold within nine months from the record date, will be ignored to the extent of dividend income claimed as exempt.

11. Section 14A of the Act restricts claim of deduction of expenses incurred in relation to income which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income is not tax deductible.

12. As per section 36(1)(xv) of the Act, the STT paid by the shareholder in respect of taxable securities transactions entered in the course of the business will be eligible for deduction from the income chargeable under the head "Profits and Gains of Business or Profession" if income arising from taxable securities transaction is included in such income.

13. In accordance with first proviso to section 48, capital gains arising out of transfer of capital assets being shares in the Company shall be computed by converting the cost of acquisition, expenditure in connection with such transfer and the full value of the consideration received or accruing as a result of the transfer into the same foreign currency as was initially utilised in the purchase of the shares and the capital gains computed in such foreign currency shall be reconverted into Indian currency at the prescribed exchange rates.

14. Further a non-resident Indian had the option to be governed by the provisions of Chapter XII-A of the Act, which *inter alia* provide as under:

    i. In accordance with section 115D read with section 115E, income by way of long term capital gains (other than which is exempt) in respect of shares in Indian company shall be chargeable at 10% (plus education cess and secondary & higher education cess).

    ii. In accordance with section 115F, subject to the conditions and to the extent specified therein, long-term capital gains (other than which is exempt) arising from transfer of shares of the Company acquired out of convertible foreign exchange shall be exempt from capital gains tax, if the net consideration is invested within six months of the date of transfer in any specified asset. If only a part of the net consideration is invested, the exemption shall be proportionately reduced.

    iii. In accordance with section 115G, it is not necessary for a Non-Resident Indian to file a return of income under section 139(1), if his total income consists only of investment income earned on shares of the Company acquired out of convertible foreign exchange or income by way of long-term capital gains earned on transfer of shares of the Company acquired out of convertible foreign exchange, and the tax has been deducted at source from such income under the provisions of Chapter XVII-B of the Act.

    iv. In accordance with section 115-I, where a non-resident Indian opts not to be governed by the provisions of Chapter XII-A for any assessment year, his total income for that assessment year will be computed according to the other provisions of the Act.

15. As per the provisions of section 90, the NRI shareholder has an option to be governed by the provisions of the Double Taxation Avoidance Agreement, if they are more beneficial than the domestic law, wherever India has entered into Double Taxation Avoidance Agreement with the relevant country for avoidance of double taxation of income.

D. Key Benefits available to Foreign Institutional Investors (FIIs)

1. Section 115AD provides for taxation of FIIs as under:

Particulars	Tax Rate
LTCG subjected to STT	Exempt
LTCG not subjected to STT	10%
STCG subjected to STT	15%
STCG not subjected to STT	30%
Any other income	20%

2. Under section 196D (2) of the Act, no tax is required to be deducted at source on capital gains payable to FIIs.

3. Under section 10(34) of the Act, income by way of dividend received by the shareholder on its investments in shares of domestic company on which DDT has been paid is exempt from income tax in the hands of the shareholder. However, as per section 94(7) of the Act, losses arising from sale / transfer of shares, where such shares are purchased within three months prior to the record date (date fixed for entitlement to receive dividend income) and sold within three months from the record date, will be ignored to the extent of dividend claimed as exempt.

4. LTCG arising on transfer of equity share in a company or units of an equity oriented fund on a recognized stock exchange on or after October 1, 2004 are exempt from tax under section 10(38) of the Act, provided the transaction is chargeable to STT and subject to conditions specified in that section.

5. Under section 54EC of the Act, capital gains arising on transfer of a long term capital asset is exempt from capital gains tax if such capital gains are invested within a period of six months after the date of such transfer in specified bonds issued by the following and subject to the conditions specified therein:-

- National Highway Authority of India constituted under section 3 of National Highway Authority of India Act, 1988.

- Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.

If only part of the long term capital gain is reinvested, the exemption shall be proportionately reduced.

However, if these bonds are transferred or converted into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier, shall be taxable as capital gains in the year of transfer or conversion.

Further the investment in such bonds made by the Company during a financial year should not exceed 50 Lakh rupees.

6. As per section 70 read with section 74 of the Act, short term capital loss arising during a year is allowed to be set off against short term as well as long term capital gain arising in that year. The remaining loss, if

any, can be carried forward and set-off against short term or long term capital gains for subsequent 8 assessment years.

7. As per section 70 read with section 74, long term capital loss (other than which is exempt) arising during a year is allowed to be set off only against long term capital gains. The remaining loss, if any, can be carried forward and set-off against long term capital gains for subsequent 8 assessment years.

8. As per section 94(7) of the Act, losses arising from the sale / redemption of units purchased within three months prior to the record date (date fixed for entitlement to receive dividend income) and sold within nine months from the record date, will be ignored to the extent of dividend income claimed as exempt.

9. Section 14A of the Act restricts claim of deduction of expenses incurred in relation to income which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income is not tax deductible.

10. As per section 36(1)(xv) of the Act, the STT paid by the shareholder in respect of taxable securities transactions entered in the course of the business will be eligible for deduction from the income chargeable under the head "Profits and Gains of Business or Profession" if income arising from taxable securities transaction is included in such income.

11. As per the provisions of section 90, FIIs has an option to be governed by the provisions of the Double Taxation Avoidance Agreement, if they are more beneficial than the domestic law, wherever India has entered into Double Taxation Avoidance Agreement with the relevant country for avoidance of double taxation of income.

E. Key Benefits available to Mutual Funds

As per the provisions of section 10(23D) of the Act, any income of mutual funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made there under, mutual funds set up by public sector banks or public financial institutions and mutual funds authorized by the Reserve Bank of India, would be exempt from income-tax, subject to the prescribed conditions.

III. Wealth Tax Act, 1957

As shares in a company, held by a shareholder are not treated as an asset within the meaning of section 2(ea) of the Wealth Tax Act, 1957, wealth tax is not leviable on shares held in a company.

IV. The Gift Tax Act, 1958

Gift of shares of the Company made on or after October 1, 1998 are not liable to Gift Tax since it is abolished.

However, as per section 56(2)(vii) of the Income-tax Act, 1961, the value of the shares of the Company received as gift from other than relatives, as defined, will be taxable in the hands of the recipient being individual or HUF under the head "Income from Other Sources", subject to limits and conditions stated therein.

Our views expressed herein are based on the facts and assumptions indicated by you. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. The views are exclusively for the use of Endurance Technologies Limited. Deloitte Haskins & Sells, India shall not be liable to Endurance Technologies Limited for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. Deloitte Haskins & Sells will not be liable to any other person in respect of this statement.

SECTION IV: ABOUT THE COMPANY

INDUSTRY

INDUSTRY OVERVIEW

The information in this section has been extracted from various government publications and industry sources. Neither we, the Selling Shareholders, the BRLMs nor any other person connected with the Issue have verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information.

CRISIL has used due care and caution in preparing this report. Information has been obtained by CRISIL from sources which it considers reliable. However, CRISIL does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. No part of this report may be published/reproduced in any form without CRISIL's prior written approval. CRISIL is not liable for investment decisions which may be based on the views expressed in this report. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL's Rating Division, which may, in its regular operations, obtain information of a confidential nature that is not available to CRISIL Research.

The Indian Economy

The Indian economy has demonstrated a sustained growth rate of more than 6.0% per annum since 1997, which has made it one of the world's fastest growing economies. According to the CIA World Factbook, India's economy grew by 9.0%, 7.4% and 6.5% in 2007, 2008 and 2009, respectively. India's population is approximately 1.16 billion, second only to China. India had an estimated GDP of approximately US$ 3.57 trillion in 2009, which makes it the fourth largest national economy in the world after the United States of America, China and Japan, in purchasing power parity terms *(Source: CIA World Factbook)*. The GDP growth rates for certain developed and developing economies are set out below:

GDP Growth Rates			
Countries	**2007 (estimated) %**	**2008 (estimated) %**	**2009 (estimated) %**
Australia	4.8	2.2	1.0
Brazil	6.1	5.1	(0.2)
China	13.0	9.0	8.7
India	**9.0**	**7.4**	**6.5**
Japan	2.3	(1.2)	(5.3)
Malaysia	6.2	4.6	(2.8)
Russia	8.1	5.6	(7.9)
Thailand	4.9	2.5	(2.8)
United Kingdom	2.6	0.5	(4.8)
United States of America	2.1	0.4	(2.4)

(Source: CIA World Factbook website: https://www.cia.gov/library/publications/the-world-factbook/geos/in.html)

The Government of India's Eleventh Five Year Plan, which covers the period from 2007 to 2012, aims to achieve a sustainable growth rate of 9.0% with an emphasis on a broad-based and inclusive approach that would improve the quality of life of the residents of India and reduce disparities across regions and communities. *(Source: Government of India, Eleventh Five Year Plan 2007–2012, Volume I*)

Indian Real GDP Growth

The Indian economy is among the fastest growing economies globally and has grown at an average rate of 8.2% per annum during the last five years. (*Source: Reserve Bank of India, Second Quarter Review of Monetary Policy For the Year 2010-2011 and 2009-2010, and First Quarter Review of Monetary Policy For the Year 2007-2008 and 2006-07*). India follows a system of successive five-year plans (each, a "Plan") that establish targets for economic development in various sectors, including the power sector. According to the Planning Commission of India, the Eleventh Plan (2008 to 2012) is aimed at achieving a sustainable GDP growth rate of 9.0%. The growth of the Indian economy slowed down significantly to 6.7% in 2009, largely due to the effects of the global financial crisis. In 2010, driven mainly by growth in the second and fourth quarters, the Indian economy grew at an annual rate of 7.4%.

The First Quarter Review of Monetary Policy For the Year 2009-2010 of the Reserve Bank of India released in July 2010 placed real GDP growth for the 2010 above 8.0% (*Source: Reserve Bank of India First Quarter Review of Monetary Policy For the Year 2009-2010, July 26, 2010*). Since the second quarter of 2010, the Indian economy has staged a slow recovery and the year-on-year economic growth in the fourth quarter of 2010 was 8.6%.

The year-on-year real GDP growth (at 2004-05 prices) for each quarter of 2010 and the corresponding quarters of 2009 in selected sectors, are set forth below:

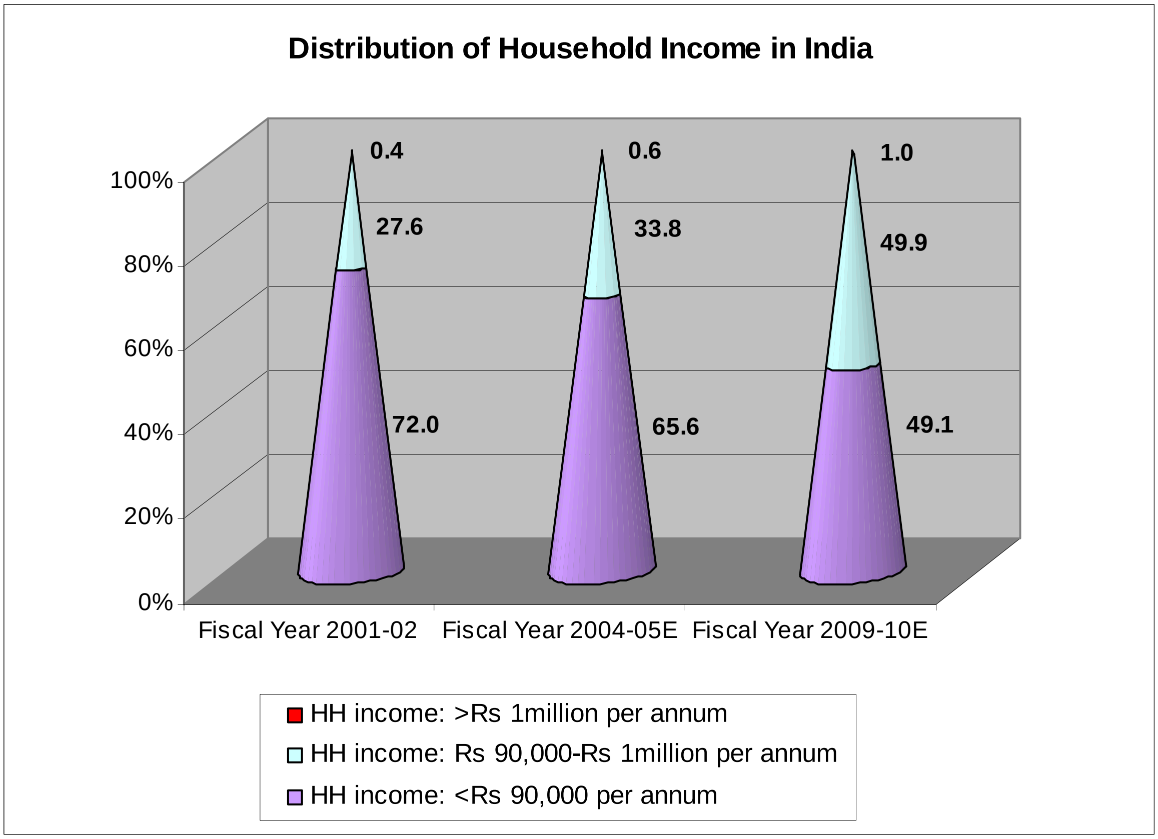
Real GDP Growth (%) at Factor Cost

Sector	Q1 (April – June)		Q2 (July – September)		Q3 (October – December)		Q4 (January – March)	
	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10
Agricultural	3.2	1.9	2.4	0.9	-1.4	-1.8	3.3	0.7
Electricity, Gas and Water	3.3	6.6	4.3	7.7	4.0	4.7	4.1	7.1
Finance, Real Estate and Business Services	9.1	11.8	8.5	11.5	10.2	7.9	12.3	7.9
Overall	**7.8**	**6.0**	**7.5**	**8.6**	**6.1**	**6.5**	**5.8**	**8.6**

Source: Central Statistical Office ("CSO")

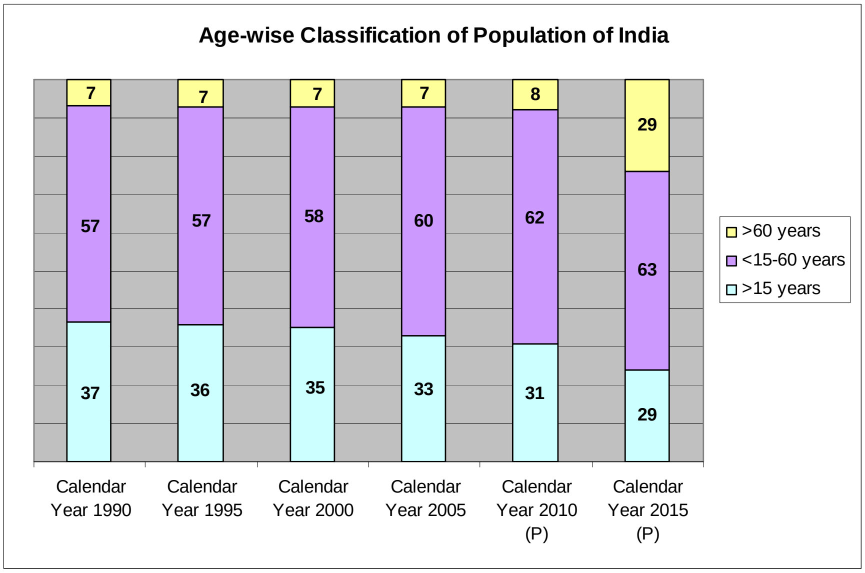
Favourable Demographics

Disposable incomes of Indian consumers have increased significantly during the period between the fiscal year 2002 to the fiscal year 2010. High-income households, or the "rich class", i.e., those households with household income of above Rs. 1.00 Million per annum, have grown at a CAGR of approximately 13.0% per annum between 2001 to 2008. Households comprising the "major consuming class", those households with household income in the range of Rs. 90,000 to Rs. 1.00 Million per annum, have grown at a CAGR of 10.0% per annum during the same period. Thus, India's changing demographics will provide favourable circumstances for increasing consumption. *(Source: CRISIL Research, Retailing Annual Review 2009-10)* The chart below illustrates the growing size of the "rich class" and the "major consuming class":



(Source: CRISIL Research, Retailing Annual Review 2009-10)

In addition to growing household income levels, India has also seen an increase in its citizens in the "prime working age" category, which includes individuals aged between 15 and 60 years, in the twenty year period from 1990 to 2010. This population category is expected to grow from 57.0% of India's population in 1990 to 63.0% in 2015. Due to its high birth rate, India is among the few countries that is expected to see growth in the "prime working age" category of its population between 2005 to 2050, whereas China, United States, Russia and the European Union are projected to see a declining share of their "prime working age" category. As the purchasing power of a nation's population is largely dependent on this growing population category, this category is likely to influence the increase in consumer spending. *(Source: CRISIL Research, Retailing Annual Review 2009-10)* The chart below illustrates the growth of the prime working age category over the last two decades:



(Source: CRISIL Research, Retailing Annual Review 2009-10)

The Automotive Industry

Global Automotive Industry

The global economic downturn led to a severe slump in the automotive industry worldwide in the second half of 2008 and the first half of 2009. The industry witnessed unprecedented and simultaneous slowdown across segments and geographies. During the last quarter of 2008, most of the world's markets, regardless of region, experienced a 40.0% to 60.0% decline in volume, as compared to the same period in the previous year. The overall decline in volume resulted in significant overcapacity among many manufacturers, causing OEMs to implement a series of cost-cutting measures such as plant closures, renewed pricing pressure on automotive components and raw materials suppliers, and maintenance of lower inventory levels to lower operating expenses. However, the global automotive markets showed signs of revival during the second half of 2009. (*Source: Association of German Auto Industry/Verband der Automobilindustrie; website: http://www.vda.de/en/index.html*).

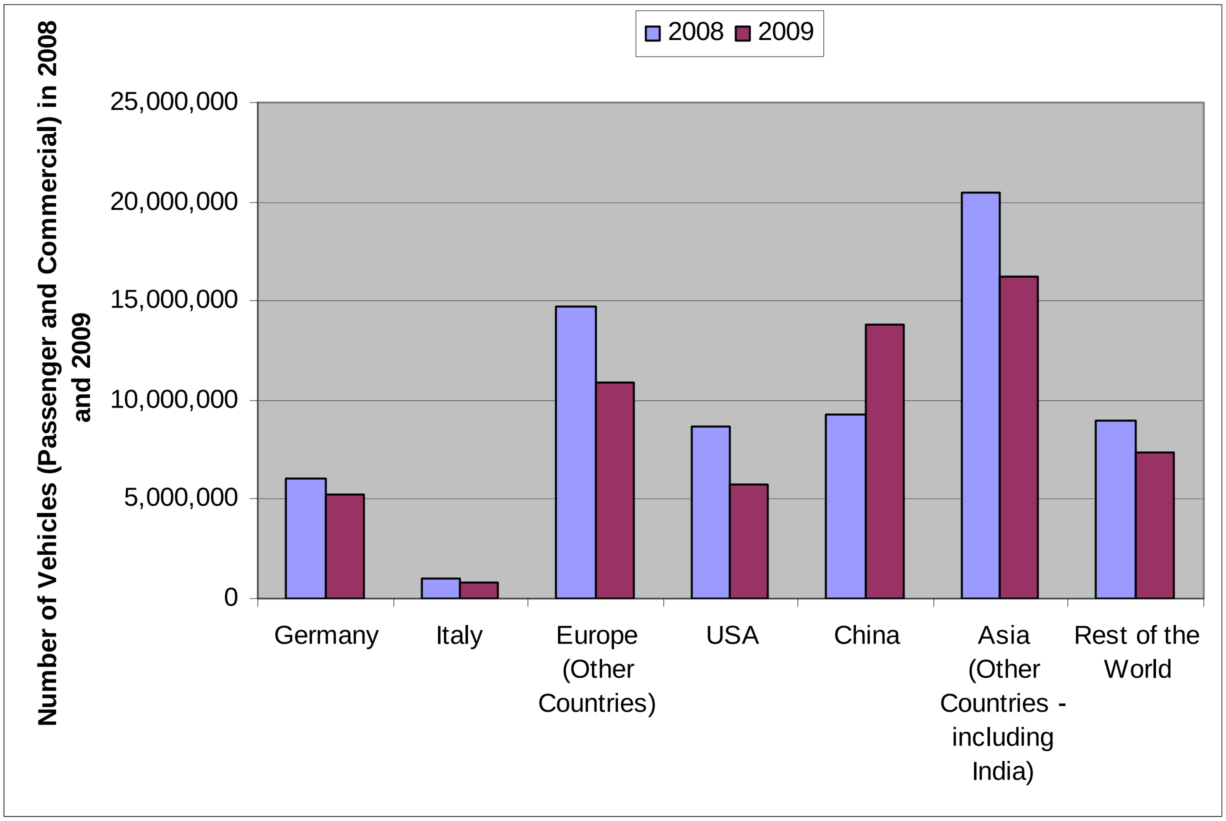
Global automotive production showed a decline of 12.8%, from 70.78 Million vehicles in 2008 to 61.73 Million vehicles in 2009. (*Source: Association of German Auto Industry/Verband der Automobilindustrie; website: http://www.vda.de/en/index.html*) Almost all countries (with the exception of Italy and China) that were considered by the Association of German Auto Industry, showed a decline of approximately 10.0% to 30.0% in passenger vehicle production.

In 2008 and 2009 (2009 figures are estimates or partially interim), Europe produced 18.36 and 15.11 Million passenger vehicles, respectively. The United States produced 8.45 and 5.58 Million passenger vehicles, respectively. China, on the other hand, showed a 47.6% jump in production, from 5.68 Million passenger vehicles in 2008 to 8.38 Million passenger vehicles in 2009. (*Source: Association of German Auto Industry:* (*Source: Association of German Auto Industry/Verband der Automobilindustrie; website: http://www.vda.de/en/index.html*)

Similarly, almost all countries considered, with the exception of China, showed a drop of approximately 30.0% to 50.0% in commercial vehicle production. In 2008 and 2009 (2009 figures are estimates, or partially interim), Europe produced 3.43 and 1.82 Million commercial vehicles and the United States produced 224,648 and 132,283 commercial vehicles, respectively. (*Source: Association of German Auto Industry: http://www.vda.de/en/index.html*) In this segment, China demonstrated an increase of 49.4%, from 3.62 Million commercial vehicles in 2008 to 5.41 Million commercial vehicles in 2009 which was against the global trend. (*Source: Association of German Auto Industry/Verband der Automobilindustrie; website: http://www.vda.de/en/index.html*).

Similar to that of China, India's passenger and commercial vehicle industry also grew between 2008 and 2009. From 2008 to 2009, India increased production by 44.4%, from 1.8 Million to 2.6 Million passenger vehicles. During the same period, India production of commercial vehicles increased by 35.9% from 416,800 in 2008 to 566,608 commercial vehicles in 2009. *(Source: SIAM website, http://www.siamindia.com/scripts/production-trend.aspx)*

The chart below illustrates the number of passenger and commercial vehicles constructed across various geographies for the calendar years 2008 and 2009:



(*Source: Association of German Auto Industry/Verband der Automobilindustrie; website: http://www.vda.de/en/index.html*)

German and Italian Automotive Industries

Germany, the largest automotive market in Europe, contributed 27.8% and 30.8% of the total automotive production in Europe in 2008 and 2009, respectively. Globally, Germany accounted for 8.5% and 8.4% of automotive production in 2008 and 2009, respectively. *(Source: Association of German Auto Industry/Verband der Automobilindustrie; website: http://www.vda.de/en/index.html)* The German automotive industry is considered a major contributor to overall economic growth in Germany. The industry comprises over 3,000 companies, and as of 2007, directly employed 745,000 workers. There are approximately 25 vehicle assembly plants operating in Germany, and this accounts for nearly 33.0% of Europe's installed capacity. The global success of the German automotive industry is generally attributed to the technological competencies of manufacturers, and their respective suppliers and employees. *(Source: CRISIL Research, Automotive Components Annual Review – March 2010, hereinafter "CRISIL Research")*

Automobile production in Germany decreased by 13.8%, from approximately 6,045,730 Million automobiles in 2008 to 5,209,857 Million automobiles in 2009. This decline was experienced in both the commercial vehicle and passenger vehicle segments, with the commercial vehicle segment suffering a larger drop as compared to the passenger vehicle segment. Passenger vehicle production in Germany experienced a 10.3% decline, from 5,532,030 Million passenger vehicles in 2008 to 4,964,523 Million passenger vehicles in 2009. Commercial vehicle production suffered a 52.2% decrease during the same period, from 513,700 Million commercial vehicles in 2008 to 245,334 commercial vehicles in 2009. (*Source: Association of German Auto Industry/Verband der Automobilindustrie; website: http://www.vda.de/en/index.html)*

The following table sets out production in Germany as compared to overall European production for the calendar years 2008 and 2009:

Passenger and Commercial Vehicle Production in Germany and Europe						
	2008			**2009**		
	Germany	**Europe**	**Percentage of output contributed by Germany**	**Germany**	**Europe**	**Percentage of output contributed by Germany**
Passenger Vehicle	5,532,030	18,358,696	30.1%	4,964,523	15,111,199	32.9%
Commercial Vehicle	513,700	3,427,222	15.0%	245,334	1,821,432	13.5%
Total	**6,045,730**	**21,785,918**	**27.8%**	**5,209,857**	**16,932,631**	**30.8%**

(Source: Association of German Auto Industry/Verband der Automobilindustrie; website: http://www.vda.de/en/index.html)

Italy is a relatively smaller market compared to Germany, yet it remains the third largest automotive market in Europe, after France and Germany. *(Source: CRISIL Research)* Italy contributed 4.7% and 5.0% of Europe's automobile production in 2008 and 2009, respectively. Similarly to Germany, overall automobile production in Italy also suffered a decline of 17.6%, from 1,023,774 Million automobiles in 2008 to 843,239 automobiles in 2009, with a fall in production in the commercial vehicle segment being the largest contributor to the overall decrease. However, unlike Germany, Italy's passenger vehicle segment actually grew modestly by 0.3%, demonstrating an increase from 659,221 passenger vehicles in 2008 to 661,100 passenger vehicles to 2009. The Italian commercial vehicle segment showed a similar decline in production to that of the German commercial vehicle segment, with a drop of 50.0% from 364,553 commercial vehicles in 2008 to 182,139 commercial vehicles in 2009. *(Source: Association of German Auto Industry/Verband der Automobilindustrie; website: http://www.vda.de/en/index.html)*

The following table sets out production in Italy as compared to overall European production in the same period:

Passenger and Commercial Vehicle Production in Italy and Europe						
	2008			**2009**		
	Italy	**Europe**	**Percentage of output contributed by Italy**	**Italy**	**Europe**	**Percentage of output contributed by Italy**
Passenger Vehicle	659,221	18,358,696	3.6%	661,100	15,111,199	4.4%
Commercial Vehicle	364,553	3,427,222	10.7%	182,139	1,821,432	10.0%
Total	**1,023,774**	**21,785,918**	**4.7%**	**843,239**	**16,932,631**	**5.0%**

(Source: Association of German Auto Industry/Verband der Automobilindustrie; website: http://www.vda.de/en/index.html)

Revival in the First Half of the Calendar Year 2010

During 2009, OEMs sold vehicles from their already accumulated inventory during this period, which resulted in weak OEM demand for automobile components. During 2010, global conditions showed signs of recovery and the automobile industry similarly showed signs of revival. As the inventory levels of OEMs reduced, production of passenger and commercial vehicles started to grow again. Although vehicles sales are yet to fully recover, production levels of OEMs and suppliers are expected to increase to meet the improving demand and to build inventory levels. For example, in Germany, 2,850,888 passenger vehicles were produced during the first six months of the calendar year 2010 as compared to 2,322,407 for the corresponding period during the calendar year 2009. *(Source: Association of German Auto Industry/Verband der Automobilindustrie; website: http://www.vda.de/en/index.html)*

Indian Automotive Industry

The automotive sector is one of the core industries of the Indian economy. The de-licensing of the sector in 1991 and the subsequent opening up of the sector to foreign direct investment levels of up to 100.0% and the permission of such investment under the automatic route marked the beginning of a new era for the Indian automotive industry. Since the institution of reforms that have opened up the domestic automotive sector, almost all the global major automotive players have set up their facilities in India.

In 2006, the Indian automotive sector created direct and indirect employment for 13 Million people while also contributing 17.0% of India's indirect taxes. India's automotive export was valued at U.S.$ 4.08 billion in the fiscal year 2006. Of this amount, approximately U.S.$ 1.8 billion was contributed by exports of Indian automotive components, *(Source: Automotive Mission Plan 2006-2016)*

The growth of the Indian middle class, both in numbers and disposable income, along with the general growth of the national economy over the past few years, have been major factors in attracting major global automotive manufacturers to the Indian market. In addition, supply side factors also increase India's attractiveness to prospective investors. For example, India provides a trained workforce at competitive costs, making India a favoured global manufacturing hub. The appeal of the Indian markets on the one hand, as compared to the stagnation of the automotive sector in other markets, such as Europe, the United States and Japan, on the other, have resulted in the shifting of new capacities and the inflow of foreign capital into the Indian automotive industry, resulting in significant growth for the domestic automotive industry over the past five years.

The Government of India, through its Ministry of Heavy Industries and Public Enterprises, has implemented the Automotive Mission Plan 2006-2016, a 10-year plan aimed to sustain and accelerate the growth of the Indian automotive sector. This plan intends to double the contribution of the automotive sector to the Indian GDP by increasing the sector's turnover to U.S.$ 145 billion in 2016. This plan aims to achieve such turnover figure by emphasising the export of small cars, multi-utility vehicles, two and three-wheelers and automobile components. The plan projects that the size of the Indian automotive industry will reach between U.S.$ 122 billion and U.S.$ 159 billion in 2016, including U.S.$ 35 billion of exports, and leaving between U.S.$ 82 billion to U.S.$ 119 billion for the domestic market. This figure translates to a 10.0% to 11.0% contribution to Indian GDP in 2016, or double the 2006 contribution rate from the automotive industry.

The Indian economy was not as severely hit by the global downturn. The Indian automotive industry has witnessed strong growth in automotive production for all types of vehicles, increasing from 11.17 Million vehicles for the fiscal year 2009 to over 14.04 Million vehicles for the fiscal year 2010, a year-on-year growth rate of over 25.0%. When compared to historical data, Indian automobile production has almost doubled in absolute value from the fiscal year 2004 to the fiscal year 2010, showing an increase from 7.24 Million vehicles to 14.04 Million vehicles, respectively. *(Source: Society of Indian Automobile Manufacturers ("SIAM"); website: http://www.siamindia.com/scripts/production-trend.)* The table below sets forth the automobile production trends for the last six fiscal years:

Automobile Production Trends (In No. of Vehicles)									
	Fiscal Year 2004	**Fiscal Year 2005**	**Fiscal Year 2006**	**Fiscal Year 2007**	**Fiscal Year 2008**	**Fiscal Year 2009**	**Fiscal Year 2010**	**Estimated 2015**	**Estimated 2020**
Passenger Vehicles	989,560	1,209,876	1,309,300	1,545,223	1,777,583	1,838,593	2,351,240	5,100,000	8,700,000 – 9,700,000
Commercial Vehicles	275,040	353,703	391,083	519,982	549,006	416,870	566,608	1,420,000	2,110,000 – 2,350,000
Three Wheelers	356,223	374,445	434,423	556,126	500,660	497,020	619,093	22,000,000 (Two-wheelers and Three-wheelers combined)	30,000,000 – 33,500,000 (Two-wheelers and Three-wheelers combined)
Two Wheelers	5,622,741	6,529,829	7,608,697	8,466,666	8,026,681	8,419,792	10,512,889		

Automobile Production Trends (In No. of Vehicles)									
	Fiscal Year 2004	**Fiscal Year 2005**	**Fiscal Year 2006**	**Fiscal Year 2007**	**Fiscal Year 2008**	**Fiscal Year 2009**	**Fiscal Year 2010**	**Estimated 2015**	**Estimated 2020**
Grand Total	**7,243,564**	**8,467,853**	**9,743,503**	**11,087,997**	**10,853,930**	**11,172,275**	**14,049,830**	**28,520,000**	**40,810,000 – 45,550,000**

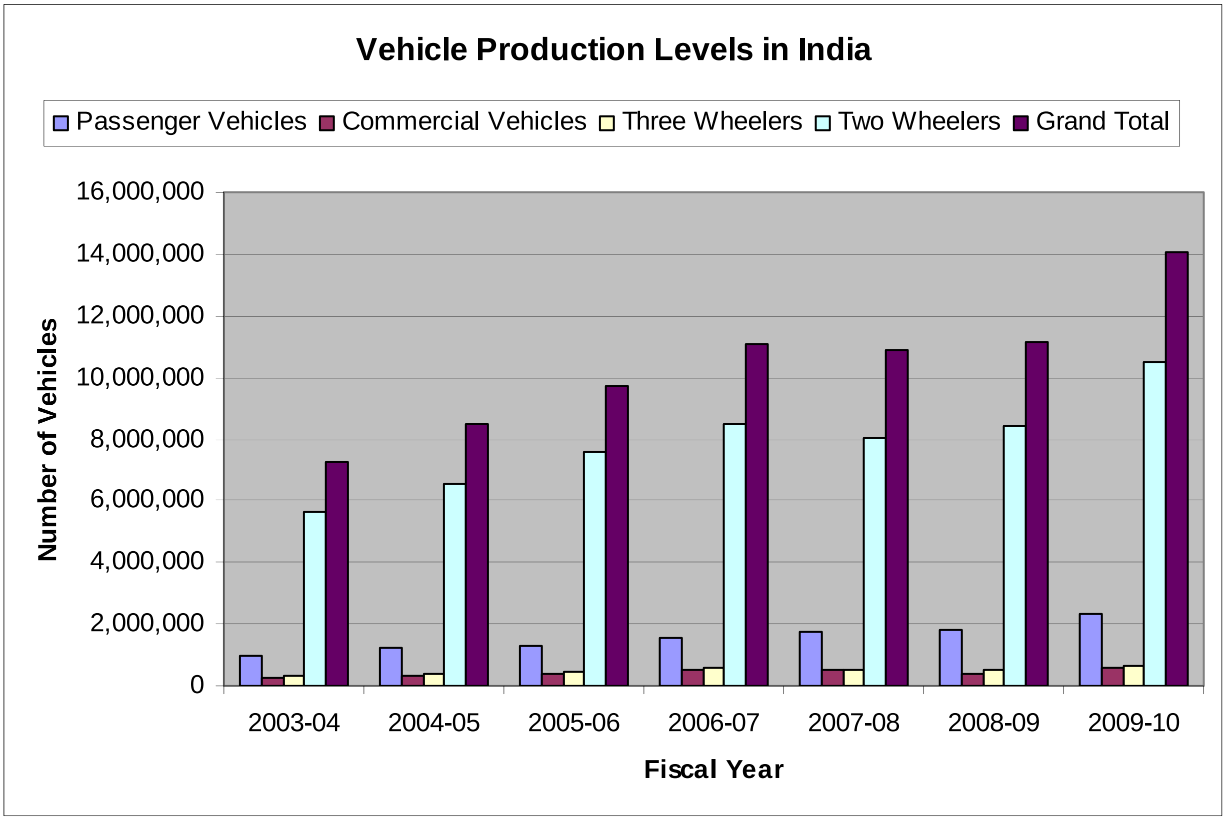
(Source: Society of Indian Automobile Manufacturers ("SIAM"); website: http://www.siamindia.com/scripts/production-trend.aspx)
(Source: Ernst & Young, ACMA Vision 2020 Presentation)

The historical data shows that vehicle production across the various segments has also increased significantly from the fiscal year 2004 to the fiscal year 2010. For example, the total number of passenger vehicles produced more than doubled from 989,600 in the fiscal year 2004 to 2.35 Million in the fiscal year 2010. The same can be said for the production of commercial vehicles, showing an increase from approximately 275,000 commercial vehicles in the fiscal year 2004 to approximately 566,600 commercial vehicles in the fiscal year 2010. During the same period, production of both three-wheelers and two-wheelers has almost doubled. The annual production of three-wheelers has increased from 356,200 in the fiscal year 2004 to 619,100 in the fiscal year 2010, and from 5.62 Million two-wheelers to 10.51 Million two-wheelers, respectively. *(Source: SIAM; website: http://www.siamindia.com/scripts/production-trend.aspx)*. The projected trends indicate that high growth rates will continue across all segments of vehicles. Passenger vehicles and commercial vehicles are projected to grow the fastest, but two-wheelers are expected to maintain their large market share in terms of absolute number of vehicles produced by the Indian automotive industry. *(Source: Ernst & Young, ACMA Vision 2020 Presentation)*

According to the Automotive Components Manufacturing Association of India ("ACMA"), India is expected to maintain its position as the largest producer of three-wheelers and second largest producer of two-wheelers in the world. The areas of expected growth are in the passenger vehicle and commercial vehicle segments with India expected to be the seventh largest and fourth largest producer of passenger vehicles and commercial vehicles, respectively.

Global Position Expected in 2016 – Global Position in FY 2010		
Segments	**Global Position Expected in 2016**	**Global Position in FY 2010**
Passenger Vehicles	7	7
Commercial Vehicles	4	8
Three Wheelers	1	1
Two Wheelers	2	2

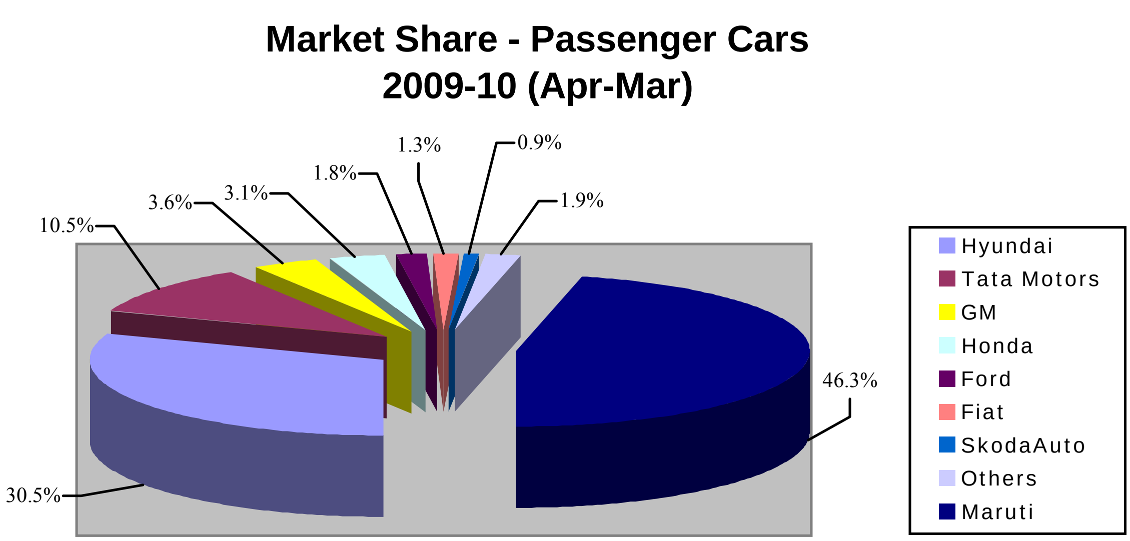
(Source: ACMA, Status of Indian Automotive Industry, June 17, 2010; website: http://acmainfo.com/)
The chart below illustrates the historical production levels of vehicles in India, divided across vehicle segments, for the periods indicated:



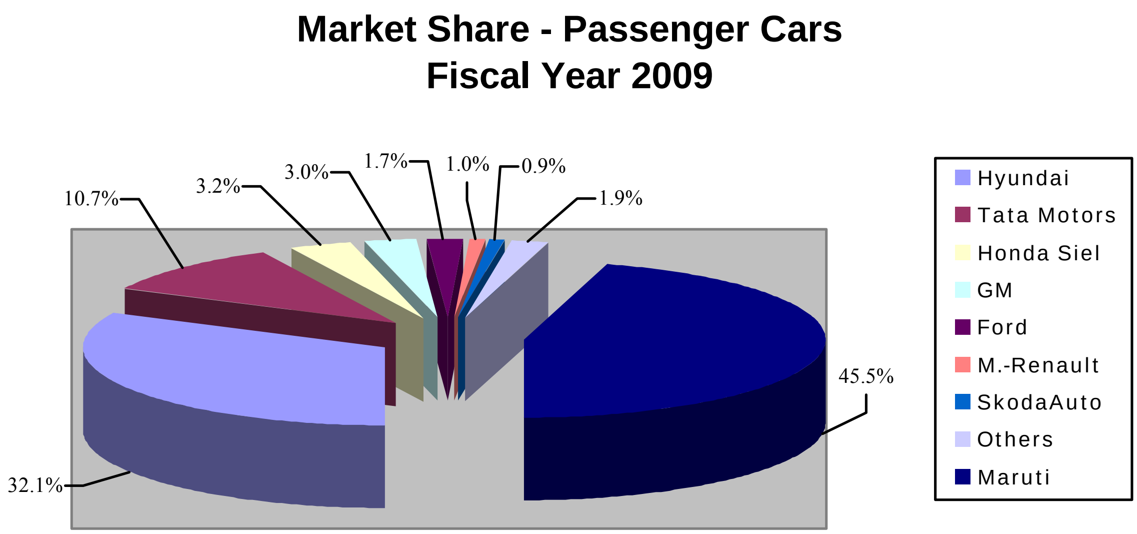
(Source: SIAM; website: http://www.siamindia.com/scripts/production-trend.aspx)

Passenger Vehicle Segment

A number of large global OEMs have established facilities in India including Hyundai, Honda Siel, Ford, Skoda and General Motors. The largest OEM in the market remains Maruti-Suzuki, followed by Hyundai. The charts below illustrate the domestic market share of various passenger car manufacturers during the fiscal years 2010 and 2009.



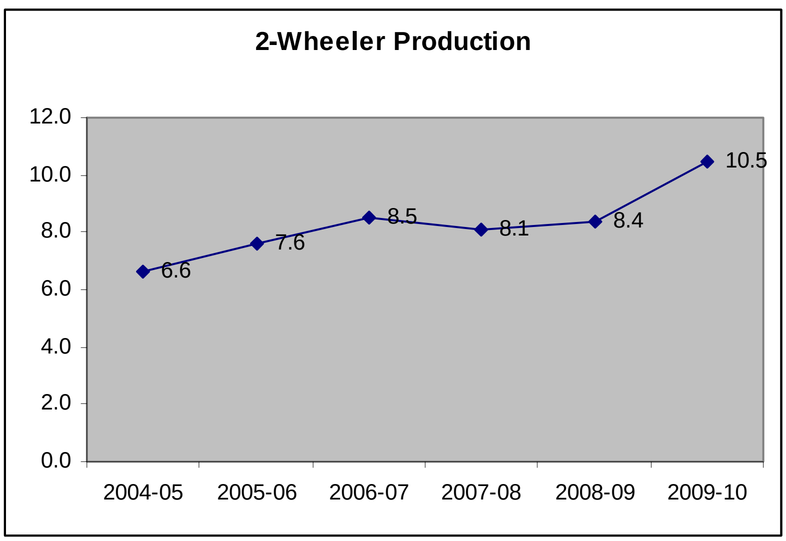
(Source: ACMA, Status of Indian Automotive Industry, June 17, 2010; website: http://acmainfo.com/)



(Source: ACMA, Status of Indian Automotive Industry, June 17, 2010; website: http://acmainfo.com/)

Two/Three-Wheelers Segment

The Indian two-wheeler segment has shown strong overall growth of 60.7% from the fiscal year 2005 to the fiscal year 2010. The motorcycle segment comprises a vast majority of this segment, contributing around 73.1% of the total sales from the fiscal year 2005 to the fiscal year 2010. Although there was a drop in the sales of two-wheelers during the downturn in the fiscal year 2008, currently the segment has shown a constant recovery for the periods following the downturn. Sales in this segment grew by 25.9% from the fiscal year 2009 to the fiscal year 2010, the highest rate of growth recorded since the fiscal year 2005. The chart below sets forth the growth in two-wheeler production for the period from the fiscal year 2002 to the fiscal year 2009:



(Source: ACMA, Status of Indian Automotive Industry, June 17, 2010; website: http://acmainfo.com/)

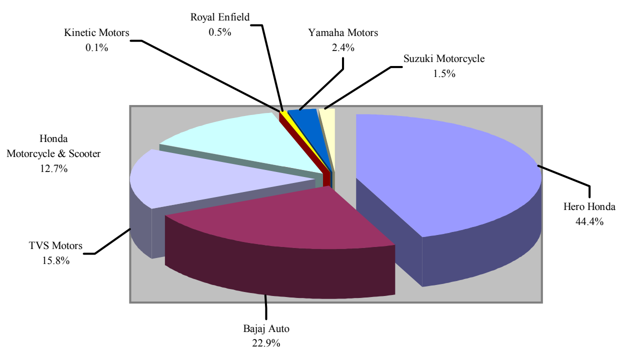
The table below sets forth sales within the two-wheeler segment for the period from the fiscal year 2005 to the fiscal year 2010:

	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010
Scooters	923,566	908,154	940,617	1,050,139	1,148,509	1,462,547
Motorcycles	4,964,442	5,810,253	6,546,881	5,768,341	5,831,960	7,341,139
Mopeds	322,584	332,741	354,760	413,759	431,214	564,574
Exports	366,451	514,122	619,644	819,713	1,004,134	1,140,154
Total	6,577,043	7,565,270	8,461,902	8,051,952	8,415,817	10,508,414

(Source: SIAM; website: http://www.siamindia.com/scripts/production-trend.aspx)

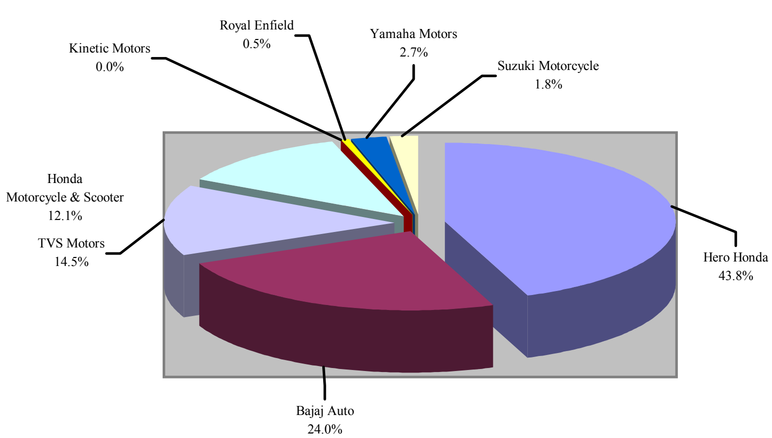
The charts below illustrates the domestic market share of various two-wheeler manufacturers during the fiscal years 2009 and 2010. Hero Honda Motors, the world's largest manufacturer of two-wheelers, is currently the largest producer in the two-wheeler segment, with 43.8% of the market share, followed by Bajaj Auto Limited with 24.0% of the market share.

Market Share of Two-Wheeler Segment
Fiscal Year 2009



(Source: CRISIL Research, Two-Wheelers Annual Review, 2009-10)

Market Share of Two-Wheeler Segment
Fiscal Year 2010



(Source: CRISIL Research, Two-Wheelers Annual Review, 2009-10)

The Automotive Component Industry

Global Automotive Component Industry

The business and prospects of the global automotive components industry are highly correlated with those of the automotive industry. As price competition has grown fiercer in the automotive components industry and environmental regulations have become increasingly stringent, there has been a trend of consolidation by spreading fixed production costs over higher production volume. In addition, OEMs are increasingly looking for relationships with financially healthy suppliers that are expected to survive through the current crisis and be stable and long-term partners.

In Europe, there is an increasing trend of concentration and globalisation among OEMs. The increasing popularity of diesel-powered cars and four-wheel driven sport utility vehicles has increased the demand for castings and diesel-related components, while the popularity of lightweight vehicles with lower energy consumption has increased the demand for lightweight components such as aluminium-based components. Increased demand for such components may also require the development of different technological capabilities. Due to increased pricing pressures, small suppliers will continue to have a difficult time in meeting the requirements of the customers and this may lead to further consolidation in the industry. In addition, this may also lead to requirements for super-specialist suppliers, and such level of specialisation may not be possible for smaller players to achieve.

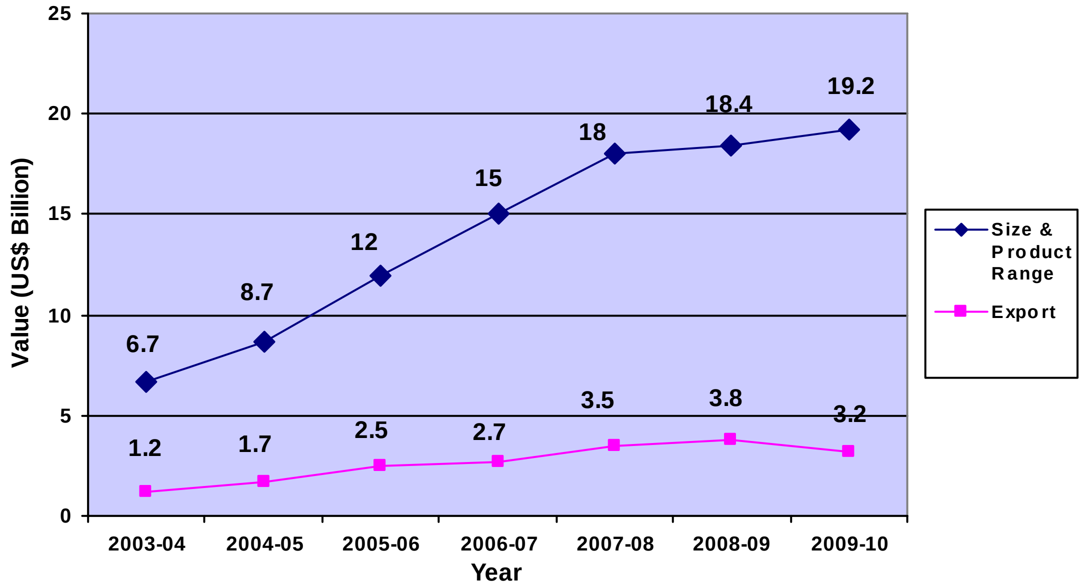
German automotive components manufacturers are among the top producers in the world. Historically, German companies took advantage of relatively lower cost manufacturing capabilities in East Germany immediately after reunification, and this trend has continued further eastwards into Eastern Europe as German suppliers have established over 200 facilities in the region. The OEM market for automotive components in Germany was worth € 7,000.00 Million in 2007 and is expected to exhibit minor growth up to 2010. Imports of automotive components aggregated in excess of € 52,000.00 Million in 2008, and increased at an average rate of 6.5% from 2003 to 2008. Imports from developing countries rose by 12.0% during the same period. Exports of automotive components aggregated € 67,000.00 Million, as exports increased at an average rate 5.5% from 2003 to 2008. *(Source: CRISIL Research)*

Historically, Italian automotive component manufacturers are either large producers that are or were subsidiaries of Fiat, such as Magnetti Marelli SpA and Teksid Srl, or smaller producers that are reliant on the Fiat Group, but a number of steps removed down the supply line, from the Tier II or Tier III perspective. However, this reliance has declined in recent years as these suppliers have seen their exports grow. Currently, approximately 330 suppliers account for roughly 80.0% of the OEM market. This number was reduced from 2,000 as a result of Fiat's divestment of its supplying divisions and active attempts to reduce its number of Tier I suppliers. Consequently, foreign components suppliers have had easy access to the Italian markets by taking over divested companies. *(Source: CRISIL Research)*

Indian Automotive Component Industry

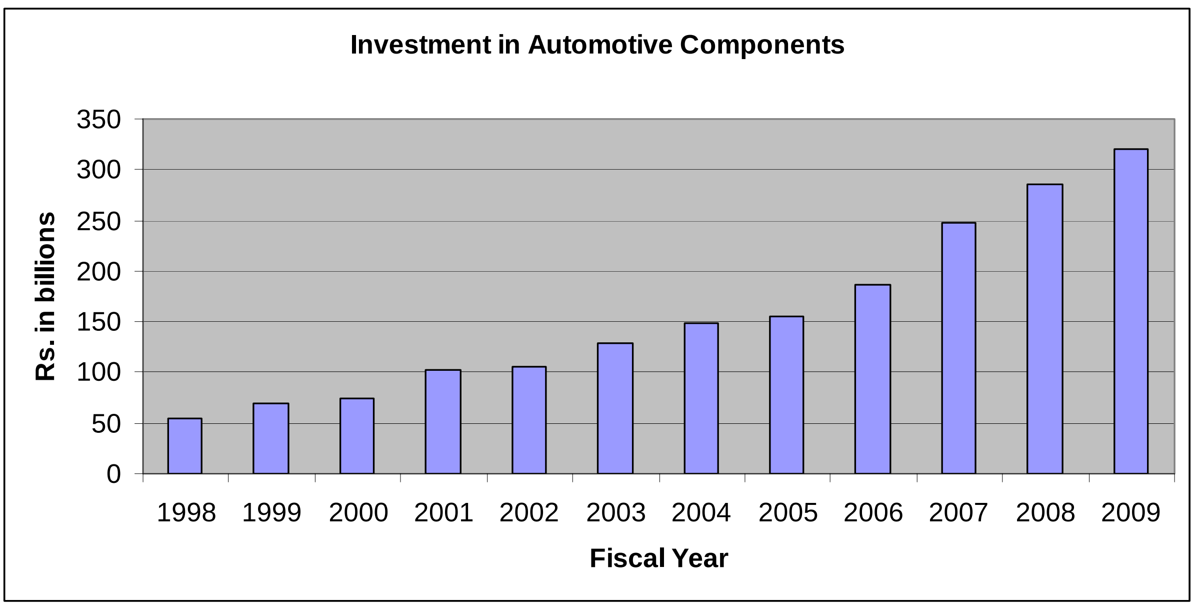
The automotive components industry in India has been growing steadily, with turnover increasing at a rate of 298.8% between the fiscal years 2004 and 2009. Export sales have also gradually become more important over the past six years. As a percentage of turnover, exports increased to 19.9% in the fiscal year 2009 from 18.9% in the fiscal year 2004. *(Source: Auto Component Industry in India, Automotive Component Manufacturers Association of India)*

The chart below sets forth the turnover and export figures for the automotive components industry in India for the periods stated:



(Source: ACMA, Status of Indian Automotive Industry, June 17, 2010; website: http://acmainfo.com/)
In addition, projections of export growth indicate that the aggregate value of automotive component exports for 2015 and 2020 will be U.S.$ 9.4 billion and between U.S.$ 26.0 billion and U.S.$ 29.0 billion, respectively. *(Source: Ernst & Young, ACMA Vision 2020 Presentation)*

Investment in automotive components grew by approximately 11.0% from the fiscal year 2008 to the fiscal year 2009. The cumulative growth rate of investment in automotive components between the fiscal year 2005 and the fiscal year 2009 was approximately 18.0%. The chart below sets out the growth in investment in automotive components from the fiscal year 1998 to the fiscal year 2009. *(Source: CRISIL Research)*



(Source: CRISIL Research)

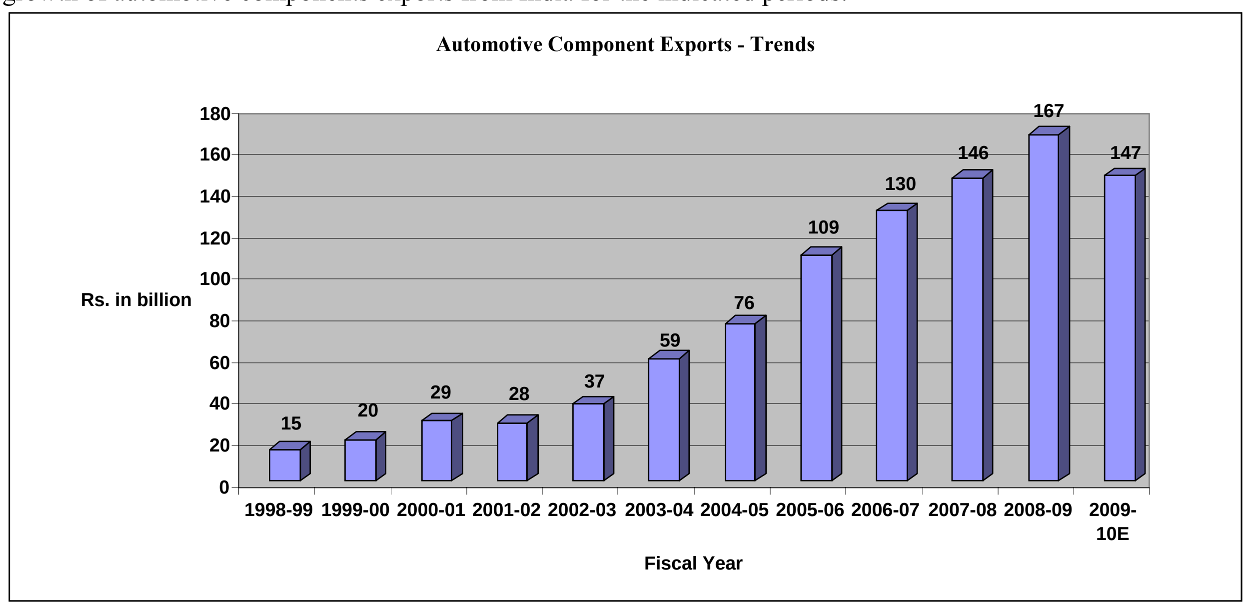
Fuelled by sustained growth in domestic automobile production and the healthy prospects of exports, the Indian automotive component industry is expected to grow in size to Rs. 2,240.00 billion by the fiscal year 2015 from its current estimated size of Rs. 1,158.00 billion for the fiscal year 2010. *(Source: CRISIL Research)* The industry is expected to grow further to approximately Rs. 4,900 billion to Rs. 5,400 billion by 2020. *(Source: Ernst & Young, ACMA Vision 2020 Presentation)* To achieve such growth rates, the estimated additional investment needed in the industry ranges from Rs. 600.00 billion over the next five years to Rs. 1,800.00 billion over the next ten years, to meet the 2015 and 2020 projections, respectively. *(Source: CRISIL Research* and *Ernst & Young, ACMA Vision 2020 Presentation)* CRISIL Research estimates that the Indian automotive components industry will achieve a CAGR of 13.0% to 14.0% from the fiscal year 2010 to the fiscal year 2015. During this same period, the OEM segment is expected to grow by 15.0%, in line with domestic automobile production, while the growth rate for auto components in the replacement market is projected to slow down to a rate of 6.0% due to the influx of cheaper Chinese imports. *(Source: CRISIL Research)*

India is increasingly seen as a preferred manufacturing destination for global automotive component manufacturers to set up their manufacturing facilities. India offers the twin propositions of a large domestic market for domestic production and a competitive manufacturing base for competitively priced exports. CRISIL Research has forecasted a CAGR of 20.0% from the fiscal year 2010 to the fiscal year 2015 in the production of automotive components for sale in the export market. The size of the auto component export market is expected to reach Rs. 369.00 billion in the fiscal year 2015 from Rs. 145.00 billion in the fiscal year 2010. *(Source: CRISIL Research)*

On the other hand, the Automotive Mission Plan 2006-2016 states that the global production of automotive components will reach U.S.$ 1.7 trillion in 2015. It estimates that about U.S.$ 700 billion of this figure shall be sourced to low cost countries in 2016. If India manages to obtain a 10% share of this outsourced automotive component production, it will obtain a U.S.$ 70 billion market for this segment, or nearly five times the 2006 size of the auto component segment in India.

(Source: Automotive Mission Plan 2006-2016)

Exports grew at a CAGR of 14.0% from the fiscal year 2005 to the fiscal year 2010. Approximately 63.0% of the country's automotive components exports go to North America and Europe. The chart below sets out the historical growth of automotive components exports from India for the indicated periods:

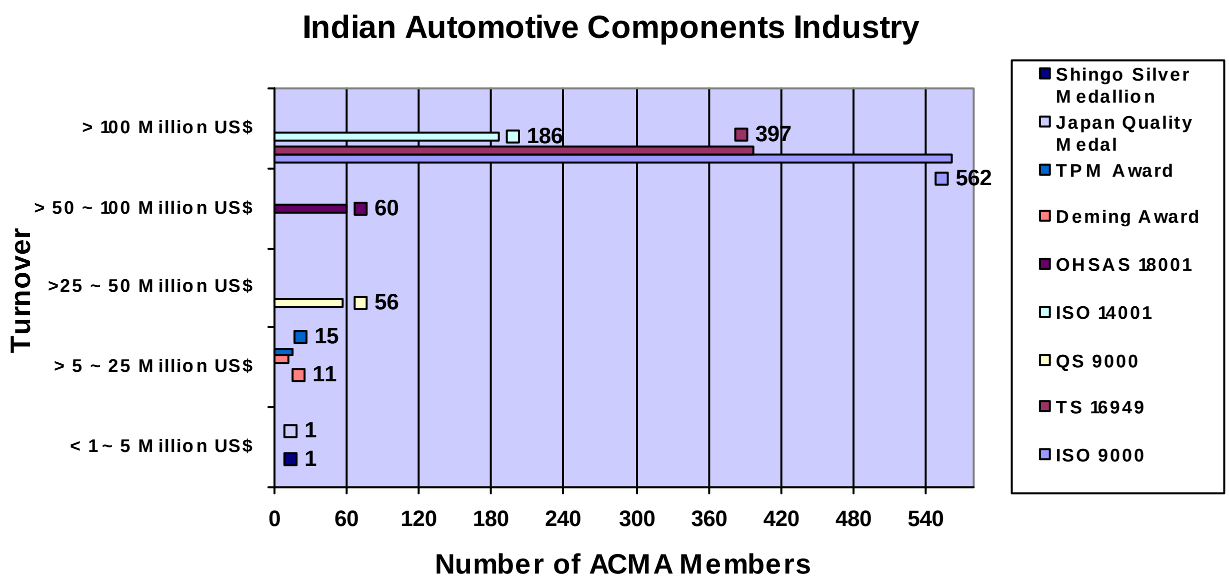


(Source: CRISIL Research)

One of the reasons that makes India a competitive manufacturing base for North American and European automotive component manufacturers is because of its competitive labour cost. As labour cost comprises approximately 13.0% to 15.0% of the total cost of production, these manufacturers are motivated to establish facilities in low cost countries such as India. Additionally, India is known to have strong software and information technology capabilities, which complements the automotive components industry as such skills provide strong support for research and development efforts on the part of automotive components manufacturers. *(Source: CRISIL*

Research).

The chart below illustrates the number of ACMA member companies across various turnover ranges:



(Source: ACMA, Status of Indian Automotive Industry, June 17, 2010; website: http://acmainfo.com/)

The table below shows the number of ACMA member companies that qualify for various international quality standards:

Certification of Indian Automotive Component Manufacturers	
ISO 9000	562
TS 16949	397
GS-9000	56
ISO 14001	186
OHSAS 18001	60
Deming Award	11
TPM Awards	15

(Source: ACMA, Status of Indian Automotive Industry, June 17, 2010; website: http://acmainfo.com/)

Automotive Components Industry by Segments

Aluminium Die-Casting and Machining

Aluminium die-casting is the process of producing engineered metal parts by forcing molten aluminium into reusable steel moulds. These moulds, which are also referred to as dies, can be used to produce complex shapes with a high degree of accuracy and repeatability.
(Source: North American Die Casting Association; website: http://diecasting.org/faq)

Die-casting methods vary as a result of the various methods employed in injecting the molten aluminium into the mould. The oldest form of die-casting is gravity die-casting. In gravity die-casting, molten aluminium is inserted under normal atmospheric pressure. This method is utilised less frequently than low pressure and high pressure die-casting. Typically, for most products, high pressure die-casting is more desirable. Under this process, the aluminium is injected at high speed and high pressure, so the entire cavity may be filled before any portion of the casting solidifies, resulting in fewer discontinuities in the casting. *(Source: North American Die Casting Association;*

website: http://diecasting.org/faq) However, high pressure die-casting moulds and machines are very expensive and are only economical when utilised on a large scale to produce a large number of products. *(Source: European Aluminium Association; website: http://www.eaa.net/en/about-aluminium/production-process/castings/)* Low pressure die-casting is an alternative to high pressure die-casting. In this process, the die is placed over the furnace and the cavity is filled by forcing the molten metal upwards, through the use of pressurised gas. Once the cavity is filled, the pressure is released and the metal flows back towards the furnace. The various filled dies are removed and the castings are extracted. Low pressure die-casting is particularly suited for use in the production of automotive wheels or other components that are symmetrical across an axis of rotation.

> The Indian casting industry currently ranks as the fourth largest in the world producing an estimated 6.9 Million MT of various grades of castings. The various types of castings which are produced include ferrous, non ferrous, aluminium alloys, graded cast iron, ductile iron and steel for use in a variety of applications including the automobile industry. The casting industry in India enjoys a major competitive advantage over other producers due to its low labour costs. It is estimated that labour costs constitute between 12.0% to 15.0% of total costs in the casting industry. The Government of India has also adopted a policy to encourage technology transfer to the Indian casting industry by encouraging the establishment of joint ventures with foreign producers. *(Source: Foundry Informatics Centre; website: http://www.foundryinfo-india.org/)*

Machining is a broad term that refers to the removal of material from a work piece. In the context of the automotive components industry, machining refers to the process through which excess metal is removed from a casting to meet a manufacturer's specifications. Typically, manufacturers will machine a number of castings by inputting their specifications into automated cutting machines. These machines will act on those specifications by cutting various grooves, holes or other features, as may be required, into the casting. Machining of castings is particularly suited for high volume production of complicated parts that are otherwise difficult or impossible to create using conventional die-casting alone.

Aluminium Alloys

Although a number of alloys may be used for casting processes, aluminium is a desirable choice for the automotive components industry for a variety of reasons. Aluminium is relatively light-weight metal while possessing the necessary stability to form complex shapes and thinner walls, which in turn leads to lower material requirements. Aluminium has high thermal and electrical conductivity. Aluminium also has a high resistance to corrosion. *(Source: North American Die Casting Association; website: http://www.eaa.net/en/about-aluminium/production-process/castings/)*

Brakes

The brakes segment is relatively less concentrated as compared to other segments of the automotive components industry, with a large number of producers. Producers may produce a number of products of varying complexity, from smaller products for the replacement market to fully functional brakes systems. CRISIL estimates the size of the brakes industry to be Rs. 9,400.00 Million during the fiscal year 2010, and expects a CAGR of 12.0% until the fiscal year 2015, when CRISIL expects that the total market size to be Rs. 16,100.00 Million. For the fiscal year 2010, OEMs contributed 69.0% of the overall demand of the brakes segment, the replacement market accounted for 20.0% and exports accounted for the balance of 11.0%. *(Source: CRISIL Research)*
Other characteristics of the market include barriers to entry in respect of the relatively large distribution networks that are required of producers that wish to enter the replacement market. Relationships with OEMs are the other viable alternative to the replacement market, however OEMs typically wish to deal with only a small number of suppliers, to reduce their own costs. Although raw materials are relatively expensive for the brakes industry, such costs are lessened by the lower wage costs of India and the fact that most costs are passed on to consumers. *(Source: CRISIL Research)*

Suspensions

Shock absorbers play an important role in the suspensions segment of the automotive components industry due to their pervasiveness as a suspension solution. Globally, shock absorber manufacturing is dominated by Japanese companies, although most shock absorbers are generally sold on a regional basis. Increasingly, international shock absorber manufacturers are developing manufacturing capabilities in developing countries such as India and China. Shock absorber manufacturing in India mostly takes place in the unorganised sector. *(Source: Cygnus Business Consulting & Research, Industry Monitor – Automotive Components, September 2008)*

Analysts have estimated that the overall market for shock absorbers in India will be approximately 60 Million units by the fiscal year 2015. Moreover, demand growth in the developing world is predicted to significantly outpace demand in developed markets such as the United States, Europe and Japan. *(Source: Cygnus Business Consulting & Research, Industry Monitor – Automotive Components, September 2008)*

Transmissions

Clutches are a major component of any transmission system. Globally, Europe is the largest producer of clutches, followed by the United States and Asia, excluding Japan. Asia is the fastest growing regional market. In India, the easing of the excise duty regime to help promote the steel industry has also had a knock-on effect in benefiting clutch manufacturers and the automobile industry as a whole. *(Source: Cygnus Business Consulting & Research, Industry Monitor – Automotive Components, June 2010)*

Domestically, demand for clutches is expected to stay strong. A major reason for such strong demand are the heavy traffic conditions in India which necessitate frequent gear changes, thus causing high wear and tear on transmissions and providing demand for replacement parts. *(Source: Cygnus Business Consulting & Research, Industry Monitor – Automotive Components, June 2010)*

Regulatory Environment

The Government of India abolished industrial licensing for all automobile segments in phases, from 1991 to 1993, which allowed foreign investment in the domestic automobile industry. The main objective of de-licensing the industry was to build automotive production capabilities within the country while minimising foreign exchange outflow. Consequently, a number of global OEMs established manufacturing bases in India. However, the Government of India's policy also required such global OEMs to source a significant share of their auto component requirements from sources within India. As a result, global automotive components manufacturers setup operations in India. Both OEMs and foreign automotive components manufacturers helped boost domestic demand for automotive components and encourage growth of the domestic automotive components industry. *(Source: CRISIL Research)*

India's entry to the World Trade Organisation coincided with the Government of India's Auto Policy of 2002, the main objective of which was to transform India into a manufacturing hub for small cars. Although a number of older stipulations requiring a high proportion of indigenous components were abolished, replacement stipulations under the Auto Policy of 2002 were still designed to encourage India's manufacturing growth, including the removal of minimum capital requirements with respect to foreign direct investment, specific financial incentives for the production of cars less than four metres in length, permitting foreign automobile manufacturers to setup wholly-owned subsidiaries in India without requiring prior approval from the Foreign Investment Promotion Board and proposals for scrapping commercial vehicles beyond a certain age along with incentives for replacing such vehicles. *(Source: CRISIL Research)*

The significant growth of automobile production in India has also necessitated the imposition of emissions norms by the Government of India. Currently, only Bharat Stage IV-compliant new vehicles may be sold in twelve major cities and the capital city, while only the sale of Bharat Stage III-compliant new vehicles is permitted in the rest of the country. Stringent emission norms such as Bharat Stage IV require the automotive components industry to continually develop new automotive components. For example, Bharat Stage IV requires the use of multi-brick catalytic converters instead of conventional catalytic converters. *(Source: CRISIL Research)*

Another consequence of the growth of automobile production in India has been the imposition of safety norms that require local manufacturers to adhere to global norms. These norms apply to all types of vehicles including two-wheelers, passenger vehicles and commercial vehicles. Although Indian safety regulations were supposed to be identical to European norms by 2010, the process is currently ongoing and it is unlikely that such norms will be adopted in the fiscal year 2011. *(Source: CRISIL Research)*

The result of increasing safety norms has been the greater production of replacement automotive components for those components that do not meet such norms. The Government of India's policies were historically favoured towards small-scale industry. For example, the Government of India reserved the manufacture of certain auto components to small-scale manufacturing units alone. In the fiscal year 2007, a number of these reservations were abolished, allowing larger, organised players to enter the industry. In addition, the Government of India also extended export benefits to intermediate suppliers of auto components against the duty free replenishment scheme. It is believed that this will benefit all auto component manufacturers supplying to OEMs such as Bajaj Auto Limited and Tata Motors Limited. *(Source: CRISIL Research)*

Finally, research and development is another area where government incentives have enabled greater returns for automobile and automotive components manufacturers. The Union Budget for the fiscal year 2011 has raised tax deductions on in-house research and development expenses. The rationale behind such a policy is that investments in research and development will bring many benefits including the application of global norms for safety and emissions, an increase in the competitiveness of local automobile and automotive components manufacturers and furthering the stated goal of India emerging as a small car manufacturing hub. *(Source: CRISIL Research)*

OUR BUSINESS

Overview

We are a leading automotive component manufacturing company in India. We manufacture and supply a diverse range of components for two-wheelers, three-wheelers, passenger vehicles, light commercial vehicles ("LCVs") and heavy commercial vehicles ("HCVs").

Our products include:

- aluminium die-casting products, such as high-pressure, low-pressure and gravity die-castings and two-wheeler aluminium alloy wheels;

- suspension products, such as shock absorbers for two-wheelers and three-wheelers, front forks for motorcycles and hydraulic and gas-charged dampers, struts and gas springs for passenger vehicles, LCVs and HCVs;

- transmission products, such as clutches, friction plates and continuous variable transmissions; and

- brake products, such as hydraulic disc brakes for two-wheelers, rotary brake discs for two-wheelers and hydraulic drum brakes and tandem master cylinders for three-wheelers.

We have 16 manufacturing plants in India, all of which are located in the major automotive manufacturing belts of the country, comprising seven in Aurangabad, Maharashtra, five in Pune, Maharashtra, two in Pantnagar, Uttarakhand, and one each in Manesar, Haryana and Chennai, Tamil Nadu. We also have two manufacturing plants in Massenbachhausen, Germany, which are owned by our subsidiary Amann Druckguss GmbH ("Amann Druckguss"), and one in Torino, Italy, which is owned by our indirect subsidiary Endurance Fondalmec SpA, ("Endurance Fondalmec"). The following table sets forth the production capacities and volumes for the fiscal year 2010 at our various manufacturing locations:

	India		**Outside of India**		**Total**	
	Capacity (As of March 31, 2010)	**Production Volume (Fiscal Year 2010)**	**Capacity (As of March 31, 2010)**	**Production Volume (Fiscal Year 2010)**	**Capacity (As of March 31, 2010)**	**Production Volume (Fiscal Year 2010)**
Casting						
*High-Pressure, Low Pressure, Gravity Casting (in MT)**	51,157	42,087	10,000	4,347	61,157	46,434
Alloy Wheels (in units)	3,240,000	1,608,253	-	-	3,240,000	1,608,253
Transmissions (in units)						
Clutch Assemblies	3,660,000	2,301,900	-	-	3,660,000	2,301,900
CVTs	90,000	6,409			90,000	6,409
Suspensions						
Suspensions – Two-Wheeler and Three-Wheelers (in units)	10,773,000	8,261,951	-	-	10,773,000	8,261,951

	India		Outside of India		Total	
	Capacity (As of March 31, 2010)	Production Volume (Fiscal Year 2010)	Capacity (As of March 31, 2010)	Production Volume (Fiscal Year 2010)	Capacity (As of March 31, 2010)	Production Volume (Fiscal Year 2010)
Suspensions – Passenger Vehicles, LCVs and HCVs (in units)	3,300,000	277,226	-	-	3,300,000	277,226
Brakes (in units)	2,400,000	2,143,199	-	-	2,400,000	2,143,199

** At our Indian and German operations, the majority of castings produced by us are machined, and at our Italian operations, we machine castings, which are purchased from third parties.*

We are promoted by Mr. Anurang Jain, who commenced aluminium die-casting operations in 1985 through Anurang Engineering Company Private Limited, which subsequently merged with and into our Company. Since then, several brake, suspension and transmission businesses promoted by Mr. Anurang Jain in India were consolidated with our Company. Our Company also owns an 85.0% equity interest in High Technology Transmission Systems (India) Private Limited ("HTTS India"), our subsidiary, and the balance equity interest is held by Adler SpA ("Adler"). HTTS India manufactures and sells clutches, friction plates and CVTs for two-wheelers and three-wheelers. We also have a joint venture in India with Magneti Marelli SpA ("Magneti Marelli"), Endurance Magneti Marelli Shock Absorbers (India) Private Limited ("EMM JV"), a company in which we own a 50.0% equity interest. EMM JV manufactures struts, shock absorbers and gas springs for passenger vehicles and LCVs.

We have also completed several strategic acquisitions outside India with the objective of gaining access to advanced technology and diversifying our customer base. We acquired Amann Druckguss, our German subsidiary in 2006 and acquired 51.0% of the shareholding in Endurance Fondalmec, through Endurance Overseas Srl, our Italian subsidiary, in 2007. Endurance Overseas Srl subsequently increased its shareholding in Endurance Fondalmec to 100.0% in 2009. Endurance Fondalmec and Amann Druckguss are engaged in the business of manufacturing and supplying aluminium die-casting automotive components. Amann Druckguss and Endurance Fondalmec have long-standing relationships with leading OEMs such as Daimler AG and subsidiaries of Fiat Group Automobiles SpA, respectively, and we have been able to leverage these acquisitions to develop relationships with new customers for our Indian operations, for both the domestic and export markets. Through these acquisitions, we have also been able to gain access to advanced technologies and manufacturing processes.

Our customers include global OEMs such as various subsidiaries of Fiat Group Automobiles SpA and associated brands including Lancia and Alfa Romeo, Daimler AG, Audi AG, Porsche AG, Magyar Suzuki ZRT and two leading French automobile manufacturers, as well as leading Indian OEMs such as Bajaj Auto Limited, the two leading HCV manufacturers in India, a leading Indian MUV and SUV manufacturer, India Yamaha Motor Private Limited, Royal Enfield Motors Limited, a Korean automobile manufacturer that currently operates in India, Maruti Suzuki India Limited and Honda Motorcycle & Scooter India Private Limited. We have a long-standing relationship with Bajaj Auto Limited, which is our largest customer. We have been supplying components to Bajaj Auto Limited since our inception.

We have adopted the TPM initiative across all of our manufacturing locations to improve the efficiency and reliability of our manufacturing processes. We use TPM as a tool to improve our manufacturing processes in terms of productivity, quality, cost control, delivery, employee safety and morale.

We have won several industry awards including the 'Component Manufacturer of the Year - 2008' at the NDTV Profit, Car India and Bike India Awards in 2008 and 'Auto Component Manufacturer of Year' at the Auto Monitor Awards in 2008. We have also received several awards and recognitions for quality, cost, delivery and vendor performance from our customers such as Bajaj Auto Limited, Fiat India Automobiles Private Limited, Honda Motorcycle & Scooter India Private Limited and a leading Indian HCV manufacturer.

For the fiscal year 2010, our total income and our net profit after tax, as restated, was Rs. 24,092.53 Million and Rs. 39.09 Million, respectively. For the fiscal year 2010, our total revenue in India was Rs. 17,338.89 Million and our total revenue from outside India was Rs. 6,739.74 Million. Sales of two-wheeler, three-wheeler and passenger vehicle, LCV and HCV components constituted 54.6%, 10.6%, and 35.1%, respectively, of our net sales, including trade sales, for the fiscal year 2010. For the same period, sales of die-cast and machined products, suspension, brake and transmission components constituted 62.0%, 27.3%, 4.4% and 6.3%, respectively, of our net sales, including trading sales.

Our Competitive Strengths

We believe that the following are our primary competitive strengths:

A Diverse Range of Products for Many Vehicle Segments

We believe that we have established a strong presence across various product lines of the automotive components industry such as aluminium die-casting (including value-added machined products), brakes, suspensions and transmission systems. We manufacture a wide range of products to service the diverse requirements of customers in the two-wheeler and three-wheeler segments and have begun offering a number of products in the passenger vehicle, LCV and HCV segments. We have a very strong presence in the Indian two-wheeler and three-wheeler markets, which we intend to continue to expand in the near future. Our long-term relationships with our key customers, such as Bajaj Auto Limited, which we have been servicing since our inception, allows us to understand and cater to their diverse requirements, including the development of new products. We believe that we are also better protected than some of our competitors against our products becoming obsolete because of the wide range of products that we currently offer and the research and development activities that we undertake in each of our product divisions to continuously innovate and develop new products and processes.

Strong Customer Relationships

We have a strong and established relationship with our customers. Our customers include global OEMs such as various subsidiaries of Fiat Group Automobiles SpA and associated brands including Lancia and Alfa Romeo, Daimler AG, Audi AG, Porsche AG, Magyar Suzuki ZRT and two leading French automobile manufacturers, as well as leading Indian OEMs such as Bajaj Auto Limited, the two leading HCV manufacturers in India, a leading Indian MUV and SUV manufacturer, India Yamaha Motor Private Limited, Royal Enfield Motors Limited, a Korean automobile manufacturer that currently operates in India, Maruti Suzuki India Limited and Honda Motorcycle & Scooter India Private Limited. We have a long-standing relationship with Bajaj Auto Limited, which is our single largest customer. Daimler AG is the single largest customer of our subsidiary, Amann Druckguss, while subsidiaries of Fiat Group Automobiles SpA in the aggregate are the largest customer of our Italian subsidiary, Endurance Fondalmec. We have partnered with many of our key customers in the product development process, for example, we are currently developing alloy wheels for a major international motorcycle manufacturer and for the conversion of the fly wheel housing from a gravity die-casting product to a high-pressure die-casting product for a leading Indian HCV manufacturer, thus, enabling our products to meet their exacting specifications and ensuring repeat orders.

Superior Research and Development and Technological Capabilities

We place strong emphasis on research and development to enhance our product range and improving our manufacturing processes. We believe that we have developed strong product design capabilities, which allow us to service our customers more effectively and in a timely manner. We own four dedicated research and development centres, three in Aurangabad (one each for two-wheeler and three-wheeler suspensions, transmissions and brake systems) and one in Pune (for casting). We also own an additional research and development centre in Pune through EMM JV, for research in passenger vehicle suspension systems. All of these centres are approved by the Government of India's Department of Scientific and Industrial Research ("DSIR"). We own two patents with respect to suspension products and one patent with respect to casting products and have applied for 17 patents for a variety of products including shock absorbers, clutch assemblies and aluminium alloy wheels. Some of our other product innovations include alloy wheels that we are developing for a major international motorcycle manufacturer and the conversion of a fly wheel housing from a gravity die-casting product to a high-pressure die-casting product for a leading Indian HCV manufacturer. We have an in-house R&D team of 95 employees, including 60 engineers, who have in-depth knowledge of the design and engineering of critical automotive components.

We have also enhanced our technological capabilities through collaborations and a joint-venture with prominent automotive component manufacturers, such as Magneti Marelli, for the development of passenger vehicle, LCV and HCV suspension products, Teksid for the manufacture of passenger vehicle aluminium cylinder heads, Akebono for the manufacture of drum brake shoes and linings and WP Suspension Austria for front forks and shock absorbers.

High Capacity and Strategically Located Manufacturing Capabilities

We presently own 16 manufacturing plants in five different locations in India, two manufacturing plants in Germany and one plant in Italy. Our manufacturing capabilities and the location of our plants and provide us with the following distinct advantages:

- We have one of the largest aluminium die-casting facilities in India. *(Source: Aluminium Casters Association of India)* We have an annual aluminium die-casting capacity of 50,797 MT per annum. We machine approximately 75.1% of our casting products, which is an important value-added process in the casting industry. With aluminium emerging as a preferred metal for automotive manufacturing as a result of stricter emission norms and the need for lighter vehicles, we believe that we are well-positioned to take advantage of this growing markets;

- All of our manufacturing plants are strategically located close to our customer base. Each of our plants is located in a recognised automotive manufacturing belt in close proximity to many leading OEMs. We recently established our presence in Chennai, Pantnagar and Manesar to gain access to OEMs who have a manufacturing presence in those regions. Our manufacturing presence in these belts helps to reduce our operational costs, allows us greater customer interaction and gives us the ability to respond to customer requirements in a timely manner.

- Our large-scale suspension capacity of 14,073,000 units, brake capacity of 2,400,000 units and transmission capacity of 3,750,000 units per annum allows us to service customer requirements in a timely and efficient manner. We have full-service capabilities across the product manufacturing value chain, including research and development, design, manufacturing, casting, machining, surface coating, sub-assemblies and quality testing.

- Our in-house design capabilities and tool room, with over 200 moulds and dies, also allows us to achieve a quicker response time to customer requirements and achieve larger production volumes.

Focus on Quality, Cost Reduction and Delivery

Our commitment to focus on quality, cost reduction and adherence to delivery schedules is evidenced by the following key initiatives:

- We have adopted the TPM programme across all of our manufacturing plants to improve the efficiency and reliability of our manufacturing processes.

- All of our critical manufacturing processes such as nickel hard chrome plating, welding and anodising are carried out in-house, which also allows us to monitor the quality of our manufactured products, control our production costs and maintain our delivery schedules.

- We have undertaken several initiatives to reduce costs, including the outsourcing of certain non-critical processes, which require large investments and offering space on our premises to an aluminium vendor to source aluminium in a molten state to reduce energy and transportation costs.

- Our focus on quality is also exemplified through the ISO 9002, ISO 9001 and TS-16949 certifications that we have obtained with respect to our manufacturing processes. The TS-16949 certification indicates a quality management system that is primarily focused on defect prevention and the reduction of waste in the supply chain.

- We also focus on our relationships with vendors to ensure that our quality, costs and delivery objectives are met. We have taken steps such as regular vendor audits, vendor ratings, annual vendor awards and providing assistance to our vendors in adopting TPM methodologies.

- We have a centralised sourcing and vendor management and development team for our plants in India which ensures that we gain economies of scale in raw material procurement, especially with respect to our most important raw material, aluminium, and allows us to develop global supply chain management capabilities to ensure timely deliveries.

Highly Qualified Management and Motivated Employee Base

We are led by a management team and staffed with employees who have significant experience in the automotive component industry. Our Promoter and Managing Director, Mr. Anurang Jain, has been involved in the automotive component industry since 1985. Through their commitment and experience, our management team has grown our business in India and overseas and has demonstrated an ability to successfully integrate acquired foreign businesses into our corporate set-up.

We require the application of high levels of technology at key stages of our design, engineering and manufacturing processes. We have, therefore, been focused on the recruitment, training and retention of a highly skilled employee base. As of July 31, 2010, we have 4,287 employees, which includes a large talent pool of 1,245 engineers. This coupled with on-site continuous learning and training programmes has helped us to develop and adopt new technologies, maintain high productivity and achieve faster product development cycle.

Strategy

The key elements of our strategy are as follows:

Diversify and Expand Customer Base

We intend to continue to diversify our customer base. Our largest customer, Bajaj Auto Limited, constituted 51.4% of our net sales, including trading sales, for the fiscal year 2010 as compared to 95.1% of our net sales, including trading sales, for the fiscal year 2006. One of the main objectives of our overseas acquisitions was the diversification of our customer base, which gave us an opportunity to take advantage of existing relationships and create new relationships with customers such as Fiat Group Automobiles SpA, Daimler AG and two leading French automobile manufacturers, and also resulted in new orders for our domestic facilities, such as orders for high-pressure die-casting components from a leading global automotive transmission manufacturer in the United Kingdom. We also intend to broaden our customer base by expanding our product portfolio to include newer passenger vehicle, LCV and HCV components, including brakes, clutches and casting products. We intend to develop our relationships with existing and potential passenger vehicle, LCV and HCV customers to service their new product requirements. For example, we are currently supplying aluminium die-castings to a leading Indian HCV manufacturer for its low-cost small car, another leading Indian HCV manufacturer for its HCVs and Maruti Suzuki India Limited for its passenger vehicles.

In addition, we also aim to add new customers through our joint venture with Magneti Marelli, which recently commenced production of shock absorbers for passenger vehicles, LCVs and HCVs. We have already received orders for supplying shock absorbers to several leading passenger vehicle manufacturers including Fiat India Automobiles Private Limited and Maruti Suzuki India Limited in the domestic market.
We have also increased our focus on the ‘aftermarket’ segment to cater to the replacement market in India and overseas and to reduce the proportion of our sales to OEMs. We believe that the ‘aftermarket’ segment will also add to our brand value and provide us with better margins.

Focus on Advanced Technology Products

We intend to leverage our design, engineering and manufacturing capabilities to increase our focus on advanced technology products. We believe that high value added and technology driven components will provide us with early-mover advantages and higher profit margins, thus giving us the opportunity to consolidate our position with our customers. We have entered into collaborations with leading global automotive component manufacturers such as Magneti Marelli, WP Suspension, Akebono and Teksid to gain access to the required know-how for developing certain key advanced technology products and to acquire newer customers. We also intend to focus on new process-based technologies such as vacuum die-casting, complete squeeze casting and using special alloys to further improve the quality of our products and our manufacturing processes and to add new products to our portfolio. We intend to graduate from a castings supplier to a modular parts supplier for all our customers. We believe that an expanded product portfolio will assist us in developing long-term relationships with our customers.

Focus on Exports from India

As the globalisation trend continues and barriers to trade in various markets are lowered across the world, we believe that an export-oriented strategy will continue to offer us business advantages. Globally, the aluminium die-casting industry is increasingly witnessing the outsourcing of manufacturing processes to low-cost locations, particularly India. Our aluminium die-casting manufacturing capabilities allow us to leverage the low-cost advantages of manufacturing and design in India. We also aim to capitalise on the available tax incentives provided by the Government of India, such as EPCG and DEPB schemes, to offer cost advantages to our overseas customers. We aim to work closely with the global sourcing offices of our overseas customers to develop relationships and enhance our global customer base. We believe that we can take advantage of the existing relationships of our overseas subsidiaries with a number of customers and expand these relationships into other product segments. Further, with an increasing number of OEMs aiming to manufacture products at lower cost by setting up manufacturing operations in India, we believe that our export-oriented strategy will allow us to establish new relationships with these OEMs in India, for the production of export goods, and consequently increase the sales of our Indian operations.

Focus on Cost Reduction and Reduction of Investment Exposure through Outsourcing of Non-critical Processes

Improving cost efficiency in our manufacturing processes and reducing investments in non-critical manufacturing processes continues to be one of our primary business strategies. Recently, we have undertaken several cost-reduction steps such as outsourcing certain non-critical manufacturing processes, manpower reduction, inventory reduction, consolidation of production capacities, reduction in waste and phasing out our low-margin products. We intend to continue to focus on TPM initiatives to strengthen our manufacturing processes to improve the quality of our products, reduce costs and eliminate waste. We outsource certain non-critical processes, such as high-pressure die-casting machining, which require large investments, to external suppliers to reduce our capital expenditure. For example, by utilising this strategy, we have made significant cost savings by avoiding the purchase of up to 20 high-pressure die-casting machines which range in capacity from 400 to 800 MT. We believe this strategy will also allow us to focus our resources on other critical processes and to develop new technologies for other high-end processes.

Continue to Pursue Strategic Alliances and Inorganic Growth Opportunities

We intend to continue to pursue strategic alliances and inorganic growth opportunities that provide us access to better technology with respect to our existing products and allows us to diversify our product and customer base. We undertook the acquisitions of our overseas subsidiaries, Amann Druckguss and Endurance Fondalmec with the objectives of gaining access to their technology in aluminium die-casting manufacturing and to their customer base, which included leading OEMs such as Daimler AG and Fiat Group Automobiles SpA. We will continue to evaluate similar strategic alliance or acquisition opportunities that arise in other markets and we aim to harness our experience of acquiring and integrating new operations in other markets into our current operations. We also believe that we can combine our low-cost base and manufacturing capabilities with high-end technologies through technical collaborations with global automotive components manufacturers to obtain a competitive advantage. We currently have a number of collaborations and we will continue to pursue newer collaborations which allow us to add to our product portfolio. We will also target strategic alliances and acquisitions to establish or strengthen our relationships with global OEMs who already have, or are in the process of establishing, a manufacturing presence in India.

Description of Our Business

Our Product Divisions

Casting and Machining

History

Our casting and machining division is the oldest business line at our Company. Anurang Engineering Company Private Limited, which merged with and into our Company in August 2006, established a high-pressure die-casting facility in Aurangabad in 1985. In 1996, we opened our second high-pressure die-casting plant in Takve, Pune. We have since opened several more plants at various locations in India, specialising in high and low-pressure die-casting, as well as the production of alloy wheels. We opened our alloy wheel die-casting plant in Chakan, Pune in 2006.

In 2006, we acquired Amann Holding, a German die-casting and machining company with two full scale production facilities in Massenbachhausen, Germany. Subsequently, in 2007, we changed the name of Amann Holding to Amann Druckguss. In 2007, we also acquired Fondalmec SpA, through our wholly-owned subsidiary Endurance Overseas Srl. Fondalmec SpA was an Italian die-casting company with a strong relationship with Fiat Group Automobiles SpA. We changed the name of Fondalmec SpA to Endurance Fondalmec SpA in 2009, when Endurance Overseas Srl acquired 100.0% of the shares of Fondalmec SpA. Endurance Overseas Srl was required to make total payments of Euro 14.00 Million. As of March 31, 2010, Euro 7.00 Million is still outstanding and is due in four annual payments, payable from March 31, 2011 onwards. Endurance Fondalmec SpA is headquartered and owns a production plant in Torino, Italy.

We manufacture a wide range of aluminium die-casting components for two-wheelers, three-wheelers, passenger vehicles, LCVs and HCVs.

Key Products

The five major product lines of our aluminium alloy casting and machining division are:

- high-pressure die-casting products;
- low-pressure die-casting products;
- gravity die-casting products;
- alloy wheels; and
- machined products.

We machine approximately 75.1% of our casting products. Machining is a value-adding process which removes excess material from the casting to meet the specifications requested by our customers. Machining converts the casting component into a fully-finished and ready-to-assemble component.

The details of our annual casting volume and sales are set forth below:

	Fiscal Year 2008			Fiscal Year 2009			Fiscal Year 2010		
	Volume Sold* (MT)	Volume Sold (in units)	Sales (Rs. in Million)**	Volume Sold* (MT)	Volume Sold (in units)	Sales (Rs. in Million)**	Volume Sold* (MT)	Volume Sold (in units)	Sales (Rs. in Million)**
India									
High-Pressure, Low-Pressure and Gravity Die-Casting	30,809	N.A.	6,119.62	32,319	N.A.	6,835.83	42,038	N.A.	7,780.07

	Fiscal Year 2008			Fiscal Year 2009			Fiscal Year 2010		
	Volume Sold* (MT)	**Volume Sold (in units)**	**Sales (Rs. in Million)****	**Volume Sold* (MT)**	**Volume Sold (in units)**	**Sales (Rs. in Million)****	**Volume Sold* (MT)**	**Volume Sold (in units)**	**Sales (Rs. in Million)****
*Alloy Wheels****	N.A.	1,778,365	3,206.61	N.A.	1,437,598	2,719.25	N.A.	1,579,835	1,325.41
Germany	4,991	N.A.	2,195.21	5,160	N.A.	2,533.21	4,347	N.A.	1,867.60
Italy	-	N.A.	4,579.68	-	N.A.	5,020.44	-	N.A.	4,516.30
Total	35,800	1,778,365	-	37,479	1,437,598	-	46,385	1,579,835	-

** At our Indian and German operations, the majority of castings produced by us are machined, and at our Italian operations, we machine castings, which are purchased from third parties.*

*** Sales include intra-group sales. See "- Intra-Group Sales" below.*

**** Prior to the fiscal year 2010, sales values of alloy wheels represented tyres, tubes, bearings and discs purchased, assembled and sold with alloy wheels. From the fiscal year 2010 onwards, we have sold only alloy wheels.*

<u>High-pressure die-casting products</u>

We commenced high-pressure die-casting in 1985 in Aurangabad. We manufacture a number of high-pressure die-casting products for a variety of vehicles. Our major high-pressure die-casting products include crank cases for Bajaj motorcycles and Honda scooters and front and rear transmission housings for a leading Indian HCV manufacturer's passenger vehicles.

<u>Low-pressure die-casting products</u>

We commenced low-pressure die-casting in 2004 in Aurangabad. We manufacture low-pressure die-casting products primarily for two-wheelers. Our major low-pressure die-casting products are cylinder heads for Bajaj motorcycles and crown handles for Yamaha motorcycles.

<u>Gravity die-casting products</u>

We commenced gravity die-casting in 2007 in Aurangabad. We manufacture gravity die-casting products for two-wheelers, passenger vehicles and compressors. Our major gravity die-casting products include cylinder heads for a leading Indian HCV manufacturer's passenger vehicles and housings for air compressors.

<u>Alloy wheels</u>

We commenced the production of alloy wheels in 2006 at our manufacturing facility in Chakan. We produce aluminium alloy wheels for Yamaha motorcycles such as the Fazer, FZ16, FZS, Libero, Alba, YBR and Gladiator, and for Bajaj motorcycles such as the Pulsar, Platina and Discover.

Key Products – Overseas Subsidiaries

<u>High-pressure die-casting products</u>

Our overseas subsidiaries manufacture a range of high-pressure die-casting products, such as components for engines that vary in size from 1.1 litres to 3.8 litres. We manufacture components for engines that are naturally aspirated and turbocharged. Many of these engines are required to meet Euro V emissions standards. Our components are used in the engines of a variety of passenger vehicles manufactured by automobile producers including the subsidiaries of Fiat Group Automobiles SpA, Alfa Romeo, Lancia, Daimler AG and Porsche AG.

Our overseas subsidiaries also produce some components for transmission systems such as pistons of varying specifications, gearbox housing and transmissions. Our components are used in the transmission systems of luxury vehicles.

<u>Machined products</u>

In Germany, we produce complete oil pans and flat topped housings for Porsche AG, as well as gearbox and transmission housings for Daimler AG. We also produce bearing brackets and other components for Audi AG. In Italy, we produce upper cylinder heads, cam carriers and engine brackets which are used by a number of manufacturers including subsidiaries of Fiat Group Automobiles SpA.

Description of Key Manufacturing Facilities

We own nine die-casting and machining plants in various locations in India, with two casting plants in Aurangabad, four in Pune and one each in Chennai, Manesar and Pantnagar.

The details of the Indian manufacturing facilities of our casting and machining division are set forth below:

Plant	Location	Products	Annual Capacity (in units unless indicated otherwise)*	Date of Commissioning	Certifications
B-2 (ETL)	Aurangabad, Maharashtra	Casting (high-pressure)	10,200 MT	September 1, 1985	TS-16949 EOHS
L-6/3 (ETL)	Aurangabad, Maharashtra	Casting (low-pressure, tool room, painting) Machining	3,000 MT	February 1, 2005	TS-16949 EOHS
416 (ETL)	Takve, Pune, Maharashtra	Casting (high-pressure, tool room) Machining	9,960 MT	June 1, 1996	TS-16949 EOHS
B-1/3 (ETL)	Chakan, Pune, Maharashtra	Casting (high-pressure) Machining	11,550 MT	June 1, 2005	TS-16949 EOHS
B-20 (ETL)	Chakan, Pune, Maharashtra	Machining and Painting		August 1, 2003	TS-16949 EOHS
B-22 (ETL)	Chakan, Pune, Maharashtra	Casting and Machining (alloy wheels)	2,040,000	June 30, 2006	-
Chennai (ETL)	Chennai, Tamil Nadu	Casting (high-pressure) Machining	2,880 MT	June 24, 2007	TS-16949
Manesar (ETL)	Manesar, Haryana	Casting (high-pressure) Machining	9,007 MT	May 15, 2005	TS-16949 EOHS
Pantnagar (ETL)	Pantnagar, Uttarakhand	Casting (high-pressure, gravity, painting) Casting and Machining (alloy wheels) Machining	4,200 MT 1,200,000	April 1, 2007	TS-16949 EOHS

** At our Indian operations, the majority of castings produced by us are machined.*

Our die-casting facilities in India include a wide range of low to high-pressure die-casting equipment with capacities ranging from 350 MT to 2,150 MT. These facilities are also equipped with VMC and HMC machines, melting furnaces, vacuum impregnation plants, a heat treatment furnace, paint shops, salt spray chambers, milling machines and robotic drill machines.

For our overseas operations, we own two die-casting and machining plants in Massenbachhausen, Germany and one machining plant in Torino, Italy. The details of our German and Italian manufacturing facilities of our casting and machining division are set forth below:

Plant	Location	Products	Annual Capacity (in units unless indicated otherwise)*	Date of Commissioning	Certifications
Amann Druckguss-Germany (Two Plants)	Massenbachhausen, Germany	High-pressure casting Machining	10,000 MT	1967	ISO 9001:2000 ISO 14001:1996 OHSAS 18001
Endurance Fondalmec - Italy	Torino, Italy	Machining		1976	ISO 9001:2000 ISO 14001:2004 ISO TS 16949:2002 OHSAS 18001:2007

** At our German operations, the majority of castings produced by us are machined, and at our Italian operations, we machine castings which are purchased from third parties.*

Our European facilities are also equipped with a wide range of high-pressure die-casting equipment, ranging in capacity from 400 MT to 2,500 MT. Our European facilities are also equipped with fully robotic casting cells for automated pouring, cooling and trimming facilities, quality control rooms equipped with x-ray machines and three-dimension co-ordinate measuring machines.

Customers

The major Indian customers of our casting and machining division include Bajaj Auto Limited, Honda Motorcycle & Scooter India Private Limited and a leading Indian HCV manufacturer, as well as non-Indian customers including subsidiaries of Fiat Group Automobiles SpA in Italy and Daimler AG in Germany.

Brakes

History

Our brakes division was established in 2003 and began commercial production of hydraulic disc brake systems and their components in 2004 through a now-expired technical collaboration with an Italian manufacturer. We manufacture a wide range of brake products for two-wheelers and three-wheelers. We produced our one millionth disc brake assembly in 2008 and our two millionth brake system in 2010.

Key Products

The major products of our brakes division include:

- two-wheeler hydraulic disc brake assemblies;
- two-wheeler rotary brake discs;

- three-wheeler hydraulic drum brake assemblies; and
- three-wheeler tandem master cylinders assemblies.

These products are available in a number of designs including floating calliper and fixed calliper variants. We also use a two-piece calliper design for easier end-user maintenance. All of our aluminium components are anodised for better surface resistance to wear and tear and corrosion.

The details of the annual volume and sales of our brake products are set forth below:

	Fiscal Year 2008		**Fiscal Year 2009**		**Fiscal Year 2010**	
	Volume Sold (in Units)	**Sales (Rs. in Million)***	**Volume Sold (in Units)**	**Sales (Rs. in Million)***	**Volume Sold (in Units)**	**Sales (Rs. In Million)***
Total	498,788	485.84	1,704,546	799.28	2,143,827	1,109.77

** Sales include intra-group sales. See "- Intra-Group Sales" below.*

Two-wheeler hydraulic disc brake assemblies

We manufacture two-wheeler hydraulic disc brake assemblies, including front and rear discs, for front or rear-only applications for motorcycles ranging from 125 cc motorcycles, such as the Bajaj Discover, to 500 cc motorcycles, such as the Royal Enfield Electra. Our major hydraulic disc brake products include brake discs, master cylinders and callipers.

Two-wheeler rotary brake discs

We manufacture two-wheeler rotary brake discs, including front and rear discs, for a variety of motorcycles including the 135 cc Bajaj Discover, 150 cc Yamaha Gladiator, 150 cc Yamaha FZS, 150 cc and 180 cc variants of the Bajaj Pulsar and the 500 cc Royal Enfield Electra.

Three-wheeler drum brake assemblies

We produce drum brakes for use in three-wheelers such as the Bajaj RE, RE Max and RE Diesel. Our major drum brake products include brake panel assemblies, disc brake calliper assemblies and wheel cylinder assemblies.

Three-wheeler tandem master cylinders assemblies

We manufacture tandem master cylinders that allow for simultaneous operation of the front and rear brakes for use in three-wheelers such as the Bajaj RE, RE Max, RE Diesel and GC1000.

Description of Key Manufacturing Facilities

We own one manufacturing facility for the production of brakes and related components in Aurangabad.

The details of our brakes division's manufacturing facility are set forth below:

Plant	**Location**	**Products**	**Capacity (in units)**	**Date of Commissioning**	**Certifications**
K-226/2 (ETL)	Aurangabad, Maharashtra	Brakes	2,400,000	March 31, 2003	TS-16949

Our facility in Aurangabad is equipped with double disc grinding machines, machining lines with VMC, CNC and special purpose machinery, a hydraulic press with capacity of up to 800 MT, a heat treatment furnace, roller straightening machinery, a heat resistant paint shop and an anodising plant.

Our brake division's installed capacity as of March 31, 2010 was 2,400,000 units.

Customers

The major customers of our brakes division, include Bajaj Auto Limited, India Yamaha Motor Private Limited and Royal Enfield Motors Limited.

Suspensions

History

Our suspension division was established in 1996 and began commercial production of shock absorbers in the same year. In 1998, we expanded our product range to include front forks. We commenced our TPM initiative in the suspension division in 2004. In June 2008, we entered into a joint venture with Magneti Marelli, forming Endurance Magneti Marelli Shock Absorbers (India) Private Limited to manufacture struts, shock absorbers and gas springs for passenger vehicles. This joint venture arrangement enables us to access new technologies developed by Magneti Marelli and also to obtain greater access to potential customers. As a result of this joint venture, we believe we have the ability to offer a complete portfolio of suspension solutions for passenger vehicles, LCVs and HCVs.

We now offer a range of 64 different models of shock absorbers, 19 models of telescopic front forks, struts for use in suspension systems and gas springs with various automotive applications. Our product range is designed for a variety of two-wheelers, three-wheelers, passenger vehicles, LCVs and HCVs.
Key Products

The major products of our suspension division include:
- two-wheeler and three-wheeler shock absorbers;
- two-wheeler front forks; and
- passenger vehicle, LCV and HCV struts and gas springs, which are manufactured by EMM JV.

The details of the annual volume and sales of our suspension products are set forth below:

	Fiscal Year 2008		**Fiscal Year 2009**		**Fiscal Year 2010**	
	Volume Sold (in units)	**Sales (Rs. in Million)**[a]	**Volume Sold (in units)**	**Sales (Rs. in Million)**	**Volume Sold (in units)**	**Sales (Rs. in Million)**
Two-Wheeler and Three-Wheeler Shock Absorbers[#]	4,887,527	-	4,990,405	-	6,035,987	-
Two-Wheeler Front Forks	2,183,413	-	1,781,609	-	2,175,410	-
Sub-Total	7,070,940	4,912.74[b]	6,772,014	4,259.39	8,211.397	5,348.57
Passenger Vehicle, LCV and HCV Shock Absorbers, Gas Springs and Struts (EMM JV)	-	-	14,342[c]	3.58[d]	269,505[e]	102.65[d]
Total	7,070,940[e]	-	6,772,014[e]	-	8,480,902[e]	-

a *Sales include intra-group sales. See "- Intra-Group Sales" below.*

b *Includes sales of Rs. 1,005.37 Million from ESIPL, for the fiscal year 2008. Does not include sales of suspension products by Endurance Aftermarket.*

c *Represents total volume sold of EMM JV. It also includes sales to our Company.*

d *Includes intra-group sales. See "- Intra-Group Sales" below. In addition, represents 100.0% of the total sales of EMM JV, of which we are entitled to a 50.0% share, pursuant to our joint venture agreement, as amended, with Magneti Marelli.*

e *Includes the total production volumes of EMM JV, of which we are entitled to a 50.0% share, pursuant to our joint venture agreement, as amended, with Magneti Marelli.*

Includes sales of cleat assemblies that are used to secure cargo in LCVs, and extension assemblies used in transaxles of club cars.

Shock absorbers

We manufacture various types of shock absorbers for two-wheelers such as twin-tube and mono-tube hydraulic shock absorbers, oil and gas-filled shock absorbers, mono shock absorbers and 'spring-in-spring' and 'spring-on-spring' hydraulic shock absorbers. Our shock absorbers offer a number of advanced design features, such as the option for PTFE coating on the piston within the shock absorber, which reduces the friction of the piston as it responds to movements in the overlying chassis, in turn increasing comfort and reducing wear and tear. We have also obtained a patent for a manufacturing process that allows us to seal our shock absorbers against dust for use in extremely muddy conditions. Certain of our shock absorbers also use low and high-pressure nitrogen gas for superior comfort. Our major shock absorber products include twin tube and mono-tube hydraulic shock absorbers and oil and gas-filled shock absorbers.

Front forks

We produce a number of different types of front forks including cartridge, long travel, inverted and telescopic varieties. Currently, we are also developing variable damping front forks. Our front forks are designed for use in a variety of motorcycles, ranging in engine size from 100 cc motorcycles, such as the Bajaj Discover and Bajaj Platina, to 500 cc motorcycles, such as the Royal Enfield Classic.

We incorporate advanced features into our front forks, such as high quality oil seals coupled with dust seals to prevent oil leakages from the suspension system and special valves and piston assemblies to ensure consistent dampening.

Key Products – EMM JV

Struts

The EMM JV produces struts with and without semi corner modules, for use in passenger vehicles and LCVs. Our struts use low friction, oil seals, rubber bumpers and springs to prevent damage in extreme conditions and have multi-stage valves which allow for control with respect to resistance values. Our major struts include struts for the Fiat Punto and Fiat Linea.

Shock Absorbers

The EMM JV produces shock absorbers for use in passenger vehicles, LCVs and HCVs such as the Fiat Linea, and Fiat Grande Punto.

Gas springs

Our gas springs are produced for various applications within automobiles such as seat recline capability and powered loading doors. The design of the gas spring incorporates PTFE coated pistons, specially formulated oils for superior lubrication, chrome plated rods that lead to longer product lifetimes and moulded ball sockets for low friction and better alignment.

Description of Key Manufacturing Facilities

We own three manufacturing facilities for suspension products in Aurangabad and one manufacturing facility in Pantnagar for the production of shock absorbers and front forks. We also own one manufacturing facility in Pune and for the production of passenger vehicle, LCV and HCV shock absorbers, struts, and gas springs.

The details of our suspension division's manufacturing facilities are set forth below:

Plant	Location	Product Divisions	Capacity (in units)	Date of Commissioning	Certifications

E-92 (ETL)	Aurangabad, Maharashtra, India	Two-Wheeler and Three-Wheeler Shock Absorbers	5,148,000	July 8, 1996	TS-16949 EOHS
K-120 (ETL)	Aurangabad, Maharashtra, India	Two-Wheeler Front Forks	Feeder shop for K-228 (ETL) providing grinding and plating services.	November 30, 1999	-
K-228 (ETL)	Aurangabad, Maharashtra, India	Two-Wheeler Front Forks	2,025,000	November 13, 2000	TS-16949 EOHS
Pantnagar (ETL)	Pantnagar, Uttarakhand, India	Two-Wheeler and Three-Wheeler Shock Absorbers Two-Wheeler Front Forks	2,400,000 1,200,000	April 3, 2007	TS-16949
B-23 Pune (EMM JV)	Pune, Maharashtra, India	Passenger Vehicle, LCV and HCV Shock Absorbers Struts Gas Springs	1,500,000 800,000 1,000,000	January 6, 2009	-

Our facilities are equipped with various suspension production equipment such as CNC and VMC machinery, seam welding, CO_2 welding and projection welding equipment, grinding plants, nickel hard chrome plating plants and powder coating plants.

The details of our suspension division's installed capacity as of March 31, 2010 are set forth below:

	Fiscal Year 2010
	Capacity (in units)
Two-Wheeler and Three-Wheeler Shock Absorbers	7,548,000
Two-Wheeler Front Forks	3,225,000
Subtotal	*10,773,000*
Passenger Vehicle, LCV and HCV Shock Absorbers, Gas Springs and Struts (EMM JV)	3,300,000

Customers

The major customers of our suspension division include Bajaj Auto Limited, Royal Enfield Motors Limited and India Yamaha Motor Private Limited.

Transmissions

History

Our transmissions division was established in 1998 and began commercial production of clutches in the same year. On January 30, 2002, we established our subsidiary, HTTS India, through a joint-venture with Adler SpA of Italy, for the manufacture of two-wheeler transmission components. We currently own 85.0% of the shareholding in HTTS India and Adler owns the balance. Since its establishment, our transmission products are primarily manufactured by HTTS India.

In 2005, we commenced production of continuous variable transmissions. As of July 31, 2010, we offer a range of 44 different models of clutches, three models of continuous variable transmissions and friction plates for use in transmission systems. Our product range is designed for a variety of two-wheelers, three-wheelers, passenger vehicles, LCVs and HCVs.

Key Products

The major products of our transmissions division include:
- clutch assemblies;
- continuous variable transmissions ("CVTs"); and
- friction plates.

The details of our transmissions division's annual volume and sales are set forth below:

	Fiscal Year 2008		**Fiscal Year 2009**		**Fiscal Year 2010**	
	Volume (in units)	**Sales (Rs. in Million)***	**Volume (in units)**	**Sales (Rs. in Million)***	**Volume (in units)**	**Sales (Rs. in Million)***
Clutch Assemblies	2,092,007	1,079.34	1,873,258	1,003.16	2,308,252	1,197.00
CVTs	22,204	27.69	10,774	13.43	6,479	6.26
Friction Plates**	N.A.	237.88	N.A.	387.69	N.A.	367.43
Total	2,114,211	-	1,884,032	-	2,314,731	-

* *Sales include intra-group sales. See "- Intra-Group Sales" below.*

** *We produced friction plates in varying sizes and quantities, depending on our customers' requirements. Consequently, number of units have not been provided.*

Clutch assemblies

We produce clutches for a variety of automotive applications including motorcycles, ranging from 100 cc motorcycles, such as the Bajaj Platina, to 500 cc motorcycles, such as the Royal Enfield Thunderbird, three-wheelers such as the Piaggio Ape and LCVs.

Our clutches are produced in a number of configurations such as wet, dry, multiplate and centrifugal. Our major clutch assembly products are wet clutch assemblies for Bajaj two-wheelers, Piaggio three-wheelers and a leading Indian MUV and SUV manufacturer's three-wheelers.

Continuous variable transmissions

We produce CVTs for two-wheelers ranging in size from 50 cc to 125 cc, such as the Piaggio 125 cc scooter. Our major continuous variable transmissions include continuous variable transmissions for Bajaj two-wheelers and Piaggio scooters**.**

Friction plates

We produce friction plates for use in two-wheelers vehicle ranging from 50cc to 500cc. Our major friction plate products include friction plates and other spares for Bajaj two-wheelers, such as the Discover and Platina, a leading Indian MUV and SUV manufacturer's three-wheelers and LCVs.

Description of Key Manufacturing Facilities

We own a manufacturing facility in Aurangabad, for the production of two-wheeler and three-wheeler transmission products and CVTs and one manufacturing facility in Pantnagar, both of which are owned by HTTS India.

The details of our transmissions division's manufacturing facilities are set forth below:

Plant	Location	Product Divisions	Annual Capacity (in units)	Date of Commissioning	Certifications
K-227 and K226/1* (HTTS India)	Aurangabad, Maharashtra, India	Transmission (two-wheeler and three-wheeler CVTs) Clutch Assemblies Friction Plates	90,000 3,000,000	March 1, 2003	TS-16949
Pantnagar (HTTS India)	Pantnagar, Uttarakhand, India	Transmissions (clutch assemblies) Friction plates	660,000	April 5, 2007	TS-16949

* *A single plant owned and operated by HTTS India is located on two adjoining plots of land, K-227 and K226/1*

Our facilities are equipped with various transmission products manufacturing equipment such as friction plates thermosetting machines, duplex grinding machines, hydraulic presses, CNC machines, a heat treatment furnace and a soft nitrating furnace.

The details of our transmission division's installed capacity as of March 31, 2010 are set forth below:

	Fiscal Year 2010
	Capacity (in units)
Two-Wheeler and Three-Wheeler Clutch Assemblies	3,660,000
Two-Wheeler and Three-Wheeler CVTs	90,000

Customers

The major customers of our transmission division include Bajaj Auto Limited, Piaggio Vehicles Private Limited and a leading Indian MUV and SUV manufacturer.

Intra-Group Sales

Purchases of goods and materials made by our Company from related parties for the fiscal years 2008, 2009 and 2010 were Rs. 112.70 Million, Rs. 175.58 Million and Rs. 221.55 Million, respectively, and sales of goods and materials by our Company to related parties for the fiscal years 2008, 2009 and 2010 were Rs. 2,644.94 Million, Rs. 745.07 Million and Rs. 304.24 Million, respectively.

Aftermarket Business Unit

Our aftermarket business unit ("Endurance Aftermarket") was established in 2001 as a distribution channel to cater to the replacement market and has rapidly developed into an additional source of income, with a number of distribution partners spread across India, and sales in the replacement market to 12 countries. We typically enter into standard agreements with all of our distribution partners. The product portfolio of Endurance Aftermarket has diversified from two-wheeler and three-wheeler shock absorbers and motorcycle front forks to also include two-wheeler and three-wheeler clutches, disc brake parts and passenger vehicle suspension products. Pursuant to the terms of our agreements with our OEM customers, Endurance Aftermarket does not deal in our casting products.

Sales and Marketing

Customers

Our customers are predominantly either OEMs or Tier 1 customers. OEMs are producers of fully assembled vehicles, such as name brand cars or trucks. Tier 1 customers are manufacturers of assemblies and aggregates, which are installed in the vehicle as a complete system. These assemblies and aggregates are made of various individual automotive components. Customers of our products include some of the world's and India's well-known OEMs. For further details on our revenues across geographies, please refer to the segmental analysis in the section titled "Management's Discussion and Analysis of Financial Statements" beginning on page 301 of this Draft Red Herring Prospectus.

Our global OEM customers include various subsidiaries of Fiat Group Automobiles SpA and associated brands including Lancia and Alfa Romeo, Daimler AG, Audi AG, Porsche AG, Magyar Suzuki ZRT and two leading French automobile manufacturers. Our Indian OEM customers include Bajaj Auto Limited, the two leading HCV manufacturers in India, a leading Indian MUV and SUV manufacturer, India Yamaha Motor Private Limited, Royal Enfield Motors Limited, a Korean automobile manufacturer that currently operates in India, Maruti Suzuki India Limited and Honda Motorcycle & Scooter India Private Limited.

The details of our top five customers, in terms of sales for the last three fiscal years, are set out below:

Customer	Main Products Sold	Total Amount of Sales for Fiscal Year 2008 (Rs. in Million)	% of Consolidated Net Sales* for Fiscal Year 2008	Total Amount of Sales for Fiscal Year 2009 (Rs. in Million)	% of Consolidated Net Sales* for Fiscal Year 2009	Total Amount of Sales for Fiscal Year 2010 (Rs. in Million)	% of Consolidated Net Sales* for Fiscal Year 2010
Bajaj Auto Limited	Two-wheeler and three-wheeler suspensions, transmissions, braking, aluminium alloy wheels, aluminium castings and machining	12,384.39	56.3	11,379.46	50.0	11,943.15	51.4
Fiat Group Automobiles SpA (overseas)**	Aluminium castings and machining	2,553.88	11.6	2,521.26	11.1	2,529.94	10.9
Daimler AG (overseas)	Aluminium castings and machining	1,026.54	4.7	1,006.80	4.4	829.63	3.6
Honda Motorcycle & Scooter India Private Limited	Machining	431.37	2.0	642.33	2.8	777.66	3.4
Leading American Automobile Manufacturer	Machining	912.20	4.2	765.76	3.4	728.04	3.1

* *Includes trading sales.*

** *Excluding sales to Fiat India Automobiles Private Limited. During the fiscal years 2008, 2009 and 2010, our sales to Fiat India Automobiles Private Limited were Rs. 4.48 Million, Rs. 140.76 Million, and Rs. 372.25 Million, respectively, constituting 0.02%, 0.6% and 1.6% of our consolidated net sales (including trading sales) for the same periods.*

Our Relationship with Bajaj Auto Limited

During the fiscal year 2010, our largest customer was Bajaj, which accounted for 51.4% and 70.2% of our consolidated and standalone net sales, including trading sales, respectively. We began supplying products to Bajaj in 1985 since our inception. We now supply Bajaj with a wide portfolio of products including castings, machined castings, transmission components and suspension components. In recognition of our performance, we have received the following awards from Bajaj from time to time:

- Bajaj Quality Gold Award, Transmissions Division, 2010
- Bajaj Quality Gold Award, Brakes Division, 2008

- Bajaj Quality Gold Award, Suspensions Division, 2008
- Bajaj Quality Gold Award, Shock Absorber Division, 2006

We do not have any master supply agreements with Bajaj and instead rely on purchase orders from Bajaj, which specify prices and quantities for the products. However, delivery of the products ordered is based on delivery schedules that are independently negotiated with Bajaj. Typically, the issuance of a new purchase order from Bajaj replaces the previous purchase order for the relevant products. These purchase orders are typically subject to conditions such as ensuring that all products delivered to Bajaj have been inspected and will be safe for use, that orders will be fulfilled according to predetermined delivery schedules and that all products will be built to specifications. To that end, we also include pre-dispatch inspection reports with our deliveries.

Sales and Marketing Team

We have a sales and marketing team consisting of 53 employees across geographies. We have a dedicated marketing department for our die-casting and machining division and separate marketing departments for our brakes, suspensions and transmissions divisions within India. In addition, we have a marketing department that is responsible for Endurance Aftermarket products. Our domestic marketing departments work closely with each other and their respective groups' product engineering and R&D teams to provide solutions for our customers.

Our Indian sales team has a representative for each of our major customers, and that representative is responsible for both the commercial and technical aspects of the Company-customer relationship. The sales team also takes an active role in product and plant management to ensure effective launches of new parts. Our India sales team has built long-term relationships with a number of leading OEMs and has played an important role in helping us attain our position as a single source supplier of many components for certain leading OEMs.

Our Endurance Aftermarket marketing team is decentralised across India, with regional managers for each zone and area officers who report to the regional manager for their particular zone. Each area officer is typically assigned to a state capital and is responsible for a specified geographic territory and a sales target. As part of our efforts, we have embarked on customised branding exercises with certain clients such as advertising campaigns in leading automotive magazines, mechanic meets and dealer meets.

Our Company's international sales and marketing functions are carried out by separate marketing departments that cover our various product offerings and geographies. Our German sales team is responsible for their German customers and those customers' foreign subsidiaries. In Italy, our sales team interacts with the purchasing and technical departments of the various customers that are serviced by our Italian operations.

Raw Materials

The principal raw materials we use in our production are aluminium alloys, steel sheets, steel tubes and customised mechanical components, produced according to our specifications, such as springs, pistons, canisters, under-brackets and gears. For the fiscal year 2010, our total raw materials costs accounted for 55.1% of our total income.

Aluminium

In our domestic operations, we primarily purchase most of our aluminium at prices that are directly negotiated with our customers on a regular basis. Thus, we believe that our purchases of aluminium alloy are relatively unexposed to the risk of market price fluctuations as such price fluctuations are often directly passed through to our customers at the negotiated price. The prices that we agree with our raw materials suppliers are fixed on a quarterly basis, which is the same timeframe for which we enter into price agreements with our customers. Our alloy suppliers for our domestic operators are typically based in India and Southeast Asia. For our German and Italian operations, we purchase our aluminium at spot market prices.

Under our raw material sourcing policy, we typically grant our vendors predetermined price increases at a rate that is approximately equal to what is confirmed by our customers. We typically review pricing with our vendors on a half-yearly basis. We have also taken a strategic initiative to use liquid metal sourcing in order to improve the operated efficiencies in our die-casting plants. This initiative was successfully implemented in September 2009 at our die-casting and machining plant in Manesar. Besides yielding savings in fuel cost, this was also aimed at enhancing energy conservation.

With regard to component sourcing, our policy is to develop long-term suppliers, as we generally require components that are specifically designed and developed to meet our needs. Consequently, we have developed a long-term supplier base along with an established supply chain. We have entered into long-term supply agreements and non-disclosure agreements with all of our component suppliers. This ensures the timely availability of components of desirable quality and quantity, while effectively protecting our intellectual property that we provide to our suppliers.

Utilities

Electricity

To power our operations, we need a substantial amount of electricity. For the fiscal year 2010, our total electricity costs comprised 4.9% of our total income. Our operations in India, Germany and Italy purchase utilities from their respective local utility companies. In India, we have also set up three wind power plants aggregating 7.1 MW in Rajasthan and Maharashtra.

Water

We source water from local utility companies in both Europe and India.

Transportation

Our domestic operations use a number of different modes of transportation including road, air and rail to supply our customers with adequate amounts of finished goods and within their required deadlines. The mode of transportation for a particular shipment is dependent on the urgency, size and value of the order. Typically, we ship finished goods to our OEM clients by road. In a few cases, our customers may directly pick up the goods at our own facilities, and these arrangements are handled by our customers.

Our overseas subsidiaries use a number of transportation arrangements. In Italy, all costs associated with the transportation of raw materials and finished goods are priced within the cost of the respective goods. Consequently, transportation is only arranged and paid for by Endurance Fondalmec in special cases. In respect of our German operations, transportation is paid for by our raw material suppliers and many of our customers have arrangements to pick up finished goods from our facilities. For some of our smaller customers, we arrange for transportation to those customers and the costs incurred are incorporated into the price of the product.

Research and Development

We believe that continued research and development activities are critical to maintaining our leadership position in the industry and will provide us with a competitive advantage as we seek additional business with new and existing customers. We own four dedicated research and development centres, three in Aurangabad (one each for two-wheeler and three-wheeler suspensions, transmissions and brake systems) and one in Pune (for casting). We also own an additional research and development centre in Pune through EMM JV, for research in passenger vehicle suspension systems. All of these centres are approved by DSIR. Consequently, all of our product divisions are supported by DSIR-approved R&D centres that allow the divisions to design, develop and produce new products. As of July 31, 2010, we employed 95 research and development engineers, designers, technicians and support staff.

Our research and development activities and initiatives include:

- materials engineering and metallurgical research, including defect and failure analysis of die-casting components;
- process and tool engineering;

- product design and reverse engineering, such as the design of a new disc brake system for a newly-launched 150 cc motorcycle;

- product simulation using sophisticated computer aided design and computer-based simulations such as nonlinear simulation of alloy wheel designs;

- a comprehensive prototyping program including mock-ups and real-world testing; and

- quality assurance and testing, such as radial fatigue and cornering fatigue tests in respect of our alloy wheel designs.

Our research and development spending by our Indian operations, during the last three fiscal years, is set forth below:

	Fiscal Year 2008 (Rs. in Million)	**Fiscal Year 2009 (Rs. in Million)**	**Fiscal Year 2010 (Rs. in Million)**
Total	68.11	81.46	51.50

Technical Collaborations

We have entered into joint ventures and technical collaborations with a number of partners across vehicle segments that are typically valid for three to seven years.

Joint Venture with Magneti Marelli

Our Company entered into a joint venture agreement with Magneti Marelli on June 11, 2008, pursuant to which a joint venture company, Endurance Magneti Marelli Shock Absorbers (India) Private Limited ("EMM JV"), was formed for the design, manufacture, assembly and marketing of struts and shock absorbers for use in passenger vehicles, LCVs and HCVs.

Under this agreement, Magneti Marelli and our Company are required to assist EMM JV in the production of suspension products. EMM JV also agrees to enter into a research and development agreement by appointing Magneti Marelli COFAP Companhia Fabricadora de Pecas, to provide specific engineering, testing and development activities. Our Company and Magneti Marelli have also agreed to maintain confidentiality of both parties' confidential information such as trade secrets and technical know-how. Additionally, EMM JV leases the land it uses for its plant and registered office from our Company. The agreement also requires that Magneti Marelli, our Company, and EMM JV shall not compete against one another in India and Thailand.

Pursuant to an amendment agreement dated August 6, 2010, our Company's shareholding in EMM JV has been reduced from 50.0% plus one share to an equal shareholding of 50.0% with effect from August 31, 2010. In addition, Magneti Marelli has agreed to manufacture rear shock absorbers for use in passenger vehicles and LCVs through EMM JV. Magneti Marelli will also lease an automated production line to EMM JV for producing the rear shock absorbers. For details on the joint venture agreement and amendment agreement, see the section "History and Certain Corporate Matters" beginning on page 116 of this Draft Red Herring Prospectus.

Agreement with WP Suspension Austria GmbH

Our Company entered into an agreement with WP Suspension Austria GmbH on July 6, 2008. Under the terms of the agreement, WP Suspension has agreed to provide technical assistance with regard to developing, manufacturing and distributing high performance suspension components for use in motorcycles. The agreement requires that our Company will not sell similar products made under the agreement outside of the designated manufacturing and sales territory of India. Further, sales by our Company are to be made only to Bajaj Auto Limited or an Austrian motorcycle company, on an OEM basis, and exclusively within India. The agreement provides that should Bajaj Auto Limited or the Austrian motorcycle company require these products outside of India, our Company and WP Suspension will meet with the objective of acceding to such request.

License and Technical Assistance Agreement with Akebono Brake Industry Company Limited

Our Company entered into an agreement with Akebono Brake Industry Company Limited on March 30, 2007. Under the terms of the agreement, Akebono has agreed to provide technical assistance and licensing arrangements to our Company to develop and produce drum brake shoes and linings for use in two-wheelers and three-wheelers in India, through the use of non-asbestos adhesive and grinding technology. Akebono has also agreed to provide training for our engineers at our Company sites or at Akebono's site. The terms of the agreement prevent the sale of licensed products made under the agreement outside of India unless a royalty has been paid on such products, and the license itself is non-exclusive and non-transferable. Exports are permitted in the form of original equipment installed on vehicles made in India, replacements for such original equipment or as replacement parts in 15 Asian countries, Turkey and Italy.

Technical Assistance Agreement with Teksid

Our Company entered into an agreement with Teksid Aluminium Srl on July 4, 2008. Under the terms of the agreement, Teksid will provide technical assistance and licensing arrangement to allow our Company to develop and produce aluminium cylinder heads for use in passenger vehicles. The terms of the agreement prevent the manufacture of licensed products outside India. The license is non-transferable. We are yet to initiate any transfer of technology under this agreement.

Intellectual Property

Our portfolio of intellectual property includes patents, trade secrets, licenses and our trademark/logo**.**

Patents

We have registered or applied to register patents for a variety of products including shock absorbers, clutch assemblies and aluminium alloy wheels. Our patent portfolio covers many aspects of our products and the processes for making those products. We have been granted three patents to date, which relate to a wheel design casting, a shock absorber design and a shock absorber component and we have made applications for 17 further patents. Of the 17 applications, five are for suspension-related products and twelve are for transmission-related products. In addition, we have developed substantial manufacturing know-how that we believe provides a competitive advantage in the marketplace.

Licenses

We have entered into a number technology license agreements that provide a conduit for us into third party intellectual property rights useful in our businesses. For further details, see "- Technical Collaborations" on page 105 of this Draft Red Herring Prospectus.

Trademark

We view our mark, "**Endurance**", as a material asset. We registered our mark and logo with the Trademark Registry and have been granted a Certificate of Registration dated August 18, 2003 and April 4, 2004, respectively. We have also registered our mark and logo in People's Republic of China, Kingdom of Nepal and Republic of Sudan. Additionally, we have obtained a community trade mark covering 27 countries of the European Union.

Our Company has made three applications for the registration of name 'Endurance' and the logo in the territories of Bangladesh, Sri Lanka and Pakistan.

Health, Employee Safety & Environment

We constantly take initiatives to reduce the risk of accidents at our facilities including:

- ensuring that plant employee safety manuals covering employee safety and environmental procedures are in place and implemented;

- providing training programs on employee safety and environment to all employees;
- implementing regular proactive employee safety audits, management review meetings and periodic employee safety meetings;
- implementing employee safety and environment regulations;
- implementing corrective and preventive measures for all incidents and accidents; and
- conducting periodic emergency mock drills in our plants.

In addition to creating initiatives to improve workplace employee safety, we also implement initiatives to reduce the environmental impact of our operations. Such initiatives include:

- implementing energy efficient improvements, such as purchasing Bureau of Energy Efficiency labelled and rating products only;
- generating renewable energy sources, such as developing windmills to generate energy to power our operations; and
- switching to cleaner fuels like liquefied petroleum gas in place of fossil fuels such as diesel.

We have experienced one work-related fatality in each of the fiscal years 2010 and 2011. Prior to the fiscal year 2010, we had not experienced any work-related fatality for over 20 years.

Environmental requirements imposed by our government will continue to have an effect on us and our operations. We believe that we have complied, and will continue to comply, with all applicable environmental laws, rules and regulations. We have obtained, or are in the process of renewing, all material environmental consents and licenses from the relevant governmental agencies that are necessary for us to carry on our business. Our activities are subject to the environmental laws and regulations of India, which govern, among other things, air emissions, waste water discharges, the handling, storage and disposal of hazardous substances and wastes, the remediation of contaminated sites, natural resource damages, and employee health and employee safety. Our overseas subsidiaries in Germany and Italy are also subject to regulations relating to environmental, health and safety measures.

Human Resources

As of July 31, 2010, we employed 4,287 employees. The following table illustrates the breakdown of our employees by education levels:

Education level	Number of Employees
Graduates/Post-graduate degrees in engineering	363
Graduates/Post-graduate/Professional degrees in non-technical areas	96
Bachelor degrees in non-technical areas	465
Diploma holders in engineering	882
Employees with a minimum of one-year certification course	1,785
Other employees	696
Total	4,287

We focus our human resource initiatives in the following areas: recruitment and retention, learning and development, performance management and review and communication.

As of July 31, 2010, 1,651 of our employees, representing 38.5% of our workforce, are members of labour unions. We have signed nine agreements with labour unions, which are set to expire between April 2011 and March 2014.

Under certain of our agreements, we have guaranteed bonuses, guaranteed wage increases and linked wages to productivity.

Insurance

Our operations are subject to various risks inherent in the automobile industry as well as fire, theft, earthquake, flood acts of terrorism and other *force majeure* events. We maintain insurance cover for our properties in India through a lead insurer for a group of four insurance companies. Our properties in Germany and Italy are insured with local insurance companies. Our insurance cover includes, among others, protection from fire, special perils, burglary, protection of our stocks, and a variety of marine and employee insurance policies.

See "Risk Factors – We may not have sufficient insurance coverage to cover our economic losses as well as certain other risks including those pertaining to claims by third parties and litigation", on page xxv of this Draft Red Herring Prospectus.

Competition

The automotive component industry is extremely competitive. We face both domestic and international competition. Typically, large suppliers work with only a limited number of OEMs. Consequently, we do not have a single competitor across all our product ranges. The leading competitive players within the various product ranges in which we operate include:

<u>Aluminium Die-casting</u>: Sunbeam, Rico Auto (Gurgaon, Haryana, India), Sundaram Clayton (Chennai, Tamil Nadu, India), Jay Hind Industries (Pune, Maharashtra, India)

<u>Aluminium Alloy Wheels (Two-Wheelers)</u>: Enkei (Pune, Maharashtra, India) as well as international competitors from China

<u>Brakes (Two-Wheelers and Three-Wheelers)</u>: Brembo (Pune, Maharashtra, India), Bosch Chassis Systems (Jalgaon, Maharashtra, India and Pune, Maharashtra, India)

<u>Telescopic Front Forks/Shock Absorbers (Two-Wheelers)</u>: Gabriel, Munjal Showa (Gurgaon, Haryana, India), Escorts (Faridabad, Haryana, India)

<u>Struts/Shock Absorbers/Gas Springs (Passenger Vehicles, LCVs and HCVs)</u>:Gabriel, Tennaco, Munjal Showa (Gurgaon, Haryana, India)

<u>Clutch Assemblies (Two-Wheelers and Three-wheelers)</u>: FCC Rico (Gurgaon, Haryana, India), Makino (Delhi, India)

<u>CVTs (Two-Wheelers)</u>: FCC Rico (Gurgaon, Haryana, India)

Property

The Company's registered office is located at K-228, MIDC Area, Waluj, Aurangabad, Maharashtra 431 136, India and the corporate office is located at E-92, MIDC Industrial Area, Waluj, Aurangabad 431 136, Maharashtra, India. We have taken on lease our registered and corporate office properties from Maharashtra Industrial Development Corporation, pursuant to lease agreements dated September 21, 2000 and January 2, 1996, for a period of 95 years from October 1, 1999 and October 1, 1995, respectively.

Our operational facilities include 16 manufacturing plants in India, including seven plants in Aurangabad, five plants in Pune, two plants in Pantnagar and one plant in each of Chennai and Manesar. We have leased the land for 14 manufacturing facilities and own the land for the remaining two facilities. Our international facilities include two plants in Massenbachhausen, Germany and one plant in Torino, Italy. We lease the land for all of our international plants.

We also hold freehold properties with respect to the two wind farms owned by us, each located at Satara and Supanagar, Maharashtra. We have also sub-leased a wind farm located at Jaisalmer, Rajasthan.

Awards

The following lists some of the awards that we have received in recognition of our achievements, products or services for the last three calendar years:

Overall

- Greentech Foundation, HR Excellence for Best Innovative Retention Strategies, Silver Award, 2010
- NIPM, Best HR Practices Award, 2009
- Auto Monitor Awards, Auto Component Manufacturer of the Year, 2008
- NDTV Profit, Car India and Bike India, 2008

Our specific product divisions have also received certain awards and accolades over the last five calendar years, as listed below:

Casting and Machining

Our casting and machining division received the following awards as recognition for its products and services rendered:

- Fiat India Automobiles Private Limited, Best Supplier Award for Quality and Delivery, 2010
- Tata Motors Limited, Best Supplier Award for Delivery, 2010
- Honda Motorcycle & Scooter India, Award for QCDDM, 2008
- Honda Motorcycle & Scooter India, Best Vendor Award, 2007
- Alucast Best Casting Awards, 2005 – 2008

Brakes

Our brake division received the following awards as recognition for its products and services rendered:

- Bajaj Quality Gold Award for 24 Months Sustenance, 2008
- CII National-Level Best Kaizen Award, 2008
- QCFI Quality National Award for Best Quality Kaizen, 2008
- Bajaj TPM Award, Brakes Division, 2007

Suspensions

Our suspension division received the following awards as recognition for its products and services rendered:

- Frost & Sullivan IMEA Gold Certificate of Merit, Award for Manufacturing Excellence for Front Fork Division, 2008
- Bajaj TPM Award, Front Fork Division, 2008
- Bajaj Quality Gold Award, 2008
- ACMA Manufacturing Excellence Award, Award for Front Forks Division, 2006
- Bajaj TPM Award, Shock Absorber Division, 2006

Transmissions

Our transmission division received the following awards as recognition for its products and services rendered:

- Bajaj Quality Gold Award for 24 Months Sustenance, 2010
- Bajaj TPM Award, Transmissions Division, 2008

REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies which are applicable to our Company in India. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. These regulations must be read with the section "Government and Other Approvals" beginning on page 362 of this Draft Red Herring Prospectus.

Our Company deals in the manufacturing of automotive components and steel processing. For the purpose of the business undertaken by our Company, our Company is regulated by various general and sector-specific laws and regulations in India, and is accordingly required to obtain certain licenses and approvals under the prevailing laws and regulations as applicable. The industry is regulated in India by the following regulations and policies:

Regulation of the automotive components manufacturing industry

The National Auto Policy

The National Auto Policy, 2002, as amended ("**National Auto Policy**") was introduced by the Department of Heavy Industries, Ministry of Heavy Industries and Public Enterprises, GoI in March 2002, with the aim, among others, to promote a globally competitive automotive industry and emerge as a global source for auto components, ensure a balanced transition to open trade at a minimal risk to the Indian economy and local industry, to encourage modernisation of the industry and facilitate indigenous design, research and development and to develop domestic safety and environmental standards at par with international standards.

The Automotive Mission Plan, 2006-2016

The Automotive Mission Plan, 2006-2016 ("**Automotive Mission Plan**") was released by the Ministry of Heavy Industries and Public Enterprises, GoI in December 2006, containing recommendations of the Task Force of the Development Council on Automobile and Allied Industries constituted by the Government of India, in relation to the preparation of the Tenth Five Year Mission Plan for the Indian Automotive Industry. For the promotion of exports in the auto component sector, among other things, it recommends the creation of Special Automotive Component Parks and virtual Special Economic Zones, which would enjoy certain exemptions on sales tax, excise and customs duty, as well as certain tax exemptions and concessions in relation to promotion of research and development ("**R&D**") in the automotive sector.

Regulation of the manufacturing sector

The primary central legislation governing the manufacturing sector is the Factories Act, 1948, as amended. In addition to this, compliance has to be ensured with various labour related legislations, including the Payment of Gratuity Act 1972, the Payment of Wages Act, 1956, the Minimum Wages Act, 1948, the Employees State Insurance Act, 1948 and the Contract Labour (Regulation and Abolition) Act, 1970, each as amended.

The Factories Act, 1948

The Factories Act, 1948, as amended ("**Factories Act**") seeks to regulate labour employed in factories and makes provisions for the safety, health and welfare of the workers. The Factories Act defines a 'factory' to cover any premises which employs ten or more workers and in which manufacturing processes are carried on with the aid of power, and to cover any premises where there are at least 20 workers who may or may not be engaged in an electrically aided manufacturing process. Each State Government has set out rules in respect of the prior submission of plans and its approval for the establishment of factories and registration and licensing of factories.

The Payment of Gratuity Act, 1972

Under the Payment of Gratuity Act, 1972 ("**Gratuity Act**"), an employee who has been in continuous service for a period of five years will be eligible for payment of gratuity upon his resignation, retirement, superannuation, death or disablement. An employee in a factory is deemed to be in 'continuous service' for a period of at least 240 days in a period of 12 months or 120 days in a period of six months immediately preceding the date of reckoning, whether or not such service has been interrupted during such period by sickness, accident, leave, absence without leave, lay-off, strike, lock-out or cessation of work not due to the fault of the employee. The maximum amount of gratuity payable shall not exceed Rs. 1,000,000.

The Payment of Bonus Act, 1965

Under the Payment of Bonus Act, 1965 ("**Payment of Bonus Act**") an employee in a factory who has worked for at least 30 working days in a year is eligible to be paid bonus. 'Allocable surplus' is defined as 67% of the available surplus in the financial year, before making arrangements for the payment of dividend out of the profit of a company. The minimum bonus to be paid to each employee is the higher of 8.33% of the salary or wage or Rs. 100, whichever is higher, and must be paid irrespective of the existence of any allocable surplus. If the allocable surplus exceeds the minimum bonus payable, then the employer must pay bonus proportionate to the salary or wage earned during that period, subject to a maximum of 20% of such salary or wage. Contravention of the Payment of Bonus Act by a company is punishable by proceedings for imprisonment up to six months or a fine up to Rs. 1,000 or both against those individuals in charge at the time of contravention of the Payment of Bonus Act.

The Maternity Benefit Act, 1961

The Maternity Benefit Act, 1961 ("**Maternity Benefit Act**") provides that a woman who has worked for at least 80 days in the 12 months preceding her expected date of delivery is eligible for maternity benefits. Under the Maternity Benefit Act, a woman working in a factory may take leave for six weeks immediately preceding her scheduled date of delivery and for this period of absence she must be paid maternity benefit at the rate of the average daily wage. The maximum period during which a woman shall be paid maternity benefit is 12 weeks. Women entitled to maternity benefit are also entitled to medical bonus of Rs. 1,000 if no prenatal confinement and post-natal care is provided free of charge by the employer. Contravention of the Maternity Benefit Act is punishable by imprisonment up to one year and/ or a fine up to Rs. 5,000.

The Minimum Wages Act, 1948

The State Governments may stipulate the minimum wages applicable to a particular industry. The minimum wages generally consist of a basic rate of wages, cash value of supplies of essential commodities at concession rates and a special allowance, the aggregate of which reflects the cost of living index as notified in the Official Gazette. Workers are to be paid for overtime at overtime rates stipulated by the appropriate State Government. Any contravention may result in imprisonment of up to six months or a fine of up to Rs. 500.

The Workmen's Compensation Act, 1923

If personal injury is caused to a workman by accident during employment, his employer would be liable to pay him compensation. However, no compensation is required to be paid if the injury did not disable the workman for three days, where the workman was at the time of injury under the influence of drugs or alcohol, or where the workman willfully disobeyed safety rules. Where death results from the injury, the workman's dependants are liable to be paid the higher of 50% of the monthly wages multiplied by the prescribed relevant factor (which bears an inverse ratio to the age of the affected workman, the maximum of which is Rs. 228.54 for a worker aged 16 years), or Rs. 1,20,000. Where permanent total disablement results from injury the workman is to be paid the higher of 60% of the monthly wages multiplied by the prescribed relevant factor or Rs. 1,40,000. The employee shall be reimbursed the actual medical expenditure incurred by him for treatment of injuries caused during the course of employment. The maximum wage considered for the purposes of reckoning the compensation is Rs. 4,000.

The Contract Labour (Regulation and Abolition) Act, 1970

In respect of each of its facilities, our Company uses the services of certain licensed contractors who in turn employ contract labour whose number exceeds 20 in respect of each facility. Accordingly, our Company is regulated by the provisions of the Contract Labour (Regulation and Abolition) Act, 1970 ("**CLRA**") which requires our Company to be registered as a principal employer and prescribes certain obligations with respect to welfare and health of contract labour. The CLRA requires the principal employer of an establishment to which the CLRA applies to make an application to the concerned officer for registration of the establishment. In the absence of registration, contract labour cannot be employed in the establishment. Likewise, every contractor to whom the CLRA applies is required to obtain a license and not to undertake or execute any work through contract labour except under and in accordance with the license issued. To ensure the welfare and health of the contract labour, the CLRA imposes certain obligations on the contractor in relation to establishment of canteens, rest rooms, drinking water, washing facilities, first aid, other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period. Penalties, including both fines and imprisonment, may be levied for contravention of the provisions of the CLRA.

Regulation of the Renewable Resources of Energy

The Ministry of New and Renewable Energy ("**MNRE**"), previously known as the Ministry of Non-Conventional Energy Sources, is the nodal ministry of the Government of India at the national level for all matters relating to new and renewable energy. The mandate of MNRE includes research, development, commercialisation and deployment of renewable energy systems / devices for various applications in the rural, urban, industrial and commercial sectors.

In order to ensure quality of wind farm projects and equipments, the MNRE introduced the "Guidelines for Wind Power Projects" ("**MNRE Guidelines**") in July 1995 for the benefit of state electricity boards, manufacturers, developers and end-users of energy to ensure proper and orderly growth of the wind power sector. The MNRE Guidelines are periodically updated. The MNRE Guidelines, inter-alia, make provision for proper planning, sitting, selection of quality equipment, implementation and performance monitoring of wind power projects. The MNRE Guidelines seek to create awareness in various stakeholders about planned development and implementation of wind power projects.

In 1987, MNRE established the "Indian Renewable Energy Development Agency Limited" ("**IREDA**"), a financial institution to complement the role of MNRE and make finance available to renewable energy projects. IREDA functions under administrative control of MNRE. IREDA is involved in extending financial assistance and related services to promote deployment of renewable energy systems in India.

MNRE's Scheme for Promotion of Grid Interactive Power Generation Projects based on Renewable Energy Technologies provides for grant of subsidy to projects in the following mentioned three sources:

- Wind Power (demonstration projects);

- Biomass (for the purpose of eligibility under this scheme, biomass will include wastes produced during agricultural and forestry operations (for example straws and stalks) or produced as a by-product of processing operations of agricultural produce (e.g., husks, shells, deoiled cakes, etc); wood produced in dedicated energy plantations or recovered from wild bushes/weeds; and the wood waste produced in some industrial operations); and

- Small Hydro (Hydro power projects with a station capacity up to and including 25 MW).

On July 23, 2008, the MNRE introduced generation based incentives ("**GBI**") for grid-connected wind power in India whereby through the IREDA, the MNRE will provide a GBI of Rs.0.50 per unit (KWh) for a period of ten years to the eligible project promoters. This incentive is over and above the tariff that may be approved by the State Electricity Regulatory Commissions in various States. The IREDA shall provide GBI for wind power projects after its commissioning subject to meeting the guidelines and eligibility conditions. In relation to solar power projects, in January 2008 the MNRE has introduced the Guidelines for Generation Based Incentive for Grid Interactive Solar Power Generation Projects, providing certain generation based incentives to PV solar power projects.

Environmental regulation

Manufacturing units must ensure compliance with environmental legislation, such as the Water (Prevention and Control of Pollution) Act, 1974 ("**Water Act**"), the Air (Prevention and Control of Pollution) Act, 1981 ("**Air Act**"), and the Environment (Protection) Act, 1986 ("**EPA**"). The basic purpose of these statutes is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards ("**PCBs**"), which are vested with diverse powers to deal with water and air pollution, have been set up in each state. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking inspection to ensure that industries are functioning in compliance with the standards prescribed. These authorities also have the power of search, seizure and investigation. All industries are required to obtain consent orders from the PCBs, which are indicative of the fact that the industry in question is functioning in compliance with the pollution control norms. These consent orders are required to be kept renewed.

The issue of management, storage and disposal of hazardous waste is regulated by the Hazardous Waste Management Rules, 1989 issued under the EPA. Under these rules, the PCBs are empowered to grant authorisation for collection, treatment, storage and disposal of hazardous waste, either to the occupier or the operator of the facility. In addition, the Ministry of Environment and Forests regulates Environment Impact Assessment ("**EIA**"). The Ministry receives proposals for expansion, modernisation and setting up of projects and the impact which such projects would have on the environment is assessed by the Ministry before it grants clearances for the proposed projects. Pursuant to the Environment Impact Assessment Notification S.O. 1533 (E), 2006, prior environmental clearance from the Central Government or as the case may be, by the State Level Environment Impact Assessment Authority, duly constituted by the Central Government, in accordance with the procedure specified in the said notification has to be obtained for certain new projects or activities, or on the expansion or modernization of existing projects or activities based on their potential environmental impacts.

The Water (Prevention and Control of Pollution) Act, 1974

The Water Act prohibits the use of any stream or well for the disposal of polluting matter, in violation of standards set down by the State Pollution Control Board ("**State PCB**"). The Water Act also provides that the consent of the State PCB must be obtained prior to opening of any new outlets or discharges, which is likely to discharge sewage or effluent.

The Water (Prevention and Control of Pollution) Cess Act, 1977

The Water (Prevention and Control of Pollution) Cess Act, 1977 ("**Water Cess Act**") requires a person carrying on any industry which involves the use of water to pay a cess in this regard. The person in charge is to affix meters of certain prescribed standards in order to measure and record the quantity of water consumed by such industry. Furthermore, a monthly return showing the amount of water consumed in the previous month must also be submitted.

The Air (Prevention and Control of Pollution) Act, 1981

The Air Act requires that any individual, industry or institution responsible for emitting smoke or gases by way of use as fuel or chemical reactions must apply in a prescribed form and obtain consent from the state pollution control board prior to commencing any activity. The State PCB is required to grant, or refuse, consent within four months of receipt of the application. The consent may contain conditions relating to specifications of pollution control equipment to be installed. Within a period of four months after the receipt of the application for consent referred to in sub-section (1), the State Board shall, by order in writing and for reasons to be recorded in the order, grant the consent applied for subject to such conditions and for such period as may be specified in the order, or refuse consent.

The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008

The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008, as amended (the "**Hazardous Wastes Rules**"), which superseded the Hazardous Wastes (Management and Handling) Rules, 1989, state that the occupier will be responsible for safe and environmentally sound handling of hazardous wastes generated in his establishment. The hazardous wastes generated in the establishment of the occupier should be sent or sold to a recycler or re-processor or re-user registered or authorized under the Hazardous Wastes Rules or should be disposed off in an authorized disposal facility. The Ministry of Environment and Forests has been empowered to deal with the trans-boundary movement of hazardous wastes and to grant permission for transit of hazardous wastes through any part of India. No import of hazardous waste is permitted in India. The State Government, occupier, operator of a facility or any association of the occupier will be individually or jointly or severally responsible for, and identify sites for, establishing the facility for treatment, storage and disposal of hazardous wastes for the State.

Export Promotion Capital Goods Scheme (the "EPCG Scheme")

The EPCG Scheme provides that importers can benefit from reduced duties on the import of capital goods provided that they fulfill an export obligation to export a prescribed amount of their goods manufactured or services rendered (such amount being a multiple of the duty saved) within a specified period. Export obligations can be fulfilled by the direct export of goods or services outside India, or by way of ''deemed exports'', which are transactions deemed to be exports. In addition, a proportion of the export obligation can also be satisfied by exports by ''group companies'' as defined under the EPCG Scheme. The precise terms of the obligations are stipulated in the license issued to the importer under the EPCG Scheme and under applicable law.

Intellectual Property Laws

The following laws relating to intellectual property also apply to our Company.

The Patents Act, 1970

The Patents Act, 1970, as amended (the "Patents Act") provides for the grant of patents to protect the legal rights tied to the intellectual property in inventions. A patent gives the holder of the patent the right to prevent others from exploiting the patented invention commercially in the country where the patent has been granted. In order for a patent to be granted to an invention, it must be novel, have an inventive step and should have some industrial utility. Under the Patents Act, it is possible to obtain patents for both products and processes and also to obtain patents of addition in respect of any improvements or modifications to an invention already patented. Chapter II of the Patents Act sets out inventions that are not patentable. The form and manner of application for patents is set out under Chapter III and Chapter VIII deals with the grant of patents. Patents obtained in India are valid for a period of 20 years from the date of filing the application.

The Trade Marks Act, 1999

The Trade Marks Act, 1999, as amended (the "Trademark Act") governs the statutory protection of trademarks in India. In India, trademarks enjoy protection under both statutory and common law. Indian trademarks law permits the registration of trademarks for goods and services. Certification trademarks and collective marks are also registrable under the Trademark Act. An application for trademark registration may be made by any person claiming to be the proprietor of a trademark and can be made on the basis of either current use or intention to use a trademark in the future. The registration of certain types of trade marks are absolutely prohibited, including trademarks that are not distinctive and which indicate the kind or quality of the goods.

Applications for a trademark registration may be made for in one or more international classes. Once granted, trademark registration is valid for 10 years unless cancelled. If not renewed after 10 years, the mark lapses and the registration for such mark has to be obtained afresh.

While both registered and unregistered trademarks are protected under Indian law, the registration of trademarks offers significant advantages to the registered owner, particularly with respect to proving infringement. Registered trademarks may be protected by means of an action for infringement, whereas unregistered trademarks may only be protected by means of the common law remedy of passing off. In case of the latter, the plaintiff must, prior to proving passing off, first prove that he is the owner of the trademark concerned. In contrast, the owner of a registered trademark is prima facie regarded as the owner of the mark by virtue of the registration obtained.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief History of our Company

Our Company was incorporated as Endurance Suspension Systems (India) Private Limited on December 27, 1999 under the Companies Act. On July 1, 2000, by virtue of Section 43A of the Companies Act, our Company was converted in to a public limited company and the name was changed to Endurance Suspension Systems (India) Limited with effect from July 1, 2000. Subsequently, the name was changed to Endurance Transmission Systems (India) Limited and a fresh certificate of incorporation was issued by the RoC dated December 6, 2000. On January 27, 2001, our Company was reconverted into a private company and the name was changed to Endurance Transmission Systems (India) Private Limited. Thereafter, the name was changed to Endurance Technologies Private Limited and a fresh certificate of incorporation was issued by the RoC dated August 11, 2006. Our Company was converted into a public company and the name of our Company was changed to Endurance Technologies Limited, pursuant to a fresh certificate of incorporation consequent to change in name dated July 9, 2010.

In January 2002, our Company, along with Adler S.p.A., set up High Technology Transmission System (India) Private Limited ("HTTS") to manufacture transmission components.

With effect from August 11, 2006, Anurang Engineering Company Private Limited ("AECPL") amalgamated with our Company. AECPL was promoted by Anurang Jain and the rationale for the amalgamation was for effective and centralized management and reduction of administrative expenses.

In December 2006, our Company acquired Amann Druckguss GmbH, Germany which is involved in the manufacture of aluminum die casting.

In March 2007, our Company entered into a shares' sale and purchase preliminary agreement for acquiring 51% of the shareholding of Fondalmec S.p.A. (now Enduarnce Fondalmec S.p.A.), Italy which is involved in the business of production of mechanical components for automotive sector together with machining and assembling of components in aluminum alloy. In May 2007, Endurance Overseas SrL, a special purpose vehicle, was incorporated in Italy for the purpose of making strategic overseas investment. Our Company acquired 51% of the shareholding of Fondalmec S.p.A. on May 23, 2007 through its wholly owned subsidiary, Endurance Overseas SrL. In January 2009, Endurance Overseas SrL entered into another shares sale and purchase preliminary agreement for acquiring the balance 49% of the shareholding of Fondalmec S.p.A., Italy.

In June 2008, our Company entered into a joint venture agreement with Magneti Marelli S.p.A. to manufacture and sell struts and shock absorbers for four wheelers and above vehicles, pursuant to which Endurance Magneti Marelli Shock Absorbers (India) Private Limited ("Endurance Magneti Marelli") was incorporated on July 14, 2008

With effect from December 1, 2009, Endurance Systems India Private Limited ("ESIPL") amalgamated with and into our Company. ESIPL was promoted by Anurang Jain and the rationale for the amalgamation was consolidation of holdings for effective and centralized management, right sizing the balance sheet and reduction of administrative expenses.

For details, see the sections "History and Certain Corporate Matters- Key Agreements" and "Our Business" beginning on pages 116 and 86 of this Draft Red Herring Prospectus, respectively.

Major Events of our Company

The table sets forth some of the major events of our Company.

Date	Event
1999	Started production of clutch assemblies and friction plates
2001	Quality standard certificates QS 9000 and ISO 9001 received for aluminum die casting, shock absorber and front fork plants
2002	TPM activities started in high pressure die casting, shock absorber and front fork plants

Date	Event
2003	Machining and painting of high pressure die casting components started at Pune
2004	Production of disc brake assemblies, low pressure/ gravity die castings started at Aurangabad
2005	High pressure die casting plant started at Manesar, second high pressure die casting started at Pune, tool room and paint shop services started at Aurangabad and TS 16949:2002 certificate awarded
2006	Machining of high pressure die casting components and production of brake shoes started at Aurangabad and aluminum alloy wheel plant started at Pune
2006	Share Subscription and Shareholders' Agreement was executed amongst our Company, SCPE, Anurang Jain, Naresh Chandra, Suman Jain, Varsha Jain, the Naresh Chandra HUF and the Anurang Jain HUF
2007	Two new plants for suspension, transmission and die casting started at Pantnagar, Uttarakhand and one casting plant started at Chennai
2009	Commercial production of four-wheeler struts, shock absorbers and gas springs at its plant in Pune
2009	Supplemental Share Subscription and Shareholders' Agreement was executed amongst our Company, SCPE, Anurang Jain, Naresh Chandra, Suman Jain, Varsha Jain, the Naresh Chandra HUF and the Anurang Jain HUF

Changes in Registered Office

Date of Change of Registered Office	Address
November 27, 2000	Change of registered office address from Bhagwati Bhawan, 31B, M. L. Dahanukar Marg, Mumbai 400 026 to E-92, MIDC, Waluj, Aurangabad 431 136
January 1, 2002	Change of registered office address from E-92, MIDC, Waluj, Aurangabad 431 136 to K-228, MIDC, Waluj, Aurangabad 431 136

The changes in our registered office were to ensure greater operational efficiency.

Rescheduling of borrowings

The borrowings of our Company (outstanding as of August 31, 2010) which have been rescheduled in the Fiscal year 2008-2009 are as follows:

- Pursuant to a letter dated February 10, 2009 from Bank of India, a term loan of Rs. 122.50 Million was earlier repayable in eight equal half yearly installments commencing from the 18 months after the date of first disbursement and was revised such that the loan is now repayable by March, 2014 and a corporate loan of Rs. 250 Million was earlier repayable 12 equal monthly installments commencing from next month after first date of disbursement and was revised such that the loan is now repayable by March, 2014.

- Pursuant to a letter dated January 27, 2009 from Corporation Bank, the date of repayment of a loan of Rs. 250 Million was revised from November 2012 to February 2014.

- Pursuant to a letter dated January 27, 2009 from Corporation Bank, the date of repayment of a loan of Rs. 160 Million was revised from March 31, 2010 to March 2013.

- Pursuant to a letter dated January 27, 2009 from Corporation Bank, the date of repayment of a loan of Rs. 123.70 Million was revised from September 30, 2011 to March 2013.

- Pursuant to a letter dated January 27, 2009 from Corporation Bank, the date of repayment of a loan of Rs. 107 Million was revised from December 1, 2009 to March 2011.

- Pursuant to a letter dated January 27, 2009 from Corporation Bank, the date of repayment of a loan of Rs.

99 Million was revised from March 5, 2013 to September 2013.

- Pursuant to a letter dated March 25, 2009 from Indian Overseas Bank, a loan of Rs. 340 Million was earlier repayable in 8 half yearly installments from half year ended March 31, 2009 and was revised such that the loan is now repayable by September 30, 2013. Additionally, in terms of the said letter the amount sanctioned was reduced from Rs. 340.00 Million to Rs. 185.00 Million.

- Pursuant to a letter dated March 25, 2009 from Indian Overseas Bank, a loan of Rs. 123.70 Million was earlier repayable in 4 half yearly installments commencing from half year ended June 30, 2009 and was revised such that the loan is now repayable by June 30, 2012.

- Pursuant to a letter dated March 25, 2009 from Indian Overseas Bank, a loan of Rs. 210 Million was earlier repayable in 3 half yearly installments from half year ended June 30, 2009 and was revised such that the loan is now repayable by March 31, 2012.

For further details in relation to this loan, see the section "*Financial Indebtedness*" beginning on page 327 of this Draft Red Herring Prospectus.

Main Objects of our Company

The main objects as contained in the Memorandum of Association are:

1. To carry on the business of manufacture fabricate and assemble and deal in automobile parts and agricultural implements of all kinds and description, automotive and other gears transmission axles, universal joints, springs spring leaves, head lamps, sealed beams, seats, shock absorbers, front forks, struts used in connection with the manufacture thereof, alloy springs, steel billets, flats and bars, pressed and other engineering items and other related items for motor cars, motor trucks, buses, tractors, vans, jeeps, lorries, motor cycles, cycles and vehicles of all kinds.

    1a. To generate electrical power through/by any method/process/source including coal, gas, lignite, oil, bio-gas, waste, thermal, solar, geo-hydel, wind, tidal waves, etc. within or outside India for own consumption and/or supplying for domestic, industrial or any other purpose whatsoever.

    1b. To buy, sell, supply, exchange, market, function as a licensee and otherwise deal in power and energy, transmission and distribution systems for distribution, transmission and supply of energy and for that purpose to own, acquire, erect, construct, establish, maintain, improve, manage, operate, alter, carry on, control, take on hire, lease power generation plants of all kinds including co-generation plants, wind farms, solar farms, hydel projects, thermal power stations.

    1c. To carry on business of manufacturing, producing, buying, selling, importing, exporting, repairing, servicing and dealing in every way in parts and things required for and capable of being used for or in connection with generation, transformation, transmission, carriage, preparation, radiation, distribution, conduction, conversion, insulation, supply, measurement, accumulation and employment of electricity, heat, light, gas, atomic, solar, wind or any other form of energy whatsoever.

2. To carry on business as electrical engineers, iron founders, mechanical engineers, tool-makers, die casters, brass founders, metal workers, machinists, iron and steel converters and processors gas makers, carriers, smiths, ship repairers, ship engineers, ship painters, metallurgists and water-supply engineer's and manufacturers of electrical instruments, apparatus, equipments, tools motors generators, welders, electroplating apparatus and other machinery.

3. To carry on business of manufacturers, importers exporters, buyers, sellers distributors, dealers, sub-contractors, repairers, agents of all kinds of machines, tools, dies, jigs, fixtures, patterns, designs, plants, apparatus, utensils, substances, hardware materials, implements, spare parts, accessories and components of

all description whether electrical mechanical or otherwise.

4. To carry on the business of merchants manufacturers, importers, exporters sellers, buyers dealers and agents for sale and purchase in electric motors and generators transformers, switchgear, meters, instruments, wires and cables, lamps, fans, fittings, electro-medical and X-ray apparatus, heaters, radiators, ovens, refrigerator, Air-conditioning equipment and appliances, telephonic, telegraphic and wireless and other signaling and Communicating apparatus, and various other kind of electrical machinery instruments, apparatus and goods and component parts.

5. To generate electrical power through/by any method/process/source including coal, gas, lignite, oil, bio-mass, waste, thermal, solar, geo-hydel, wind, tidal waves, etc. within or outside India for own consumption and/or supplying for domestic, industrial or any other purpose whatsoever.

6. To buy, sell, supply, exchange, market, function as a licensee and otherwise deal in power and energy, transmission and distribution systems for distribution, transmission and supply of energy and for that purpose to own, acquire, erect, construct, establish, maintain, improve, manage, operate, alter, carry on, control, take on hire, lease power generation plants of all kinds including co-generation plants, wind farms, solar farms, hydel projects, thermal power stations.

7. To carry on business of manufacturing, producing, buying, selling, importing, exporting, repairing, servicing and dealing in every way in parts and things required for and capable of being used for or in connection with generation, transformation, transmission, carriage, preparation, radiation, distribution, conduction, conversion insulation, supply, measurement, accumulation and employment of electricity, heat, light, gas, atomic, solar, wind or any other form of energy whatsoever.

Amendments to the Memorandum of Association

Our MoA was amended from time to time pursuant to the change in, or reclassification of, the authorised share capital of our Company. For details of change in the authorised capital of our Company since its incorporation, see the section "Capital Structure" beginning on page 31 of this Draft Red Herring Prospectus.

In addition, our MoA was amended on the following instances:

Date of Change	Nature of Amendment
July 1, 2000	To reflect the change of name of our Company from Endurance Suspension Systems (India) Private Limited to Endurance Suspension Systems (India) Limited
November 27, 2000	To reflect the change of name of our Company from Endurance Suspension Systems (India) Limited to Endurance Transmission Systems (India) Limited
January 27, 2001	To reflect the change of name of our Company from Endurance Transmission Systems (India) Limited to Endurance Transmission Systems (India) Private Limited
August 1, 2006	To reflect the change of name of our Company from Endurance Transmission Systems (India) Private Limited to Endurance Technologies Private Limited
August 14, 2006	The main object clause of the Memorandum of Association was amended to include business of power generation
June 28, 2010	To reflect the change of name of our Company from Endurance Technologies Private Limited to Endurance Technologies Limited

Subsidiaries and Joint Ventures

Our Company has four Subsidiaries and one Joint Venture Company. For details regarding the Subsidiaries and Joint Venture Company of our Company, see the section "Our Subsidiaries and Joint Venture Company" beginning on page 137 of this Draft Red Herring Prospectus.

Promoter

The Promoter of our Company is Anurang Jain. For details, see the section "Our Promoter and Promoter Group" beginning on page 141 of this Draft Red Herring Prospectus.

Capital raising activities through equity or debt

For details regarding our capital raising, see the sections "Financial Indebtedness" for debt and "Capital Structure" for equity beginning on pages 327 and 31, respectively of this Draft Red Herring Prospectus.

Our Shareholders

For details regarding our Shareholders, see the section "Capital Structure" beginning on page 31 of this Draft Red Herring Prospectus.

Key Agreements

I. Schemes of Arrangements

1. *The scheme of amalgamation (the "**Scheme**") amongst Anurang Engineering Company Private Limited ("**AECPL**"), our Company and their respective shareholders.*

   The Scheme was approved by the High Court of Bombay on July 7, 2006, thereby granting its approval to amalgamation AECPL with our Company. The purpose of the merger was for effective and centralized management and reduction of administrative expenses. The Scheme was approved with effect from January 1, 2006 (the "**Appointed Date**").

   The Scheme provided for the transfer and vesting of the "undertaking" (as described below) in our Company as a going concern. "Undertaking" means the entire business and, all properties, debts, liabilities and obligations of AECPL as on the Appointed Date. Pursuant to the Scheme, the shareholders of AECPL were issued 9 Equity Shares for every 10 AECPL equity shares held by them.

   Set forth below are certain key features of the merger:

   - <u>Share Capital</u>:

     i. The authorised share capital of AECPL was Rs. 10,000,000 and the issued, subscribed and paid up share capital was Rs. 3,200,300.

     ii. The authorised share capital of our Company was Rs. 30,000,000 and the issued, subscribed and paid up share capital was Rs. 12,107,750.

   - <u>Date of operation of Scheme</u>: While the Scheme became operational on the Appointed Date, however, it became effective from such date when all the necessary approvals were obtained ("**Effective Date**") i.e. August 11, 2006.

   - <u>Transfer and vesting of Undertaking</u>: With effect from the Appointed Date, the Undertaking was transferred and vested in our Company as a going concern. All permits liability, debts, duties and obligations were transferred to our Company. The main object of the memorandum of association of AECPL formed a part of the main objects of the Memorandum of Association of our Company.

   - <u>Contracts, deeds, bonds and other instruments</u>: All the contracts, deeds, bonds and other instruments to which AECPL was a party or was deriving benefits from and which were subsisting immediately before the Effective Date continued to be in full force and effect against or in favour of our Company.

   - <u>Legal Proceedings</u>: All suits, appeals and other proceedings, pending on or after the Appointed Date, by or against AECPL, were continued and enforced by or against our Company.

- Conduct of Business by Transferor Company until Effective Date: With effect from the Appointed Date and upto and including the Effective Date, AECPL carried on its business and held the assets for and on account of and in trust for our Company. All the profits and losses incurred by AECPL were deemed to be accrued as profits and losses of our Company.

- Employee: All permanent employees of AECPL immediately preceding the Effective Date were transferred to our Company on terms and conditions not less favourable than subsisting with reference to AECPL.

- Accounting Treatment: Pursuant to the Scheme coming into effect, the balance of deferred revenue expenditure appearing in the books of account of AECPL was debited by our Company to deferred revenue expenditure in our Company's books. Any amount equal to the balance which was lying in the general reserve account, profit and loss account, capital subsidy account in the books of AECPL as on Appointed Date was to be credited to our Company.

- Dissolution of AECPL: Upon the Scheme being effective AECPL was dissolved without winding up.

2. *The scheme of arrangement (the "**Scheme**") amongst ESIPL, our Company and their respective shareholders*

The Scheme was approved by the High Court of Bombay on October 16, 2009, thereby granting approval for the amalgamation of ESIPL with our Company and reduction and utilisation of securities premium account and reorganization of reserve of our Company. The purpose of the Scheme was consolidation of holdings for effective and centralized management, right sizing the balance sheet and reduction of administrative expenses. The Scheme was approved with effect from the April 1, 2008 (the "**Appointed Date**") and was filed with the RoC on December 1, 2009 (the "**Effective Date**").

The Scheme provided for the transfer and vesting of the "undertaking" (as described below) in our Company as a going concern. Undertaking means all assets and properties, including the rights, title and interest in such assets, all debts, liabilities, duties and obligations of ESIPL as on the Appointed Date. As ESIPL was a wholly owned subsidiary of our Company, no new shares were issued pursuant to the Scheme.

Set forth below are certain key features of the Scheme:

- Share Capital: As of March 31, 2009

    (i) The authorised share capital of ESIPL was Rs. 25,000,000 and the issued, subscribed and paid up share capital was Rs. 22,000,000.

    (ii) The authorised share capital of our Company was Rs. 200,000,000 and the issued, subscribed and paid up share capital was Rs. 169,967,600.

    Upon the Scheme becoming effective the authorised share capital of our Company stood enhanced by the amount equivalent to the authorised share capital of ESIPL.

- Transfer and vesting of Undertaking: With effect from the Appointed Date, the Undertaking, wherever situated and of whatsoever nature stood transferred and vested in our Company as a going concern. All liability, debts, contingent liabilities, duties and obligation stood transferred to our Company.

- Contracts, deeds and other instruments: All the contracts, deeds and other instruments which ESIPL was a party to or deriving benefits from and which were subsisting immediately before the

Effective Date have been in full force and effect against or in favour of our Company.

- Legal Proceedings: All suits, appeals and other proceedings, pending, by or against ESIPL, were continued and enforced by or against our Company.

- Operative Date: The Scheme became operative from the Appointed Date but became effective on the Effective Date.

- Conduct of Business by Transferor Company until Effective Date: With effect from the Appointed Date and upto the Effective Date, ESIPL carried out its business and held the assets for and on account of and in trust for our Company. All the profits, income, expenditure or losses incurred by ESIPL was to be deemed to be accrued as profits, income, expenditure or losses of our Company.

- Employees: All employees of ESIPL in service on the Effective Date were transferred to our Company on terms and conditions as to remuneration not less favourable than subsisting with reference to ESIPL.

- Accounting Treatment: Pursuant to the Scheme, our Company was to, upon the Scheme coming in to effect, record the assets, liabilities and investments including overseas investments of ESIPL at their respective values as on the Appointed Date.

- Dissolution of ESIPL: Upon the Scheme becoming effective ESIPL was dissolved without winding up.

II. Share Subscription and Shareholders' Agreements

*1. Share Subscription and Shareholders' Agreement among our Company, Standard Chartered Private Equity (Mauritius) II Limited ("**SCPE**"), Anurang Jain, Naresh Chandra, Suman Jain, Varsha Jain, Naresh Chandra HUF and Anurang Jain HUF (the "**Promoter Group**") dated July 25, 2006 as supplemented by the Supplemental Share Subscription and Shareholders' Agreement dated October 30, 2009 (together the "**SCPE SSSA**") along with Shareholder's Agreement dated June 23, 2010*

In terms of the SCPE SSSA, our Company issued and allotted 182,590 Equity Shares to SCPE at a price of Rs. 8,215.13 per Equity Share, aggregating to Rs. 1500 Million on August 17, 2006 and 40,000,000 compulsorily convertible preference shares of Rs. 10 each, aggregating to Rs. 400 Million on November 10, 2009. In terms of the SCPE SSSA, SCPE has a right to appoint its nominee director on our Board of Directors until SCPE holds 50% of the shares issued to them pursuant to the SCPE SSSA or till March 31, 2011, whichever is earlier.

Under the SCPE SSSA, SCPE has certain rights, including the right of first offer, tag along rights, and anti-dilution rights in relation to further issue or purchase of Equity Shares in our Company. Upon the successful completion of an IPO (which is defined under the SCPE SSSA as the listing and admission to trading of the shares of our Company on a recognized stock exchange), SCPE's rights in respect of these matters shall terminate, save and except for its right to appoint a nominee director on the Board of Directors of our Company, subject to the limit set forth in the preceding paragraph. SCPE's right to appoint a nominee director will continue until it holds not less than 50% of the shares held by SCPE of our Company or March 31, 2011, whichever is earlier.

The compulsorily convertible preference shares shall automatically and compulsorily convert into Equity shares upon finalization of the audited financial results of our Company for the year ended March 31, 2010 at the conversion price. The procedure and the number of Equity Shares to be issued by our Company to SCPE upon conversion of the compulsorily convertible preference shares is determined in the manner stipulated in the SCPE SSSA.

The SCPE SSSA has been amended through an agreement dated June 23, 2010 the Parties have, *inter alia*, undertaken the following amendments to the SCPE SSSA:

(i) the period by which our Company would undertake the agreed IPO has been changed to March 31, 2011; and

(ii) the Parties have agreed to the amendment of the Articles of Association by deleting all rights of SCPE, except the right to nominate Director on the Board of our Company, provided in the Articles of Association in terms of the SCPE SSSA, which will be re-instated should the IPO not be completed by March 31, 2011.

2. *Joint Venture Agreement between our Company and Magneti Marelli Holdings S.p.A. (now known as "Magneti Marelli SpA") ("**MMH**") dated June 11, 2008 (the "**JV Agreement**") as supplemented by the Supplemental Agreement dated August 6, 2010*

Our Company has entered into the JV Agreement with MMH to set up a joint venture company ("**JV Company**") in India to, *inter alia*, manufacture and sell struts and shock absorbers for four wheelers and above vehicles (the "**Products**"). Pursuant to the JV Agreement as amended by the Supplemental Agreement dated August 6, 2010, our Company and MMH hold 50% equity shares of the equity capital of the JV Company each with effect from August 31, 2010. In terms of the JV Agreement, the authorised share capital of the JV Company was to be Rs. 150 Million, which may be increased from time to time. For a period of 10 years from the July 4, 2008 (the "**closing date**") under the JV Agreement, neither our Company nor MMH has the right to transfer the equity shares held by them in the JV Company, unless agreed between parties, provided however that the, parties are entitled to transfer the shares held by them in the JV Company, at any time, to their affiliates. Upon expiry of 10 years from the closing date, the parties may transfer not less than all the equity shares held by it in the JV Company after giving the first offer to the other party. Parties shall have pre-emptive rights in case of new issuance of equity shares of the JV Company. The board of directors of the JV Company will comprise of minimum of six and maximum of eight directors and as long as the shareholding pattern of the JV Company remains unchanged, the parties shall be entitled to nominate equal number of directors.

JV Agreement can be terminated by mutual consent of the parties and also on grounds such as bankruptcy, dissolution and winding up of JV Company or either party undergoing change in control. Each party shall have a right to terminate the JV Agreement in the event of any breach of the terms by the other and such breach not being cured within a period of 60 days from the receipt of written notice from the non-defaulting party.

JV Company is entitled to use the trademark of MMH and/or its affiliates as per a separate Trademark License Agreement entered into among MMH and/or its affiliates and JV Company.

In terms of the JV Agreement, the parties shall not directly or through their affiliates compete with the JV Company in India or in any manufacturing and sales territory where JV Company is granted exclusive right to sell and manufacture by Magneti Marelli COFAP Companhia Facbricadora de Pecas, in respect of designing, assembling, manufacturing and distributing of all the Products.

3. *Share Subscription and Shareholders' Agreement amongst our Company, Adler S.p.A. ("**Adler**") and Anurang Jain and Naresh Chandra dated December 21, 2001 (the "**SSSHA**") as supplemented by the supplemental agreement dated March 29, 2004*

Our Company has entered into the SSSHA with Adler, Anurang Jain and Naresh Chandra, pursuant to which our Company and Adler have agreed to purchase and subscribe to the equity share capital of HTTS. In terms of the SSSHA, HTTS shall be involved in manufacture, sale, export and marketing of continuous variable transmission, friction plates and clutch assemblies and other affiliated activities. Further, pursuant to an initial subscription of the entire equity share capital of HTTS by Anurang Jain and Naresh Chandra, 74% of the shareholding was transferred to our Company and 26% of the shareholding was transferred to Adler. Further, the SSSHA illustrates the various stages of stages of shareholding pattern of Adler and our Company in HTTS along with the rights granted to the shareholders on the basis of their respective shareholdings. On July 29, 2002 (the "**closing date**") our Company was to offer to Adler 23% of share capital of HTTS held by our Company and the same was to be accepted by Adler within a period of three years.

In terms of the SSSHA, the board of directors of HTTS is to comprise of minimum of five directors, out of which our Company shall be entitled to nominate three directors and Adler will have a right to nominate two directors. However, in event the shareholding of either Adler or our Company reduces below 25% of the share capital of HTTS, the provision of the agreement stand altered such that, *inter alia*, one director nominated by such party will step down from the board and stands replaced by the one appointed by the other party and that the nominee director of the party whose shareholding has reduced will be not be required for the purpose of the quorum. Pursuant to the Share Transfer Memorandums dated June 2, 2008 and July 15, 2009 Adler transferred 34% of the paid-up equity share capital of HTTS to our Company.

In terms of the SSSHA, upon expiry of seven years from the closing date and during the term of the SSSHA (the "**Transfer Period**"), the parties may transfer the equity shares held by them in HTTS to a third party after giving a right of first refusal to the other party. Adler is entitled, during the Transfer Period, to a put option in respect of any or all of its shares by giving five months written notice to our Company.

In terms of the SSSHA, Adler was to enter into an agreement with HTTS to transfer the technical know-how pertaining to continuous variable transfer, friction plates and clutch assemblies and which Adler deems necessary to enable HTTS to improve our Company's existing range of friction plates and clutch assemblies. Further, our Company shall transfer to HTTS the assets in relation to clutch assembly plant together with its complete technical know-how in relation to friction plates and clutch assemblies. Our Company shall be responsible for, *inter alia*, necessary approvals and licenses, design and construction of factory, imparting technology, technical know-how and assistance.

Additionally, in terms of the SSSHA, Adler and our Company shall not engage in an agreement with a third party in order to set up a company in competition with HTTS. Adler shall have a right to enter into agreements with a third party for various initiatives in India, however the same has to be informed to our Company.

The SSSHA shall be in effect for 35 years from the effective date, i.e., December 21, 2001, subject to early termination, and upon expiry, will automatically be renewed for a further period of 35 years. Further, in the event HTTS proposes to undertake an initial public offer, then the terms of the SSSHA shall survive such a listing, subject to the provisions of any law applicable to public listed companies.

The SSSHA can be terminated by either party *inter alia*, upon failure of either of the parties to contribute to its share of the equity share capital in HTTS.

The SSSHA was amended on March 29, 2004 for the purpose of excluding Anurang Jain and Naresh Chandra as parties to the SSSHA with effect from July 29, 2002 as they had fulfilled their obligation of setting up the Subsidiary, among others.

III. Other Material Agreements

For details of the technical collaboration agreements, see the section "Business" beginning on page 86 of this Draft Red Herring Prospectus.

OUR MANAGEMENT

As per our Articles of Association we are required to have not less than three Directors and not more than 12 Directors. As on date of this Draft Red Herring Prospectus, our Board comprises six Directors.

The following table sets forth details regarding our Board as of the date of filing of the Draft Red Herring Prospectus:

Name, Father's Name, Designation, Business Address, Occupation, Nationality, Term and DIN	Age (in years)	Other Directorships/Partnerships/Trusts in which the Director is a trustee
Naresh Chandra *(S/o Adishwarlal)* *Chairman, non-executive non-independent Director* *Address*: Bhagwati Bhawan 31B, M.L. Dahanukar Marg Mumbai 400 026, India *Occupation:* Industrialist *Nationality:* Indian *Term:* Liable to retire by rotation *DIN*: 00027696	75	*Other directorships* 1. High Technology Transmission Systems (India) Private Limited; 2. Varroc Engineering Private Limited; 3. Durovalves India Private Limited. 4. Varroc Polymers Private Limited; 5. Varroc Trading Private Limited; 6. Varroc Exhaust Systems Private Limited; 7. Varroc Elastomers Private Limited; 8. GHCL Limited; and 9. Hercules Hoists Limited.
Anurang Jain *(S/o Naresh Chandra)* *Managing Director, executive non-independent Director* *Address*: Green Leaf Manor, Plot no. 43-3/B, Kanchanwadi Opposite WALMI Paithan Road Aurangabad 431 002 India *Occupation:* Industrialist *Nationality:* Indian *Term:* Non-retiring Director *DIN*: 00291662	48	*Other directorships* 1. High Technology Transmission Systems (India) Private Limited; 2. Endurance Magneti Marelli Shock Absorbers (India) Private Limited; 3. Amann Druckguss GmbH, Germany; 4. Endurance Overseas Srl, Italy; and 5. Endurance Fondalmec SpA, Italy.
Nainesh Jaisingh *(S/o Late Mr. J. Jayasingh)*	43	*Other directorships* 1. Standard Chartered Private Equity Advisory (I)

Name, Father's Name, Designation, Business Address, Occupation, Nationality, Term and DIN	Age (in years)	Other Directorships/Partnerships/Trusts in which the Director is a trustee
Non-executive non-independent Director (Nominee Director of Selling Shareholder) *Address*: Urvashi, 3rd Floor Flat no. 31 66 Jagmohandas Marg Napeansea Road Mumbai 400 006, India *Occupation:* Service *Nationality:* Indian *Term:* Non-retiring Director *DIN*: 00061014		Private Limited; 2. ABG Shipyard Limited; 3. Powerica Limited; 4. Interglobe Technology Quotient (ITQ) Private Limited; 5. Sutherland Global Services Inc.; 6. Coffee Day Resorts Private Limited; 7. Firepro Systems Private Limited; and 8. Amalgamated Bean Coffee Trading Company Limited.
Roberto Testore *(S/o Ezio Testore)* *Non-executive independent Director* *Address*: Fante SRL Corso Magenta 12 20123 Milano, Italy *Occupation:* Service *Nationality:* Italian *Term:* Liable to retire by rotation *DIN*: 01935704	57	*Other directorships* 1. Pininfarina SPA; 2. Pantheon Corporate Consultants Private Limited; 3. Pantheon IT SRL; 4. Semantyca SRL; 5. Fante SRL; and 6. ASSOLOMBARDA.
Soumendra Basu *(S/o Satyendra Mohan Basu)* *Non-executive independent Director* *Address*: 22D2 Cape Tower VII, Hiland Park 1925, Chak Garia Kolkata- 700094 *Occupation:* Consultant *Nationality:* Indian *Term:* Liable to retire by rotation *DIN*: 01125409	60	*Other directorships* 1. India Carbon Limited. *Proprietorships* 1. DGA Consulting.
Partho Datta *(S/o Arun Kumar Dutt)*	61	*Other directorships*

Name, Father's Name, Designation, Business Address, Occupation, Nationality, Term and DIN	Age (in years)	Other Directorships/Partnerships/Trusts in which the Director is a trustee
Non-executive independent Director *Address*: 19/2, Dover Road Ballygunge Kolkata 700 019 *Occupation:* Professional *Nationality:* Indian *Term:* Liable to retire by rotation *DIN*: 00040345		1. Pantheon Data Services Private Limited; 2. West Bengal State Electricity Transmission Company Limited; and 3. Peerless Funds Management Company Limited.

Two of our Directors, Naresh Chandra and Anurang Jain are related. Naresh Chandra is the father of Anurang Jain. None of our other Directors are related to each other.

Brief Biographies

Naresh Chandra

Naresh Chandra is the Chairman and non-executive non-independent Director of our Company. He has been associated with our Company since incorporation and became the Chairman of our Company with effect from December 27, 1999. He holds a bachelor's degree and a master's degree from University of Delhi and a diploma in business administration from the United Kingdom. He has over 50 years of experience, with over 28 years in the automobile industry. He promoted Anurang Engineering Company Private Limited in 1982. He was formerly the Chairman and Managing Director of Kaycee Industries Limited and is currently the Chairman of the Boards of Directors of our Company and HTTS.

Anurang Jain

Anurang Jain is the Managing Director and an executive non-independent Director of our Company and is a first generation entrepreneur. He has been associated with our Company since its incorporation as Director and was re-appointed as the Managing Director of our Company on March 28, 2006. He is responsible for the overall operations of our Company. He holds a Masters in Business Administration from the University of Pittsburgh. He has over 26 years of experience in the automobile components industry.

Nainesh Jaisingh

Nainesh Jaisingh is a non-executive non-independent Director of our Company since August 17, 2006. He has been appointed to our Board pursuant to the provisions of the SCPE SSSA. He holds a Bachelor's Degree (Honours) of Technology in Mechanical Engineering from Institute of Technology, Banaras Hindu University, Varanasi and a Masters in Business Administration from the Indian Institute of Management, Bangalore. He has over 19 years of experience in financial services and have worked in various fields such as investment banking private equity, venture capital, structured finance, corporate advisory and commercial banking roles in South East Asia and India. In 2001, he co-founded Fin Ventures, a global venture capital fund sponsored by Standard Chartered Bank, headquartered at Singapore. In 2003, Nainesh Jaisingh was instrumental in the launch of the Merlion India Fund, a joint venture between SCPE and Temasek, Singapore. With SCPE, Nainesh Jaisingh has successfully managed investments in several sectors, including software/BPO, engineering, pharmaceuticals, ship-building, auto components, power generation, travel and financial services. For details of the SCPE SSSA, see the section "History and Certain Corporate Matters" beginning on page 116 of this Draft Red Herring Prospectus.

Roberto Testore

Roberto Testore is a non-executive independent Director of our Company since October 17, 2007. He holds a degree in mechanical engineering from Turin Polytechnic University. He has over 33 years of experience in the automobile industry. He has previously worked with companies such as Fiat Auto S.p.A., COMAU and Finmeccanica S.p.A.

Soumendra Basu

Soumendra Basu is a non-executive independent Director of our Company since June 16, 2010. He holds a Honours in English from Presidency College, Kolkata. He has previously worked with banks such as State Bank of India and Standard Chartered Bank. He has over 33 years of experience in the banking sector.

Partho Datta

Partho Datta is a non-executive independent Director of our Company since June 16, 2010. He qualified as a chartered accountant in 1972. In 1996, he attended the Advanced Management Programme of the Harvard Business School. He has over three decades of corporate experience and has been involved with industry associations at both national and regional levels. He has previously worked with the erstwhile Indian Aluminium Company Limited and the Murugappa Group.

Terms of Appointment of our Managing Director

Anurang Jain

Anurang Jain was re-appointed as the Managing Director of our Company from March 28, 2006 for a period of five years with effect from April 1, 2006 and his remuneration was revised by the Board of Directors and approved by the shareholders of our Company. The following are his terms of appointment as on date of this Draft Red Herring Prospectus:

Particulars	Remuneration
Salary	Rs. 10.20 Million p.a.
H.R.A and other allowances	Up to Rs. 6.80 Million p.a.
Perquisites	Rs. 2.07 Million p.a. plus other perquisites as mentioned in the board resolution dated September 20, 2010

Payment or benefit to Directors of our Company

The sitting fees/other remuneration paid to the Directors in Fiscal 2010 are as follows:

1. **Remuneration to Executive Directors:**

   Our Company has not appointed any executive director, except the Managing Director. The aggregate value of salary and perquisites paid in Fiscal 2010 to our Managing Director was Rs. 17.04 Million.

2. **Remuneration to Non- Executive Directors:**

   The details of the sitting fees paid to the Non-executive Directors of our Company in Fiscal 2010 are set forth in the table below. In addition to the following table, our Directors are entitled to receive all reimbursements for conveyance, expenses, etc.

Sr. No.	Name of the Director	Sitting Fees (In Rs. Million)
1.	Naresh Chandra	0.06

Sr. No.	Name of the Director	Sitting Fees (In Rs. Million)
2.	Nainesh Jaisingh	0.07
3.	Roberto Testore	0.04
4.	Soumendra Basu	NIL
5.	Partho Datta	NIL

Except for the advisory fees paid to Mr. Naresh Chandra as an advisor to our Company, no amount or benefit in the nature of contingent or deferred compensation and benefits in kind over and above the remuneration has been paid within the two preceding years or is intended to be paid or given to any of our Company's officers including our Directors and key management personnel, for all capacities and none of the beneficiaries of loans, and advances and sundry debtors are related to the Directors of our Company. Further, except statutory benefits and such other benefits as stated below, no officer of our Company, including our Directors and our key management personnel, are entitled to any benefits upon termination of employment in our Company or retirement:

1. Superannuation; and
2. Upon termination of services of an employee, who is a member of the Endurance Technologies Limited Employees Group Gratuity cum Life Assurance Scheme at the grade of assistant manager and above, after completion of minimum 10 years of continuous service, the benefit payable by our Company will be equal to one months basic salary per year for each completed year of service with the company subject to no ceiling limit.

No loans have been availed by our Directors or the key management personnel from our Company.

Shareholding of Directors

The shareholding of our Directors as of the date of filing this Draft Red Herring Prospectus is set forth below:

Name of Director	Number of Equity Shares held
Naresh Chandra	4,488,850
Anurang Jain	26,412,400
Nainesh Jaisingh	Nil
Roberto Testore	Nil
Soumendra Mohan Basu	Nil
Partho Datta	Nil

Our Articles of Association do not require our Directors to hold any qualification shares.

Borrowing Powers of Board

Our Company, pursuant to the resolution passed in the Annual General Meeting of our Company held on August 16, 2010 in accordance with the provisions of the Companies Act, the Board is authorised to borrow from time to time, all such sum(s) of money, as the Board may deem requisite for the purpose of business of our Company, not withstanding that the money(s) to be borrowed together with the money(s) already borrowed by our Company and outstanding (apart from the temporary loans obtained or to be obtained from our Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital and free reserves of our Company i.e. reserves not set apart for any specific purpose, and provided that the total amount borrowed / to be borrowed by the Board shall not, at any time, exceed the limit of Rs. 12,500 Million.

Corporate Governance

The provisions of the Listing Agreement to be entered into with the Stock Exchanges with respect to corporate governance will be applicable to us at the time of seeking in-principle approval for the listing of our Equity Shares with the Stock Exchanges. We believe that as on date of this Draft Red Herring Prospectus, we are in compliance with the requirements of the applicable regulations, including the Listing Agreement with the Stock Exchanges and the SEBI Regulations, in respect of corporate governance including constitution of the Board and committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

We have a Board constituted in compliance with the Companies Act and Listing Agreement with Stock Exchanges. Our Board functions either as a full board or through various committees constituted to oversee specific functions. Our executive management provides our Board detailed reports on its performance periodically.

Currently our Board has six Directors and our Chairman is a Non-Executive Director. In compliance with the requirements of Clause 49 of the Listing Agreement, we have one Executive Director i.e., Managing Director and five Non-Executive Directors, including three Independent Directors, on our Board.

Committees of the Board

Audit Committee

The members of the Audit Committee are:

1. Partho Datta, *Chairman and Non-executive Independent Director*;

2. Soumendra Basu, *Non-executive Independent Director*; and

3. Nainesh Jaisingh, *Non-executive Non-Independent Director*.

The Audit Committee was constituted by a meeting of our Board held on July 30, 2010. The scope and function of the Audit Committee is in accordance with Section 292A of the Companies Act and Clause 49 of the Listing Agreement and its terms of reference include the following:

1. Oversight of our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

2. Recommending to the Board of Directors, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;

3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

4. Reviewing, with the management, the annual financial statements before submission to the Board of Directors for approval, with particular reference to:

    a. Matters required to be included in the Director's Responsibility Statement to be included in the Board of Director's report in terms of clause (2AA) of section 217 of the Companies Act, 1956;

    b. Changes, if any, in accounting policies and practices and reasons for the same;

    c. Major accounting entries involving estimates based on the exercise of judgment by management;

    d. Significant adjustments made in the financial statements arising out of audit findings;

    e. Compliance with listing and other legal requirements relating to financial statements;

    f. Disclosure of any related party transactions; and

    g. Qualifications in the draft audit report.

5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board of Directors to take up steps in this matter;

7. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;

8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

9. Discussion with internal auditors any significant findings and follow up there on;

10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors;

13. To review the functioning of the whistle blower mechanism, in case the same is existing;

14. Approval of appointment of Chief Financial Office (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate; and

15. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The powers of the audit committee shall include the power to:

1. To investigate any activity within its terms of reference;

2. To seek information from any employee;

3. To obtain outside legal or other professional advice; and

4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;

2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;

3. Management letters / letters of internal control weaknesses issued by the statutory auditors;

4. Internal audit reports relating to internal control weaknesses; and

5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

The Audit Committee is required to meet at least four times in a year under Clause 49 of the Listing Agreement.

Remuneration Committee

The members of the Remuneration Committee are:

1. Soumendra M. Basu, *Chairman and Non-executive Independent Director*;

2. Robert Testore, *Non-executive Independent Director*; and

3. Nainesh Jaisingh, *Non-executive Non-Independent Director*.

The Remuneration Committee was constituted by a meeting of our Board held on July 30, 2010. The terms of reference of the Remuneration Committee include the following:

1. To determine on behalf of the Board of Directors and the shareholders, our Company's policy on the remuneration package of Managing Director and revisions, alterations therein from time to time; and

2. Such other matters as may be delegated by the Board from time to time.

Shareholders/Investors Grievance Committee

The members of the Investors' Grievance Committee are:

1. Soumendra Basu, *Chairman and Non-executive Independent Director*;

2. Partho Datta, *Non-executive Independent Director*; and

3. Nainesh Jaisingh, *Non-Executive Non-Independent Director*.

The Shareholders/Investors Grievance and Share Transfer Committee was constituted by our Board at their meeting held on July 30, 2010. The terms of reference of the Committee are redressal of investors' grievances including non-receipt of balance sheet, dividend etc.

IPO Committee

The members of the IPO Committee are:

1. Anurang Jain, *Chairman*; and

2. Nainesh Jaisingh.

The IPO Committee was constituted by our Board at their meeting held on June 16, 2010. The IPO Committee is authorized to take all steps and to do all acts, deeds, matters and things and to sign all MOUs, contracts, deeds, documents, declarations, affidavits, undertakings, appointment letters, applications, forms, papers etc. and also to take decisions and issue clarifications etc. on all issues and matters in connection with the IPO of our Company and Offer for Sale, including but not limited to the following:

1. Positioning of the IPO including appointing all intermediaries for the IPO including BRLMs, Domestic and International Legal Counsels, IPO Grading Agency, Registrar to the Issue, Escrow Collection Banks,

Printers, Advertising Agency, Underwriters etc;

2. Finalizing the time-lines for the IPO in consultation with the BRLMs and other concerned intermediaries;

3. Ensuring and finalizing all disclosures to be made in the Draft Red Herring Prospectus, the Red Herring Prospectus, and the Prospectus etc. to be filed with SEBI and the RoC as per the requirements of the SEBI Regulations, Companies Act and other applicable laws.

4. Deciding the capital structure of our Company including the size of the IPO, composition of the IPO (primary or secondary), split of the nominal value of the Equity shares of the Company below Rs. 10 per share in consultation with the BRLMs etc.

5. Deciding the objects of the Issue, the use of the IPO proceeds, the deployment of funds raised in the IPO and changes therein, if any etc.

6. Deciding the size of the IPO, the Price Band and other terms of the Issue in consultation with the BRLMs.

7. Finalizing Issue expenses in consultation with the BRLMs.

8. Deciding the stock exchanges on which shares in the IPO will be listed, filing of applications to the stock exchanges for obtaining "In-Principal Approval", listing of the shares etc. and ensuring compliance with the Listing Agreement including constituting the various committees under clause 49 of the Listing Agreement with the stock exchange.

9. Taking decisions on and resolving all such questions, difficulties on all matters in relation to the proposed IPO and Offer for Sale, issuing explanations and clarifications to SEBI, the RBI, the stock exchanges, the RoC, and all other regulatory authorities, government offices etc. in connection with any matter relating to disclosures in the Draft Red Herring Prospectus, the Red Herring Prospectus, and the Prospectus etc., or any other matter, issue, grievance related to or incidental with the IPO or listing of the shares of the Company etc.

10. Generally doing all such acts, deeds, matters and things connected with or incidental to the IPO.

Interest of Directors

Our independent Directors may be interested to the extent of fees payable to them for attending meetings of the Board of Directors or a committee thereof.

Our Directors may also be regarded as interested in the Equity Shares, if any, held by them or that may be subscribed by or allotted to the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Issue. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity and Preference Shares.

Our Directors have no interest in any property acquired by our Company within the preceding two years from the date of this Draft Red Herring Prospectus save and except an unutilized and vacant open plot of land at Aurangabad admeasuring 78 gunthas acquired in the year 2009 by a director of our Company from the ESIPL (which has been merged with our Company with effect from December 1, 2009) for consideration at the prevailing market price.

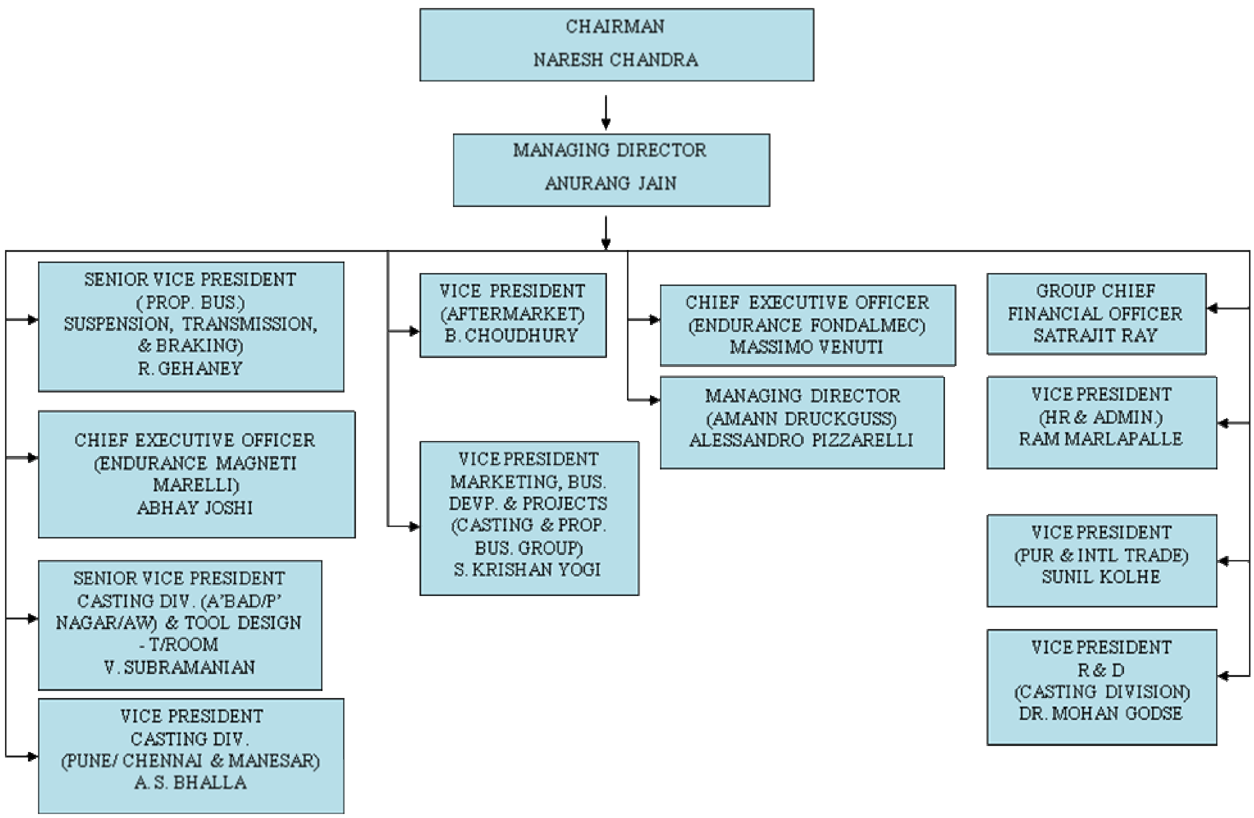
Except as stated in "Related Party Transactions" in the section "Financial Statements" beginning on page 144 of this Draft Red Herring Prospectus and described herein, our Directors do not have any other interest in our business.

Further, except as disclosed in this section, there is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which the Directors or the key management personnel were selected as director or member of senior management.

Changes in the Board in the last three years

Name	Date of Appointment/ Change/ Cessation	Reason
A. Arumugam	October 17, 2007	Resignation as alternate director to Nainesh Jaisingh
Dhiraj Poddar	October 17, 2007	Appointment as alternate director to Nainesh Jaisingh
Roberto Testore	October 17, 2007	Appointment as Additional Director
Dhiraj Poddar	May 8, 2008	Resignation as alternate director to Nainesh Jaisingh
Srinivas Rajgopal	February 4, 2009	Resignation as director
Soumendra Basu	June 16, 2010	Appointed as Additional Director
Partho Datta	June 16, 2010	Appointed as Additional Director

Management Organisation Chart



Key Management Personnel

Provided below are the details of our key management personnel, other than the executive Director(s) mentioned above, as of the date of this Draft Red Herring Prospectus. None of our key management personnel are related to each other.

1. **Satrajit Ray,** aged 51 years and an Indian national, is the group Chief Financial Officer. He joined our Company on April 12, 2010. He holds a bachelor's degree in commerce from University of Calcutta, qualified as a chartered accountant in 1984 and has 26 years of experience in aluminum and consumer electronics industry. Before joining our Company, he served as the Finance Controller of Hindalco Industries Limited and as the Chief Financial Officer of Mirc Electronics Limited.

2. **Ramesh Gehaney,** aged 50 years and an Indian national, is the Senior Vice President - SBU Head (Proprietary Division) of our Company. He joined our Company on July 23, 2004. He holds a diploma in mechanical engineering from University of Delhi. He has work experience of 28 years out of which 19 years is in the automobile industry. Before joining our Company, he worked with ASK Automotive Private Limited. During Fiscal 2010, he was paid a gross compensation of Rs. 3.15 Million.

3. **V. Subramanian,** aged 57 years and an Indian national, is the Senior Vice President - SBU Head (Castings - Waluj, Alloy Wheels – Pune, CPDC and toolroom) of our Company. He joined our Company on December 16, 1993. He holds a bachelor's degree in metallurgy and a post-graduate diploma in business management. He has 35 years of experience in the die-casting industry. Before joining our Company, he worked with Bakshi Steels Limited. During Fiscal 2010, he was paid a gross compensation of Rs. 3.01 Million.

4. **A. S. Bhalla,** aged 52 years and an Indian national, is the Vice President - SBU Head (Castings – Chakan, Chennai and Manesar) of our Company. He joined our Company on September 25, 2006. He holds a bachelor's degree in engineering from University of Jabalpur and a diploma in business management from IMDR, Pune. He has 29 years of experience in the automobile industry. Before joining our Company, he worked with High Power Engineering Company Private Limited. During Fiscal 2010, he was paid a gross compensation of Rs. 2.32 Million.

5. **Dr. M. M. Godse,** aged 49 years and an Indian national, is the Vice President - R&D of our Company. He joined our Company on May 3, 2007. He holds a bachelor's and a master's degree in engineering from University of Bombay and a doctorate in philosophy from University of Iowa, USA. He has 19 years of experience in the automobile industry. Before joining our Company, he worked with Caparo Engineering India Private Limited. During Fiscal 2010, he was paid a gross compensation of Rs. 2.7 Million.

6. **R. H. Marlapalle,** aged 52 years and an Indian national, is the Vice President - Group Strategic – HR & Admin of our Company. He joined our Company on January 1, 1992. He holds a bachelor's degree in law from Marathwada University, Aurangabad and a master's in labour studies from University of Mumbai and has 28 years of experience in the engineering and automobile industry. Before joining our Company, he worked with HMP Engineers Limited (formally known as Rallis India Limited). During Fiscal 2010, he was paid a gross compensation of Rs. 2.32 Million.

7. **Sunil Kolhe,** aged 48 years and an Indian national, is the Vice President - International Trade & Group Sourcing) of our Company. He joined our Company on October 10, 2006. He holds a bachelor's degree in production engineering from VJTI, Mumbai and diplomas in business management and export-import management from IITC Institute and has 27 years of experience in the automobile industry. Before joining our Company, he worked with TACO. During Fiscal 2010, he was paid a gross compensation of Rs. 2.45 Million.

8. **Biswajit Choudhury,** aged 51 years and an Indian national, is the Vice President – Aftermarket (Domestic & Exports) of our Company. He joined our Company on March 28, 2001. He holds a bachelor's degree in mechanical engineering from Birla Institute of Technology, Mesra, Ranchi. He has 28 years of experience in the automobile industry. Before joining our Company, he worked with the Anand Group. During Fiscal 2010, he was paid a gross compensation of Rs. 2.45 Million.

9. **S. Krishan Yogi,** aged 44 years and an Indian national, is the Vice President - Marketing, Projects & Business Development of our Company. He joined our Company on July 19, 2007. He holds a bachelor's degree in mechanical engineering from YMCA Institute of Engineering, Faridabad. He has 23 years of experience in the automobile industry. He is also the zonal coordinator of the Aurangabad Zone of ACMA, Western Region. Before joining our Company, he worked with Kirloskar Oil Engines Limited. During Fiscal 2010, he was paid a gross compensation of Rs. 2.57 Million.

10. **V. M. Achwal,** aged 48 years and an Indian national, is the Compliance Officer of our Company. He joined our Company on June 1, 2007. He holds bachelor's degrees in commerce and law from University of Pune

and qualified as company secretary in 1988. He has over 25 years of experience in automobile and other industries. Before joining our Company, he worked with Kinetic Motor Company Limited. During Fiscal 2010, he was paid a gross compensation of Rs. 1.44 Million.

Shareholding of key management personnel

None of the key management personnel hold any Equity Shares in our Company.

Bonus or profit sharing plan of the key management personnel

Our key management personnel are paid performance (variable) incentive pay based on certain performance parameters of such key management personnel and our Company.

Interests of key management personnel

The key management personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business. The Managing Director may be deemed to be interested to the extent of any dividend payable to him of the said Equity Shares.

None of the key management personnel have been paid any consideration or benefit of any nature from our Company, other than their remuneration.

Changes in the key management personnel

The changes in the key management personnel in the last three years are as follows:

Name	Date of change	Reason for change
Milind Date	January 14, 2008	Appointed as group Chief Financial Officer
Ramesh Gehaney	April 1, 2008	Appointed on July 23, 2004 and promoted as Senior Vice President - SBU Head (Proprietary Division)
Sunil Bedekar	July 31, 2008	Relieved as group Chief Financial Officer
Vipul Shah	September 22, 2008	Relieved as Vice President - SBU Head (Castings – Chakan, Chennai and Manesar)
M.S. Srinivas	October 2, 2008	Relieved as Vice President - Group Strategic – HR and Admin
Milind Date	March 30, 2009	Relieved as group Chief Financial Officer
A.S. Bhalla	April 1, 2009	Appointed on September 25, 2006 and last promoted as Vice President - SBU Head (Castings – Chakan, Chennai and Manesar) *
R.H. Marlapalle	April 1, 2009	Appointed on January 1, 1992 and last promoted as Vice President - Group Strategic – HR and Admin
Sanjay Gupta	May 4, 2009	Appointed as group Chief Financial Officer
Sanjay Gupta	January 15, 2010	Relieved as group Chief Financial Officer
Satrajit Ray	April 12, 2010	Appointed as group Chief Financial Officer

* Promoted as key management personnel

OUR SUBSIDIARIES AND JOINT VENTURE COMPANY

Our Company has the following four Subsidiaries and one Joint Venture Company. None of our Subsidiaries or the Joint Venture Company are listed on any stock exchange, has made any public or rights issue in the last three years, has become a sick company under the meaning of SICA and is under winding up or has a negative net worth as of July 31, 2010. Our Promoter has not disassociated himself from any company during the preceding three years, except in the capacity of nominee director of our Company on the board of directors of overseas subsidiary companies and a joint venture company of which our Company has since ceased to be the shareholder consequent upon dis-investment / merger / voluntary winding.

Unless otherwise specified, all information in this section is as on the date of this Draft Red Herring Prospectus.

Following are the Subsidiaries of our Company:

1. High Technology Transmission Systems (India) Private Limited;
2. Endurance Overseas SrL, Italy;
3. Amann Druckguss GmbH, Germany; and
4. Endurance Fondalmec SpA, Italy (formerly known as Fondalmec Officine Meccaniche S.p.A.).

Following is the joint venture set up by our Company:

1. Endurance Magneti Marrelli Shock Absorbers (India) Private Limited;

Subsidiaries

1. High Technology Transmission Systems (India) Private Limited, India ("HTTS")

Corporate Information

HTTS was incorporated on January 30, 2002, in India under the Companies Act. The registered office of HTTS is situated at plot no. K-226/1, MIDC Industrial Area, Waluj, Aurangabad 431 136, India. HTTS is primarily involved in manufacture, sale, export and marketing of clutch assembly, continuous variable transmission, friction plates, bike brake assemblies and parts thereof.

Capital Structure

The issued and paid-up equity share capital of HTTS is Rs. 153,884,630 divided into 15,388,463 equity shares of Rs. 10 per equity share.

Shareholding Pattern

The shareholding pattern of HTTS as of August 31, 2010 is as follows:

Sr. No.	Name of the shareholders	No. of equity shares	Percentage of total equity holding (%)
1.	Endurance Technologies Limited	13,080,194	85
2.	Adler SpA	2,308,269	15
	Total	**15,388,463**	**100**

Amount of accumulated profits or losses of HTTS not accounted for by the Issuer

The amount of accumulated profits of HTTS which has not been accounted for by the Issuer as on March 31, 2010 is Rs. 437.69 Million.

2. Endurance Overseas SrL, Italy

Corporate Information

Endurance Overseas SrL, was incorporated on May 14, 2007, in Italy under applicable Italian law. The office of Endurance Overseas SrL is situated at Via del Boschetto no. 2/43, Lombardore Torino, Italy. Endurance Overseas SrL is a special purpose vehicle incorporated for the purpose of making strategic overseas investment.

Capital Structure

The issued and paid-up stock of Endurance Overseas SrL is Euro 7,787,954.

Shareholding Pattern

The shareholding pattern of Endurance Overseas SrL as of August 31, 2010 is as follows:

Sr. No.	Name of the shareholder	Amount of stock (in Euro)	Percentage of holding (%)
1.	Endurance Technologies Limited	7,787,954	100.00
	Total	**7,787,954**	**100.00**

Amount of accumulated profits or losses of Endurance Overseas SrL not accounted for by the Issuer

The amount of accumulated losses of Endurance Overseas SrL which has not been accounted for by the Issuer as on March 31, 2010 is Rs. 446.02 Million.

3. Amann Druckguss GmbH, Germany

Corporate Information

Amann Druckguss GmbH was incorporated on June 25, 2002, in Germany under applicable German law. The office of Amann Druckguss GmbH is situated at Massenbachhausen Jahnstrasse 19, Deutschland, Germany. Amann Druckguss GmbH is primarily involved in production and sale of high pressure die casting components.

Capital Structure

The capital of Amann Druckguss GmbH is Euro 3,250,000 divided into 3,250,000 stock of Euro 1 each.

Shareholding Pattern

The ownership of Amann Druckguss GmbH is as follows:

Sr. No.	Name of the stockholders	Amount of Stock (in Euro)	Percentage of total holding (%)
1.	Endurance Technologies Limited	3,050,000	93.85
2.	Amann Druckguss GmbH	200,000	6.15
	Total	**3,250,000**	**100.00**

Amount of accumulated profits or losses of Amann Druckguss GmbH not accounted for by the Issuer

The amount of accumulated losses of Amann Druckguss GmbH which has not been accounted for by the Issuer as on March 31, 2010 is Rs. 977.33 Million.

4. **Endurance Fondalmec SpA, Italy**

Corporate Information

Endurance Fondalmec SpA, (formerly known as "Fondalmec Officine Meccaniche SpA") a step down subsidiary of our Company, and was incorporated in Italy under applicable Italian law. The office of Endurance Fondalmec SpA is situated at Via del Boschetto no. 2/43, Lombardore Torino, Italy. Endurance Fondalmec SpA is primarily involved in production of mechanical components for the automotive sector such as engine/gearbox/transmission groups, machining and assembling of components of aluminum alloys, cast iron and steel. Endurance Fondalmec SpA is a direct supplier to major car manufacturers in Europe.

Capital Structure

The issued and paid-up share capital of Endurance Fondalmec SpA is Euro 2,700,000 divided into 2,700,000 shares of Euro 1 per share.

Shareholding Pattern

Endurance Fondalmec SpA is a wholly-owned subsidiary of Endurance Overseas SrL., Italy

Amount of accumulated profits or losses of Endurance Fondalmec SpA not accounted for by the Issuer

The amount of accumulated loss of Endurance Fondalmec SpA which has not been accounted for by the Issuer as on March 31, 2010 is Rs. 34.60 Million.

Joint Venture Company

1. **Endurance Magneti Marelli Shock Absorbers (India) Private Limited, India ("Endurance Magneti Marelli")**

Corporate Information

Endurance Magneti Marelli was incorporated on July 14, 2008 in India under the Companies Act as a joint venture company between our Company and Magneti Marelli S.p.A. pursuant to a joint venture agreement dated June 11, 2008. Both the parties to the said agreement have equal control over the management of affairs of Endurance Magneti Marelli. The registered office of Endurance Magneti Marelli is situated at B-23, MIDC Industrial Area, Village Nighoje, Rajgurunagar, Chakan, Pune 410 501, India. Endurance Magneti Marelli is primarily involved in design, manufacture, assembly, distribution, sale, marketing, disposing, import or export of struts and shock absorbers including semi corner modules, gas springs of four and above wheeled vehicles including but not limited to four wheelers, heavy commercial vehicles, light commercial vehicles, trailers, pick-up trucks, multi utility vehicles, sports utility vehicles and other products for automotive applications.

Capital Structure

The issued and paid-up equity share capital of Endurance Magneti Marelli is Rs. 269,999,980 divided into 26,999,998equity shares of Rs. 10 per equity share.

Shareholding Pattern

The shareholding pattern of Endurance Magneti Marelli as of August 31, 2010 is as follows:

Sr. No.	Name of the shareholders	No. of equity shares	Percentage of total equity holding (%)
1.	Endurance Technologies Limited	13,499,999	50
2.	Magneti Marelli SpA	13,499,999	50
	Total	**26,999,998**	**100**

Amount of accumulated profits or losses of Endurance Magneti Marelli not accounted for by the Issuer

The amount of accumulated losses of Endurance Magneti Marelli which has not been accounted for by the Issuer as on March 31, 2010 is Rs. 53.83 Million.

Interest of the Subsidiaries in our Company

None of our Subsidiaries hold any Equity Shares in our Company. We have entered into certain business contracts with our Subsidiaries. For details, see "Related Party Transactions" in the section "Financial Statements" beginning on page 144 of this Draft Red Herring Prospectus.

OUR PROMOTER, PROMOTER GROUP AND GROUP COMPANIES

The promoter of our Company is Anurang Jain.

	Address: Green Leaf Manor Gat no. 41-3/B Kanchanwadi, Opposite WALMI Paithan Road Aurangabad 431 002	Anurang Jain is the Managing Director of our Company. He is an Indian national and resident in India. For further details, see "Board of Directors" in the section "Our Management" beginning on page 125 of this Draft Red Herring Prospectus. His driving license number is MH20/07/160577 and his voter identification number is MT/33/193/1254590.

Our Company undertakes that the details of the PAN, bank account numbers and passport numbers of our Promoter will be submitted to the Stock Exchanges at the time of filing the Draft Red Herring Prospectus with such Stock Exchange.

Our Promoter does not have any interest in any venture that is involved in any activities similar to those conducted by our Company.

Interests of Promoter and Common Pursuits

The Promoter of our Company is interested to the extent of his shareholding in our Company. Further, our Promoter, who is also a Director of our Company, may be deemed to be interested to the extent of remuneration and reimbursement of expenses payable to him by our Company.

Except as stated otherwise in this Draft Red Herring Prospectus, our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Red Herring Prospectus in which the Promoter is directly or indirectly interested and no payments have been made to him in respect of the contracts, agreements or arrangements which are proposed to be made with him including the properties purchased by our Company other than in the normal course of business and no amount or benefit is intended to be paid or given to the Promoter or any person in our Promoter Group.

Payment or Benefit to Promoter

Except as stated otherwise in the sections "Financial Statements", "Our Management" and "Our Promoter and Promoter Group" beginning on pages 144, 125 and 141, respectively of this Draft Red Herring Prospectus, there has been no payment or benefits to our Promoter during the two years prior to the filing of this Draft Red Herring Prospectus.

Other Confirmations

Our Promoter and Promoter Group confirm that they have not been declared as a willful defaulter by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past and no proceedings pertaining to such penalties are pending against them.

Additionally, neither (a) the Promoter or Promoter Group, nor (b) the companies with which the Promoter was or is associated as a promoter, director or person in control, have been debarred from dealing in securities or restrained from accessing the capital markets for any reasons by SEBI or any other governmental authorities.

Companies with which the Promoter has disassociated in the last three years

Our Promoter has not disassociated himself from any company during the preceding three years, except in the capacity of nominee director of our Company on the board of directors of overseas subsidiary companies and a joint venture company of which our Company has since ceased to be the shareholder consequent upon disinvestment / merger / voluntary winding.

The Promoter Group of Our Company is as follows:

Relatives of Promoter

The natural persons who are part of our Promoter Group (due to their relationship with our Promoter), other than the Promoter are as follows:

Name of the Person	Relationship with our Promoter
Naresh Chandra	Father
Suman Jain	Mother
Varsha Jain	Wife
Rhea Jain	Daughter
Rohan Jain	Son
Madan Aggarwal	Spouse's Father
Usha Aggarwal	Spouse's Mother
Anjali Mittal	Spouse's Sister
Gauri Rovati	Spouse's Sister

Companies/Partnership Firms/ HUFs forming part of Promoter Group

Companies:

1. High Technology Transmission Systems (India) Private Limited;
2. Endurance Overseas Srl;
3. Endurance Fondalmec SpA;
4. Amann Druckguss GmbH;
5. Endurance Magneti Marelli Shock Absorbers (India) Private Limited

Hindu Undivided Family:

1. Naresh Chandra HUF (Karta –Naresh Chandra); and
2. Anurang Jain HUF (Karta –Anurang Jain)

Group Companies

There are no group companies of our Company.

DIVIDEND POLICY

The declaration and payment of dividend, if any, will be recommended by our Board of Directors and approved by our shareholders at their discretion, subject to the provision of the Articles of Association and the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited to, our earnings, general financial conditions, capital requirements and surplus, contractual restrictions, applicable Indian legal restrictions and overall financial position of our Company and other factors considered relevant by the Board. The Board may, from time to time, pay interim dividend. The dividends declared by our Company during the last five fiscal years have been presented below:

1. Equity Shares

Particulars	Fiscal 2010	Fiscal 2009	Fiscal 2008	Fiscal 2007	Fiscal 2006
Face value per Equity Share (Rs.)	10	10	10	10	10
Dividend paid per Equity Shares (Rs.)	Nil	Nil	Nil	3	2
Rate of Dividend (%)	Nil	Nil	Nil	30	20

2. Preference Shares

Particulars	Fiscal 2010	Fiscal 2009	Fiscal 2008
Face value per Preference Shares (Rs.)	10	Nil	Nil
Dividend paid (Rs. in Million)	12.47*	Nil	Nil
Rate of Dividend (%)	8	Nil	Nil

** Inclusive on dividend declared on pro-rata basis from November 10, 2009 to March 31, 2010 on compulsorily convertible preference shares and March 26, 2010 to March 31, 2010 on redeemable preference shares.*

The amounts paid as dividends in the past are not necessarily indicative of our Company's dividend policy or dividend amounts, if any, in the future.

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

AUDITORS' REPORT
(as required by Part II of Schedule II of the Companies Act, 1956)

The Board of Directors
Endurance Technologies Limited,
K-228, MIDC Industrial Area,
Waluj,
Aurangabad - 431 136

Dear Sirs,

1. In connection with the proposed Initial Public Offering (the "IPO") of Equity Shares of Endurance Technologies Limited (Formerly known as Endurance Technologies Private Limited) ('the Company' or 'the Issuer') and in terms of our engagement agreed upon with the Company, we have examined the attached unconsolidated financial information (as defined in paragraph 4 below) of the Company as at and for the years ended 31st March, 2010, 2009, 2008, 2007 and 2006, annexed to this report and initialed by us for purpose of identification.

2. This Financial Information is the responsibility of the Company and has been prepared in accordance with the requirements of:

    a) paragraph B of Part II of Schedule II of the Companies Act, 1956, ('the Act'); and

    b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009, notified by Securities and Exchange Board of India ("SEBI") on 26th August, 2009 and amendments thereto (the "SEBI Regulations"), in pursuance of Section 11A (1) (a) of the Securities and Exchange Board of India Act, 1992 and the Guidance Note on Reports in Company Prospectuses (Revised) issued by the Institute of Chartered Accountants of India ('ICAI').

3. Our examination was conducted in accordance with the applicable generally accepted auditing standards ("GAAS") framework in India prescribed by the ICAI.

Unconsolidated Financial Information as per Audited Financial Statements of the Company:

4. We have examined the following attached statements of the Company:

    i) the "Restated Unconsolidated Statement of Assets and Liabilities" as at 31st March, 2010, 2009, 2008, 2007 and 2006 (Annexure - 1);

    ii) the "Restated Unconsolidated Statement of Profits and Losses" for each of the years ended 31st March, 2010 2009, 2008, 2007 and 2006 (Annexure - 2); and

    iii) the "Restated Unconsolidated Statement of Cash Flows" for each of the years ended 31st March, 2010, 2009, 2008, 2007 and 2006 (Annexure - 3)

    together referred to as the "Restated Unconsolidated Summary Statements."

    These Restated Unconsolidated Summary Statements have been extracted by the Management of the Company from the audited unconsolidated financial statements, after making such adjustments and regroupings as in our opinion are appropriate, for the years ended:

a) 31st March, 2010, 2009, 2008 and 2007, audited by us in terms of our reports dated July 30, 2010, December 15, 2009, September 15, 2008 and September 10, 2007, respectively.

b) 31st March, 2006 which have been audited by M/s N.C. Panpalia & Co., Chartered Accountants, being the auditors of the Company for that year, in terms of their report dated September 9, 2006.

All the unconsolidated financial statements as at and for the years ended 31st March, 2010, 2009, 2008, 2007 and 2006 have been approved by the Board and adopted by the shareholders at their Annual General Meetings.

5. We further state that the audit of the Unconsolidated financial statements of the Company for the financial year ended 31st March 2006 was conducted by M/s N. C. Panpalia & Co., Chartered Accountants, being the auditors of the Company for that year, and accordingly reliance has been placed on the financial statements audited by them. Accordingly, our examination of the unconsolidated restated financial information of the Company for the financial year ended 31st March 2006 is solely based on the unconsolidated financial statements of the Company audited and reported upon by them.

6. Based on our examination of these Restated Unconsolidated Summary Statements, read with para 5 above, we state that:

i) The 'Restated Unconsolidated Summary Statements' have to be read in conjunction with the "Significant Accounting Policies" (Annexure - 4) and "Notes to the Restated Summary Statements of the Company" (Annexure - 5);

ii) The 'Restated Unconsolidated Summary Statements' reflect the retrospective effect of significant accounting policies adopted by the Company as at / for the year ended 31st March, 2010 *except for the matters below:*

a) Any gain or loss on account of exchange difference related to foreign exchange liabilities pertaining to purchase of fixed assets arising during the years ended on 31st March 2006 and 31st March 2007, the effect of which was given to the cost of the fixed asset has not been adjusted for the purpose of this statement. Consequentially, the depreciation on fixed assets has also not been adjusted for the relevant years. The impact on the restated financial information as a result of this non-adjustment, has not been ascertained. (Refer Note No. 5(ii)(b) of Annexure - 7).

b) *With effect from the year ended 31st March 2008, the Company has accounted for foreign exchange loss in respect of derivative instruments which are not covered by AS 11, based on Mark to Market valuation as on Balance Sheet date. However, for the purpose of this statement, as the mark to market valuation in respect of the derivative instruments outstanding, if any, as at 31st March 2006 & 31st March 2007, is not available, the loss, if any, on such instruments has not been recognized or adjusted. The impact on the restated financial information as a result of this non-adjustment, has not been ascertained. (Refer Note No. 5(ii)(c) of Annexure - 7).*

iii) The restated profits / losses have been arrived at after charging all expenses including depreciation and after making such adjustments and regroupings, as in our opinion are appropriate, in the year to which they relate and are described in Annexure - 6 & 7 *except for:*

The adjustments in "Business Reconstruction Reserve" were done as per the Scheme of Arrangement ("the Scheme") sanctioned by the Hon'ble High Court of Bombay. As the accounting treatment given in the books of account was as required by the Scheme of Arrangement approved by the High Court, the individual items adjusted against the Business Reconstruction Reserve were neither adjusted nor restated for the purpose of this statement.

(Refer Note No. 9(d) of Annexure 5& Note No. 6 of Annexure - 7). The impact of the above on the Restated Unconsolidated Summary Statement has not been ascertained.

iv) The extraordinary items in the financial years ended 31st March, 2010 and 2008 have been disclosed separately in the Restated Unconsolidated Summary Statements;

v) There are no qualifications in Auditors' Reports which would require an adjustment in the Restated Unconsolidated Summary Statements *except for the following audit qualifications which have not been adjusted by the Management*:

Auditors' Report on the Company's financial statements for the financial year ended 31st March 2008

a) As stated in Note No. 3(A)(i) of Annexure 7, the Company has restated the outstanding foreign currency denominated long term loans which are covered by foreign exchange range forward contracts (JPY-USD) using the exchange rates mentioned as strike rates in the unexpired foreign currency range forwards contracts instead of the cross currency spot exchange rates as on 31st March, 2008 as required by the Accounting Standard (AS) 11 "The Effects of Changes in Foreign Exchange Rates". Had these foreign currency term loan amounts been restated at the spot rates, the loss for the year and the term loan liabilities would have increased by Rs. 351.6 Million and Reserves as at 31st March, 2008 would have decreased by Rs. 351.6 Million.

Auditors' Report on the Company's financial statements for the financial year ended 31st March 2009

b) As stated in Note No .9(a) of Annexure 5 & Note. No. 3(A)(ii)(a) of Annexure 7, upon the Scheme becoming effective, all the assets and liabilities and investments (including overseas investments) as appearing in the books of account of Endurance Systems (India) Private Limited (ESIPL) as on the Appointed Date were required to be recorded at their respective fair values by the Company. Further, in terms of the Scheme, if it is considered necessary and appropriate by the Board of Directors of the Company and if the fair value of any of the assets, liabilities and investments including overseas investments as on the date of approval of the Scheme by the board of directors (i.e. 28th July 2009) is substantially different, then the same also may be adjusted while arriving at the fair value for any such assets, liabilities and investments including overseas investments.

However, in the opinion of Board of Directors, all the balances in assets and liabilities [except for the tangible fixed assets which have been revalued and investments in one of the subsidiary which has been adjusted for permanent diminution in the value of investment] as of 1st April 2008 represent the respective fair values and accordingly these have been transferred to the Company at their respective book values.

c) As stated in Note No. 9(c) of Annexure 5 & Note. No. 3(A)(ii)(b) of Annexure 7, as an integral part of the Scheme approved by the Hon'ble High Court of Judicature at Bombay, with an intention to right size the Balance Sheet of the Company post amalgamation, the assets including investments in other subsidiaries and liabilities of the Company were required to be recorded at their present fair values as on the date of approval of the Scheme by the Board of Directors i.e.28th July 2009.

However, in the opinion of Board of Directors all the balances in assets, liabilities and investments (including overseas investments) as of 31st March, 2009 [except for the tangible fixed assets which have been revalued and investments in certain subsidiaries which have been written-off / adjusted for permanent diminution in the value of investments] represent the respective fair values and accordingly these have been carried at their respective book values.

Auditors' Report on the Company's financial statements for the financial year ended 31st March 2010

d) *As stated in Note No. 9(a) of Annexure 5 & Note. No. 3(A)(iii)(a) of Annexure 7, in the absence of an independent assessment of the fair values of the balances in all the assets and liabilities [except for the tangible fixed assets which have been revalued and investments in one of the subsidiary which had been adjusted for permanent diminution in the value of investment] as of 1st April 2008, the impact on the financial statements could not be ascertained.*

This matter had been qualified in the previous year's Auditors' Report. Further, the impact of the same, if any, on the carrying amounts of the balances in the assets and liabilities as of 31st March 2010, is not determinable.

e) *As stated in Note No. 9(c) of Annexure 5 & Note. No. 3(A)(iii)(b) of Annexure 7, in the absence of an independent assessment of the fair values of the balances in assets, liabilities & investments (including overseas investments) as of 31st March 2009 [except for the tangible fixed assets which have been revalued and investments in certain subsidiaries which have been written-off / adjusted for permanent diminution in the value of investments], the impact on the financial statements could not be ascertained. This matter had been qualified in the previous year's Auditors' Report. Further, the impact of the same on the carrying amounts of the balances in the assets and liabilities as of 31st March 2010 is not determinable.*

The impact of the above unadjusted qualifications on the Restated Unconsolidated Summary Statement is not ascertainable.

vi) Qualification in the auditors' report which do not require any corrective adjustments in the Restated Unconsolidated Summary Statements are disclosed in Note. No. *3(B) of Annexure 7*.

Other Unconsolidated Financial Information of the Company as per Audited Unconsolidated Financial Statements

7. We have also examined the following restated unconsolidated financial information of the Company for the years ended 31st March, 2010, 2009, 2008, 2007 and 2006 which is proposed to be included in the Draft Red Herring Prospectus (DRHP), as approved by the Board of Directors of the Company and annexed to this report:

Sr. No.	Details of Other Unconsolidated Financial Information	Annexure Reference
1	Significant Accounting Policies and Notes to the Restated Financial Information	Annexure - 4 & 5
2	Statement on Adjustments to Audited Financial Statements	Annexure - 6
3	Notes to Statement on Adjustments to Audited Financial Statements	Annexure - 7
4	Statement of Share Capital	Annexure - 8
5	Statement of Reserves & Surplus	Annexure - 9
6	Statement of Secured Loans	Annexure - 10
7	Statement of Unsecured Loans	Annexure - 11
8	Statement of summary of Investments	Annexure - 12
9	Statement of Debtors	Annexure - 13
10	Statement of Loans and Advances	Annexure - 14
11	Statement of Current Liabilities & Provisions	Annexure - 15
12	Statement of Other Income	Annexure - 16
13	Statement of Dividend Paid / Proposed Dividend on Equity Shares &	Annexure - 17

Sr. No.	Details of Other Unconsolidated Financial Information	Annexure Reference
	Preference Shares	
14	Statement of Accounting Ratios	Annexure - 18
15	Capitalisation Statement	Annexure - 19
16	Statement of Contingent Liabilities	Annexure - 20
17	Statement of Segment Information	Annexure - 21
18	Tax Shelter Statement	Annexure - 22
19	Statement of Related Party Transactions	Annexure - 23

The above together are referred to as “Other Unconsolidated Financial Information”.

In respect of “Other unconsolidated financial information” stated above, we have relied upon the audited unconsolidated financial statements for the financial year ended March 31, 2006, which were audited and reported by M/s N. C. Panpalia & Co., Chartered Accountants as stated above.

8. Based on our examination of the Restated Unconsolidated Summary Statements of the Company attached to this report, read with significant accounting policies and notes as annexed to this report, we state that in our opinion the ‘Restated Unconsolidated Summary Statements’ and ‘Other Financial Information’ as at and for each of the years ended 31st March, 2010, 2009, 2008, 2007 and, 2006 *read with our comments in paragraph 5 and subject to our comments in paragraphs 6 (ii), (iii) & (v) above*, have been prepared in accordance with Paragraph B of Part II of Schedule II of the Act and the SEBI Regulations.

9. We have not audited any unconsolidated financial statements of the Company as of any date or for any period subsequent to 31st March 2010. Accordingly, we express no opinion on the financial position, results of operations or cash flows of the Company as of any date or for any period subsequent to 31st March 2010.

10. We did not perform audit tests for the purpose of expressing an opinion on individual balances of account or summaries of selected transactions, and accordingly, we express no such opinion thereon.

11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

12. This report should not, in any way, be construed as a reissuance or re-dating of any of the previous audit reports nor should this be construed as a new opinion on any of the financial statements referred to herein.

13. This report is intended solely for your information and for inclusion in the offer document in connection with the proposed IPO of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No.: 117366W)

Hemant M. Joshi
Partner
Membership No.: 38019

Mumbai, September 27, 2010

ANNEXURE 1 - RESTATED UNCONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(Rs. In Million)

	Particulars	AS at 31st March				
		2006	**2007**	**2008**	**2009**	**2010**
A.	**Fixed Assets**					
	Gross Block	3,635.78	5,573.52	7,686.81	12,830.99	12,942.05
	Less : Accumulated Depreciation & Amortization	881.40	1,328.80	2,039.30	3,478.80	4,410.04
	Net Block	**2,754.38**	**4,244.72**	**5,647.51**	**9,352.19**	**8,532.01**
	Capital Work- in -Progress (Including Capital advances)	531.67	739.79	368.64	210.49	259.25
	Total	**3,286.05**	**4,984.51**	**6,016.15**	**9,562.68**	**8,791.26**
B.	**Investments**	**78.68**	**2,555.46**	**2,783.18**	**2,372.24**	**2,823.36**
C.	**Current Assets, Loans & Advances**					
	Inventories	444.88	653.79	863.10	762.79	1,035.60
	Sundry Debtors	722.00	1,545.20	1,563.36	1,255.33	2,443.61
	Cash & Bank Balances	529.78	588.36	516.07	423.05	433.27
	Other Current Assets (Interest accrued on Fixed Deposits)	50.06	32.16	6.93	6.72	5.90
	Loans & Advances	259.25	452.74	793.48	588.87	804.05
	Total	**2,005.97**	**3,272.25**	**3,742.94**	**3,036.76**	**4,722.43**
D	**Liabilities and Provision**					
	Secured Loans	1,827.26	3,841.87	5,957.30	7,236.76	6,017.66
	Unsecured Loans	1,069.81	1,704.65	1,625.14	1,350.61	2,087.51
	Deferred Tax Liability (net)	236.05	297.36	277.58	4.16	159.77
	Deferred Payment	-	239.55	207.70	15.29	13.55
	Current Liabilities	1,190.73	1,663.09	1,385.44	2,769.58	3,498.41
	Provisions	27.73	6.84	278.18	207.39	243.52
	Total	**4,351.58**	**7,753.36**	**9,731.34**	**11,583.79**	**12,020.42**
	NET WORTH (A+B+C-D)	**1,019.12**	**3,058.86**	**2,810.93**	**3,387.89**	**4,316.63**
	Represented by :					
E	Share Capital	12.11	17.00	169.97	169.97	586.77
F	Share Capital - Pending Allotment	2.88	-	-	-	-
G	Reserves & Surplus	1,004.13	3,041.86	2,640.96	3,217.92	3,729.86
	NET WORTH (E+F+G)	**1,019.12**	**3,058.86**	**2,810.93**	**3,387.89**	**4,316.63**

Note :

The above statement should be read with the Significant Accounting policies, appearing in Annexure 4; Notes to the Restated Financials Information, appearing in Annexure 5; Statement on Adjustments to Audited Financial Statements, appearing in Annexure 6: and Notes to Statement on Adjustments to Audited Financial Statements, appearing in Annexure 7.

In terms of our report attached
For Deloitte Haskins & Sells **For and on behalf of the Board**
Chartered Accountants

Hemant M. Joshi	**Anurang Jain**	**P.S.Datta**	**Satrajit Ray**	**V.M.Achwal**
Partner	Managing Director	Director	Group CFO	DGM (CS & Legal)
Place : Mumbai		Place : Mumbai		
Date: September 27, 2010		Date: September 27, 2010		

ANNEXURE 2: RESTATED UNCONSOLIDATED STATEMENT OF PROFITS AND LOSSES

(Rs. In Million)

Particulars	For the year ended 31st March				
	2006	2007	2008	2009	2010
INCOME :					
Gross Sales	4,590.20	11,226.76	14,214.41	15,913.73	16,759.24
Less : Excise Duty	615.01	1,543.71	1,802.18	1,690.10	1,185.75
Net Sales	3,975.19	9,683.05	12,412.23	14,223.63	15,573.49
Job Work Receipts	85.62	170.61	134.65	100.58	169.00
Wind Power Generated - Captively Consumed	0.92	11.28	11.57	25.38	22.18
Wind Power Generated - Sales	15.11	17.22	18.64	21.27	19.91
Other Income	165.76	410.58	589.82	385.22	540.91
A. Total Income	**4,242.60**	**10,292.74**	**13,166.91**	**14,756.08**	**16,325.49**
EXPENDITURE :					
Material Cost	2,636.44	6,575.40	8,933.66	9,794.38	9,722.05
Employee Cost	155.15	376.52	621.12	771.25	752.30
Other Expenses	696.43	1,930.50	2,403.34	2,571.73	3,170.26
B. Total Expenditure	**3,488.02**	**8,882.42**	**11,958.12**	**13,137.36**	**13,644.61**
Profit / (Loss) before Interest, Depreciation, Tax and Extra Ordinary Expenses	**754.58**	**1,410.32**	**1,208.79**	**1,618.72**	**2,680.88**
Interest	75.92	264.95	480.80	672.21	677.43
Depreciation & Amortization	200.12	508.71	730.57	1,012.67	1,107.57
Total	**276.04**	**773.66**	**1,211.37**	**1,684.88**	**1,785.00**
Profit / (Loss) before Taxation and Extra Ordinary Expenses	**478.54**	**636.66**	**(2.58)**	**(66.16)**	**895.88**
Provision for Taxation					
Current Tax	126.50	85.00	-	-	174.15
Minimum Alternate Tax Credit Eligible for Set Off	-	-	-	-	(28.95)
Wealth Tax	0.08	0.21	0.21	0.03	0.13
Deferred Tax	88.10	77.14	(36.40)	(358.15)	159.67
Fringe Benefit Tax	2.14	5.00	7.50	5.12	-
Current Tax of earlier years	0.50	0.01	0.72	-	2.92
Total	**217.32**	**167.36**	**(27.97)**	**(353.00)**	**307.92**
Net Profit after Tax, before Extra Ordinary Expenses and adjustments	**261.22**	**469.30**	**25.39**	**286.84**	**587.96**
Extra Ordinary Expenses (Refer Note. 12 of Annexure 5)	-	-	306.23	-	56.45
Depreciation and Amortization Written back (Refer Note. 1 (b) of Annexure 7)	163.18	-	-	-	-
Expense related to Amalgamation	-	16.77	-	-	-
Transfer from General Reserve	-	(16.77)	-	-	-

Particulars	For the year ended 31st March				
	2006	**2007**	**2008**	**2009**	**2010**
Net Profit / (Loss) before Adjustments	**424.40**	**469.30**	**(280.84)**	**286.84**	**531.51**
Adjustments (Net of Tax) (Refer Annexure 7)	**(111.38)**	**(28.35)**	**32.93**	**(4.29)**	**(4.98)**
Net Profit / (Loss) after Taxation, As Restated	**313.02**	**440.95**	**(247.91)**	**282.55**	**526.53**
Add :					
Balance brought forward from previous year	128.75	22.50	457.63	209.71	798.42
Acquired under the scheme of arrangement	64.15	-	-	306.15	-
Amount available for appropriation, as restated	**505.92**	**463.45**	**209.71**	**798.42**	**1,324.95**
APPROPRIATIONS :					
Transferred to General Reserve	480.00	-	-	-	-
Dividend	3.00	5.10	-	-	-
Tax on Dividend	0.42	0.72	-	-	-
Dividend on Preference Shares	-	-	-	-	12.47
Dividend Tax on Preference Shares	-	-	-	-	2.12
Balance carried to Balance Sheet	22.50	457.63	209.71	798.42	1,310.36
Total	**505.92**	**463.45**	**209.71**	**798.42**	**1,324.95**

Note :

The above statement should be read with the Significant Accounting policies, appearing in Annexure 4; Notes to the Restated Financials Information, appearing in Annexure 5; Statement on Adjustments to Audited Financial Statements, appearing in Annexure 6: and Notes to Statement on Adjustments to Audited Financial Statements, appearing in Annexure 7.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board

Hemant M. Joshi
Partner
Place : Mumbai
Date: September 27, 2010

Anurang Jain
Managing Director

P.S.Datta
Director

Satrajit Ray
Group CFO

V.M.Achwal
DGM (CS & Legal)

Place : Mumbai
Date: September 27, 2010

ANNEXURE 3: RESTATED UNCONSOLIDATED STATEMENT OF CASH FLOWS

(Rs. In Million)

Particulars			For the year ended 31st March				
			2006	2007	2008	2009	2010
A	**Cash Flow from Operating Activities**						
	i)	Net Profit / (Loss) before Tax and after Extra ordinary Expenses	478.54	636.66	(308.81)	(66.16)	839.43
		Adjustments on account of restatement affecting Profit / Loss before tax	4.28	(47.01)	48.88	(6.36)	(11.94)
		Proft / (Loss) before tax, as restated	482.82	589.65	(259.93)	(72.52)	827.49
	ii)	Adjustments for:					
		Depreciation & Amortisation for the Year	200.12	508.71	730.57	1,012.67	1,107.57
		Provision for Slow Moving Inventory	-	-	-	4.04	4.72
		Provision for Doubtful Debts	-	-	-	-	4.85
		Extraordinary Expenses	-	46.60	260.19	-	(37.35)
		Provision for Employee Benefit	(0.01)	(0.06)	12.46	15.77	17.30
		Provision / (Written Back) for Warranty Claims	2.29	0.25	(1.40)	0.31	(0.64)
		Deferred Revenue Expenses written off	1.60	-	-	-	-
		Interest Expenses	74.72	265.03	480.04	672.42	677.43
		(Profit) / Loss on Sale of Assets	(0.01)	0.88	(4.61)	-	15.03
		Dividend Income		(44.32)	(49.00)	(11.83)	(0.05)
		Unrealised Exchange Fluctuation Gain/Loss	-	(107.96)	35.24	1.18	(85.37)
		Interest Income	(20.88)	(26.74)	(69.44)	(41.42)	(16.09)
	iii)	**Operating Profits before Working Capital Changes**	**740.65**	**1,232.04**	**1,134.12**	**1,580.62**	**2,514.89**
						-	-
	iv)	Adjustments for:				-	-
		Increase / (Decrease) in Trade Payables, Other Liabilities & Provisions	181.75	437.98	(194.24)	325.09	799.71
		(Increase) / Decrease in Inventories	(154.01)	(208.91)	(209.31)	347.26	(277.54)
		(Increase) / Decrease in Trade and Other Receivables	(156.34)	(1,007.10)	1.44	703.40	(1,325.15)
	v)	**Cash Generated from operations**	**612.05**	**454.01**	**732.01**	**2,956.37**	**1,711.91**
		Wealth Tax Paid	(0.08)	(0.21)	(0.21)	(0.25)	(0.03)
		Direct Taxes Paid	(146.43)	(102.80)	(52.22)	(23.39)	(35.00)
		Net Cash Generated from Operating Activities	**465.54**	**351.00**	**679.58**	**2,932.73**	**1,676.88**
B	**Cash Flow from Investing Activities**						
		Purchase of Fixed Assets	(1,108.33)	(2,174.81)	(1,891.36)	(966.08)	(574.94)
		Proceeds from Sale of Fixed Assets	4.14	10.73	26.56	76.50	192.00
		Investment in Subsidiaries / Associates / Joint Ventures		(1,480.92)	(272.67)	(708.96)	(436.98)

Particulars			For the year ended 31st March				
			2006	2007	2008	2009	2010
		Investment in Mutual Funds / Shares		(777.72)	-	-	-
		Interest Received	20.88	44.64	94.51	8.96	16.90
		Dividend Received		44.32	49.00	11.83	0.05
		Sale of Investments	35.40	-	-	361.94	-
		Loans (given to) / Repaid by Subsidiaries		(58.26)	(270.80)	(166.58)	(205.13)
		Merger expenses		(16.77)	-	-	-
		Buy back of Equity Shares	(17.84)	-	-	-	-
		Net Cash used in Investing Activities	**(1,065.75)**	**(4,408.79)**	**(2,264.76)**	**(1,382.39)**	**(1,008.10)**
C	**Cash Flow from Financing Activities**						
		Increase in Share Capital	-	2.01	-	-	-
		Share Premium	-	1,648.20	-	-	-
		Issue of Compulsorily Convertible Preference Shares	-	-	-	-	400.00
		Capital Subsidy Received	-	3.00	-	-	
		Proceeds from Borrowings	1,607.61	3,277.30	3,308.23	1,115.19	1,926.32
		Repayment of Borrowings	(791.96)	(531.97)	(1,334.61)	(2,195.62)	(2,262.99)
		Interest Paid	(70.41)	(241.09)	(460.73)	(714.50)	(715.79)
		Share Issue expenses	-	(31.84)	-	-	-
		Dividend Paid	(1.45)	(9.23)	-	-	-
		Net Cash used in Financing Activities	**743.79**	**4,116.38**	**1,512.89**	**(1,794.93)**	**(652.46)**
		Net Increase / (Decrease) in Cash & Cash Equivalents	**143.58**	**58.58**	**(72.29)**	**(244.59)**	**16.32**
				-		-	-
		Opening Cash & Cash Equivalents as on 1st April	200.50	529.78	588.36	516.07	423.05
		Add: Cash & Cash Equivalents taken over on amalgamation	185.70	-	-	151.57	-
		Less: Closing Cash & Cash Equivalents as on 31st March	529.78	588.36	516.07	423.05	439.37
		Net Increase / (Decrease) in Cash & Cash Equivalents	**143.58**	**58.58**	**(72.29)**	**(244.59)**	**16.32**

Notes:-

1. The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statement.
2. Cash and Cash Equivalent includes Fixed Deposits in lien with banks against loans taken.
3. Figures for the year ended 31st March 2009 are not comparable on account of the effects of the Scheme of Arrangement. Refer Note No. 9 in Annexure 5.
4. Cash Balance as on 31st March 2010, includes unrealised loss of Rs. 6.1 Million in respect of Fixed Deposits in foreign currency.
5. The cash flows disclosed above for the year ended 31st March 2010 excludes an amount of Rs.16.80 Million representing shareholders / directors loan taken by the company converted during the year into Redeemable Preference Shares. It also excludes an amount of 14.14 Million representing loan given to subsidiaries, coverted during the year into Investments.
6. The above statement should be read with the Significant Accounting policies, appearing in Annexure 4; Notes

to the Restated Financials Information, appearing in Annexure 5; Statement on Adjustments to Audited Financial Statements, appearing in Annexure 6: and Notes to Statement on Adjustments to Audited Financial Statements, appearing in Annexure 7.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board

Hemant M. Joshi	**Anurang Jain**	**P.S.Datta**	**Satrajit Ray**	**V.M.Achwal**
Partner	Managing Director	Director	Group CFO	DGM (CS & Legal)
Place : Mumbai		Place : Mumbai		
Date: September 27, 2010		Date: September 27, 2010		

ANNEXURE: 4 - SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

The financial statements have been prepared under the historical cost convention on the accrual basis of accounting, except in case of assets for which revaluation has been carried out, in accordance with the generally accepted accounting principles, notified Accounting Standards by Companies Accounting Standards Rules, 2006.

b) Use of Estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires the Management of the Company to make estimates and assumptions that affect the reported amounts of income and expenses of the period, reported balances of assets, liabilities, and disclosure of contingent liabilities at the date of the financial statements. Such estimates and assumptions used in the accompanying financial statements are prudent and based on Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results may differ from these estimates and assumptions used in preparing the accompanying financial statements.

c) Revenue Recognition

- Sale of goods is recognized, net of returns and trade discounts, when the risk and rewards of ownership are passed on to the customers, which is generally on dispatch of goods. Sales include Excise Duty but exclude Sales Tax and Value Added Tax.

- Job-work receipts are accounted as and when the services are rendered.

- Benefit on account of entitlement of import of goods free of duty under the "Duty Entitlement Pass Book under Duty exemption Scheme" (DEPB Scheme) is accounted in the year of export.

d) Fixed Assets

Fixed Assets are stated at cost of acquisition or construction and include amount added/deducted on revaluation less accumulated depreciation / amortization and impairment loss, if any. Pre-operation expenses including trial run expenses (net of revenue) are capitalised. All costs relating to the acquisition and installation of fixed assets are capitalised and include borrowing costs relating to funds attributable to construction or acquisition of qualifying assets, up to the date the asset / plant is ready for intended use.

e) Depreciation and Amortisation

i) Depreciation is provided on straight line basis (SLM), at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956, proportionate from the date when put to use except as given below:

- Freehold land is not depreciated
- Dies – Over their estimated economic life determined on the basis of their uses or under SLM in the manner specified in Schedule XIV whichever is higher.
- Technical Know-how (including income-tax and R & D Cess) – amortised over the period of six years
- Software Costs & ERP Systems are amortised in three equal installments
- Individual Assets costing less than Rs 5,000 each are depreciated in full in the year of acquisition.

ii) Leasehold Land is depreciated over the period of the lease.

iii) In respect of assets whose useful life has been revised, the unamortized depreciable amount has been charged over the revised remaining useful life.

f) Foreign Currency Transactions

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities are translated at the year-end exchange rates. Exchange difference arising on settlement of transactions and translation of monetary items are recognised as income or expense in the year in which they arise.

Premium/Discount on forward contracts is amortised over the life of such contracts. The Company accounts for foreign exchange loss in respect of derivative instruments which are not covered by AS 11, based on Mark to Market valuation as on Balance Sheet date.

g) Product Warranty Expenses

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures.

h) Inventories

Inventories of raw materials and components, work-in-progress, stock-in-trade, Stores & Spares and Tools & Instruments are valued at the lower of cost and net realisable value. Cost is ascertained on a weighted average basis. The cost of work-in-progress and finished goods is determined on absorption cost basis. Excise duty in respect of Inventory of Finished Goods manufactured is shown separately as an item of expense and included in valuation of Inventory of Finished Goods.

i) Employee Benefits

Provident fund

The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). The contributions as specified under the law are paid to the Central Government Provident Fund & the Family Pension Fund and charged to the Profit & Loss Account of the year.

Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation. The Company has taken a Group Gratuity cum Life Assurance Scheme with LIC of India for future payment of gratuity to the eligible employees. The premium thereof is paid periodically in terms of the said policy.

Compensated absences

The Company provides for the encashment of compensated absences with pay subject to certain rules. The employees are entitled to accumulate compensated absences subject to certain limits, for future encashment. The liability being long term in the nature is provided based on the number of days of unutilised compensated absences at each balance sheet date on the basis of an independent actuarial valuation. The Company has taken a policy with LIC of India for future payment of compensated absences encashment to its employees. The premium thereof is paid periodically in terms of the said policy.

j) Investments

Long term investments are valued at cost less diminution in value, if any, other than of temporary nature. Current investments are valued at lower of cost and fair value.

k) Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income - Tax Act, 1961.

Deferred tax is recognised, for all timing differences, subject to the consideration of prudence, applying the tax rates that have been substantially enacted by the Balance Sheet date.

Deferred tax assets in respect of unabsorbed depreciation and carry forward of tax losses are recognized if there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

l) Impairment of Assets

The Company reviews the carrying amounts of its fixed assets annually to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows expected from the continuing use of the asset and from its ultimate disposal are discounted to their present values using a pre-determined discount rate that reflects the current market assessments of the time value of money and risks specific to the asset.

m) Borrowing Cost:

Interest and other costs incurred in connection with the borrowing of the funds are charged to revenue on accrual basis except those borrowing costs which are directly attributable to the acquisition or construction of those fixed assets, which necessarily take a substantial period of time to get ready for their intended use. Such costs are capitalised with the fixed assets.

n) Provisions, Contingent Liabilities and Contingent Assets

As per Accounting Standard 29, Provisions, Contingent Liabilities and Contingent Assets, the Company recognizes provisions only when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

No provision is recognised for –

- Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

- Any present obligation that arises from past events but is not recognised because-
  - It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - A reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as Contingent Liabilities. These are assessed continually and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

Contingent Assets are not recognised in the financial statements since this may result in the recognition of income that may never be realized.

o) Earnings per share

The Company reports basic and diluted earnings per share in accordance with Accounting Standard 20 on 'Earnings per Share'. Basic earning per share is computed by dividing the net profit or loss for the period by the weighted average number of Equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti- dilutive.

p) Cash Flow Statement

The Cash Flow statement is prepared by the indirect method set out in Accounting Standard 3 on Cash Flow Statements and presents cash flows by operating, investing and financing activities of the Company.

q) Business Segments

The Company is engaged mainly in the business of automobile components. This in the context of Accounting Standard 17 on Segment Reporting is considered to constitute one single reportable primary segment. Further there is no reportable secondary segment i.e. geographical segment.

ANNEXURE: 5 – NOTES TO THE RESTATED FINANCIAL INFORMATION

1. Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of Advance):

(Rs. In Million)

Particulars	As at 31st March				
	2006	2007	2008	2009	2010
Tangible Assets	268.01	385.77	136.27	60.37	249.04
Intangible Assets	-	18.92	26.21	-	-
Total	268.01	404.69	162.48	60.37	249.04

2. Managerial Remuneration:

Payment to Managing Director (Excluding provision for encashable leave and gratuity as separate actuarial valuation is not available) is as under:

(Rs. In Million)

Particulars	Year ended 31st March				
	2006	2007	2008	2009	2010
Salary	0.28	2.35	11.00	15.50	15.50
Contribution to Provident Fund	0.03	0.18	0.79	1.12	1.12
Perquisites*	0.23	0.82	0.37	0.37	0.42
Commission	2.50	2.50	-	-	-
Total	**3.04**	**5.85**	**12.16**	**16.99**	**17.04**

* The Perquisites are calculated as per the provision of Income Tax Act, 1961.

3. Other expenses include following:

(Rs. In Million)

Particulars	Year ended 31st March				
	2006	2007	2008	2009	2010
Payments to a Director as Advisor	0.13	0.54	0.50	0.57	0.57

4. Details of Payment to Auditors (Excluding Service Tax):

(Rs. In Million)

Particulars	Year ended 31st March				
	2006	2007	2008	2009	2010
Audit Fees	0.12	1.60	2.40	3.00	2.80
Tax Audit Fees	0.08	0.40	-	-	-
Certification and Other Services	0.10	0.92	0.40	0.42	1.23
Reimbursement of Out of Pocket Expenses	-	-	-	0.12	0.19
Total	**0.30**	**2.92**	**2.80**	**3.54**	**4.22**

5. CIF Value of Imports (On accrual basis):

(Rs. In Million)

Particulars	Year ended 31st March				
	2006	2007	2008	2009	2010
Raw Material & Components	103.57	400.23	1178.66	796.42	934.00
Capital Goods	124.85	517.75	446.67	209.51	9.30
Stores & spares	10.97	17.29	22.33	29.11	29.77
Total	**239.39**	**935.27**	**1647.66**	**1035.04**	**973.07**

6. **Expenditure in Foreign Currency:**

(Rs. In Million)

Particulars	Year ended 31st March				
	2006	**2007**	**2008**	**2009**	**2010**
Foreign Travel	3.24	6.30	5.38	4.58	4.30
Technical know-how	8.03	22.80	11.30	8.18	8.69
Professional Fees	3.10	48.18	16.15	1.82	11.99
Interest on Foreign Currency Loan	10.12	38.43	204.74	250.90	231.73
Royalty	45.75	51.54	54.70	49.17	-
Other Matters	4.23	0.12	36.42	6.74	0.07
Total	**74.47**	**167.37**	**328.69**	**321.39**	**256.78**

7. **Earnings in Foreign Currency:**

(Rs. In Million)

Particulars	Year ended 31st March				
	2006	**2007**	**2008**	**2009**	**2010**
FOB value of Export	102.58	314.91	98.53	453.77	234.12
Other (Simulation Charges)	-	-	-	0.25	-
Total	**102.58**	**314.91**	**98.53**	**454.02**	**234.12**

8. **Scheme of Amalgamation (F.Y. 2005-06)**

Anurang Engineering Company Pvt. Ltd (AEC – the amalgamating Company) had been amalgamated with the Company with effect from 1st January 2006 (the appointed date) in terms of the Scheme of Amalgamation (the Scheme) sanctioned by the Hon'ble High Court at Bombay vide its Order dated 7th July, 2006 and registered by Registrar of Companies on 11th August 2006 (the effective date). Accordingly the Scheme had become effective on 11th August 2006. These financial statements had been prepared giving effects of the scheme.

a) Amalgamation had been accounted for under the "Pooling of Interest Method" as prescribed by Accounting Standard-14 "Accounting for Amalgamations" issued by the Institute of Chartered Accountants of India. Accordingly, the assets and liabilities and reserves of AEC had been recorded at their book values in the accounts of the Company. AEC carried on its business and activities for the benefit and in trust for the Company from the appointed date. Accordingly the profit or income accruing or arising to AEC or expenditure or losses arising or incurred by AEC from the appointed date were treated as profit or income or expenditure or loss as the case may be, of the Company.

b) AEC was mainly engaged in the business of the manufacture of Auto components.

c) In accordance with the Scheme the entire business and undertakings of AEC stand transferred and vested in the Company with effect from the appointed date i.e. 1st January 2006. In consideration of the said transfer, 9 equity shares of Rs. 10 each fully paid up of the Company have to be issued and allotted at par to shareholders of erstwhile AEC for every 10 shares of Rs. 10 each fully paid up of AEC. These equity shares shall rank pari passu with the existing equity shares of the Company. Pending the allotment of the shares pursuant to the scheme, the amount had been shown as "Share Capital - Pending Allotment" as on 31st March 2006. The difference between the paid up value of the equity shares to be allotted and the paid up value of the equity share capital of AEC, amounting to Rs. 3,20,030/- , as stipulated in Court approved scheme, had been adjusted against the General Reserves. The said shares were subsequently allotted on 12th August 2006 to the shareholders of AEC.

d) Consequent upon the amalgamation, accounting policy of AEC relating to Inventory valuation had been changed to bring the same in line with the accounting policy of the Company. The resultant difference amounting to Rs. 11, 16,166/- relating to the period prior to appointed date i.e. up to 31st December 2005 had been adjusted against General Reserve of the Company as stated in the Scheme.

e) In terms of the Scheme, the Equity Shares as and when allotted by the Company shall rank pari-passu in all respects with the existing Equity shares of the Company. Accordingly appropriation for the proposed dividend includes dividend amount of Rs. 5, 76,054/- on 288027 Equity shares to be allotted to the erstwhile shareholders of AEC.

f) In view of the aforesaid amalgamation with effect from 1st January 2006, the Balance Sheet as at 31st March 2006 and the Profit & Loss Account and Cash Flow Statement for the year ended 31st March 2006, include the figures of erstwhile AEC from the said date.

g) In terms of the Scheme and after complying requirements of Companies Act 1956, the name of the Company had been changed from Endurance Transmission Systems (India) Private Limited to Endurance Technologies Private Limited w.e.f. 11th August 2006.

9. Scheme of Arrangement (F.Y. 2008-09)

During the F.Y. 2008-09 pursuant to the Scheme of Arrangement ("the Scheme") under Sections 391 to 394 read with sections 78, 100 to 103 of the Companies Act, 1956 sanctioned by the Hon'ble High Court of Bombay vide Order dated 16th October, 2009 (a certified true copy of which was received by the Company on 24th November 2009) and filed with the Registrar of Companies on 1st December 2009 (the 'effective date'), Endurance Systems (India) Private Limited ("ESIPL"), a wholly owned subsidiary of the Company, was amalgamated with the Company with effect from the Appointed Date being 1st April, 2008. The said Scheme of Arrangement had been approved by the Board of Directors of the Company in their meeting held on 28th July 2009.

a) Upon the scheme becoming effective, all the assets and liabilities and investments (including overseas investments) as appearing in the books of account of ESIPL as on the Appointed Date were required to be recorded at their respective fair values by the Company. Further, in terms of the scheme, if it is considered necessary and appropriate by the Board of Directors of the Company and if the fair value of any of the assets, liabilities and investments including overseas investments as on the date of approval of the Scheme by the Board of Directors (i.e. 28th July 2009) is substantially different, then the same may also be adjusted while arriving at the fair value for any such assets, liabilities and investments including overseas investments. However, in the opinion of Board of Directors all the balances in assets and liabilities as of 1st April 2008 [except for the tangible fixed assets which have been revalued (Refer Note No.9 (d) (i) mentioned below) and investments in Endurance Far East Limited which had been provided for (Refer Note No. 10 (e) mentioned below) represent the respective fair values and accordingly these had been transferred to the Company at their respective book values.

b) In the F.Y. 2008-09 pursuant to the terms of the Scheme, the reserves of ESIPL as at 31st March, 2008 were merged with those of the Company in the same form as they appeared in the financial statements of ESIPL.

Further from F.Y. 2008-09, in accordance with the terms of the Scheme, the business and activities carried out by ESIPL from the Appointed date (1st April 2008) to the Effective Date (1st December 2009) were deemed to have been carried out on account of the Company. Accordingly, the financial statements of the Company including the notes in this Schedule have been prepared including the transactions, assets and liabilities of ESIPL.

c) Restructuring of assets and liabilities of the Company:

In the F.Y. 2008-09, as an integral part of the Scheme, with an intention to right size the Balance Sheet of the Company post amalgamation, the assets including investments in other subsidiaries and liabilities of the Company were required to be recorded at their present fair values as on the date of approval of the Scheme by the Board of Directors i.e.28th July 2009.

However, in the opinion of Board of Directors all the balances in assets, liabilities and investments (including overseas investments) as of 31st March, 2009 [except for the tangible fixed assets which had been revalued (Refer Note No. 9 (d) (i) and investments in Paioli Meccanica, Endurance Overseas S.r.l & Nuova Renopress which had been written-off / adjusted for permanent diminution in the value of investments (Refer Note Nos. 10 (a), (b) & (d) mentioned below)] represent the respective fair values and accordingly these had been carried at their respective book values.

d) Business Reconstruction Reserve:

(i) During the year 2008-09, as per the Scheme, a separate reserve account titled as Business Reconstruction Reserve ("BRR") was created by transferring Rs 100 Million (excluding the unutilised balance of Rs 28.74 Million transferred back to Securities Premium account) out of Securities Premium Account of the Company and the increase in the value of fixed assets as a result of revaluation of tangible fixed assets of ESIPL (as at 1st April 2008) and of the Company (as at 31st March 2009) for adjustment of certain expenses as prescribed therein.

Following are the details of the amounts that had been transferred to BRR and the expenses that had been adjusted against the same in the previous year as per the Scheme:

Sr. No.	Particulars	Amount (Rs in Million)	Amount (Rs. in Million)	Remarks
a)	Amount transferred from Securities Premium		100.00	
b)	Revaluation of Tangible Fixed Assets			
	-ESIPL (as at 1st April 2008)	424.72		
	- ETPL (as at 31st March 2009)	2481.28	2906.00*	
c)	Amounts receivable / payable from / to Endurance Far East Ltd. written off / back			
	- Balance Payable	20.35		
	- Balance Receivable	13.11	7.24	Refer Note 10(e) mentioned below
	Sub Total (A)		3013.24	
d)	Provision for diminution in the value of Long Term Investments:			Refer Note 10 mentioned below
	- Investment in Endurance Far East Ltd	77.19		
	- Investment in Nuova Renopress	243.08		
	- Investment in Endurance Overseas Srl	440.01	760.28*	
e)	Investment in Paioli Meccanica Written off		376.73*	Refer Note 10 mentioned below
f)	Excess of book value of investment in ESIPL and the face value of Share Capital of ESIPL			
	- Book value of investment in ESIPL	247.62		
	- Less: Share Capital of ESIPL	22.00	225.62	
g)	Foreign Exchange Fluctuation loss / gain incurred during the year			
	- Loss	1429.42		
	- Gain	192.51**	1236.91	
h)	Provision for Doubtful Loans given to		207.70*	Refer Note

Sr. No.	Particulars	Amount (Rs in Million)	Amount (Rs. in Million)	Remarks
	Endurance Overseas Srl			10 (d) mentioned below
i)	Interest for breach of Covenant of loan agreements with Bank		77.34	Treated as an extra ordinary items by the Board
j)	Provision for Mark to Market Loss		64.38	
k)	Additional depreciation for the year on Revaluation of Tangible Fixed Assets		14.79	
l)	Profit / Loss on sale of fixed assets			
	Loss	22.39		
	Profit	8.82**	13.57	
m)	Loss on termination of a Technical Know-How agreement (included in Capital Work in Progress)		4.11*	
n)	Restructuring Expenses		3.07	Incurred subsequent to the Balance Sheet date. Accounted as of 31st March, 2009 in accordance with approved Scheme.
	Sub Total (B)		2984.50	
	Net Balance (A-B) transferred back to Securities Premium		28.74	

The balance in business reconstruction reserves as on 31st March, 2009 was Nil, as above expenses are adjusted and balance unutilized amount of Rs.28.74 Million transferred back to securities premium account. However, for the purpose of Restated unconsolidated financial information, the same are not adjusted and restated.

* The adjustments for diminution in the value / write-off of investments, loans and assets have been adjusted against the BRR as, in the opinion of the Management, the said diminution / write-off of the investments, loans and assets was necessary to bring the value of investments to their respective fair values and according to the terms of the Scheme, such adjustments are required to be adjusted against the BRR.

** Though the Scheme does not specifically state that the foreign exchange gains and profit on sale of fixed assets would be covered under, Restructuring Expenses, the Management has adjusted the foreign exchange loss (net of gain) and the loss on sale of fixed assets (net of gain) for the year against the BRR. This was because in the opinion of the Management, though not stated specifically in the Scheme, the basic intention was to transfer the ‘net’ loss to the BRR.

(ii) Had the Scheme not prescribed aforesaid treatment, the impact in the financial year 2008-09 would have been as under:

(a) In the Profit and Loss Account

(Rs in Million)

Particulars	**For the year ended 31st March, 2009 Increase / (Decrease)**	
Other Expenses		
- Foreign Exchange Fluctuation loss (net)	1236.91	
- Provision for Doubtful Loans given to Endurance Overseas Srl.	207.70	
- Loss on Sale of Fixed Assets (net)	13.57	
- Amounts receivable from Endurance Far East Ltd. Written off	13.11	
- Loss on termination of a Technical Know-How agreement	4.11	1475.40
Other Income:		
- Amounts payable to Endurance Far East Ltd. Written back		(20.35)
Interest		77.34
Depreciation & Amortisation		
- Additional depreciation for the year on Revaluation of Fixed Assets	14.79	
- Less: Amount withdrawn from Revaluation Reserve	(14.79)	-
- Amortisation of Goodwill	45.12	45.12
Extra-ordinary expenses		
- Provision for diminution in the value of Long Term Investments	760.28	
- Investment Written off	376.73	
- Provision for Mark to Market Loss	64.38	1201.39
Loss for the year		2778.90

Particulars	**For the year ended 31st March, 2009 Increase / (Decrease) Rs.**
Basic EPS	(163.49)
Diluted EPS	(163.49)

(b) In the Balance Sheet:

(Rs. In Million)

Particulars	**As at 31st March, 2009 Increase / (Decrease)**	
Reserves & Surplus:		
Securities Premium Account		71.26
Revaluation Reserve:		
- Created on revaluation of fixed assets	2906.00	
- Less: Amount transferred to P&L to the extent of additional depreciation	(14.79)	2891.21
Profit & Loss Account		(2778.90)
Goodwill*	225.62	
Less Amortisation for the year	(45.12)	180.50

* As per Purchase Method prescribed by AS 14 on "Accounting for Amalgamation"

10. Investment in Overseas Companies

a) Nuova Renopress S.p.A., Italy (Nuova Renopress)

During the year 2006-07, the Company had acquired 51% shares in accordance with the Share Sale and Purchase Agreement (SSPA) dated 14th July, 2006 and committed to invest EURO3.5 Million on 3rd August, 2006. Out of the total purchase consideration of EURO 3.5 Million, the Company had paid EURO 3.15 Million and balance EURO 0.35 Million (Rs.22.18 Million) was payable on contingencies as specified in the SSPA. During the F.Y. 2008-09, the said liability of EURO 0.35 Million (Rs.22.18 Million) had been written back as the same was no longer payable. During the year 2007-08, the balance 49% shares of Nuova Renopress were acquired on 5thDecember, 2007 by Endurance Overseas S.r.l (EOSRL), a 100% subsidiary of the Company for Euro 2.30 Million. The Company had remitted Euro 0.92 Million (Rs.54 Million) as a contribution to Equity capital of Nuova Renopress on 29th November 2007. The said amount was appropriated towards Recapitalisation of losses (Euro 0.86 Million) and Share Capital (Euro0.06 Million). In the process of recapitalization of losses and acquisition of the said balance stake of 49%, the Company's holding in Nuova Renopress had become 49% and EOSRL held 51%.

At the end of the F.Y. 2008-09 the company held 49% stake in the Nuova Renopress S.p.A, Italy (Nuova Renopress) and the balance 51% was held by EOSRL (100% Subsidiary of the Company). Nuova Renopress had continually incurred losses as a result of the global recession, phasing out of important customers etc resulting in the erosion of its share capital. As required by the Italian Civil Code, the Company was required to make fresh contributions to raise and maintain minimum required positive Share Capital of Nuova Renopress. However, the revival of Nuova Renopress was difficult which was heavily indebted.

The Company ceased to be the shareholder of Nuova Renopress w.e.f. 23rd July 2009 as the Capital of Nuova Renopress had eroded completely and the Company did not participate in the further re-capitalization of Nuova Renopress in order to re-instate its capital to the statutory minimum level as per the provisions of the Italian law. Awaiting clarification from the Authorised Dealer, the Management had provided for the diminution to the extent of Rs. 243.08 Million in value of investment & transferred the same to the BRR in F.Y. 2008-09. During the F.Y. 2009-10, the disinvestment of stake in Nuova Renopress has been taken on record by the Reserve Bank of India (RBI) and accordingly the investment in Nuova Renopress, which was already provided for in the year 2008-09, has been written off in the year 2009-10.

b) Paioli Meccanica S.p.A., Italy (Paioli)

During the year 2006-07, the Company acquired 40% shares for Euro 6.12 Million by paying an upfront amount of EURO 2.42 Million (Rs. 142.57 Million) and provided a Bank Guarantee for balance amount of EURO 3.70 Million (Rs. 215.93 Million) payable in 5 annual equal installment commencing from 29th September 2007. During the year 2007-08, the Company had paid the 1st installment of Euro 0.74 Million (Rs. 43.18 Million) against the said bank guarantee & had also recapitalized loss of Paioli by remitting Euro 0.28 Million (Rs. 16.02 Million).

In the F.Y. 2008-09, the Company held 40% stake in Paioli. However, due to the continuous losses incurred by Paioli, lack of professional management, weak financial position and financial & legal risks associated therewith, in the F.Y. 2008-09 the Company had taken a conscious decision to exit from Paioli and sold its minority stake of 40% for Euro 1 to the majority shareholder as there was no other willing buyer for the Company's minority stake. In view of the above developments, the Company had written off the total investment amount of Rs. 376.73 Million in Paioli in F.Y 2008-09 by debiting the BRR Account.

c) **Amann Druckguss GmbH.-Germany**

The total investment of the Company in Amann Druckguss (a wholly owned subsidiary of the Company) as at the end of F.Y. 2009-10 amounted to Euro 30.94 Million [including an amount of Euro 8.7 Million (Rs. 546.64 Million) representing loans & interest thereon converted to capital reserve].

The Company had extended financial support to Amann Druckguss, which had suffered severe liquidity problems due to global recession. During the F.Y.2008-09, the Company had invested an amount of Euro 6 Million (Rs. 420.77 Million) in Amann and had converted shareholder's loan of Euro 5 Million & interest on shareholder's loan of Euro 0.7 Million into equity (by adding them to capital reserve) in Amann Druckguss to maintain positive share capital as required under German Laws.

Further, the Company has provided two Corporate Guarantees for Euro 17 Million and a lien on shares of Amann Druckguss held by the Company in favour of Bank of India, London for the credit facilities provided to Amann Druckguss.

d) **Endurance Overseas S.r.l (EOSRL)**

During the year 2007-08, the Company had floated Endurance Overseas S.r.l. on 14th May, 2007 which had acquired stake in following companies:

- 51% stake in Fondalmec S.p.A. Italy in May 2007
- 51% stake and recapitalization in Nuova Renopress S.p.A. Italy

The total investment of the Company in EOSRL (a wholly owned subsidiary of the Company) as at end of F.Y. 2009-10 amounts to Euro 15.74 Million (Rs. 1,016.68 Million) which includes the following:

- Euro 1.05 Million (Rs. 72.21 Million) invested during the F.Y.2008-09
- Euro 4.58 Million (Rs. 321.51 Million) from loan and Euro 0.22 Million (Rs. 14.14 Million) from amount receivable from subsidiary were converted to equity during the F.Y.2009-10.
- Euro 4 Million (Rs. 267.76 Million) invested in F.Y. 2009-10 in the equity of EOSRL as approved by the Board. Though this investment has been made in F.Y. 2009-10, the same had been accounted for in the books of account of the Company in the F.Y. 2008-09 as in the opinion of the Management, the commitment to pay the said amount has been given before 31st March 2009.

Further, during F.Y. 2009-10 the Company has given shareholders' loan to EOSRL of Euro 7.50 Million (Rs. 524.98 Million). The interest accrued as at 31st March 2010 amounts to Euro 0.09 Million (Rs. 5.23 Million). Out of the said loan given in the F.Y. 2009-10, the Company had converted an amount of Euro 4.58 Million (Rs. 321.51 Million) to equity. In the opinion of the Management the balance in the loan and the interest thereon as at 31st March, 2010 amounting to Euro 2.94 Million (Rs. 176.14 Million) is considered to be good. However the balance outstanding as of 31st March 2009 was considered doubtful and hence had been provided for in full in F.Y.2008-09.

(i) As stated in note 10 (a) above, the Company has ceased to be the shareholder of Nuova Renopress w.e.f. 23rd July 2009. EOSRL which contributed for recapitalization, remained the sole shareholder of Nuova Renopress. As a part of restructuring, EOSRL has since exited from Nuova Renopress by transferring its entire shareholding to a third party.

    In view of the above, the Management believes that there is a permanent diminution in the value of the investment in EOSRL. Accordingly in the F.Y.2008-09, the Company had made a provision amounting to Rs. 647.71 Million [Rs. 440.01 Million against the investment and Rs. 207.70 Million against the outstanding shareholders' loan] as at 31st March 2009 by debiting the BRR.

(ii) In the F.Y 2009-10, on 2nd December, 2009 EOSRL had executed necessary agreement for acquisition of the residual 49% stake in Fondalmec for a total consideration of Euro 14 Million, out of which Euro 7 Million were paid to the Transferor of shares at the time of transfer of the shares and balance 7 Millions will be paid in installments, the last installment being payable by 31st March 2014.

e) Endurance Far East Limited, Thailand (EFEL)

During the year ended 2007-08, the erstwhile ESIPL (which has now been merged with the Company) had incorporated a new subsidiary in Thailand, named EFEL.

The total investment in the shares of the EFEL as on 31st March 2009 was THB 28.89 Million i.e. Rs.77.45 Million including Rs. 38.97 Million (USD 805,000) on account of conversion of Shareholder's loan into equity and an additional investment of Rs. 5 Million (equivalent USD 116,727) made during the F.Y.2008-09.

In view of continued losses, EFEL was voluntarily dissolved on 12th May 2009 and the liquidation was registered by the competent government authority in Thailand on 28th October, 2009. Accordingly, during the F.Y. 2008-09, the Company had made a provision amounting to Rs. 77.19 Million against the investment by debiting the BRR. Subsequently, the Company has received a letter from RBI dated 28th May 2010 confirming that the voluntary liquidation of this subsidiary has been taken on record by them based on which, the Company has written off the investment made in EFEL during the F.Y. 2009-10.

Further, in view of the above, during the F.Y. 2008-09, the Company had also written back Rs. 7.24 Million representing the amounts payable to Endurance Far East Ltd. (net of amounts receivable Rs. 13.11 Million) by adjusting the same in the BRR.

11. Endurance Magneti Marelli Shock Absorbers (I) Pvt. Ltd.

During the F.Y. 2008-09 Endurance Magneti Marelli Shock Absorbers (India) Private Limited (EMM) was promoted jointly by the Company and Magneti Marelli Holding SpA, Italy (now known as Magneti Marelli SpA) for manufacture of shock absorbers, semi-corner modules, gas springs of four and above wheeled vehicles. The total investment made by the Company in EMM as at 31st March 2010 amounts to Rs. 85 Million for cash at par representing shareholding of 50% + 1 share in the paid up Share Capital of EMM.

The erstwhile ESIPL (since amalgamated with the Company) had given a Corporate Guarantee of Rs. 110 Million to Andhra Bank in respect of the credit facilities to be availed by EMM. As a result of the amalgamation of ESIPL with the Company, the same has been transferred in the name of the Company.

12. Extraordinary expenses include the following:

(Rs. In Million)

Particulars	Year ended 31st March				
	2006	2007	2008	2009	2010
Mark to market loss on account of Derivative instruments which are not covered by Accounting Standard (AS) 11 "The Effects Of Changes In Foreign Exchange Rates".	-	-	260.19	64.38	56.45
Provision for amount receivable from subsidiaries	-	46.04	-	-	-
Total	**-**	**46.04**	**260.19**	**64.38**	**56.45**

The extraordinary expenses for the financial year 2008-09 were adjusted against the Business Reconstruction Reserve created in the approved scheme of arrangement.

The provision for amount receivable from subsidiaries amounting to Rs. 46.04 Million made in the F.Y. 2007-08 pertains to amount given to subsidiary in the year 2006-07 and hence same has been adjusted in the

Restated Financial Information of F.Y. 2006-07.

13. Deferred Tax:

The Company has recognised deferred tax as required by Accounting Standard 22 "Accounting for Taxes on Income". The major components of deferred tax assets and liabilities on account of timing differences are as under:

(Rs. In Million)

Particulars	**As at 31st March**				
	2006	**2007**	**2008**	**2009**	**2010**
Deferred Tax Liabilities					
On account of Timing difference in depreciation and amortization	237.21	303.79	383.40	4.16	159.77
Deferred Revenue Expenses					
Deferred Tax Assets					
On account of Timing difference in					
Brought forward losses/Unabsorbed depreciation*			84.56	-	
Disallowances u/s 35DD, 35DDA, 40 (a) (ia) & 43B	1.16	6.43	21.26	0	0
Net	**236.05**	**297.36**	**277.58**	**4.16**	**159.77**

* Deferred tax asset in respect of unabsorbed depreciation and carry forward of tax losses is recognized to the extent of the deferred tax liability in the absence of virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

14. Related Parties Disclosures

Refer Annexure - 23

15. Employee Benefits

Liability for Employee Benefits has been determined by an actuary, appointed for the purpose, in conformity with the principles set out in the Accounting Standard-15 (Revised), the details of which are as hereunder:

Defined Contribution Plan:

Amount recognized as an expenses in the profit & loss account in respect of defined contribution plan as under:

(Rs. In Million)

Particulars	**Defined Contribution Plan**		
	2007-08	**2008-09**	**2009-10**
Amount recognized as an expenses in the Profit & Loss Account	28.84	38.38	35.61

Defined Benefit Plan:

i) Actuarial gains and losses in respect of defined benefit plans are recognized in the Profit and Loss Account.
ii) The defined benefit plans comprises of gratuity.

Principal actuarial assumptions:

Particulars	**Gratuity**		
	2007-08	**2008-09**	**2009-10**
Discount rate	8.00%	7.25%	8.00%

Particulars	Gratuity		
	2007-08	2008-09	2009-10
Rate of Return on Plan Assets	8.00%	8.00%	8.00%
Salary Escalation	6.00%	6.00%	6.00%
Attrition Rate	8.00%	8.00%	8.00%

a) The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated terms of the obligations.

b) Expected Rate of Return of Plan Assets: This is based on the expectation of the average long term rate of return expected on investments of the Fund during the estimated term of obligations.

c) Salary Escalation Rate: The estimates of future salary increases considered taking into the account the inflation, seniority, promotion and other relevant factors.

Reconciliation of Benefit Obligation:

(Rs. In Million)

Particulars	Gratuity		
	2007-08	2008-09	2009-10
Liability at the beginning of the year**	9.30	28.26	36.03
Interest Cost	0.91	2.69	2.53
Current Service Cost	2.76	6.60	7.45
Benefit Paid	(1.46)	(2.46)	(17.13)
Actuarial (Gain) / Loss on Obligations	8.67	0.94	19.96
Liability at the end of the year	20.18	36.03	48.84

Reconciliation of fair value of Plan Assets:

(Rs. In Million)

Particulars	Gratuity		
	2007-08	2008-09	2009-10
Fair Value of Plan Assets at the beginning of the year**	9.71	19.55	18.24
Expected Return on Plan Assets	1.01	1.47	0.77
Contributions	3.62	0.10	-
Benefit Paid	(1.46)	(2.46)	(17.13)
Actuarial (Gain) / Loss on Obligations	(0.05)	(0.42)	15.24
Fair Value of Plan Assets at the end of the year	12.83	18.24	17.13
Total actuarial gain / (loss) to be recognized.	(8.72)	(1.31)	(4.73)

Amount to be recognised in Balance Sheet:

(Rs. In Million)

Particulars	Gratuity		
	2007-08	2008-09	2009-10
Liability at the end of the year	20.18	36.03	48.84
Fair Value of Plan Assets at the end of the year	12.83	18.24	17.13
Amount to be recognised in Balance Sheet	7.35	17.79	31.71

Expenses recognized in the Profit and Loss Account under the head Employee Cost:

(Rs. In Million)

Particulars	Gratuity		
	2007-08	2008-09	2009-10
Current Service Cost	2.77	6.60	7.45
Interest Cost	0.91	2.69	2.53
Expected Return on Plan Assets	(1.01)	(1.47)	(0.77)

Particulars	Gratuity		
	2007-08	2008-09	2009-10
Net Actuarial (Gain) / Loss recognized	8.72	1.31	4.73
Expenses recognized in Profit and Loss Account*	11.39	9.12	13.94

* In the year 2009-10 - Expenses recognized in the Profit and Loss account excludes, additional gratuity paid by the Company to the left employees amounting to Rs 0.28 Million (Year 2008-09 Rs. 3.06 Million).

** Liability and Fair value of Plan Assets of the beginning of the year 2008-09 included Liability of Rs 8.08 Million and Fair value of Plan Assets of Rs 6.71 Million taken over on amalgamation.

In respect of funded benefits with respect to gratuity, the fair value of plan assets represents the amounts invested through "Insurer Managed Funds"

Employee Benefits pertaining to FY 2005-06 & 2006-07

The revised Accounting Standard – 15 (AS-15) "Employee Benefits" has become applicable to the Company with effect from 1st April 2007. However as a matter of prudence, the Company had determined the liability in respect of Leave Encashment and Gratuity in respect of the year ended 31st March 2007 and 31st March 2006 with reference to the present value of defined benefit taking the basis given in the guidelines of revised AS-15. Accordingly, for the purpose of this Restated unconsolidated Financial information , no adjustment was required to be made.

16. Details of provision and movement in each class of provision as required by Accounting Standard 29 on Provisions, Contingent Liabilities and Contingent Assets:

(Rs. In Million)

Particulars	Warranty				
	Year ended 31st March				
	2006	2007	2008	2009	2010
Carrying amount as at 1st April	2.22	4.51	4.76	3.37	10.67
Add: On Amalgamation during the year	-	-		6.99	-
Additional Provision made during the year	4.96	2.43	0.30	6.88	7.29
Less : Amount paid / utilized during the year	2.67	2.18	1.69	6.58	7.93
Carrying amount as at 31st March	4.51	4.76	3.37	10.67	10.03

Provision for Warranties: The Company gives warranties on certain products from the date of sale, for their satisfactory performance during the warranty period as per contracts with buyers. Provision for warranty claims arising out of such obligation is made based on such warranty period.

17. Disclosures regarding Derivative Instruments:

The company uses forward exchange contract, currency swaps, currency options to hedge its exposure in foreign currency and interest rates. The information on derivative instruments is as follows:

a) Details of Forward Exchange Contract, Currency swaps, Currency options:

Particulars	Currency	2006-07		2007-08		2008-09		2009-10	
		Foreign Currency (in Million)	Rupees (in Million)	Foreign Currency (in Million)	Rupees (in Million)	Foreign Currency (in Million)	Rupees (in Million)	Foreign Currency (in Million)	Rupees (in Million)
Forward Contract - USD-INR	USD	2.24	98.34	13.72	548.54	24.78	1,263.47	6.77	305.92
Forward	JPY	-	-	-	-	-	-	102.75	49.85

Particulars	Currency	2006-07		2007-08		2008-09		2009-10	
		Foreign Currency (in Million)	Rupees (in Million)	Foreign Currency (in Million)	Rupees (in Million)	Foreign Currency (in Million)	Rupees (in Million)	Foreign Currency (in Million)	Rupees (in Million)
Contract - USD-JPY									
Forward Contract - JPY -INR	JPY	-	-	-	-	362.34	188.49	276.12	133.98
Forward Contract - USD-JPY	USD	-	-	0.20	7.86	-	-	-	-
Currency Swap Option - JPY-USD	JPY	3,409.43	1,261.49	5,285.19	2,127.29	4,057.01	2,110.46	2,362.26	1,146.17
Options - USD-INR Contracts on JPY -USD Currency Swap Options	USD	-	-	-	-	-	-	12.52	565.58
Fixed Currency Swap Euro-INR	EURO	-	-	-	-	-	-	21.15	1,282.99
Fixed Currency Swap JPY-INR	JPY	-	-	-	-	-	-	857.66	416.14
Currency Swap Option - EURO-USD	EURO	5.00	291.60	-	-	13.73	930.93	-	-
Option's - GBP-USD	GBP	-	-	1.00	80.00	-	-	-	-
Option's - USD-CHF	USD	-	-	9.00	359.91	1.00	50.98	-	-
Option's - USD-INR	USD	-	-	20.50	819.80	18.45	940.58	18.00	813.24
Options - USD-JPY	USD	-	-	10.00	399.90	10.00	509.8	10.00	451.8
On JPY-USD Currency Swap -USD-INR	JPY	-	-	19.10	7.69	13.76	7.16	7.85	3.81
On EURO-USD Currency Swap -USD-INR	USD	-	-	8.33	333.12	3.57	182.04	-	-
Currency Swap Option - USD-CHF	USD	3.00	132.00	-	-	-	-	-	-

Note: The information in respect of forward exchange contracts, Currency swaps, Currency options, if any, for the year 2005-06 is not available with the Company

b) Foreign exchange currency exposures not covered by derivative instruments outstanding:

Particulars	Currency	2006-07		2007-08		2008-09		2009-10	
		Foreign Currency (in Million)	Rupees (in Million)	Foreign Currency (in Million)	Rupees (in Million)	Foreign Currency (in Million)	Rupees (in Million)	Foreign Currency (in Million)	Rupees (in Million)
Term Loan	EURO	23.06	1,314.23	53.95	2,157.59	11.87	804.67	1.34	81.48
	USD	39.86	1,753.77	23.76	1,505.62	0.62	31.62	13.28	599.99
	JPY	-	-	-	-	696.77*	362.46	-	-
Total			**3,068.00**		**3,663.21**		**1,198.75**		**681.47**
Sundry Debtors	USD	0.04	1.69	0.61	24.49	0.93	47.13	0.46	20.46
	EURO	-	-	0.02	1.52	1.99	133.12	1.61	96.20
	GBP	-	-	-	-	-	0.13	-	0.18
Total			**1.69**		**26.01**		**180.38**		**116.84**
Sundry Creditors	USD	4.66	203.81	2.09	85.83	1.09	55.52	3.71	167.80
	EURO	0.20	11.76	0.02	1.35	0.30	20.30	0.05	2.84
	JPY	0.05	0.02	0.91	0.36	33.00	17.17	0.02	0.01
	CHF	-	-	0.00	0.09	-	-	-	-
	SGD	0.03	0.88	-	-	-	-	-	-
Total			**216.47**		**87.63**		**92.99**		**170.65**
Advances paid	EURO	0.01	0.26	0.16	10.12	1.36	92.49	0.04	2.57
	JPY	52.25	20.01	6.13	10.37	1.97	1.02	7.97	3.87
	USD	0.03	1.25	2.62	5.43	0.28	14.18	1.22	55.02
	GBP	-	-	-	-	-	0.01	-	-
Total			**21.52**		**25.92**		**107.70**		**61.46**
Advances received	USD	0.01	0.43	0.05	3.02	0.02	0.76	0.51	22.98
	EURO	-	-	-	-	0.03	1.94	0.14	8.57
Total			**0.43**		**3.02**		**2.70**		**31.55**
Fixed Deposit with bank	USD	-	-	-	-	1.06	53.67	1.07	47.71
Loans to Subsidiaries	EURO	-	-	-	-	-	-	2.94	176.14

*** Note -** Excludes loans amounting to JPY 2,474.87 Million which have been covered under JPY – USD Cross Currency Contract with the corresponding USD – INR exposure not being covered as of 31st March, 2009

Note: The details in respect of foreign currency exposure not covered by derivative instruments for the year 2005-06 is not available with the Company.

18. The shareholders of the Company in the Extraordinary General Meeting held on 28th June, 2010 passed necessary Special Resolutions for conversion of Endurance Technologies Private Limited to Public Limited Company. Accordingly name of the Company is changed from Endurance Technologies Private Limited to Endurance Technologies Limited, by deleting the word 'Private' and for alteration of Articles of Association. Hence w. e. f. 28th June, 2010, Endurance Technologies Private Limited ceased to be a private limited company. The Registrar of Companies, Maharashtra, Mumbai has issued a fresh certificate of incorporation dated 9th July 2010. The change of name of the company to Endurance Technologies Limited has become effective from 9th July, 2010.

19. Private Placement of Preference Shares

During the F.Y. 2009-10 Standard Chartered Private Equity (Mauritius) II Limited ('the Investor') subscribed to 40 Million Compulsorily Convertible Preference Shares (CCPS) of Rs.10 each with coupon rate of 8% p.a. for Cash at par aggregating to Rs. 400 Million issued by the Company on Private Placement basis in the manner stipulated in the Supplementary Share Subscription and Share Holder's Agreement (SSSSHA). The CCPS were allotted to the Investor on 10th November, 2009. The CCPS subscription amount shall be utilized towards general business purposes, recurring capital expenditure requirements and towards completion of acquisition of existing overseas subsidiary company.

The CCPS shall automatically and compulsorily convert into Equity Shares, on occurrence of the 'Conversion Event' i.e. upon finalization of the audited financial results of the Company for the financial year ending on 31st March 2010. The terms and conditions and manner of computation of the conversion price and number of equity shares issuable on conversion and occurrence of the conversion event have been stipulated in Annexure 1 to the SSSSHA. The conversion price would be determined as below:

$$\text{Conversion Price} = \frac{\text{Equity Value (-) CCPS Subscription Amount}}{\text{Total Number of shares issued and paid just before conversion}}$$

'Equity Value' shall be 6 times the Consolidated Audited EBITDA for the financial year ending March 2010 less Net Debt as on 31.03.2010.

20. Issue of Redeemable Preference Shares

During the F.Y.2009-10, the Company has converted the loan taken from Directors / Share holders amounting to Rs. 16.8 Million into Redeemable Preference Shares (RPS) of Rs. 10/- each (as per stipulation from Bankers) with coupon rate of 8% p.a. from the date of allotment of the RPS and for the year 2010-11. In accordance with the terms of allotment, the coupon rate shall be increased to 8.5% p.a. in the year 2011-12, 9% p.a. in the year 2012-13 and 10% p.a. in the year 2013-14 and for a further period till the date the same are redeemed. The Shares will be redeemed for cash at par on the date of adoption of the Annual Accounts for the financial year ended 31st March 2014 by shareholders in the Annual General Meeting or the date of repayment of the restructured loan of the banks from whom the Company has availed the working capital limit aggregating to Rs. 2,383 Million, whichever is later.

21. Previous years figures have been regrouped / reclassified wherever necessary to conform with this year's classification.

ANNEXURE 6: STATEMENT ON ADJUSTMENTS TO AUDITED FINANCIAL STATEMENTS (Refer Annexure 7)

(Rs. In Million)

S. No.	Particulars	AS at 31st March				
		2006	2007	2008	2009	2010
A	**Prior Period Items**					
	Income					
	Sales	-	-	(0.26)	0.46	-
	Other Income	(1.11)	(6.36)	(2.01)	(14.02)	(17.93)
		(1.11)	**(6.36)**	**(2.27)**	**(13.56)**	**(17.93)**
	Expenditure					
	Material Cost	0.02	0.70	1.05	(0.22)	-
	Employee Cost	0.75	(0.29)	0.84	(0.08)	-
	Operating Expenses	3.42	(40.99)	48.51	7.70	5.99
	Interest	1.20	(0.07)	0.75	(0.20)	-
		5.39	**(40.65)**	**51.15**	**7.20**	**5.99**
	Total - A	**4.28**	**(47.01)**	**48.88**	**(6.36)**	**(11.94)**
B	**Changes in Accounting Policy**					
	Depreciation	(163.18)	-	-	-	-
	Total - B	**(163.18)**	**-**	**-**	**-**	**-**
C	**Total of Adjustments (A+B)**	**(158.90)**	**(47.01)**	**48.88**	**(6.36)**	**(11.94)**
D	Tax Impact on Adjustments	53.49	15.82	(16.61)	2.16	4.06
E	(Excess) / Short Provision of Taxes	(5.97)	2.84	0.66	(0.09)	2.90
F	Total Tax	47.52	18.66	(15.95)	2.07	6.96
G	**Adjustments (Net of Tax)**	**(111.38)**	**(28.35)**	**32.93**	**(4.29)**	**(4.98)**

ANNEXURE 7: NOTES TO STATEMENT ON ADJUSTMENTS TO AUDITED FINANCIAL STATEMENTS

1. MATERIAL RESTATEMENT ADJUSTMENTS:

a) Summary of results of restatements made in the audited financial statements of the Company for the years and their impact on the profits / losses of the Company is as under:

(Rs. In Million)

Particulars	Year Ended March 31,				
	2006	2007	2008	2009	2010
Net Profit as per audited Profit & Loss account	424.40	469.30	(280.84)	286.84	531.51
Adjustments for -					
Excess Provisions/Unclaimed Balances	4.65	5.05	6.06	(5.69)	(13.43)
Adjustment for Change in Depreciation method	(163.18)	-	-	-	-
Adjustments for Prior Period Expenses	(1.67)	(49.18)	43.60	1.51	5.99
Adjustments for Prior Period Income	1.24	(2.86)	(0.82)	(2.27)	(4.50)
Adjustments for Excess/Short Tax Provision	(5.91)	2.81	0.71	-	2.92
Adjustment in Deferred Tax due to above	53.49	15.83	(16.62)	2.16	4.04
Adjustments Total	**(111.38)**	**(28.35)**	**32.93**	**(4.29)**	**(4.98)**
Net Profit as per restated summary statements	**313.02**	**440.95**	**(247.91)**	**282.55**	**526.53**

b) Adjustments resulting from change of method of depreciation:

During the year 2005-06 the Company has changed the method of providing Depreciation from Written Down Value Method (WDV) to Straight Line Method (SLM) for Fixed Assets. The Company has also changed its accounting policy for providing depreciation on all Dies from WDV method to method based on their estimated economic life determined on the basis of their uses or on Straight Line Method whichever is higher. In accordance with the Accounting Standard (AS)-6 “Depreciation Accounting”, depreciation had been recalculated as per the new method from the date the asset coming into use. The change in accounting policy, in the opinion of the Board of Directors, would result in more appropriate presentation of the financial statements. Consequent to above change, there is reduced charge of depreciation of Rs 163.18 Million relating to earlier years which had been written back in the year 2005-06. For the purpose of this statement the said reduced charge of depreciation relating to the period prior to the year ended 31st March 2005 has been appropriately adjusted to the opening balance of profit and loss account.

c) Prior Period Items:

In the audited financial statements of the Company for the years ended 31st March 2010, 2009, 2008, 2007 & 2006, certain items were identified as prior period items. For the purpose of this statement such prior period items and other income / expenses, which pertain to previous years but not disclosed as prior period items in the audited financial statements on materiality grounds, have been appropriately adjusted to the respective years to which they relate and items relating to the period prior to the year ended 31st March 2005 have been appropriately adjusted to the opening balance of profit and loss account.

d) Excess provision / Unclaimed balances written back

In the audited financial statements of the Company for the years ended 31st March 2010, 2009, 2008, 2007 & 2006, certain liabilities created in earlier years were written back. For the purpose of this statement such liabilities have been appropriately adjusted to the respective years in which they were originally created. Further the balance in the Profit & Loss Account as at 1st April 2005 has been adjusted to reflect the impact of the items pertaining to prior to March 31, 2005.

e) **Short \ Excess provision for tax for earlier years**

Profit and loss account of certain years includes amounts paid/provided/written back for, in respect of shortfall / excess of income tax arising out of assessments, appeals etc. which for the purpose of this statement, have been adjusted in the years to which they relate.

f) **Tax impact of adjustments**

For the purpose of the restated summary statements, adjustments have been made for the tax impact of the adjustments in the respective years to which the adjustment pertain.

2. **Reconciliation of Profit & Loss Account as at 1st April 2005:**

Particulars	Amount (Rs in Million)
Net Profit as per audited Profit & Loss account	12.80
Adjustments for -	
Excess Provisions/Unclaimed Balances	3.36
Adjustment for Change in Depreciation method	163.18
Adjustments for Prior Period Expenses	(0.25)
Adjustments for Prior Period Income	9.21
Adjustments for Excess/Short Tax Provision	(0.53)
Adjustment in Deferred Tax due to above	(59.02)
Adjustments Total	**115.95**
Net Profit as per restated summary statements	**128.75**

3. **Non-Adjustment Items**

A. **Auditor's Qualifications – Not Adjusted**

The Auditors' have reported the following qualifications in their Audit Reports for the respective years. These qualifications have not been adjusted by the Company in these Restated Financial Statements for the reasons stated there-against.

i) **Financial year ended 31st March 2008**

Qualification: The Company has restated the outstanding foreign currency denominated long term loans which are covered by foreign exchange range forward contracts (JPY-USD) using the exchange rates mentioned as strike rates in the unexpired foreign currency range forwards contracts instead of the cross currency spot exchange rates as on 31st March, 2008 as required by the Accounting Standard (AS) 11 "The Effects of Changes in Foreign Exchange Rates". Had these foreign currency term loan amounts been restated at the spot rates, the loss for the year and the term loan liabilities would have increased by Rs. 351.6 Million and Reserves as at 31st March, 2008 would have decreased by Rs. 351.6 Million.

Management Comments: The outstanding foreign currency denominated long term loans which are covered by foreign exchange range forward contracts (JPY-USD) have been restated in 2008-09 using the cross currency spot exchange rates as on 31st March 2009 as required by the AS 11. Accordingly, the resultant exchange gain / loss for the year 2008-09 as adjusted against the Business Reconstruction Reserve (BRR) includes the impact of the above referred qualification in the previous year ended 31st March 2008. The adjustment in "Business Reconstruction Reserve" was done as per the Scheme of Arrangement ("the Scheme") sanctioned by the Hon'ble High Court of Bombay vide Order dated 16th October, 2009 (a certified true copy of which was received by the Company on 24th November, 2009). Hence the Business Reconstruction Reserve was neither adjusted nor restated for the purpose of this statement.

ii) Financial year ended 31st March 2009

Pursuant to the Scheme of Arrangement ("the Scheme") under Sections 391 to 394 read with sections 78, 100 to 103 of the Companies Act, 1956 sanctioned by the Hon'ble High Court of Bombay vide Order dated 16th October, 2009 (a certified true copy of which was received by the Company on 24th November, 2009) and filed with the Registrar of Companies on 1st December 2009 (the 'effective date'), Endurance Systems (India) Private Limited ("ESIPL"), a wholly owned subsidiary of the Company, has been amalgamated with the Company with effect from the Appointed Date being 1st April, 2008. The said Scheme of Arrangement has been approved by the Board of Directors of the Company in their meeting held on 28th July 2009.

"a) Qualification: As stated in Note No. 9(a) of Annexure 5, upon the Scheme becoming effective, all the assets and liabilities and investments (including overseas investments) as appearing in the books of account of ESIPL as on the Appointed Date were required to be recorded at their respective fair values by the Company. Further, in terms of the Scheme, if it is considered necessary and appropriate by the Board of Directors of the Company and if the fair value of any of the assets, liabilities and investments including overseas investments as on the date of approval of the Scheme by the board of directors (i.e. 28th July 2009) is substantially different, then the same also may be adjusted while arriving at the fair value for any such assets, liabilities and investments including overseas investments.

However, in the opinion of Board of Directors, all the balances in assets and liabilities [except for the tangible fixed assets which have been revalued and investments in one of the subsidiary which has been adjusted for permanent diminution in the value of investment] as of 1st April 2008 represent the respective fair values and accordingly these have been transferred to the Company at their respective book values.".

Management Comments: In the opinion of Board of Directors, all the balances in assets and liabilities [except for the tangible fixed assets which have been revalued and investments in one of the subsidiary which has been adjusted for permanent diminution in the value of investment] as of 1st April 2008 represent the respective fair values and accordingly these have been transferred to the Company at their respective book values. Further, as regards inventory, during the year 2009-10, the Company has consumed almost the entire quantum of such inventory as at 31st March 2009 in the manufacture of finished products and/or disposed of the same, at values not less than their book values. As regards sundry debtors, the outstanding dues of almost all the sundry debtors as at 31st March 2009 have been subsequently realised in 2009-10 for amounts not less than their outstanding balances/ amount recorded in books of accounts of the Company. Accordingly, no adjustment has been made for the purpose of this statement.

"b) Qualification: As stated in Note No. 9(c) of Annexure 5, as an integral part of the Scheme approved by the Hon'ble High Court of Judicature at Bombay, with an intention to right size the Balance Sheet of the Company post amalgamation, the assets including investments in other subsidiaries and liabilities of the Company were required to be recorded at their present fair values as on the date of approval of the Scheme by the Board of Directors i.e.28th July 2009.

However, in the opinion of Board of Directors all the balances in assets, liabilities and investments (including overseas investments) as of 31st March, 2009 [except for the tangible fixed assets which have been revalued and investments in certain subsidiaries which have been written-off / adjusted for permanent diminution in the value of investments] represent the respective fair values and accordingly these have been carried at their respective book values. "

Management Comments: In the opinion of Board of Directors all the balances in assets, liabilities and investments (including overseas investments) as of 31st March, 2009 [except for the tangible fixed assets which have been revalued and investments in certain subsidiaries which have been written-off / adjusted for permanent diminution in the value of investments] represent the respective fair values and accordingly these have been carried at their respective book values. Further, as regards inventory, during the year 2009-10, the Company has consumed almost the entire quantum of such inventory as at 31st March 2009 in the manufacture of finished products and/or disposed of the same, at values not less than their book values. As regards debtors, the outstanding dues of almost all the sundry debtors as at 31st March 2009 have been subsequently realised in 2009-10 for amounts not less than their outstanding balances/ amount recorded in books of accounts of the Company. Accordingly, no adjustment has been made for the purpose of this statement.

iii) Financial year ended 31st March 2010

a) Qualification: As stated in Note No. 9(a) of Annexure 5, in the absence of an independent assessment of the fair values of the balances in all the assets and liabilities [except for the tangible fixed assets which have been revalued and investments in one of the subsidiary which had been adjusted for permanent diminution in the value of investment] as of 1st April 2008, the impact on the financial statements could not be ascertained. This matter had been qualified in the previous year's Auditors' Report. Further, the impact of the same, if any, on the carrying amounts of the balances in the assets and liabilities as of 31st March 2010, is not determinable.

Management Comments: as regards inventory, during the year 2009-10, the Company has consumed almost the entire quantum of such inventory as at 31st March 2009 in the manufacture of finished products and/or disposed of the same, at values not less than their book values. As regards sundry debtors, the outstanding dues of almost all the sundry debtors as at 31st March 2009 have been subsequently realised in 2009-10 for amounts not less than their outstanding balances/ amount recorded in books of accounts of the Company. Accordingly, no adjustment has been made for the purpose of this statement.

b) Qualification: As stated in Note No. 9(c) of Annexure 5, in the absence of an independent assessment of the fair values of the balances in assets, liabilities & investments (including overseas investments) as of 31st March 2009 [except for the tangible fixed assets which have been revalued and investments in certain subsidiaries which have been written-off / adjusted for permanent diminution in the value of investments], the impact on the financial statements could not be ascertained. This matter had been qualified in the previous year's Auditors' Report. Further, the impact of the same on the carrying amounts of the balances in the assets and liabilities as of 31st March 2010 is not determinable.

Management Comments: as regards inventory, during the year 2009-10, the Company has consumed almost the entire quantum of such inventory as at 31st March 2009 in the manufacture of finished products and/or disposed of the same, at values not less than their book values. As regards sundry debtors, the outstanding dues of almost all the sundry debtors as at 31st March 2009 have been subsequently realised in 2009-10 for amounts not less than their outstanding balances/ amount recorded in books of accounts of the Company. Accordingly, no adjustment has been made for the purpose of this statement.

B. Auditor's Qualifications – Non-Adjusting

The Auditors' have reported the following qualifications in their Audit Reports for the respective years and which do not require any adjustment in these Restated Financial Statements.

i) Financial year ended 31st March 2010

a) Qualification: As stated in Note No. 18 of Annexure 5, in terms of the agreement, the Compulsory Convertible Preference Shares will be converted to Equity shares at a conversion price which is dependent on the Consolidated Audited Earnings before Interest, Tax, Depreciation & Amortisation (EBITDA) of the Company for the financial year ending March 2010. However, since the said consolidated financial statements of the Company have not yet been audited, the diluted Earnings Per Share (EPS) could not be calculated and disclosed as required by the Accounting Standard (AS) 20 "Earnings Per Share".

   Management Comment: The same has now been worked out and disclosed. (Refer Annexure 18)

b) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, where each of such transaction is in excess of Rs.5 lakhs in respect of any party, in respect of certain transactions comparable quotations are not available. Accordingly, it is not possible to comment on whether such transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices. Similar comments have been given in the Auditors' Report for the years ended 31st March 2009, 2008, 2007 & 2006.

Management Comment: The goods purchased are of specific nature, made as per order with specialised process duly approved by the end customer. Hence there is no comparable quotation.

ii) Financial year ended 31st March 2009

"In respect of its fixed assets: The Company has maintained proper records showing full particulars including quantitative details and situation of the fixed assets. The said records are in the process of being updated. Similar comment has been given in the Auditors' Report for the years ended 31st March 2008, 2007 & 2006."

Management Comment: Fixed Asset Register has now been updated upto 31.03.2010.

4. Material Regroupings:

Appropriate adjustments have been made in the Restated Summary Statements of Assets and Liabilities, Profits and Losses and Cash Flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited financials of the Company for the year ended 31st March 2010 and the requirements of the Securities and exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009.

5. Other items not adjusted:

i) Revaluation of tangible fixed assets:

During the year 2008-09, the Company has revalued all the Tangible Fixed Assets as at 31st March, 2009. Also, the tangible fixed assets which were transferred from the erstwhile subsidiary ESIPL, during the process of amalgamation were revalued as on the Appointed Date i.e. 1st April, 2008. In case of the assets included in Electrical Installations, Computers, Dies, Electrical Fittings, Vehicles, Furniture & Fixtures and Office Equipments in case of both the company, the independent valuer has certified that the fair values of these assets are almost same as their respective written down values as at 31st March, 2009 & 1st April, 2008. Accordingly, no adjustments on account of revaluation have been made to these class of assets.

The net increase in the block on revaluation of tangible fixed assets (Rs. 424.72 Million & Rs.2,481.28 Million in respect of assets of ESIPL & the Company respectively) has been transferred to the Business Reconstruction Reserve (BRR) as per the Scheme of Arrangement as sanctioned by the Hon'ble High Court of Bombay. Hence, there is no balance outstanding as at 31st March 2010 & 31st March 2009 in revaluation reserve account which needs to be deducted from both fixed assets and revalution reserve.

Depreciation/amortisation for the year 2008-09 includes Rs. 14.79 Million on account of additional depreciation on revaluation of fixed assets which has been transferred to Business Reconstruction Reserve as per the Scheme of Arrangement. (Refer note 8 (d) of annexure 5)

Further, during the year 2008-09, the Company has also evaluated the estimated useful life of certain class of Fixed Assets w.e.f. 31st March, 2009. Accordingly, effective 31st March, 2009 depreciation has been charged over the remaining useful life of the assets. However, the resultant impact on depreciation for the year is not expected to be material.

For the purpose of this statement, the balances as at 31st March 2006, March 2007 & March 2009 in respect of these fixed assets (which have been subsequently revalued in the year 2008-09) and their respective accumulated depreciation have not been adjusted to reflect the impact of revaluation and re-assessment of useful life of certain fixed assets. The impact of such adjustments on the profits / losses and balances in assets and liabilities as of March 2006, March 2007 & March 2008 has not been ascertained.

ii) Changes in Accounting Policy

a) Employee Benefits

The revised Accounting Standard-15 (AS-15) "Employee Benefits" has become applicable to the Company with effect from 1st April 2007. However as a matter of prudence, the Company had determined the liability in respect of Leave encashment and Gratuity in respect of the year ended 31st March 2007 and 31st March 2006 with reference to the present value of defined benefits taking the basis given in the guidelines of revised AS-15. Accordingly, for the purpose of this statement, no adjustment was required to be made.

b) Foreign exchange liabilities pertaining to purchase of fixed assets

In view of withdrawal of the 'Announcement' issued by the Institute of Chartered Accountants of India on 'Treatment of exchange differences under Accounting Standard (AS) 11 (revised 2003), The Effects of Changes in Foreign Exchange Rates vis-à-vis Schedule VI to the Companies Act, 1956', effective from 1st April 2007, any income or expense on account of exchange difference related to foreign exchange liabilities pertaining to purchase of fixed assets has been recognised in the Profit and Loss Account instead of giving effect thereof to the cost of the fixed assets. Till the end of 31st march 2007, these exchange differences in respect of liabilities for acquisition of fixed assets from a country outside India were adjusted in the carrying cost of fixed assets.

Any gain or loss on account of exchange difference related to foreign exchange liabilities pertaining to purchase of fixed assets arising during the years ended on 31st March 2006 and 31st March 2007, the effect of which was given to the cost of the fixed assets has been not adjusted for the purpose of this statement. Consequentially, the depreciation on fixed assets has also been not adjusted for the relevant years. The impact on the restated financial information as a result of this non-adjustment, has not been ascertained.

c) Derivative Accounting

The Company has not adopted Accounting Standard (AS) 30, "Financial Instruments: Recognition and Measurement" which becomes mandatory from 1.04.2011. As specified in the Announcement issued by the Institute of Chartered Accountants of India (ICAI) on 29th March, 2008 in respect of accounting for derivatives, with effect from the year ended 31st March 2008, the Company has accounted for foreign exchange loss in respect of derivative instruments which are not covered by AS 11, based on Mark to Market valuation as on Balance Sheet date. However, for the purpose of this statement, as the mark to market valuation in respect of the derivative instruments outstanding as at 31st March 2006 & 31st March 2007, the loss, if any, on such instruments has not been recognized or adjusted. The impact on the restated financial information as a result of this non-adjustment, has not been ascertained.

6. Business Reconstruction Reserves (BRR)

"During the year 2008-09, as per the Scheme of Arrangement, a separate reserve account titled as Business Reconstruction Reserve ("BRR") was created by transferring Rs 100 Million (excluding the unutilised balance of Rs 28.74 Million transferred back to Securities Premium account) out of Securities Premium Account of the Company and the increase in the value of fixed assets as a result of revaluation of tangible fixed assets of ESIPL (as at 1st April 2008) and of the Company (as at 31st March 2009) for adjustment of certain expenses like provision for diminution in the value of Long Term Investments, Amounts receivable / payable from / to Subsidiary Company (Endurance Far East Ltd.) written off / back, Foreign Exchange Fluctuation loss / gain incurred during the year, provision for Mark to Market Loss, additional depreciation on revalued portion, profit/loss on sale of fixed assets, restructuring expenses etc.

The balance in the BRR Account as at 31st March, 2010 is Nil, as after the adjustment of the above referred expenses, the balance unutilised amount of Rs. 28.74 Million has been transferred back to Securities Premium Account. However, for the purpose of this statement, the above referred expenses adjusted against the BRR have not been restated to their respective years. The impact on the restated financial imformation as a result of this non-adjustment, has not been ascertained."

Management Comments:

The adjustment in "Business Reconstruction Reserve" was done as per the Scheme of Arrangement ("the Scheme") sanctioned by the Hon'ble High Court of Bombay vide Order dated 16th October, 2009 (a certified true copy of which was received by the Company on 24th November, 2009). As the accounting treatment given in the books of account was as required by the Scheme of Arrangement approved by the High Court, the individual items adjusted against the Business Reconstruction Reserve were neither adjusted nor restated for the purpose of this statement.

ANNEXURE 8 - STATEMENT OF SHARE CAPITAL

Particulars	As at 31st March				
	2006	2007	2008	2009	2010
Authorized Share Capital:					
Equity Shares					
Number of Shares of Rs. 10/- each	3,000,000	3,000,000	20,000,000	20,000,000	22,500,000
Amount (Rs. In Million)	30.00	30.00	200.00	200.00	225.00
Preference Share					
Compulsorily Convertible Preference Shares					
Number of Shares of Rs. 10/- each	-	-	-	-	48,000,000
Amount (Rs. In Million)	-	-	-	-	480.00
Redeemable Preference Shares					
Number of Shares of Rs. 10/- each	-	-	-	-	2,000,000
Amount (Rs. In Million)	-	-	-	-	20.00
Issued, Subscribed and Paid up Share Capital					
Equity Shares					
Number of Shares of Rs. 10/- each	1,274,500	1,699,676	16,996,760	16,996,760	16,996,760
Amount (Rs. In Million)	12.75	17.00	169.97	169.97	169.97
Less: Buyback of Equity Shares					
Number of Shares of Rs. 10/- each	63,725	-	-	-	-
Amount (Rs. In Million)	0.64	-	-	-	-
Equity Shares at the year end					
Number of Shares of Rs. 10/- each	1,210,775	1,699,676	16,996,760	16,996,760	16,996,760
Amount (Rs. In Million)	12.11	17.00	169.97	169.97	169.97
Preference Share					
Compulsorily Convertible Preference Shares (CCPS)					
Number of Shares of Rs. 10/- each	-	-	-	-	40,000,000
Amount (Rs. In Million)	-	-	-	-	400.00
Redeemable Preference Shares (RPS)					
Number of Shares of Rs. 10/- each	-	-	-	-	1,680,000
Amount (Rs. In Million)	-	-	-	-	16.80
Total	**12.11**	**17.00**	**169.97**	**169.97**	586.77
Share Capital pending allotment					
Number of Shares of Rs. 10/- each	288,027	-	-	-	-
Amount (Rs. In Million)	2.88	-	-	-	-

Notes:
Out of the above shares:

1. During the year ended on 31st March 2006,
   a. The company has bought back 63,725 Equity shares for total consideration of Rs. 17.84/- Million at price of Rs.280 per share
   Consequently a sum of Rs.17.20/- Million being premium on buyback has been charged to General Reserve and a sum of Rs.0.64 Million has been transferred to Capital Redemption Reserve from the General Reserve.
   b. Share Capital - Pending allotment: 288,027 Equity Shares of Rs.10 each to be allotted to the Shareholders of erstwhile Anurang Engineering Company India Private Limited pursuant to its Amalgamation with the company effective from 1st January, 2006

2. During the year ended on 31st March 2007,

   a. The Company made preferential allotment of 18,284 Equity Shares of Rs.10 each to the Promoters of the Company aggregating to Rs.150.2 Million.
   b. The Company made preferential allotment of 1,82,590 Equity Shares of Rs.10 each to Standard Chartered Private Equity (Mauritius) II Limited aggregating Rs. 1,500 Million.
   c. The Company allotted 2,88,027 Equity Shares of Rs.10 each to the Shareholders of Anurang Engineering Co. Private Limited, which has since been amalgamated with the Company.

3. During the year ended on 31st March 2008,

   a. The company increased the Authorised Share Capital from Rs.30 Million as at 31st March 2007 to Rs.200 Million as at 31st March 2008.
   b. 15297084 Equity Shares of Rs. 10 each allotted as fully paid up bonus shares issued in the ratio of 9 Bonus Shares for every one Share held by way of Capitalisation of Securities premium.

4. During the year ended on 31st March 2010,

   a. On 5th November, 2009, the Authorized Capital of the Company was increased from Rs. 200 Million to Rs. 700 Million by way of issue of 50,000,000 Compulsorily Convertible Preference Shares(CCPS) of Rs. 10 each aggregating to Rs. 500,000,000 to enable allotment of 40,000,000 CCPS to Standard Chartered Private Equity (Mauritius) II Limited.

      Further, consequent to the Amalgamation of ESIPL with the Company, in terms of the High Court order, ESIPL stands dissolved without winding up and the Authorized Capital of the Company stands enhanced from Rs. 700 Million to Rs. 725 Million with effect from 1st December 2009 (increased by an amount equivalent to the Authorized Share Capital of ESIPL).

      The Company, at its EGM dated 26th March, 2010, reclassified the authorised sharecapital of 2,000,000 CCPS of Rs.10 each to 2,000,000 Redeemable Preference Shares (RPS) of Rs. 10 each to enable the issuance of 1,680,000 RPS of Rs. 10 each to Directors/ Share Holders.
   b. Standard Chartered Private Equity (Mauritius) II Limited, subscribed to 40 Million CCPS of Rs.10 each for Cash at par aggregating to Rs. 400 Million.
   c. The Company converted the loan taken from Directors / Share holders amounting to Rs.16.8 Million in to Redeemable Preference Shares (RPS) of Rs.10 each.

ANNEXURE 9 - STATEMENT OF RESERVES AND SURPLUS

(Rs. In Million)

Particulars	As at 31st March				
	2006	2007	2008	2009	2010
A. Capital Subsidy					
As per last Balance Sheet	-	6.50	9.50	9.50	11.50
Add: Transfer from AEC on Amalgamation	6.50	-	-	-	-
Add: Amount Received during the year	-	3.00	-	2.00	-
Total	**6.50**	**9.50**	**9.50**	**11.50**	**11.50**
B. Capital Redemption Reserve	**0.64**	**0.64**	**0.64**	**0.64**	**0.64**
C. Securities Premium Account					
As per last Balance Sheet	-	-	1,616.37	1,463.39	1,392.12
Add: Amount Received during the year	-	1,648.20	-	-	-
Add: Transferred back from Business Reconstruction Reserve	-	-	-	28.73	-
Less: Utilized for Share issue expenses	-	31.83	-	-	-
Less: Utilized for issue of bonus Equity Shares	-	-	152.98	-	-
Less: Transferred to Business Reconstruction Reserve	-	-	-	100.00	-
Total	**-**	**1,616.37**	**1,463.39**	**1,392.12**	**1,392.12**
D. Business Reconstruction Reserve					
Addition during the year	**-**	**-**	**-**	**3,013.23**	-
Less: Adjustment during the year	**-**	**-**	**-**	**3,013.23**	-
Total	-	-	-	-	-
E. General Reserve					
As per last Balance Sheet	392.12	974.49	957.72	957.72	1,015.24
Add: Transferred from Anurang Engineering Company Private Limited on Amalgamation	122.27	-	-	-	-
Add: Transferred from Profit and Loss Account	480.00	-	-	-	-
Add: Acquired under the Scheme of Arrangement	-	-	-	57.52	-
Less: Transitional Adjustment Gratuity Liabilities	0.94	-	-	-	-
Less: Adjustment of Inventory on Amalgamation	1.12	-	-	-	-
Less: Utilized for buy back of Equity Shares	17.20	-	-	-	-
Less: Transferred to Capital Redemption Reserve on buy back of Equity Shares	0.64	-	-	-	-
Less: Transferred to P&L appropriation account for Amalgamation Expenses	-	16.77	-	-	-
Total	**974.49**	**957.72**	**957.72**	**1,015.24**	**1,015.24**
F. Surplus in Profit & Loss Account, as restated	**22.50**	**457.63**	**209.71**	**798.42**	**1,310.36**
Total (A+B+C+D+E+F)	**1,004.13**	**3,041.86**	**2,640.96**	**3,217.92**	**3,729.85**

ANNEXURE 10 - STATEMENT OF SECURED LOANS

(Rs. In Million)

	Particulars	As at 31st March				
		2006	2007	2008	2009	2010
I	**Loans & Advances from Banks:**					
1	Term Loans (including foreign currency term loans)	1,479.19	3,584.61	5,036.84	6,538.90	5,313.22
2	Loans against Fixed Deposits	-	30.68	83.79	-	-
3	Cash credits, Working Capital Demand Loans & Buyers' Credit (including foreign currency term loans)	293.73	172.13	790.81	636.28	659.19
4	Interest Accrued and due on term loans	4.76	12.11	12.96	11.77	4.87
	Sub-total	**1,777.68**	**3,799.53**	**5,924.40**	**7,186.95**	**5,977.28**
II	**Other Loans & Advances:**					
1	Term Loan – Indian Renewable Energy Development Agency Limited	49.58	42.34	32.90	23.46	14.03
2	Term loan against Keyman Insurance Policy	-	-	-	18.40	18.40
3	Interest free loan from customer	-	-	-	7.95	7.95
	Sub-total	**49.58**	**42.34**	**32.90**	**49.81**	**40.38**
	Total	**1,827.26**	**3,841.87**	**5,957.30**	**7,236.76**	**6,017.66**

Principal Terms of Secured Loans

A. Long Terms loans

S. No	Bank name	Facility Type	Interest rate	Loan Currency	Sanctioned Amount in Million	Outstanding Loan as on 31.03.2010 in INR in Million	Repayment terms as per Loan Agreement	Security as per the loan agreement
1	Bank of India	Rupee Term Loan	@ BPLR	INR	122.50	114.41	17 quarterly Installments commencing from March 2010. (Restructured)	(i). For the entire credit facility: a. Charge on all tangible movable machineries and plants, both present and future, whether installed or not and whether lying loose or at site or in transit or acquired subsequently or which may at any time during the continuance of this security being installed or lying loose or in cases or being in or upon or about our Company's premises/godowns at B-22 and B-1/3, Chakan Industrial Area, Pune, at B-2 and L-6/3 MIDC Industrial Area, Waluj, Aurangabad and at Gut No.416, Takve, Pune; b. Charge on all book debts, outstanding, money receivables, claims and bills which are due or may become due to our Company by any person, firm, company or body corporate or by the central or state government or government department or office; and c. Personal guarantee of Mr. Anurang Jain (Managing Director); (ii). For the corporate loan facility: Second pari-passu charge on the immovable property at B-2, L-6/3, MIDC Industrial Area, Waluj, Aurangabad and Gut No.416, Takve, Pune; and (iii). For the term loan facility: First pari-passu charge on the immovable property at B-1/3 and B-22 MIDC Chakan, Pune
2	Bank of India	INR/FCTL (Corporate Loan)	FC 6 Months USD Libor + 600 bps (Fluctuating) (if in INR at COBAR)	USD	6.34 Mn (Equivalent to INR 25 Crores)	286.60	16 quarterly commencing from June 2010. (Restructured)	
3	Bank of India	ECB Loan	3 Month JPY L + 160 bps from the date of each	JPY	575.00	140.90	8 half yearly consecutive installments,	(i). For the entire ECB loan: a. Perfected first

S. No	Bank name	Facility Type	Interest rate	Loan Currency	Sanctioned Amount in Million	Outstanding Loan as on 31.03.2010 in INR in Million	Repayment terms as per Loan Agreement	Security as per the loan agreement
			advance				starting at the end of 15 months from the date of first disbursal	pari-passu charge along with other banks on the land and buildings situated at B-1/3, Chakan Industrial Estate, Chakan, Pune and at Gut No. 416, Takve, Pune; and b. Exclusive first charge in bank's favour on the plant and machinery to be acquired by Company under the credit facility.
4	Bank of India	ECB Loan	200 bps over the three/six month LIBOR from the date of each advance	JPY	426.00	166.38	5 half yearly consecutive installments, starting at the end of 4 years from the date of first disbursal.	(i). For the entire ECB loan: a. Perfected first pari-passu charge on the land and buildings situated at B-22 and B-1/3, Chakan Industrial Estate, Chakan, Pune; and b. Exclusive first charge in bank's favour on the plant and machinery to be acquired by Company under the ECB loan.
5	Bank of India	ECB Loan	1.5% per annum over the three month LIBOR from the date of each advance	JPY	247.00	44.94	8 half yearly consecutive installments starting at the end of 18 months from the date of initial advance.	(i). For the entire ECB loan: (a). Perfected first pari-passu charge with other banks on the land and buildings situated at B-22, Chakan Industrial Estate, Chakan, Pune; and (b). Perfected first pari-passu charge with other banks on all tangible and moveable assets/property/plant and machinery, spare tools, accessories (both present and future) whether installed or not or whether lying loose or in cases at sites and or in transit or wherever else or which may at any time during the continuance of this security being installed or lying loose or in cases or being in or upon or about our Company's premises/godowns at B-22, Chakan Industrial Estate, Chakan, Pune or any held by any party anywhere to the order and the disposition of the

S. No	Bank name	Facility Type	Interest rate	Loan Currency	Sanctioned Amount in Million	Outstanding Loan as on 31.03.2010 in INR in Million	Repayment terms as per Loan Agreement	Security as per the loan agreement
								Company or in the course of transit to the Company.
6	Bank of India	ECB Loan	6 month Euro Libor + 400 bps	EURO	6.00	407.86	20 quarterly installments after initial moratorium of 18 months from the date of first draw down	(i). For the entire ECB loan: (a). Second charge on the immovable properties of Company situated at E-92, E-93, E-94, K-120, MIDC Waluj, Aurangabad, at B-20, MIDC Chakan, Pune, at the windmill division of Company at Gut No. 27 and 28, Bhambe, Satara and at Gut No. 341, Pimpalgaon, Ahmednagar; (b). Second charge on the movable properties of Company, such as plant and machineries, factory equipment, electrical installations, fittings, computers, dies and moulds etc., situated at E-92, E-93, E-94, K-120, MIDC Waluj, Aurangabad, at B-20, MIDC Chakan, Pune , 350 KW wind electric generators (3 nos) and other grid interphasing equipments situated at Bhambhe village, Satara and other grid interphasing equipments situated at Gut No. 341, Pipalgaon, Ahmednagar; and (c). Pledge of shares in Amaan Druckguss GmbH held by the erstwhile ESIPL.
7	Citi Bank	ECB Loan	LIBOR +1.20% p.a.	USD	USD 15 Million (Equivalent JPY)	372.19	16 equal quarterly payments beginning from the date falling 15 months after the last day of the availability period and to be repaid within 60 months.	(i). For the entire ECB loan: a. First pari-passu charge by way of mortgage on all land, building, plant and machinery situated at B-22, Chakan, Pune; and b. First charge on land, building, plant and machinery at plot no. 3, Sector 10, Pantnagar Industrial Area, Uttaranchal and at F-82, Sipcot’s Industrial Park, Irungattukottai, Chennai; and c. First charge on the entire movable property situated at plot no. 3, Sector 10, Pantnagar Industrial

S. No	Bank name	Facility Type	Interest rate	Loan Currency	Sanctioned Amount in Million	Outstanding Loan as on 31.03.2010 in INR in Million	Repayment terms as per Loan Agreement	Security as per the loan agreement
								Area, Uttaranchal and at F-82, Sipcot's Industrial Park, Irungattukottai, Chennai. d. Exclusive charge on the plant & machineries located at B-23 Chakan Pune financed under the facility.
8	Citi Bank	ECB Loan	LIBOR +1.20% p.a.	USD	USD 15.5 Million (Equivalent JPY)	579.80	17 equal quarterly payments beginning from the date falling 12 months after the last day of the availability period and to be repaid within 60 months.	(i). For the entire ECB loan:a. First pari-passu charge on all land, building, plant and machinery situated at B-22, Chakan, Pune; and b. First pari-passu charge on the entire movable property, both present and future, situated at B-22, Chakan, Pune; and c. First charge on land, building, plant and machinery at plot no. 3, Sector 10, Pantnagar Industrial Area, Uttaranchal and at F-82, Sipcot's Industrial Park, Irungattukottai, Chennai; and d. First pari-passu charge on the entire movable property, both present and future, situated at plot no. 3, Sector 10, Pantnagar Industrial Area, Uttaranchal and at F-82, Sipcot's Industrial Park, Irungattukottai, Chennai.
9	Citi Bank	ECB Loan	LIBOR + 1.50% p.a.	USD	USD 4.3 Million (Equivalent JPY)	61.43	16 equal quarterly installments commencing from the date falling 15th months after the first utilisation date	(i). For the entire ECB loan: a. First pari-passu charge on all land, building, plant and machinery at B-22, Chakan, Pune; and b. First charge on land, building, plant and machinery at plot no. 3, Sector 10, Pantnagar Industrial Area, Uttaranchal and at F-82, Sipcot's Industrial Park, Irungattukottai, Chennai; and c. Charge by way of hypothecation of the movable properties of our Company situated at B-22, Chakan, Pune.
10	Standard Chartered Bank, London	ECB Loan	LIBOR plus 0.5% p.a.	USD	USD 3 Million (Equivalent JPY)	25.84	9 semi-annual installments starting from end of 12th month from	(i). For the entire ECB loan: a. First exclusive charge by way of hypothecation on all

S. No	Bank name	Facility Type	Interest rate	Loan Currency	Sanctioned Amount in Million	Outstanding Loan as on 31.03.2010 in INR in Million	Repayment terms as per Loan Agreement	Security as per the loan agreement
							the drawdown date and to be repaid within 60 months.	movable plant and machinery including all other movable assets, both present and future, situated at B-23, MIDC Chakan, Pune; and (ii). First pari-passu charge on land and buildings, both present and future, situated at B-1/3 and B-23, MIDC Chakan, Pune.
11	Standard Chartered Bank, London	ECB Loan	LIBOR plus 0.5% p.a.	USD	USD 3.375 Million (Equivalent JPY)	44.77	9 semi-annual equal installments starting from end of 12th month from the drawdown date and to be repaid within 60 months.	(i). For the entire ECB loan: a. First exclusive charge by way of hypothecation on all movable plant and machinery, both present and future, that is part of the expansion of the 3,000 MT plant situated at B-1/3, MIDC Chakan, Pune; and (ii). First pari-passu charge on land and buildings, both present and future, situated at B-1/3 and B-23, MIDC Chakan, Pune.
12	ICICI Bank, Singapore Branch	ECB Loan	6 months JPY LIBOR + 140 basis points	JPY	540.50	283.94	7 half yearly installments payable after 48th months moratorium after the date of first disbursement.	(i). For the entire credit facility: a. First charge by way of hypothecation on movable fixed assets (except book debts) of the die-casting division at Pantnagar; and b. First pari-passu charge on leasehold land along with building, plant and machinery of the plant at Pantnagar.
13	ICICI Bank	ECB Loan	(i) Tranch A: 1.35% p.a. + LIBOR; (ii) Tranch B: 0.76% p.a. + LIBOR; and (iii) Tranch C: 0.76 p.a. + LIBOR	Euro	19.00	1,094.44	(i) Tranch A: 5 semi-annual equal installments starting from the end of 48 months from average drawdown date; (ii) Tranch B: 7 quarterly equal installments starting from February 2007; and (iii) Tranch C: 7 semiannual equal installments starting May 2007	(i). For the entire credit facility: a. First charge on all immovable and movable properties, present and future, of the front forks division (K-228 and 229) of Company; b. First charge on all immovable and movable properties of the disc brake division of Company (plant K-226/2); and c. First charge on all movable properties of the windmill division located at Jaisalmer Rajasthan; and d. First charge on all immovable and movable properties

S. No	Bank name	Facility Type	Interest rate	Loan Currency	Sanctioned Amount in Million	Outstanding Loan as on 31.03.2010 in INR in Million	Repayment terms as per Loan Agreement	Security as per the loan agreement
								of the die-casting division of Company at Manesar subject to prior charges; and e. First charge on all the immovable and movable properties situated at B-1/2, Chakan, Pune.
14	Corporation Bank	INR/FCTL	Corporate loan -FC 6 month USD Libor + 600 bps (fluctuating) (if in INR at COBAR)	USD INR'	6.10 9.01	258.13 9.01	21 quarterly installments commencing from February 2009 (Restructured)	(i) Second pari-passu charge with another bank on the fixed assets of Company situated at plant Nos. L-6/3 and B-2, Waluj, Aurangabad and the plant at Gut No. 416, Takve, Pune.
15	Corporation Bank, IFB Branch, Pune	Term Loan	At COBAR	INR'	80.00	53.33	16 equal quarterly installments after an initial 12 months moratorium period and to be repaid within 60 months.	(i). For the entire corporate loan: (a). First pari-passu charge on the factory land and building situated at B-20, Chakan, Pune. (b). Second charge by way of hypothecation on plant and machinery and other movable fixed assets acquired/to be acquired and stored/lying/installed at B-20, Chakan, Pune.
16	Corporation Bank, IFB Branch, Pune	Term Loan	At COBAR	INR'	50.00	50.00	8 equal half yearly installments after an initial 15 month's moratorium period and to be repaid within 63 months.	(i). For the entire term loan facility: a. Exclusive charge by way of hypothecation of plant and machinery and other movable properties acquired under the facility; and b. First pari-passu charge on the factory land and building situated at B-20, Chakan, Pune.
17	Corporation Bank, IFB Branch, Pune	Term Loan	At COBAR	INR'	77.00	4.90	18 quarterly installments commencing from June 30, 2006 and ending on September 30, 2010	(i). For the entire term loan facility:(a). Charge by way of mortgage on the land and building of Company situated at E-92 and K-120, MIDC Waluj, Aurangabad and at B-20, MIDC Chakan, Pune; and(b). First charge by way of equitable mortgage on the property situated at E-94, MIDC Waluj, Aurangabad; and(c). Pari-passu charge by way of hypothecation on movable properties (excluding vehicles) situated at E-92, E-

S. No	Bank name	Facility Type	Interest rate	Loan Currency	Sanctioned Amount in Million	Outstanding Loan as on 31.03.2010 in INR in Million	Repayment terms as per Loan Agreement	Security as per the loan agreement
								93, E-94 and K-120, MIDC Waluj, Aurangabad and at B-20, MIDC Chakan, Pune; and(d). Charge on three nos. of 350 KV wind electric generators and other grid interphasing equipments situated at Bhambhe village, Satara.
18	Corporation Bank, IFB Branch, Pune	Term Loan	At COBAR	INR'	29.70	2.20	27 equal quarterly installments commencing from April 30, 2004 ending on October 31, 2010	Equitable Mortgage of Windmill located at Bhambe Taluka, Satara District and hypothecation of moveable assets.
19	Corporation Bank, IFB Branch, Pune	Term Loan	At COBAR	INR'	123.70	59.74	18 quarterly installments commencing from December 2008 (Restructured)	(i). For the entire term loan facility under loan refinance scheme: a. Exclusive charge by way of hypothecation on the movable properties financed under this facility; and b. First pari-passu charge on the factory land and building situated at Gut No. 416, Takve, Pune & B/2 Plant at Waluj, Aurangabad
20	Corporation Bank, IFB Branch, Pune	Term Loan	At COBAR	INR'	160.00	46.95	18 quarterly installments commencing from December 2008 (Restructured)	(i). For the entire term loan facility under loan refinance scheme: a. First pari-passu charge on the land and buildings situated at B-1/3, MIDC Chakan, Pune; and b. First charge on the plant and machinery and other movable properties financed under this facility.
21	Corporation Bank, IFB Branch, Pune	Term Loan	At COBAR	INR'	99.00	90.80	9 half yearly installments commencing from September 2009 (Restructured)	(i). For the entire term loan facility: a. First charge on the plant and machinery and other movable properties acquired under the facility; and b. First pari-passu charge on the factory land and building by way of equitable mortgage of plant at L-6/3, B-2, MIDC Waluj, Aurangabad and at Gut No. 416, Takve, Pune.
22	Corporation Bank, IFB Branch, Pune	Term Loan	At COBAR	INR	107.00	15.14	10 quarterly installments commencing from March 2009	(i). For the entire term loan facility under loan refinance scheme: (a). First charge on

S. No	Bank name	Facility Type	Interest rate	Loan Currency	Sanctioned Amount in Million	Outstanding Loan as on 31.03.2010 in INR in Million	Repayment terms as per Loan Agreement	Security as per the loan agreement
							(Restructured)	the plant and machinery and other movable properties financed under the facility; and (b). First pari-passu charge on the land and building situated at L-6/3, MIDC Waluj, Aurangabad.
23	Indian Overseas Bank, Camp Branch Pune	Term Loan	At BPLR - with minimum of 12.50%	INR	123.70	61.70	4 Half yearly installments commencing from December 2010 (Restructured)	(i). First pari-passu charge on the immovable properties of our Company situated at L-6/3, Waluj, Aurangabad; and (ii). Exclusive charge on the plant and machinery financed out of the said credit facilities.
24	Indian Overseas Bank, Camp Branch Pune	Term Loan	At BPLR - with minimum of 12.50%	INR	Rs. 340 mn (revised to Rs. 185 Mn)	155.18	8 half yearly installments commencing from March 31, 2010 (Restructured)	(i). For the entire term loan facility: (a). Exclusive charge on the machinery financed out of term loans and (b). Exclusive charge on the assets acquired for the Singur project.
25	Indian Overseas Bank, Camp Branch Pune	Term Loan	At BPLR - with minimum of 12.50%	INR	210 (60+15)	84.30	3 equal half yearly installments from March 2011 (Restructured)	(i). For the term loan facility of Rs. 150 Million: a. First charge on the plant and machinery situated at L-6/3, MIDC Waluj, Aurangabad; and b. First pari-passu charge on the land and building situated at L-6/3, MIDC Waluj, Aurangabad; and (ii). For the term loan facility of Rs. 60 Million: a. First charge on the plant and machinery situated at B-1/3, MIDC, Chakan, Pune; and b. First pari-passu charge on the land and building situated at B-1/3, MIDC, Chakan, Pune.
26	Indian Overseas Bank, Camp Branch Pune	WCTL under Consortium - (Carved out from Working Capital Facility)	At BPLR - with minimum of 12.50%	INR	132.50	130.85	17 quarterly installment starting from March 2010 (Restructured).	For the Working Capital Term Loans: i) Second parri passu charge without any preference or priority of one over the other or others on movable plant, machinery, equipment, movable assets and all immovable properties of the Company, present
27	Bank of Maharashtra, Kranti Chowk, Aurangabad	WCTL under Consortium - (Carved out from Working Capital Facility)	Higher of BPLR or rates charged by other banks;	INR	132.50	132.50	16 quarterly installments starting from April 2010. (Restructured)	
28	Bank of India	WCTL under	@ BPLR	INR	402.50	402.50	20 quarterly	

S. No	Bank name	Facility Type	Interest rate	Loan Currency	Sanctioned Amount in Million	Outstanding Loan as on 31.03.2010 in INR in Million	Repayment terms as per Loan Agreement	Security as per the loan agreement
		Consortium - (Carved out from Working Capital Facility)					installments commencing from June 2010 (Restructured)	and future, situated at various plants of the Company. ii) Second parri passu charge on all
29	Corporation Bank, IFB Branch, Pune	WCTL under Consortium - (Carved out from Working Capital Facility)	At COBAR	INR	132.50	132.50	Moratorium period of 15 months and then 16 quarterly installment starting from June 2010. (Restructured)	current assets namely stocks of raw material imported by availing the facilities, receivables and book debts, and all other movable properties situated at various plants of the Company. iii) For working capital of Rs. 800 Million and working capital fund based facilities of Rs. 143 Million, Personal guarantee is given by Mr. Anurang Jain (Managing Director).
30	IREDA Delhi	Term Loan	13.50%	INR	33.40	9.29	In thirty Six Quarterly Installments starting from 2nd year.	1. Exclusive charge by way of Hypothecation and Mortgage of the Windmill of 1.00
31	IREDA Delhi	Term Loan	13.50%	INR	33.85	4.73	In thirty Six Quarterly Installments starting from 2nd year.	MW Wind Farm of Pimpalgaon- Dist Ahmednagar , Taluka Parner and of Vankusawade, Dist Satara. 2. Personal Guarantee given by Mr. Naresh Chandra (Chairman) and Mr. Anurang Jain (Managing Director) of the Company.
	Total. A					**5327.25**		

B. Cash Credits, Working Capital Demand Loans and Buyers Credit (Working Capital Facility)

S. No	Loan sanctioning Bank /Particulars	Facility Type , Bank Name - Working Capital Consortium Agreement	Outstanding Loan as on 31.03.2010	Repayment terms as per Loan Agreement	Security as per the loan agreement
1	LC Against Bills Accepted	Working capital consortium agreement dated June 10, 2009 and first supplemental working capital consortium agreement dated 31st August, 2009 (working capital facility and working capital term loan ("WCTL")) with Bank of India (Lead Bank), Indian Overseas Bank, Corporation Bank, Bank of Maharashtra, Citibank N.A., ICICI Bank Limited and Standard Chartered Bank	11.56	Cash credit and bank guarantee – on demand Letter of credit – on maturity	For the working capital facilities (other than the demand and term loans): i) First charge ranking pari passu without any preference or priority of one over the other or others by way of hypothecation and/or pledge of Company's current assets, namely stocks of raw materials, Semi Finished Goods, Finished Goods and Stores & Spares not related to Plant & Machinery (Consumable Stores
2	Buyers Credit Availed under the LC		392.21		
3	Indian Overseas Bank - Bills/Hundies Accepted		255.41		
4	Cash credit A/c		-		

S. No	Bank name	Facility Type	Interest rate	Loan Currency	Sanctioned Amount in Million	Outstanding Loan as on 31.03.2010 in INR in Million	Repayment terms as per Loan Agreement	Security as per the loan agreement
								& Spares) goods meant for exports/local sales and goods imported by availing the facilities, receivables and book debts, and all other movables of Company both present & future. ii) Second pari passu charge on all movable and immovable assets along with fixed plant & machinery (both present & future) situated at various plants of the Company. Out of total facility of Rs.1,583 Million, for Rs.143Million Personal Gurantee of Mr. Anurang Jain (Managing Director) is Given to Bankers Under Consortion.
7	Term Loan : against Keyman Insurance Policy	Advance (loan) against policy	10% compounded half yearly	INR	18.40	18.40	On maturity or may be prepaid earlier.	Insurance Policy No. 0006359605 and 0006359112 taken from Bajaj Allianz Company Ltd.
8	Interest free Loan from Customer	-	-	INR	7.95	7.95	-	Secured by Bank Guarantee
9	Interest accrued					4.87		
	Total B					**690.40**		
	G. Total					**6,017.66**		

ANNEXURE 11 - STATEMENT OF UNSECURED LOANS

(Rs. In Million)

Particulars	As at 31st March				
	2006	**2007**	**2008**	**2009**	**2010**
Bill Discounting Facilities	394.45	1,064.83	979.05	299.22	878.21
Loan from Others	50.00	-	-	200.00	387.64
Loan from Directors / Shareholders	16.80	16.80	16.80	16.80	-
Overdraft in Current A/c	-	-	-	0.61	-
Interest free Sales Tax Defferal Loan	608.56	623.02	629.29	833.98	821.66
Total	**1,069.81**	**1,704.65**	**1,625.14**	**1,350.61**	**2,087.51**

Principal Terms of Unsecured Loans

S. No	Particulars of Lenders	Facility Type	Interest rate	Sanctioned Amount - Rs in Million	Outstanding Loan as on 31.03.2010 - Rs in Million	Repayment terms
1	IDBI Bank Limited	Invoice Discounting Facility	to be mutually decided	1,000	878.21	not to exceed 60 days/ 1 year
2	Bajaj Auto Finance Limited	Term Loan	11.00%	225	225.00	Repayble in 15 monthly Installment
3	Bajaj Auto Finance Limited	Short term loan	13.50%	200	162.64	Repayable in 30 monthly Installment
4	Interest free Sales Tax Deferral Loan	Incentive under Sales Tax Deferral Scheme	Interest free		821.66	Repayable in annual Installment in five yearrs after the expiry of 10 years from the Year of Availment - Package Incentive schemes Period
	Total				**2,087.51**	

ANNEXURE 12 - STATEMENT OF SUMMARY OF INVESTMENTS

(Rs. In Million)

Particulars	As at 31st March				
	2006	**2007**	**2008**	**2009**	**2010**
I. Long Term Investments (at Cost)					
Trade Investments					
(1) Investment in Subsidiary Companies (Unquoted)					
Fully Paid Equity Shares					
Endurance Systems (I) Private. Limited.	-	187.62	247.62	-	-
High Technologies Transmission Systems (I) Private Limited	78.48	78.48	78.48	140.19	230.66
Amann Druckguss GmbH (Earlier known as Endurance Holding GmbH (Earlier known as V Mainsee 455, VV GmbH))	-	961.79	1,149.56	1,929.20	1,930.74
Nuova Renopress SpA.	-	188.93	243.08	243.08	-
Endurance Overseas S.R.L.	-	-	341.06	681.02	1,016.68
Endurance Holding GmbH (Earlier known as V Mainsee 493,V V GmbH)*	-	-	1.54	1.54	-
Endurance Far East Limited	-	-	-	77.19	-
Total - A Before Provision	**78.48**	**1,416.82**	**2,061.34**	**3,072.22**	**3,178.08**
Less Provision for diminution in value of investment					
Endurance Far East Limited	-	-	-	77.19	-
Nuova Renopress SpA.	-	-	-	243.07	-
Endurance Overseas S.R.L.	-	-	-	440.01	440.01
Total - Investment in Subsidiary Companies (Unquoted)	**78.48**	**1,416.82**	**2,061.34**	**2,311.95**	**2,738.07**
(2) Investment in Others				-	
(i) Fully paid Equity Shares (Unquoted)					
Deogiri Nagari Sahakari Bank Limited	0.10	0.10	0.10	0.10	0.10
Saraswat Co-op Bank Limited	0.01	0.01	0.01	0.04	0.04
Paioli Meccanica SpA	-	360.71	376.73	-	-
Endurance Magneti Marelli Shock Absorbers (I) Private Limited				60.00	85.00
(ii) Fully paid Equity shares (Quoted)					
Indian Overseas Bank	0.06	0.06	0.06	0.06	0.06
(iii) Other Investments (Unquoted)					
National Saving Certificates (Lodged with Govt. Authorities)	0.03	0.04	0.04	0.09	0.09
Total - Investment in Others	**0.20**	**360.92**	**376.94**	**60.29**	**85.29**
Total - Long Term Investments (1 & 2)	**78.68**	**1,777.74**	**2,438.28**	**2,372.24**	**2,823.36**
II. Current Investments - others					
(at Cost or Fair value whichever is lower)					
Investments in Mutual Fund (Unquoted)					

Particulars	As at 31st March				
	2006	2007	2008	2009	2010
DSP Merrill Lynch Liquid Fund Daily Dividend	-	374.16	30.87	-	-
DSP Merrill Lynch Liquid Plus - Weekly Dividend Option	-	-	57.74	-	-
Prudential ICICI Liquid Daily Dividend	-	0.10	0.11	-	-
HSBC Cash Fund- Inst. Plus Daily Dividend	-	5.81	6.18	-	-
Prudential ICICI FMP-Series 35	-	250.00	250.00	-	-
Prudential ICICI Short Term Dividend	-	59.43	-	-	-
Tempelton India Short Term Inc-Inst Monthly Dividend	-	88.22	-	-	-
Total - Current Investments	**-**	**777.72**	**344.90**	-	-
Total - Investments (I + II)	**78.68**	**2555.46**	**2783.18**	**2372.24**	**2823.36**

Note:
*During the year 2009-10 - Endurance Holding GmbH (Earliear Known as Mainsee 493 V V) merged with Amann Druckguss GmbH

ANNEXURE 13 - STATEMENT OF DEBTORS

(Rs. In Million)

Particulars	As at 31st March				
	2006	2007	2008	2009	2010
Debts outstanding for a period exceeding six months					
- considered good	6.59	15.23	22.38	68.97	108.58
- considered doubtful	-	-	-	3.47	8.32
Others					
- considered good	715.41	1,529.97	1,540.98	1,186.36	2,335.03
- considered doubtful	-	-	-	-	-
Less: Provision for doubtful debts	-	-	-	3.47	8.32
Total	**722.00**	**1545.20**	**1563.36**	**1255.33**	**2443.61**

Sundry Debtors other than Subsidiary companies include amount due from:-

a. Directors / Promoters	-	-	-	-	-

b. Sundry debtors, Loans & Advance includes, other than Subsidiary companies, Parties related to Directors / Promoters / Company

Endurance Systems (I) Private Limited	23.77	-	-	-	-
Paioli Meccanica SPA	-	-	-	88.33	-
Endurance Magnetti Marelli Shock Abserbers (I) Private Limited	-	-	-	85.89	22.76
Total	**23.77**	**-**	**-**	**174.22**	**22.76**

ANNEXURE 14 - STATEMENT OF LOANS AND ADVANCES

(Rs. In Million)

Particulars	As at 31st March,				
	2006	2007	2008	2009	2010
A. Loans and Advances (Unsecured)					
Loan to Subsidiary					
Considered Good	-	11.66	312.95	-	176.14
Considered Doubtful	-	-	-	207.70	207.70
Receivable from subsidiary					
Considered Good	-	-	14.14	14.14	-
Considered Doubtful	-	46.04	46.04	46.04	46.04
Total	**-**	**57.70**	**373.13**	**267.88**	**429.88**
Less: Provision for doubtful loans and receivable	-	46.04	46.04	253.74	253.74
Total after Provision for doubtful loans and receivable	**-**	**11.66**	**327.09**	**14.14**	**176.14**
Advances recoverable in cash or in kind or for value to be received	132.66	256.75	275.92	319.19	476.08
Security / Other deposits	16.89	26.81	22.55	18.13	15.37
Total - A	**149.55**	**295.22**	**625.56**	**351.46**	**667.59**
B. Other loans and advances					
Balance with Central Excise, Customs, Port Trusts	87.74	137.60	103.25	112.67	79.78
Minimum Alternate Tax Credit Entitlement	-	-	-	-	28.95
Tax Deducted at Source & Advanced Tax	21.96	19.92	64.67	124.74	27.73
Total - B	**109.70**	**157.52**	**167.92**	**237.41**	**136.46**
Total (A + B)	**259.25**	**452.74**	**793.48**	**588.87**	**804.05**

Loan & Advances other than Subsidiary companies include amount due from:-

a. Directors / Promoters	-	-	-	-	-
b. Parties related to Directors / Promoters / Company	Refer Annexure 13				

ANNEXURE 15 - STATEMENT OF CURRENT LIABILITIES AND PROVISIONS

(Rs. In Million)

Particulars	As at 31st March,				
	2006	2007	2008	2009	2010
A. CURRENT LIABILITIES					
Acceptances	-	-	181.40	540.08	505.24
Sundry Creditors					
Micro, Small and Medium Enterprises	27.89	248.27	45.00	93.87	459.08
Others	1009.79	1173.72	1001.40	2022.42	2303.95
Other Current Liabilities:					
Other Liabilities	44.40	174.73	29.57	3.15	121.43
Advances from Customers	108.65	50.23	93.47	39.01	69.13
Interest accrued but not due	-	16.14	34.60	71.05	39.58
Total - A	**1190.73**	**1663.09**	**1385.44**	**2769.58**	**3498.41**
B. PROVISIONS					
Provision for Taxation	17.85	0.19	0.26	0.03	42.27
Provision for Employees Benefits	1.96	1.90	14.36	33.64	50.94
Provision for Warranty Claims	4.51	4.75	3.37	10.67	10.03
Provision for Foreign Exchange Contract	-	-	260.19	163.05	125.69
Proposed Dividend	2.99	-	-	-	12.47
Tax on Proposed Dividend	0.42	-	-	-	2.12
Total - B	**27.73**	**6.84**	**278.18**	**207.39**	**243.52**
Total (A+B)	**1218.46**	**1669.93**	**1663.62**	**2976.97**	**3741.93**

ANNEXURE 16 - STATEMENT OF OTHER INCOME

	Particulars	For the year ended 31st March				
		2006	2007	2008	2009	2010
A.	Other Income, As Restated (Rs. In Million)	164.65	404.22	587.81	371.20	522.98
B.	Profit / (Loss) Before tax (Including Extra Ordinary Expenses), As Restated (Rs. In Million)	482.82	589.65	(259.93)	(72.52)	827.49
	Percentage (%) A/B	34.10%	68.55%	-226.14%	-511.86%	63.20%

SOURCES OF OTHER INCOME

(Rs. In Million)

Particulars	Nature of Income	For the year ended 31st March				
		2006	2007	2008	2009	2010
Scrap Sales	Recurring	68.19	164.08	380.41	242.39	275.82
Foreign Exchange Fluctuation Gain	Recurring	-	104.82	-	-	131.85
Interest Received on Fixed Deposits	Recurring	19.41	25.04	18.14	13.44	9.17
Interest Received on Others	Recurring	0.82	1.69	51.47	28.93	6.92
Dividend Received from Investment in Subsidiary Company	Recurring	-	5.89	5.89	7.55	-
Dividend Received from Current Investment	Recurring	-	38.43	43.12	4.29	0.05
Profit on sale of investment in Subsidiary Company	Non Recurring	18.02	-	-	-	-
Profit on sale of fixed assets	Non Recurring	0.95	-	4.61	-	-
Profit on Sales of Current Investment	Non Recurring	-	-	1.18	-	-
Withdrawal of Key man Insurance Premium	Non Recurring	-	-	47.03	-	-
Export Incentives	Recurring	2.08	5.92	2.72	15.36	7.30
Duty Drawback	Recurring	-	-	-	5.06	0.89
Discount Received	Recurring	6.33	4.83	3.36	20.55	32.29
Surplus on Premature Repayment of Sales Tax Liability	Non Recurring	46.49	41.71	21.28	-	-
Miscellaneous Receipts	Recurring	3.47	18.17	10.61	47.65	76.62
Total		**165.76**	**410.58**	**589.82**	**385.22**	**540.91**
Restated Adjustments		(1.11)	(6.36)	(2.01)	(14.02)	(17.93)
Other Income, As Restated		**164.65**	**404.22**	**587.81**	**371.20**	**522.98**

Note:-

The classification of recurring / non recurring income is based on the current operations and businesss activity of the Company as determined by the management.

ANNEXURE 17 - STATEMENT OF DIVIDEND PAID / PROPOSED ON EQUITY SHARES AND PREFERENCE SHARES

Particulars	For the year ended 31st March				
	2006	2007	2008	2009	2010
Class of Shares					
Equity Shares - Numbers Rs. 10 each	1,210,775	1,699,676	16,996,760	16,996,760	16,996,760
Amount (Rs. In Million)	12.11	17.00	169.97	169.97	169.97
Compulsorily Convertible Preference Shares (CCPS)					
Number of Shares of Rs. 10/- each	-	-	-	-	40,000,000
Amount (Rs. In Million)	-	-	-	-	400.00
Redeemable Preference Shares (RPS)					
Number of Shares of Rs. 10/- each	-	-	-	-	1,680,000
Amount (Rs. In Million)	-	-	-	-	16.80
Final Dividend					
Rate of Dividend (%)	20%	-	-	-	8% for CCPS & RPS
Dividend per Share (Rs.)	2.00	-	-	-	-
Amount of Dividend (Rs in Million)	3.00	-	-	-	12.47
Corporate Dividend Tax (Rs in Million)	0.42	-	-	-	2.12
Interim Dividend					
Rate of Dividend (%)	-	30%	-	-	-
Dividend per Share (Rs.)	-	3.00	-	-	-
Amount of Dividend (Rs in Million)	-	5.10	-	-	-
Corporate Dividend Tax (Rs in Million)	-	0.72	-	-	-

Notes:

a. Final dividend of the year ending 31st March 2006 was paid subsequently in the year ended 31st March 2007.

b. The equity share outstanding as on 31st March 2006 excludes 288,027 number of shares (to erstwhile Anurang Engineering Company Private Limited pursuant to its Amalgamation with the company effective from 1st January, 2006) issued subsequently in the year ended 31st March 2007.

c. Dividend for preference shares are distributed proportionate basis.

ANNEXURE 18 - STATEMENT OF ACCOUNTING RATIOS

Particulars		For the year ended 31st March				
		2006	2007	2008	2009	2010
A.	Net profit-as restated - after tax - Rs in Million	313.02	440.95	(247.91)	282.55	526.53
B.	Net profit as restated attributable to equity shareholders - Rs in Million	313.02	440.95	(247.91)	282.55	511.94
C.	Net Worth including Preference Shares - Rs in Million	1,019.12	3,058.86	2,810.93	3,387.89	4,316.63
D.	Net Worth excluding Preference Shares - Rs in Million	1,019.12	3,058.86	2,810.93	3,387.89	3,899.83
E.	Weighted average number of equity shares outstanding during the year/period - (In Numbers)	1,320,031	1,623,980	16,996,760	16,996,760	16,996,760
F.	Total number of shares outstanding at the end of the year/period - (In Numbers)	1,210,775	1,699,676	16,996,760	16,996,760	16,996,760
G.	Basic Earnings per share (In Rs.) **(B/E)**	237.13	271.53	(14.59)	16.62	30.12
H.	Return on net worth (In %) **(A/C)**	30.71%	14.42%	-8.82%	8.34%	12.20%
I.	Net asset value per equity share (In Rs.) **(D/F)**	841.71	1,799.67	165.38	199.33	229.45

Note: Diluted Earning Per Share (EPS) is the same as the Basic EPS.

Notes:

1. The ratios have been computed as below:

   i) **Earnings per share (Rs)**

$$\frac{\text{Net profit attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year/period}}$$

   ii) **Return on net worth (%)**

$$\frac{\text{Net profit after tax}}{\text{Net worth excluding revaluation reserve at the end of the year/period}}$$

   iii) **Net asset value per equity share (Rs)**

$$\frac{\text{Net worth excluding revaluation reserve and preference share capital at the end of the year/period}}{\text{Number of equity shares outstanding at the end of the year/period}}$$

2. Net profit, as restated as appearing in the Statement of profits and losses, as restated has been considered for the purpose of computing the above ratios. These ratios are computed on the basis of the standalone (unconsolidated) restated financial statements of the Company.

3. Earnings per share calculations are done in accordance with Accounting Standard 20 “Earnings Per Share” notified under section 211(3C) of the Companies Act -1956.

ANNEXURE 19 - CAPITALISATION STATEMENT

Particulars	Pre-Issue As at 31st March 2010	Post Issue
Short term debt	1,542.27	(*)
Long term debt	6,562.90	(*)
Total debt	**8,105.17**	(*)
Shareholders' funds		
- Share capital	586.77	(*)
- Reserves (excluding revaluation reserve)	3,729.86	(*)
Total shareholders' funds	**4,316.63**	(*)
Long term debt / Equity Ratio	**1.52 : 1**	(*)

Note:
* Post Issue Capitalization will be determined after finalization of issue price

ANNEXURE 20 - STATEMENT OF CONTINGENT LIABILITIES

(Rs. In Million)

Particulars	As at 31st March				
	2006	2007	2008	2009	2010
Outstanding Letters of Credit	63.63	144.91	548.79	607.04	582.52
Guarantees Given By Company's Bankers	27.94	291.26	230.28	587.52	101.59
SBLC Given to ICICI Bank for EOSRL	-	-	544.98	582.99	402.31
Corporate Guarantee given to Bank of India, London for the loan taken by Amann Druckguss GMBH.	-	874.80	994.91	671.12	601.03
SBLC given to Bank of India, London for the working capital loan taken by Amann Druckguss GMBH.	-	-	-	67.79	-
Disputed Excise Demand	5.01	5.83	3.84	5.31	57.28
Claims by suppliers under dispute	0.45	0.45	0.45	0.45	0.45
Service Tax Matters	-	-	-	4.76	3.13
Sales Tax Matters	-	-	-	0.32	0.04
Claims towards workman compensation	0.44	0.44	0.44	-	-
Foreign Bill discounting	120.50	47.65	-	-	-
Disputed Grampanchayat Tax	0.13	0.13	-	-	-
Corporate guarantee given to Andhra bank for Loan taken by EMM					110
Total	**218.10**	**1,365.47**	**2,323.69**	**2,527.30**	**1,858.35**
Disputed Income tax	Refer Note	Refer Note	Refer Note	-	-

Note:
During the Assessment proceedings for Assessment Year 2002-2003 of erstwhile Anurang Engineering Company Private Ltd, was amalgamated with the Company, the Tax Authorities have made disallowances amounting to Rs 3,25,00,000. The Company's appeal before Income Tax Appellate Tribunal (ITAT) is pending for hearing and disposal and as such no tax provision has been made for the said disallowance.

ANNEXURE 21 - STATEMENT OF SEGMENT INFORMATION

The Company is engaged mainly in the business of automobile components. This in the context of Accounting Standard 17 on Segment Reporting is considered to constitute one single reportable primary segment. Further there is no reportable secondary segment i.e. geographical segment.

ANNEXURE 22 - TAX SHELTER STATEMENT

(Rs. In Million)

S. No	Particulars	For the year ended 31st March				
		2006	**2007**	**2008**	**2009**	**2010**
	Profit / (Loss) before current and deferred taxes	**478.54**	**636.66**	**(2.58)**	**(66.16)**	**895.88**
	Adjustments for restatement	(158.90)	(47.01)	48.88	(6.36)	(11.94)
A	**Profit / (Loss) before current and deferred taxes, as restated**	**319.64**	**589.65**	**46.30**	**(72.52)**	**883.94**
B	Income Tax Rate applicable %	33.66%	33.66%	33.99%	33.99%	33.99%
C	Tax at notional rates	107.59	198.48	15.74	(24.65)	300.45
	Adjustments					
D	**Permanent Differences**					
	Donations	0.37	0.68	0.60	0.20	0.05
	Interest on Income Tax	-	-	-	-	7.00
	Loss/(Profit) on sale of Fixed Assets	0.49	0.88	(4.61)	-	15.04
	Weighted Deduction for R&D Expenses eligible under section 35(2AB) (Additional 50% of Expenses)	-	(8.59)	(3.67)	(22.78)	(20.50)
	Dividend Exempt u/s 10(34) of the Act	-	(44.32)	(49.00)	(11.83)	(0.05)
	Capital receipts not taxable / Capital expenditure not deductible	-	17.58	10.13	2.06	4.00
	Capital Receipt taxable at lower rate, amount adjusted to current rate	(8.64)	-	-	-	-
	Disallowance of delayed payment of statutory dues	0.39	0.58	0.27	-	-
	Others	(1.08)	0.01	1.88	(83.01)	(5.49)
	Total	**(8.47)**	**(33.18)**	**(44.40)**	**(115.36)**	**0.05**
E	**Temporary Differences**					
	Difference between Book Depreciation and Tax Depreciation	(80.88)	(268.47)	(214.65)	27.39	317.34
	Provision for Doubtful Debt / Advances	-	-	4.97	-	4.85
	Tax Duty and other sum u/s 43B	(1.53)	5.47	15.35	14.74	25.07
	Allowance u/s 35DD	-	(10.41)	(10.41)	(11.02)	(7.67)
	Deferred Revenue Expenditure disallowed	1.60	-	-	-	-
	Sum u/s 40a(ia)	0.40	2.70	6.69	(7.33)	(1.90)
	Impact of Loan Restatement adjustment	-	(82.36)	57.44	(342.79)	(110.79)
	Carry Forward / (Set off) of Loss	-	-	187.61	500.33	(687.94)
	Total	**(80.41)**	**(353.07)**	**47.00**	**181.32**	**(461.03)**
F	Net Adjustments (D-E)	(88.88)	(386.25)	2.60	65.96	(460.98)
G	Tax Expenses / (Saving) thereon	(29.92)	(130.01)	0.88	22.42	(156.69)
H	**Net Tax Expense (C-G)**	**77.67**	**68.46**	**16.62**	**(2.23)**	**143.76**
	Book Profit for Tax u/s 115 JB	319.96	589.64	-	-	883.92
	Adjustments	-	-	-	-	128.83

S. No	Particulars	For the year ended 31st March				
		2006	2007	2008	2009	2010
	Net Book profit for Tax u/s 115JB	319.96	589.64	-	-	1,012.75
	Tax rate for MAT u/s 115JB	8.42	11.22	11.22	17.00	17.00
I	Tax Liability under u/s 115JB (MAT)	26.92	66.16	-	-	172.12
J	Total Tax Liability (Higher of H and I)	77.67	68.46	16.62	(2.23)	172.12

ANNEXURE 23 - STATEMENT OF RELATED PARTY TRANSACTIONS

A. Particulars of related parties and nature of relationship

Name of the Related Parties	Nature of Relationship
Endurance Systems India Private Limited	Subsidiary Company (From Aug 2006 upto Mar 2008 - Merged with the Endurance Technologies Limited)
High Technology Transmission Systems India Private Limited	Subsidiary Company
Endurance Holding GmbH (formerly Mainsee 455 VV GmbH)	Subsidiary Company (From Dec 2006 upto May 2007 - Merged with Amann Druckguss GmbH)
Amann Druckguss GmbH	Subsidiary Company (From Jan 2007)
Nuova Renopress S.P.A	Direct Subsidiary Company (From Aug 2006 upto Dec 2007) Indirect Subsidiary (Form Dec 07 to Sep 09 - Disinvested)
Endurance Far East Limited	Indirect Subsidiary Company (From Mar 2007 upto Mar 2008) Direct Subsidiary upon the merger of ESIPL with ETL (From April 2008 to May 2009 - Liquidated)
Endurance Overseas S.r.l	Subsidiary Company (From May 2007)
Endurance Holding GmbH (formerly Mainsee 493 VV GmbH)	Subsidiary Company (From July 2007 upto Mar 2009 - Merged with Amann Druckguss GmbH)
Fondalmec - Officine Meccaniche S.P.A	Indirect Subsidiary Company (From May 2007)
Fondpress S.r.l	Indirect Subsidiary Company (From May 2007 upto Sep 2009 - Disinvested)
Endurance Magneti Marelli Shock Absorbers India Pvt Limited	Joint Venture (From July 2008)
Paioli Meccanica S.P.A	Associate Company (From Sep 2006 upto Nov 2009 - Disinvested)
Mr. Anurang Jain - Managing Director	Key Management Personnel (KMP)
Mr. Naresh Chandra	Relatives of KMP - (Relationship - Father)
Mrs. Suman Jain	Relatives of KMP - (Relationship - Mother)
Mrs.Varsha Jain	Relatives of KMP - (Relationship - Wife)
Naresh Chandra HUF	HUF (in the Years 2005-06 to 2009-10)
Anurang Jain HUF	HUF (in the Years 2005-06 to 2006-07)
Endurance Systems India Private Limited	Enterprises Owned or Controlled by KMP and/or their Relatives (in the Year 2008-09 - Merged with ETL)
Varroc Engineering Private Limited	Enterprises Owned or Controlled by KMP and/or their Relatives (in the Years 2005-06 to 2009-10)
Varroc Lightings Private Limited	Enterprises Owned or Controlled by KMP and/or their Relatives (in the Years 2005-06 to 2006-07)
Varroc Trading Private Limited	Enterprises Owned or Controlled by KMP and/or their Relatives (in the Years 2005-06 to 2009-10)
Varroc Exhaust Systems Private Limited	Enterprises Owned or Controlled by KMP and/or their Relatives (in the Years 2005-06 to 2009-10)
Varroc Elastomers Private Limited	Enterprises Owned or Controlled by KMP and/or their Relatives (in the Years 2005-06 to 2009-10)
Varroc Polymers Private Limited	Enterprises Owned or Controlled by KMP and/or their Relatives (in the Years 2007-08 to 2009-10)
Durovalves India Private Limited	Enterprises Owned or Controlled by KMP and/or their Relatives (in the Years 2005-06 to 2009-10)
Mouldcraft (Hindustan) Private Limited	Enterprises Owned or Controlled by KMP and/or their Relatives (in the Years 2005-06 to 2006-07)

Note: Related party relationship is as identified by the Company and relied upon by the Auditors.

B. Transactions carried out with the related party in ordinary course of business

(Rs. In Million)

Particulars	Nature of Relationships / Name of the Party	Transactions for the year ended 31st March				
		2006	2007	2008	2009	2010
Purchases	**Subsidiaries Direct / Indirect**					
Goods & Materials	High Technology Transmission Systems India Private Limited	4.19	1.14	1.84	131.34	127.65
	Endurance Systems India Private Limited	-	336.17	97.57	-	-
	Endurance Far East Limited	-	-	-	13.70	-
	Endurance Fondalmec S.P.A	-	-	-	1.47	6.24
	Associates					
	Paioli Meccanica S.P.A	-	0.53	-	0.61	-
	Joint Ventures					
	Endurance Magneti Marelli Shock Absorbers India Pvt Limited	-	-	-	3.70	59.33
	Enterprises Owned or controlled by Key Management Personnel or their relatives	383.14	20.62	13.29	24.76	28.33
	Total	**387.33**	**358.46**	**112.70**	**175.58**	**221.55**
Fixed Assets	High Technology Transmission Systems India Private Limited	15.64	0.87	1.93	5.58	107.82
	Endurance Systems India Private Limited	-	68.25	65.40	-	-
	Endurance Far East Limited	-	-	-	21.94	-
	Enterprises Owned or controlled by Key Management Personnel or their relatives	13.38	-	-	-	-
	Total	**29.02**	**69.12**	**67.33**	**27.52**	**107.82**
Sales	**Subsidiaries Direct / Indirect**					
Goods & Materials	High Technology Transmission Systems India Private Limited	237.78	391.98	353.07	351.53	260.51
	Endurance Systems India Private Limited	-	2,349.96	2,289.00	-	-
	Endurance Far East Limited	-	-	-	4.71	-

Particulars	Nature of Relationships / Name of the Party	Transactions for the year ended 31st March				
		2006	2007	2008	2009	2010
	Endurance Fondalmec S.P.A	-	-	-	19.83	27.33
	Associates					
	Paioli Meccanica S.P.A	-	-	0.76	354.16	-
	Joint Ventures					
	Endurance Magneti Marelli Shock Absorbers India Pvt Limited	-	-	-	14.84	16.42
	Enterprises Owned or controlled by Key Management Personnel or their relatives	439.31	-	-	-	-
	Total	**677.09**	**2,741.94**	**2,642.83**	**745.07**	**304.26**
Fixed Assets	High Technology Transmission Systems India Private Limited	-	1.18	2.39	2.00	181.22
	Endurance Systems India Private Limited	-	1.42	7.56	-	-
	Endurance Far East Limited	-	-	-	1.05	-
	Joint Ventures					
	Endurance Magneti Marelli Shock Absorbers India Pvt Limited	-	-	-	67.22	5.67
	Key Management Personnel	-	-	-	-	12.50
	Enterprises Owned or controlled by Key Management Personnel or their relatives	6.93	-	-	-	-
	Total	**6.93**	**2.60**	**9.95**	**70.27**	**199.39**
Job work Received	**Subsidiaries Direct / Indirect**					
	High Technology Transmission Systems India Private Limited	25.68	-	-	-	-
	Endurance Systems India Private Limited	-	0.48	0.47	-	-
	Amann Druckguss GmbH	-	-	-	0.13	-
	Enterprises Owned or controlled by Key Management Personnel or their relatives	3.52	-	-	-	-
	Total	**29.20**	**0.48**	**0.47**	**0.13**	**-**
Expenses						

Particulars	Nature of Relationships / Name of the Party	Transactions for the year ended 31st March				
		2006	2007	2008	2009	2010
Rent	**Joint Ventures**					
	Endurance Magneti Marelli Shock Absorbers India Pvt Limited	-	-	-	-	2.95
	Relatives of Key Management Personnel	0.21	0.60	-	-	-
	Enterprises Owned or controlled by Key Management Personnel or their relatives	0.02	-	-	-	-
	Total	**0.23**	**0.60**	**-**	**-**	**2.95**
Staff Deputation	**Enterprises Owned or controlled by Key Management Personnel or their relatives**	0.16	-	-	-	-
	Total	**0.16**	**-**	**-**	**-**	**-**
Remuneration	**Key Management Personnel**	2.81	4.85	12.16	16.99	17.04
	Total	**2.81**	**4.85**	**12.16**	**16.99**	**17.04**
Interest paid	**Subsidiaries Direct / Indirect**					
	High Technology Transmission Systems India Private Limited	-	-	-	-	11.41
	Relatives of Key Management Personnel	0.29	1.18	1.52	1.51	1.36
	Key Management Personnel	0.04	-	-	-	-
	Total	**0.33**	**1.18**	**1.52**	**1.51**	**12.77**
Directors Fees	**Relatives of Key Management Personnel**	0.01	0.00	0.02	0.05	0.08
	Total	**0.01**	**0.00**	**0.02**	**0.05**	**0.08**
Professional Charges	**Relatives of Key Management Personnel**	0.13	0.81	1.10	1.18	1.11
	Total	**0.13**	**0.81**	**1.10**	**1.18**	**1.11**
Labour Charges paid	**Subsidiaries Direct / Indirect**					
	High Technology Transmission Systems	-	-	-	0.01	-

Particulars	Nature of Relationships / Name of the Party	Transactions for the year ended 31st March				
		2006	2007	2008	2009	2010
	India Private Limited					
	Endurance Systems India Private Limited	-	53.31	38.53	-	-
	Enterprises Owned or controlled by Key Management Personnel or their relatives	39.49	-	-	-	-
	Total	**39.49**	**53.31**	**38.53**	**0.01**	**-**
Expeneses Reimbursed	**Subsidiaries Direct / Indirect**					
	High Technology Transmission Systems India Private Limited	0.04	0.09	0.03	0.16	-
	Endurance Systems India Private Limited	-	0.93	3.37	-	-
	Amann Druckguss GmbH	-	-	-	0.07	-
	Associates					
	Paioli Meccanica S.P.A	-	-	8.26	-	-
	Joint Ventures					
	Endurance Magneti Marelli Shock Absorbers India Pvt Limited	-	-	-	0.27	0.80
	Enterprises Owned or controlled by Key Management Personnel or their relatives	0.07	0.12	0.31	0.31	-
	Total	**0.11**	**1.14**	**11.97**	**0.81**	**0.80**
Excise Duty Reimbursed	**Subsidiaries Direct / Indirect**					
	Endurance Systems India Private Limited	-	-	8.77	-	-
	Joint Ventures					
	Endurance Magneti Marelli Shock Absorbers India Pvt Limited	-	-	-	-	0.57
	Total	**-**	**-**	**8.77**	**-**	**0.57**
Royalty	**Associates**					
	Paioli Meccanica S.P.A	-	49.47	51.73	69.41	-
	Total	**-**	**49.47**	**51.73**	**69.41**	**-**
DEPB License Purchase	**Subsidiaries Direct / Indirect**					
	High Technology	-	-	0.82	-	-

Particulars	Nature of Relationships / Name of the Party	Transactions for the year ended 31st March				
		2006	2007	2008	2009	2010
	Transmission Systems India Private Limited					
	Endurance Systems India Private Limited	-	-	9.75	-	-
	Total	**-**	**-**	**10.57**	**-**	**-**
Income						
Rent/ Interest Receipt	**Subsidiaries Direct / Indirect**					
	Amann Druckguss GmbH	-	0.49	21.03	24.79	-
	Endurance Overseas S.r.l	-	-	29.56	2.32	6.41
	Joint Ventures					
	Endurance Magneti Marelli Shock Absorbers India Pvt Limited	-	-	-	17.56	22.31
	Enterprises Owned or controlled by Key Management Personnel or their relatives	0.30	-	-	-	-
	Total	**0.30**	**0.49**	**50.59**	**44.67**	**28.72**
Expenses Recovered	**Subsidiaries Direct / Indirect**					
	High Technology Transmission Systems India Private Limited	0.01	0.11	0.60	4.71	9.16
	Endurance Systems India Private Limited	-	1.66	2.54	-	-
	Amann Druckguss GmbH	-	45.55	-	1.89	1.74
	Joint Ventures					
	Endurance Magneti Marelli Shock Absorbers India Pvt Limited	-	-	-	10.64	1.11
	Enterprises Owned or controlled by Key Management Personnel or their relatives	0.09	-	0.01	-	-
	Total	**0.10**	**47.32**	**3.15**	**17.24**	**12.01**
Excise Duty Recovered	**Subsidiaries Direct / Indirect**					
	Endurance Systems India Private Limited	-	-	0.03	-	-
	Joint Ventures					
	Endurance Magneti Marelli Shock Absorbers India Pvt Limited	-	-	-	7.38	-
	Enterprises Owned or	0.00	-	-	-	-

Particulars	Nature of Relationships / Name of the Party	Transactions for the year ended 31st March				
		2006	2007	2008	2009	2010
	controlled by Key Management Personnel or their relatives					
	Total	0.00	-	0.03	7.38	-
Dividend Received	**Subsidiaries Direct / Indirect**					
	High Technology Transmission Systems India Private Limited	-	5.89	5.89	7.55	-
	Total	**-**	**5.89**	**5.89**	**7.55**	**-**
Other Income	**Subsidiaries Direct / Indirect**					
	High Technology Transmission Systems India Private Limited	-	-	-	-	4.22
	Joint Ventures					
	Endurance Magneti Marelli Shock Absorbers India Pvt Limited	-	-	-	-	2.50
	Total	**-**	**-**	**-**	**-**	**6.72**
Finance						
Loans / Advance Given	**Subsidiaries Direct / Indirect**					
	Endurance Overseas S.r.l	-	-	464.94	168.58	199.29
	Amann Druckguss GmbH	-	11.66	488.20	-	-
	Total	**-**	**11.66**	**953.14**	**168.58**	**199.29**
Share Investments	**Subsidiaries Direct / Indirect**					
	High Technology Transmission Systems India Private Limited	-	-	-	61.71	90.47
	Endurance Systems India Private Limited	-	187.62	60.00	-	-
	Amann Druckguss GmbH	-	961.79	187.77	779.64	-
	Endurance Holding GmbH (Mainsee 493VV)	-	-	1.54	-	-
	Nouva Renopress S.P.A	-	188.94	33.16	-	-
	Endurance Overseas S.r.l	-	-	341.06	72.21	335.65
	Joint Ventures					
	Endurance Magneti Marelli Shock Absorbers India Pvt Limited	-	-	-	60.00	25.00
	Associates					

Particulars	Nature of Relationships / Name of the Party	Transactions for the year ended 31st March				
		2006	2007	2008	2009	2010
	Paioli Meccanica S.P.A	-	360.71	16.02	-	-
	Relatives of Key Management Personnel	-	-	-	-	16.80
	Total	**-**	**1,699.06**	**639.55**	**973.56**	**467.92**
Buy back of Shares						
	Enterprises Owned or controlled by Key Management Personnel or their relatives	17.84	-	-	-	-
	Total	**17.84**	**-**	**-**	**-**	**-**
Loan Repaid	**Subsidiaries Direct / Indirect**					
	Endurance Overseas S.r.l	-	-	-	-	335.65
	Amann Druckguss GmbH	-	-	-	358.87	-
	Key Management Personnel	12.20	-	-	-	-
	Relatives of Key Management Personnel	-	-	-	-	16.80
	Enterprises Owned or controlled by Key Management Personnel or their relatives	30.00	-	-	-	-
	Total	**42.20**	**-**	**-**	**358.87**	**352.45**
Balance outstanding as on date Period ended Mar 31						
Receivable by Endurance Technologies Limited	**Subsidiaries Direct / Indirect**	15.21	216.31	598.87	227.31	192.06
	Joint Ventures	-	-	-	85.89	22.76
	Associates	-	-	-	88.33	-
	Enterprises Owned or controlled by Key Management Personnel or their relatives	23.77	-	-	-	-
	Total	**38.98**	**216.31**	**598.87**	**401.53**	**214.82**
Payable by Endurance Technologies Limited	**Subsidiaries Direct / Indirect**	0.02	-	-	-	144.85
	Associates	-	10.82	-	10.09	-
	Enterprises Owned or controlled by Key Management Personnel	58.20	4.85	2.05	10.09	5.10

Particulars	Nature of Relationships / Name of the Party	Transactions for the year ended 31st March				
		2006	2007	2008	2009	2010
	or their relatives					
	Total	**58.22**	**15.67**	**2.05**	**20.18**	**149.95**
Loan Taken by Endurance Technologies Limited	**Relatives of Key Management Personnel**	16.80	16.80	16.80	16.80	-
	Total	**16.80**	**16.80**	**16.80**	**16.80**	**-**
Share Investment by Endurance Technologies Limited - As on year end	**Subsidiaries Direct / Indirect**	78.48	1,416.83	2,061.35	2,311.96	2,738.08
	Joint Ventures	-	-	-	60.00	85.00
	Associates	-	360.71	376.73	-	-
	Total	**78.48**	**1,777.54**	**2,438.08**	**2,371.96**	**2,823.08**

Note:-

1) Amann Druckguss GmbH. - Germany is shown net of advances fully provided for Rs. 46.03 Million (PY Rs. 46.03 Million) and Endurance Overseas Srl is shown net of advance provided for to the extent of Rs. 207.70 Million (PY 207.70 Million).
2) Amount of Rs. 2,823.08 Million (PY 2,371.96 Million) is net of provision for diminution in value of investment of Rs. 440.01 Million (PY Rs. 760.27 Million).

AUDITORS' REPORT
(as required by Part II of Schedule II of the Companies Act, 1956)

The Board of Directors
Endurance Technologies Limited,
K-228, MIDC Industrial Area,
Waluj,
Aurangabad - 431 136

Dear Sirs,

1. In connection with the proposed Initial Public Offering (the "IPO") of Equity Shares of Endurance Technologies Limited (Formerly known as Endurance Technologies Private Limited) ('the Company' or 'the Issuer') and in terms of our engagement agreed upon with the Company, we have examined the consolidated financial information (as defined in paragraph 4 below) of the Company and its subsidiaries, joint venture and an associate (the Company, its subsidiaries, joint venture and an associate together constitute 'the Group') as at and for the years ended 31st March, 2010, 2009, 2008, 2007 and 2006, annexed to this report and initialed by us for purpose of identification.

2. This Financial Information is the responsibility of the Company and has been prepared in accordance with the requirements of:

    a) paragraph B of Part II of Schedule II of the Companies Act, 1956, ('the Act'); and

    b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009, notified by Securities and Exchange Board of India ("SEBI") on 26th August, 2009 and amendments thereto (the "SEBI Regulations"), in pursuance of Section 11A (1) (a) of the Securities and Exchange Board of India Act, 1992 and the Guidance Note on Reports in Company Prospectuses (Revised) issued by the Institute of Chartered Accountants of India ('ICAI').

3. Our examination was conducted in accordance with the applicable generally accepted auditing standards ("GAAS") framework in India prescribed by the ICAI.

Consolidated Financial Information as per Audited Consolidated Financial Statements:

4. We have examined the following attached statements of the Group:

    i) the "Consolidated Restated Statement of Assets and Liabilities" as at 31st March, 2010, 2009, 2008, 2007 and 2006 (Annexure - 24);

    ii) the "Consolidated Restated Statement of Profits and Losses" for each of the years ended 31st March, 2010, 2009, 2008, 2007 and 2006 (Annexure - 25); and

    iii) the "Consolidated Restated Statement of Cash Flows" for each of the years ended 31st March, 2010, 2009, 2008, 2007 and 2006 (Annexure - 26)

    together referred to as the "Consolidated Restated Summary Statements."

    These Consolidated Restated Summary Statements have been extracted by the Management of the Company from the audited consolidated financial statements, after making such adjustments and regroupings as in our opinion are appropriate for the years ended:

    a) 31st March, 2010, 2009, 2008 and 2007, audited by us and

b) 31st March, 2006 which have been audited by M/s M. P. Chitale & Co., Chartered Accountants.

All the consolidated financial statements as at and for the years ended 31st March, 2010, 2009, 2008, 2007 and 2006 have been approved by the Board of Directors.

iv) The audit of the consolidated financial statements of the Group for the financial year ended 31st March 2006 was conducted by M/s M. P. Chitale & Co., Chartered Accountants, being the auditors of the Company for that year, and accordingly reliance has been placed on the consolidated financial statements audited and reported upon by them.

5. We further state that:

a) The audit of the consolidated financial statements of the Group for the financial year ended 31st March 2006 was conducted by M/s M. P. Chitale & Co., Chartered Accountants, and accordingly reliance has been placed on the consolidated financial statements audited and reported upon by them. Accordingly, our examination of the consolidated restated financial information of the Company for the financial year ended 31st March 2006 is solely based on the consolidated financial statements of the Group audited and reported upon by them.

b) In the Consolidated Restated Financial Information, we did not audit the financial statements and the restated financial information of certain subsidiaries & an associate whose financial statements reflect the following information as considered in the consolidated financial statements:

(Rs. in Million)

Particulars	**Year ended 31st March**			
	2007	**2008**	**2009**	**2010**
Number of Subsidiaries	3	4	4	3
- Total Assets (net of current liabilities & Provisions)	3,206.26	6,072.16	4,985.12	2,669.87
- Revenues	2,741.05	8,066.15	8,878.86	6,372.93
- Net Cash Inflow / (Outflow)	100.61	83.25	188.06	157.09
Number of Associates	1	1	1	-
- Group's share of loss	6.17	13.92	-	-

These financial statements and the restated financial information have been audited by other auditors, whose reports have been furnished to us and, our opinion, in so far as it relates to the amounts included in respect of these subsidiaries and associates, is based solely on the reports of the other auditors.

6. Based on our examination of these Consolidated Restated Summary Statements, read with para 5 above, we state that:

i) The 'Consolidated Restated Summary Statements' have to be read in conjunction with the "Significant Accounting Policies" and "Notes to the Consolidated Restated Financial Information" (Annexure 27 & 28);

ii) The 'Consolidated Restated Summary Statements' reflect the retrospective effect of significant accounting policies adopted by the Company as at / for the year ended 31st March, 2010 *except for the matters below:*

a) Any gain or loss on account of exchange difference related to foreign exchange liabilities pertaining to purchase of fixed assets arising during the years ended on 31st March 2006 *and 31st March 2007, the effect of which was given to the cost of the fixed assets has been not adjusted for the purpose of this statement. Consequentially, the depreciation on fixed assets has also been not adjusted for the relevant years. The impact on the consolidated restated financial information as a result of this non-adjustment has not been ascertained. (Refer Note No. 5(ii)(b) of Annexure - 30).*

b) *With effect from the year ended 31st March 2008, the Company has accounted for foreign exchange loss in respect of derivative instruments which are not covered by AS 11, based on Mark to Market valuation as on Balance Sheet date. However, for the purpose of this statement, as the mark to market valuation in respect of the derivative instruments outstanding as at 31st March 2006 & 31st March 2007, is not available, the loss, if any, on such instruments has not been recognized or adjusted. The impact on the consolidated restated financial information as a result of this non-adjustment, has not been ascertained. (Refer Note No. 3(A)(i) of Annexure – 30).*

iii) The restated profits / losses have been arrived at after charging all expenses including depreciation and after making such adjustments and regroupings, as in our opinion are appropriate, in the year to which they relate and are described in Annexure – 29 & 30 *except for:*

The adjustments in "Business Reconstruction Reserve" were done as per the Scheme of Arrangement ("the Scheme") sanctioned by the Hon'ble High Court of Bombay. As the accounting treatment given in the books of account was as required by the Scheme of Arrangement approved by the High Court, the individual items adjusted against the Business Reconstruction Reserve were neither adjusted nor restated for the purpose of this statement. (Refer Note 9 (d) of Annexure – 5 & Note No. 6 of Annexure - 30). The impact of the above on the Consolidated Restated Summary Statement has not been ascertained.

iv) The extraordinary items in the financial years ended 31st March, 2010, 2008 and 2007 have been disclosed separately in the Consolidated Restated Summary Statements;

v) There are no qualifications in Auditors' Reports which would require an adjustment in the Consolidated Restated Financial Summary Statements *except for the following audit qualifications which have not been adjusted by the Management*:

Endurance Technologies Limited – Auditors' Report on the Company's financial statements for the financial year ended 31st March 2008

a) As stated in Note No. 3(A)(i) of Annexure 30, the Company has restated the outstanding foreign currency denominated long term loans which are covered by foreign exchange range forward contracts (JPY-USD) using the exchange rates mentioned as strike rates in the unexpired foreign currency range forwards contracts instead of the cross currency spot exchange rates as on 31st March, 2008 as required by the Accounting Standard (AS) 11 "The Effects of Changes in Foreign Exchange Rates". Had these foreign currency term loan amounts been restated at the spot rates, the loss for the year and the term loan liabilities would have increased by Rs. 351.6 Million and Reserves as at 31st March, 2008 would have decreased by Rs. 351.6 Million.

Endurance Technologies Limited – Auditors' Report on the Company's financial statements for the financial year ended 31st March 2009

b) As stated in Note No. 9(a) of Annexure 5 & Note. No. 3(A)(ii)(a) of Annexure 30, upon the Scheme becoming effective, all the assets and liabilities and investments (including overseas investments) as appearing in the books of account of ESIPL as on the Appointed Date were required to be recorded at their respective fair values by the Company. Further, in terms of the Scheme, if it is considered necessary and appropriate by the Board of Directors of the Company and if the fair value of any of the assets, liabilities *and investments including overseas investments as on the date of approval of the Scheme by the board of directors (i.e. 28th July 2009) is substantially different, then the same also may be adjusted while arriving at the fair value for any such assets, liabilities and investments including overseas investments.*

However, in the opinion of Board of Directors, all the balances in assets and liabilities [except for the tangible fixed assets which have been revalued and investments in one of the subsidiary which has been adjusted for permanent diminution in the value of investment] as of 1st April 2008 represent the respective fair values and accordingly these have been transferred to the Company at their respective book values.

c) *As stated in Note No. 9(c) of Annexure 5 & Note. No. 3(A)(ii)(b) of Annexure 30, as an integral part of the Scheme approved by the Hon'ble High Court of Judicature at Bombay, with an intention to right size the Balance Sheet of the Company post amalgamation, the assets including investments in other subsidiaries and liabilities of the Company were required to be recorded at their present fair values as on the date of approval of the Scheme by the Board of Directors i.e.28th July 2009.*

However, in the opinion of Board of Directors all the balances in assets, liabilities and investments (including overseas investments) as of 31st March, 2009 [except for the tangible fixed assets which have been revalued and investments in certain subsidiaries which have been written-off / adjusted for permanent diminution in the value of investments] represent the respective fair values and accordingly these have been carried at their respective book values.

Endurance Technologies Limited – Auditors Report on the Company's financial statements for the financial year ended 31st March 2010

d) *As stated in Note No. 9(a) of Annexure 5 & Note. No. 3(A)(iii)(a) of Annexure 30, in the absence of an independent assessment of the fair values of the balances in all the assets and liabilities [except for the tangible fixed assets which have been revalued and investments in one of the subsidiary which had been adjusted for permanent diminution in the value of investment] as of 1st April 2008, the impact on the financial statements could not be ascertained. This matter had been qualified in the previous year's Auditors' Report. Further, the impact of the same, if any, on the carrying amounts of the balances in the assets and liabilities as of 31st March 2010, is not determinable.*

e) *As stated in Note No. 9(c) of Annexure 5 & Note. No. 3(A)(iii)(b) of Annexure 30, in the absence of an independent assessment of the fair values of the balances in assets, liabilities & investments (including overseas investments) as of 31st March 2009 [except for the tangible fixed assets which have been revalued and investments in certain subsidiaries which have been written-off / adjusted for permanent diminution in the value of investments], the impact on the financial statements could not be ascertained. This matter had been qualified in the previous year's Auditors' Report. Further, the impact of the same on the carrying amounts of the balances in the assets and liabilities as of 31st March 2010 is not determinable.*

The impact of the above unadjusted qualifications on the Consolidated Restated Summary Statement is not ascertainable.

vi) Qualification in the auditors' report which do not require any corrective adjustments in the Consolidated Restated Summary Statements are disclosed in Note. No. *3(B) of Annexure 30*.

Other Consolidated Financial Information of the Company as per Audited Consolidated Financial Statements

7. We have also examined the following consolidated restated financial information of the Group for the years ended 31st March, 2010, 2009, 2008, 2007 and 2006 which is proposed to be included in the Draft Red Herring Prospectus (DRHP), as approved by the Board of Directors of the Company and annexed to this report:

Sr. No.	Details of Other Consolidated Financial Information	Annexure Reference
1	Consolidated Restated Statement of Assets and Liabilities	Annexure – 24
2	Consolidated Restated Statement of Profits and Losses	Annexure – 25
3	Consolidated Restated Statement of Cash Flows	Annexure – 26
4	Consolidated Significant Accounting Policies and Notes to the Consolidated Restated Financial Information	Annexure – 27 & 28
5	Statement on Adjustments to Consolidated Financial Statements	Annexure – 29
6	Notes to Statement on Adjustments to Consolidated Financial Statements	Annexure – 30
7	Statement of Share Capital	Annexure – 31
8	Consolidated Statement of Reserves & Surplus	Annexure – 32
9	Consolidated Statement of Secured Loans	Annexure – 33
10	Consolidated Statement of Unsecured Loans	Annexure – 34
11	Consolidated Statement of summary of Investments	Annexure – 35
12	Consolidated Statement of Debtors	Annexure – 36
13	Consolidated Statement of Loans and Advances	Annexure – 37
14	Consolidated Statement of Current Liabilities & Provisions	Annexure – 38
15	Consolidated Statement of Other Income	Annexure – 39
16	Consolidated Statement of Dividend Paid / Proposed on Equity shares and preference shares	Annexure – 40
18	Consolidated Statement of Accounting Ratios	Annexure – 41
19	Consolidated Statement of Capitalisation	Annexure – 42
20	Consolidated Statement of Contingent Liabilities	Annexure – 43
21	Consolidated Statement of Segment Information	Annexure – 44
22	Consolidated Statement of Related Party Transactions	Annexure – 45

The above together are referred to as “Other Consolidated Financial Information”.
In respect of “Other Consolidated financial information” stated above, we have relied upon the audited consolidated financial statements for the financial year ended March 31, 2006, which were audited and reported by M/s M. P. Chitale & Co., Chartered Accountants as stated above.

8. Based on our examination of the Consolidated Restated Summary Statements of the Group attached to this report, read with significant accounting policies and notes as annexed to this report, we state that in our opinion the ‘Consolidated Restated Summary Statements’ and ‘Other Financial Information’ as at and for each of the years ended 31st March, 2010, 2009, 2008, 2007 and, 2006, *read with our comments in paragraph 5* and *subject to our comments in paragraphs 6 (ii), (iii) & (v) above*, have been prepared in accordance with Paragraph B of Part II of Schedule II of the Act and the SEBI Regulations.

9. We have not audited any consolidated financial statements of the Company as of any date or for any period subsequent to 31st March 2010. Accordingly, we express no opinion on the consolidated financial position, consolidated results of operations or consolidated cash flows of the Group as of any date or for any period subsequent to 31st March 2010.

10. We did not perform audit tests for the purpose of expressing an opinion on individual balances of account or summaries of selected transactions, and accordingly, we express no such opinion thereon.

11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

12. This report should not, in any way, be construed as a reissuance or re-dating of any of the previous audit reports nor should this be construed as a new opinion on any of the financial statements referred to herein.

13. This report is intended solely for your information and for inclusion in the offer document in connection with the proposed IPO of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No.: 117366W)

Hemant M. Joshi
Partner
Membership No.: 38019

Place: Mumbai
September 27, 2010

ANNEXURE 24 - CONSOLIDATED RESTATED STATEMENT OF ASSETS AND LIABILITIES

(Rs. In Million)

	Particulars	As at 31st March				
		2006	2007	2008	2009	2010
A.	**Fixed Assets**					
	Gross Block	4,027.28	10,499.29	15,927.93	20,549.87	18,206.89
	Less : Accumulated Depreciation & Amortization	974.56	2,815.14	6,139.57	8,259.99	7,976.80
	Net Block	**3,052.72**	**7,684.15**	**9,788.36**	**12,289.88**	**10,230.09**
	Capital Work- in -Progress (including Capital advances)	532.25	833.92	404.86	279.20	319.03
	Total	**3,584.97**	**8,518.07**	**10,193.22**	**12,569.08**	**10,549.12**
B.	**Goodwill on Consolidation**	-	427.80	1,177.41	569.91	1,026.11
C.	**Investments**	**0.21**	**1,150.89**	**720.33**	**1.92**	**0.40**
D.	**Current Assets, Loans & Advances**					
	Inventories	501.23	1,320.11	2,257.65	1,701.10	1,768.44
	Sundry Debtors	991.79	2,744.16	4,572.37	3,512.45	4,582.34
	Cash & Bank Balances	546.36	857.43	907.84	897.17	880.12
	Other Current Assets (Interest accrued on Fixed Deposits)	50.09	41.90	10.87	6.97	6.19
	Loans & Advances	542.74	823.23	955.43	830.40	834.37
	Total	**2,632.21**	**5,786.83**	**8,704.16**	**6,948.09**	**8,071.46**
E.	**Liabilities and Provisions**					
	Secured Loans	2,010.37	5,711.65	7,944.86	8,778.95	7,265.39
	Unsecured Loans	1,139.82	3,137.52	4,416.09	3,313.56	3,229.07
	Deferred Tax Liability (net)	247.47	411.00	358.04	(6.36)	146.22
	Deferred Payment	-	239.55	207.70	15.29	13.55
	Current Liabilities	1,264.36	2,696.30	4,055.95	4,345.90	5,632.52
	Provisions	298.92	243.28	711.74	491.27	318.92
	Total	**4,960.94**	**12,439.30**	**17,694.38**	**16,938.61**	**16,605.67**
F.	**Minority Interest**	154.03	242.54	655.62	515.21	98.65
G.	**Debit Balance in Profit Loss Account**	-	-	348.30	296.50	275.83
	NET WORTH (A+B+C+D-E-F+G)	**1,102.42**	**3,201.75**	**2,793.42**	**2,931.68**	**3,218.60**
	Represented by :					
	Share Capital	12.11	17.00	169.97	169.97	586.77
	Share Capital - Pending Allotment	2.88	-	-	-	-
	Reserves & Surplus	1,087.43	3,184.75	2,623.45	2,761.71	2,631.83
	NET WORTH	**1,102.42**	**3,201.75**	**2,793.42**	**2,931.68**	**3,218.60**

Note:
The above statement should be read with the Significant Accounting policies, appearing in Annexure 27; Notes to the Consolidated Restated Financial Information, appearing in Annexure 28; Statement on Adjustments to Consolidated Financial Statements, appearing in Annexure 29: and Notes to Statement on Adjustments to Consolidated Financial Statements, appearing in Annexure 30.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board

Hemant M. Joshi	**Anurang Jain**	**P.S.Datta**	**Satrajit Ray**	**V.M.Achwal**
Partner	Managing Director	Director	Group CFO	DGM (CS & Legal)
Place : Mumbai		Place : Mumbai		
Date: September 27, 2010		Date: September 27, 2010		

ANNEXURE 25: CONSOLIDATED RESTATED STATEMENT OF PROFITS AND LOSSES

(Rs. In Million)

Particulars	For the year ended 31st March				
	2006	2007	2008	2009	2010
INCOME :					
Gross Sales	5,817.70	14,946.89	24,282.57	24,063.51	24,509.66
Less : Excise Duty	808.66	2,044.01	2,514.10	1,853.63	1,298.81
Net Sales	5,009.04	12,902.88	21,768.47	22,209.88	23,210.85
Trading Sales	-	-	215.76	546.41	23.88
Job Work Receipts	59.93	148.66	149.36	122.85	181.99
Wind Power Generated - Captively Consumed	0.92	16.03	23.00	25.37	22.18
Wind Power Generated - Sales	15.11	17.23	18.64	21.27	19.92
Other Income	159.87	614.09	983.64	532.66	633.71
A. Total Income	**5,244.87**	**13,698.89**	**23,158.87**	**23,458.44**	**24,092.53**
EXPENDITURE :					
Material Cost	3,192.59	8,287.59	13,568.71	13,264.81	13,282.05
Employee Cost	187.95	864.68	2,385.43	2,653.27	2,242.08
Other Expenses	941.00	2,684.49	5,008.88	5,361.58	5,146.96
Provision for Impairment of Assets	-	-	-	53.35	195.55
Provision for Impairment of Goodwill on Consolidation	-	-	-	431.29	-
B. Total Expenditure	**4,321.54**	**11,836.76**	**20,963.02**	**21,764.30**	**20,866.64**
Profit Before Interest, Depreciation, Tax and Extra Ordinary Expenses	**923.33**	**1,862.13**	**2,195.85**	**1,694.14**	**3,225.89**
Interest	89.56	392.03	759.18	909.91	790.04
Depreciation & Amortization	246.58	769.14	1,826.70	1,882.38	2,017.66
Total	**336.14**	**1,161.17**	**2,585.88**	**2,792.29**	**2,807.70**
Profit before Taxation and Extra Ordinary Expenses	**587.19**	**700.96**	**(390.03)**	**(1,098.15)**	**418.19**
Provision for Taxation					
Current Tax	163.51	150.38	160.37	96.15	258.75
Minimum Alternate Tax Credit Eligible for Set Off	-	-	-	-	(28.95)
Wealth Tax	0.08	0.24	0.25	0.03	0.13
Deferred Tax	87.18	82.57	(72.45)	(352.88)	177.39
Fringe Benefit Tax	2.54	6.08	9.98	5.66	
Current Tax of earlier years	0.50	2.42	2.96	-	24.57
Total	**253.81**	**241.69**	**101.11**	**(251.04)**	**431.89**
Net Profit / (Loss) after Tax, before Extra Ordinary Expenses Before Minority Interest and adjustments	**333.38**	**459.27**	**(491.14)**	**(847.11)**	**(13.70)**
Minority Interest	**(48.28)**	**(41.03)**	**(92.01)**	**103.25**	**(29.54)**

Particulars	For the year ended 31st March				
	2006	**2007**	**2008**	**2009**	**2010**
Share of Profits / (Loss) of Associates	**-**	**(6.17)**	**(13.92)**	**-**	**-**
Net Profit / (Loss) after Tax, before Extra Ordinary Expenses Before Minority Interest and adjustments	**285.10**	**412.07**	**(597.07)**	**(743.86)**	**(43.24)**
Extra Ordinary Expenses/(Income) net of tax (Ref Note. 8 of Annexure 28)	-	45.24	260.19	-	(78.93)
Depreciation and Amortization Written back (Refer Note. 1 (b) of Annexure 30)	163.18				
Expense related to Amalgamation	-	16.77	-	-	-
Transfer from General Reserve	-	(16.77)	-	-	-
Net Profit / (Loss) before Adjustments	**448.28**	**366.83**	**(857.26)**	**(743.86)**	**35.69**
Adjustments (Net of Tax) (Refer Annexure 7)	**(112.28)**	**7.10**	**36.87**	**(50.33)**	**3.40**
Net Profit / (Loss) after Taxation, As Restated	**336.00**	**373.93**	**(820.39)**	**(794.19)**	**39.09**
Add :					
Balance brought forward from previous year	189.07	105.80	473.09	(348.30)	(296.50)
Adjustment on account of Consolidation	-	-	-	531.37	-
Acquired under the scheme of arrangement / amalgamation	64.15	-	-	315.90	-
Amount available for appropriation, as restated	**589.22**	**479.73**	**(347.30)**	**(295.22)**	**(257.41)**
APPROPRIATIONS :					
Dividend	3.00	5.10	-	-	-
Tax on Dividend	0.42	0.72	-	-	-
Dividend on Preference Shares	-	-	-	-	12.47
Dividend Tax on Preference Shares	-	-	-	-	2.12
Tax on Dividend by Subsidiaries (Share of Parent Company)	-	0.82	1.00	1.28	-
Transferred to General Reserve	480.00	-	-	-	3.83
Balance carried to Balance Sheet	105.80	473.09	(348.30)	(296.50)	(275.83)
Total	**589.22**	**479.73**	**(347.30)**	**(295.22)**	**(257.41)**

Note:
The above statement should be read with the Significant Accounting policies, appearing in Annexure 27; Notes to the Consolidated Restated Financial Information, appearing in Annexure 28; Statement on Adjustments to Consolidated Financial Statements, appearing in Annexure 29: and Notes to Statement on Adjustments to Consolidated Financial Statements, appearing in Annexure 30.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board

Hemant M. Joshi
Partner
Place : Mumbai
Date: September 27, 2010

Anurang Jain
Managing Director

P.S.Datta
Director
Place : Mumbai
Date: September 27, 2010

Satrajit Ray
Group CFO

V.M.Achwal
DGM (CS & Legal)

ANNEXURE 26: CONSOLIDATED RESTATED STATEMENT OF CASHFLOWS

(Rs. In Million)

Particulars			For the year ended 31st March				
			2006	2007	2008	2009	2010
A	**Cash Flow from Operating Activities**						
	i)	Net Profit before Tax and after Extra ordinary Expenses	587.19	655.72	(650.22)	(1,098.15)	497.12
		Add: Adjustment on account of restatement affecting Profit/Loss before tax	3.89	3.49	28.71	(36.99)	(8.31)
	ii)	Adjustments for:					
		Depreciation & Amortisation for the Year	246.58	769.14	1,826.70	1,882.38	2,017.66
		Provision for Slow Moving Inventory	-	-	1.82	96.16	10.51
		Provision for Doubtful Debts	0.42	8.52	17.72	7.59	20.36
		Extra ordinary Expenses	-	-	260.19	-	
		Provision for Employee Benefit	(0.75)	106.52	96.69	18.03	(129.48)
		Provision / (Written Back) for Warranty Claims	3.89	12.91	(5.88)	0.38	(0.24)
		Impairment of Goodwill	-	-	-	452.25	-
		Impairment of Asset	-	-	-	-	195.55
		Forex Loss adjusted in BRR	-	-	-	(144.47)	
		Provision for MTM Losses	-	-	-	-	56.45
		Effect of Change in Inventory Valuation	(1.12)	-	-	-	-
		Interest Paid	88.35	392.00	760.00	909.71	790.04
		(Profit) / Loss on Sale of Assets	(0.02)	(95.66)	(49.42)	(19.74)	(20.49)
		Sales Tax Set off Received	(1.26)	-	-	-	-
		Dividend Received	0.01	(38.43)	(43.12)	(4.29)	(0.05)
		Exchange Difference arising on consolidation	-	3.84	(116.40)	26.57	(154.60)
		Loss/ (Profit) on Sale of Investment	7.64	-	(1.19)	-	63.41
		Amalgamation Expenses	-	(16.77)	-	-	-
		Income from restructuring of loan	-	-	-	-	(226.43)
		Provision for Impairment of Assets	-	-	-	53.35	-
		Interest Received	(21.55)	(67.50)	(74.30)	(40.00)	(14.05)
	iii)	**Operating Profits before Working Capital Changes**	**913.27**	**1,733.78**	**2,051.30**	**2,102.78**	**3,097.45**
	iv)	Adjustments for:					
		Increase / (Decrease) in Trade Payables, Other Liabilities & Provisions	188.56	(222.93)	(779.29)	145.59	1,900.63
		(Increase) / Decrease in Inventories	(121.82)	(183.50)	(521.69)	460.39	(212.61)
		(Increase) / Decrease in Trade and Other Receivables	(189.76)	(430.15)	444.41	1,059.49	(1,864.73)
	v)	**Cash Generated from operations**	**790.25**	**897.20**	**1,194.73**	**3,768.25**	**2,920.74**
		Direct Taxes Paid	(185.68)	(204.84)	(137.20)	(176.26)	(145.52)

Particulars			For the year ended 31st March				
			2006	2007	2008	2009	2010
		Net Cash Generated from Operating Activities	**604.57**	**692.36**	**1,057.53**	**3,591.99**	**2,775.22**
B	**Cash Flow from Investing Activities**						
		Acquisition of Fixed Assets	(1,227.79)	(2,748.08)	(2,532.91)	(1,498.79)	(1,026.21)
		Proceeds from Disposal of Subsidiaries	-	-	-	-	0.69
		Sale of Fixed Assets	14.25	272.10	266.68	367.81	380.64
		Investment in Subsidiaries	-	(1,925.48)	(807.82)	(61.73)	(941.62)
		Investment in Associate Companies	-	(144.78)	(45.86)	(192.42)	-
		Investment in Mutual Funds / Shares	(25.48)	(776.43)	435.34	344.90	-
		Investment in long term Investments	-	(1.34)	(0.16)	16.86	1.52
		Interest Received	9.73	75.69	105.17	41.98	15.79
		Dividend Received	(0.01)	38.43	43.12	4.29	0.05
		Net Cash used in Investing Activities	**(1,229.30)**	**(5,209.89)**	**(2,536.44)**	**(977.10)**	**(1,569.14)**
C	**Cash Flow from Financing Activities**						
		Proceeds from Issue of Shares	-	1,618.37	-	-	-
		Proceeds from Issue of Compulsorily Convertible Preference Shares	-	-	-	-	400.00
		Capital Subsidy Recd	-	5.00	-	-	
		Proceeds from Borrowings (Term Loans)	956.30	4,742.69	3,677.28	1,756.45	2,511.33
		Repayment of Borrowings (Term Loans)	(81.19)	(1,354.15)	(1,486.44)	(3,349.77)	(3,123.83)
		Dividend Paid by Subsidiaries Including tax (Minority Share)	(1.45)	(6.45)	(50.27)	(5.94)	-
		Dividend Paid on equity shares Including tax	-	(10.06)	-	-	-
		Interest Paid	(87.37)	(367.52)	(716.91)	(1,026.30)	(806.49)
		Net Cash used in Financing Activities	**786.29**	**4,627.88**	**1,423.66**	**(2,625.56)**	**(1,018.99)**
		Net Increase/ (Decrease) in Cash & Cash Equivalents	**161.56**	**110.35**	**(55.25)**	**(10.67)**	**187.09**
		Opening Cash & Bank Balance	199.10	546.36	857.43	907.84	897.18
		Add: Cash & Bank Balance acquired on acquisition	185.70	200.72	105.66	-	-
		Less: Cash & Cash Equivalents reduced on account of disposal of subsidiary	-	-	-	-	204.15
		Closing Cash & Bank Balance	546.36	857.43	907.84	897.18	880.12
		Net Increase/ (Decrease) in Cash & Cash Equivalents	**161.56**	**110.35**	**(55.25)**	**(10.67)**	**187.09**

Notes:-

1. Cash and Cash Equivalents includes Fixed Deposits in lien with banks against loans taken.
2. The above statement should be read with the Significant Accounting policies, appearing in Annexure 27; Notes

to the Consolidated Restated Financial Information, appearing in Annexure 28; Statement on Adjustments to Consolidated Financial Statements, appearing in Annexure 29: and Notes to Statement on Adjustments to Consolidated Financial Statements, appearing in Annexure 30.

3. The Cash flows disclosed above for the year 31st March, 2010 excludes an amount of Rs. 16.80 Million representing shareholders / Directors Loan taken by the Company converted during the year into Redeemable Preference Shares.
4. The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statement.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board

Hemant M. Joshi	**Anurang Jain**	**P.S.Datta**	**Satrajit Ray**	**V.M.Achwal**
Partner	Managing Director	Director	Group CFO	DGM (CS & Legal)
Place : Mumbai		Place : Mumbai		
Date: September 27, 2010		Date: September 27, 2010		

ANNEXURE 27: SIGNIFICANT ACCOUNTING POLICIES TO RESTATED CONSOLIDATED SUMMARY STATEMENTS

(1) Basis of preparation

The consolidated summary statement of assets and liabilities of the Company and it's subsidiaries, (together referred to as the "Group") as at 31st March, 2010, 2009, 2008, 2007 and 2006 and the consolidated summary statement of profits and losses, as restated and consolidated summary statement of cash flows, as restated for the year ended 31st March, 2010, 2009, 2008, 2007 and 2006 (collectively, the "Consolidated Summary Statements") and Other Consolidated Financial Information have been extracted by the Management from the Audited Consolidated Financial Statements of the Group for the year ended 31st March, 2010, 2009, 2008, 2007 and 2006.

These Consolidated Summary Statements have been prepared for the proposed Public Offer (referred to as the "Offer"), in accordance with the requirements of:

a) Paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 ('the Act'); and

b) The SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009 issued by Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended from time to time, in pursuance of Section 30 of the Securities and Exchange Board of India Act, 1992 (the "SEBI Regulations");

Other Consolidated Financial Information has been prepared in accordance with the SEBI Regulation.

Consolidated Summary Statements and Other Consolidated Financial Information have been made, after incorporating:

a) The impact arising on account of changes in accounting policies adopted by the Company as at and for the year ended 31st March, 2010 applied with retrospective effect in the Consolidated Summary Statements;

b) Adjustments for the material amounts in the respective financial years to which they relate;

The consolidated financial statements have been prepared to comply in all material aspects with the notified accounting standards issued by Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956. These consolidated financial statements have been prepared under the historical cost convention on an accrual basis, except in case of assets for which revaluation has been carried out. The accounting policies followed by the Group as at and for the year ended 31st March, 2010 are as follows:

(2) Principles of Consolidation:

The consolidated financial statements relate to Endurance Technologies Limited ('ETL' / the Company), its subsidiary companies, a joint venture and an associate. The Company and its subsidiaries constitute the Group.

(a) Basis of accounting:

i) The financial statements of the subsidiary companies / joint ventures used in the consolidation are drawn upto the same reporting date as of the Company except for:

- In case of one overseas subsidiary (namely Endurance Far East Limited, Thailand) whose financial statements as at and for the following years / periods have been considered for preparing the Restated Consolidated Financial Information of the Company without giving effect to material transactions that occurred between the interim periods:

Reporting period of the subsidiary	Year in which consolidated with the Company
From 23rd March 2007 to 31st Dec 2007	Year ended 31st March 2008
From 1st January 2008 to 31st Dec 2008	Year ended 31st March 2009
From 1st January 2009 to 12th May 2009	Year ended 31st March 2010

- In case of one associate (namely, Paioli Meccanica SpA), the Groups share of profit / loss for the following periods / years have been considered for consolidation:

Reporting period of the associate	Year in which Group share of Profit / Loss considered
1st Jan 2006 to 31st Dec 2006 (Invested on 29th Sep 2006)	Year ended 31st March 2007
1st Jan 2007 to 31st Dec 2007	Year ended 31st March 2008

In the opinion of the Management, as the companies are gone into liquidation and the non availability of financial information, it was not practicable to draw up the financial statements of these entities for the year/ period ending March for the purpose of consolidation nor was it possible to adjust any material transactions that occurred between the interim periods.

ii) The financial statements of the Group have been prepared in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India / notified under the Companies (Accounting Standards) Rules, 2006 and other generally accepted accounting principles in India.

(b) Basis of preparation:

The financial statements of the Group are prepared under the historical cost convention on an accrual basis of accounting, except in case of assets for which revaluation has been carried out, in accordance with the generally accepted accounting principles, Accounting Standards notified under Section 211 (3C) of the Companies Act, 1956 and the relevant provisions thereof.

(c) Use of estimates:

The preparation of financial statements in conformity with the generally accepted accounting principles requires the Management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the years presented. Such estimates and assumptions used in the accompanying financial statements are prudent and based on Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results may differ from these estimates and assumptions. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and future years affected.

(d) Principles of consolidation:

The consolidated financial statements have been prepared on the following basis:

i) The financial statements of the Company and its subsidiary companies have been consolidated on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions and unrealised profits or losses have been fully eliminated.

ii) The consolidated financial statements include the share of profit / loss of the associate companies which has been accounted as per the 'Equity method', and accordingly, the share of profit / loss of each of the associate companies (the loss being restricted to the cost of investment) has been added to / deducted from the cost of investments.

An associate is an enterprise in which the investor has significant influence and which is neither a Subsidiary nor a joint venture of the investor.

iii) The financial statements of the joint venture companies have been combined by using proportionate consolidation method and accordingly, venturer's share of each of the assets, liabilities, income and expenses of jointly controlled entity is reported as separate line items in the Consolidated Financial Statements.

iv) The excess of cost to the Company of its investments in the subsidiary companies / joint ventures over its share of equity of the subsidiary companies / joint ventures, at the dates on which the investments in the subsidiary companies / joint ventures are made, is recognised as 'Goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary companies / joint ventures as on the date of investment is in excess of cost of investment of the Company, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements.

v) Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments as stated above.

(3) Description of the Group

The following subsidiaries, joint venture and associate companies are considered in the Consolidated Financial Statements:

Sr. No	Name of the Company	Country of Incorporation	Holding either Directly or Through Subsidiaries as at 31 March				
			2006	2007	2008	2009	2010
1.	High Technology Transmission Systems (India) Private Limited (HTTS)	India	51%	51%	51%	65.38%	85%
2.	Endurance Systems (I) Pvt. Ltd. (ESIPL)	India	-	86.36%	100%	-	-
3.	Nuova Renopress S.p.A.	Italy	-	51%	-	-	-
4.	Endurance Overseas S.r.L (EOS)	Italy	-	-	100%	100%	100%
5.	Endurance Holding GmbH Formerly Mainsee 455VV (Merged with Amann Druckguss GmbH in May 2007)	Germany	-	100%	-	-	-
6.	Amann Druckguss GmbH (Balance shares held by Amann Druckguss GmbH) (From May 2007)	Germany	-	-	90%	93.84%	93.84%
7.	Endurance Holding GmbH Formerly Mainsee 493 VV) (From July 2007 – November 2009, Merger with Amann	Germany	-	-	100%	100%	-

Sr. No	Name of the Company	Country of Incorporation	Holding either Directly or Through Subsidiaries as at 31 March				
			2006	2007	2008	2009	2010
	Druckguss GmbH)						
8.	Endurance Far East Limited, Thailand	Thailand	-	-	-	100%	-
9.	Amann Druckguss GmbH (10% is held by Amann Druckguss GmbH) (From January 2007)	Germany	-	90%	-	-	-
10.	Endurance Fondalmec (Formerly known as Fondalmec Officine Meccaniche S.p.A)	Italy	-	-	51%	51%	100%
11.	Endurance Far East Limited, Thailand)	Thailand	-	-	100%	-	-
12.	Fondpress S.r.L (100% Subsidiary of Endurance Fondalmec)	Italy	-	-	51%	51%	-
13.	Nuova Renopress S.P.A.*	Italy	-	-	51%	51%	-
	Associate						
14.	Paioli Meccanica S.P.A.	Italy	-	40%	40%	40%	-
	Joint Venture						
15.	Endurance Magneti Marelli Shock Absorbers (India) Private Limited	India	-	-	-	50% + 1 Share	50% + 1 Share

* Nouva Renopress S.P.A. was a direct subsidiary till December 2007. From December 2007 Endurance Technology Limited (ETL) held 49% and ESIPL held 51% shares in Nuova Renopress.

(4) SUMMARY OF GROUP'S SIGNIFICANT ACCOUNTING POLICIES

a) Revenue Recognition

i) Sale of goods is recognized, net of returns and trade discounts, when the risk and rewards of ownership are passed on to the customers, which is generally on dispatch of goods. Sales include Excise Duty but exclude Sales Tax and Value Added Tax.
ii) Job-work receipts are accounted as and when the services are rendered.
iii) Benefit on account of entitlement of import of goods free of duty under the "Duty Entitlement Pass Book under Duty exemption Scheme" (DEPB Scheme) is accounted in the year of export.

b) Fixed Assets

Fixed Assets are stated at cost of acquisition or construction and include amount added/deducted on revaluation less accumulated depreciation / amortization and impairment loss, if any. Pre-operation expenses including trial run expenses (net of revenue) are capitalised. All costs relating to the acquisition and installation of fixed assets are capitalised and include borrowing costs relating to funds attributable to construction or acquisition of qualifying assets, up to the date the asset / plant is ready for intended use.

c) Depreciation and Amortisation

i) Depreciation is provided on straight line method (SLM), at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956, proportionate from the date when put to use except as given below:

- Freehold land is not depreciated

- Dies – Over their estimated economic life determined on the basis of their uses or under SLM in the manner specified in Schedule XIV whichever is higher.

- Technical Know-how (including income-tax and R & D Cess) – amortised over the period of six years.

- Software Costs & ERP Systems are amortised in three equal installments

- Individual Assets costing less than Rs 5,000 each are depreciated in full in the year of acquisition.

ii) Leasehold Land is depreciated over the period of the lease.

iii) In respect of assets whose useful life has been revised, the unamortized depreciable amount has been charged over the revised remaining useful life.

Depreciation has been provided by the Foreign Companies on methods and at the rates required / permissible by the local laws so as to write-off assets over their useful life.

d) Foreign Currency Transactions

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities are translated at the year-end exchange rates. Exchange difference arising on settlement of transactions and translation of monetary items are recognised as income or expense in the year in which they arise, except that on consolidation of non-integral foreign operations, the assets, liabilities and goodwill arising on acquisition of the Company's overseas operations are translated at the exchange rate prevailing on the Balance Sheet date and items of income and expenditure are translated at the average exchange rate for the period. Exchange differences arising on consolidation are recognised in the Foreign Exchange Translation Reserve until the disposal of the net investment.

Premium/Discount on forward contracts is amortised over the life of such contracts. The Group accounts for foreign exchange loss in respect of derivative instruments which are not covered by AS 11, based on Mark to Market valuation as on Balance Sheet date.

e) Product Warranty Expenses

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures.

f) Inventories

Inventories of raw materials and components, work-in-progress, stock-in-trade, Stores & Spares and Tools & Instruments are valued at the lower of cost and net realisable value. Cost is ascertained on a weighted average basis. The cost of work-in-progress and finished goods is determined on absorption cost basis. Excise duty in respect of Inventory of Finished Goods manufactured is shown separately as an item of expense and included in valuation of Inventory of Finished Goods.

g) Employee Benefits

Provident fund

The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). The contributions as specified under the law are paid to the Central Government Provident Fund & the Family Pension Fund and charged to the Profit & Loss Account of the year.

Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service.

The Company accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation. The Company has taken a Group Gratuity cum Life Assurance Scheme with LIC of India for future payment of gratuity to the eligible employees. The premium thereof is paid periodically in terms of the said policy.

Compensated absences

The Company provides for the encashment of compensated absences with pay subject to certain rules. The employees are entitled to accumulate compensated absences subject to certain limits, for future encashment.

The liability being long term in the nature is provided based on the number of days of unutilised compensated absences at each balance sheet date on the basis of an independent actuarial valuation. The Company has taken a policy with LIC of India for future payment of compensated absences encashment to its employees. The premium thereof is paid periodically in terms of the said policy.

h) Investments

Long term investments are valued at cost less diminution in value, if any, other than of temporary nature. Current investments are valued at lower of cost and fair value.

i) Taxes on Income

Current tax expense is calculated in accordance with the applicable Income Tax Act, 1961, except for the overseas subsidiaries where current tax provision is determined based on the local tax laws.

Deferred tax is recognised, for all timing differences, subject to the consideration of prudence, applying the tax rates that have been substantively enacted by the Balance Sheet date. Deferred tax assets in respect of unabsorbed depreciation and carry forward of tax losses are recognised if there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

j) Impairment of Assets

The Company reviews the carrying amounts of its fixed assets annually to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows expected from the continuing use of the asset and from its ultimate disposal are discounted to their present values using a pre-determined discount rate that reflects the current market assessments of the time value of money and risks specific to the asset.

k) Goodwill on Consolidation

Goodwill on Consolidation represents the difference between the Group's share in the net worth of the investee company at the time of acquisition and the cost of investment made. The said goodwill is not amortised; however, it is tested for impairment at each Balance Sheet date and impairment loss, if any, is provided for.

l) Borrowing Cost:

Interest and other costs incurred in connection with the borrowing of the funds are charged to revenue on accrual basis except those borrowing costs which are directly attributable to the acquisition or construction of those fixed assets, which necessarily take a substantial period of time to get ready for their intended use. Such costs are capitalised with the fixed assets.

m) Provisions, Contingent Liabilities and Contingent Assets

As per Accounting Standard 29, Provisions, Contingent Liabilities and Contingent Assets, the Company recognises provisions only when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

No provision is recognised for –

- Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

- Any present obligation that arises from past events but is not recognised because-

    - It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

    - A reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as Contingent Liabilities. These are assessed continually and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

Contingent Assets are not recognised in the financial statements since this may result in the recognition of income that may never be realized.

n) Earnings per share

The Company reports basic and diluted earnings per share in accordance with Accounting Standard 20 on 'Earnings per Share'. Basic earning per share is computed by dividing the net profit or loss for the period by the weighted average number of Equity shares outstanding during the period.

Diluted earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti- dilutive.

i) Cash Flow Statement

The Cash Flow statement is prepared by the indirect method set out in Accounting Standard 3 on Cash Flow Statements and presents cash flows by operating, investing and financing activities of the Company.

ii) Business Segments

The Company is engaged mainly in the business of automobile components. This in the context of Accounting Standard 17 on Segment Reporting is considered to constitute one single reportable primary segment. The company has disclosed geographical market as its secondary segment. The company caters to India and outside India market

(5) Conversion of the Company to Public Limited Company

The shareholders of the Company in the Extraordinary General Meeting held on June 28, 2010 passed necessary Special Resolutions for conversion of Endurance Technologies Private Limited to a Public Limited Company, for change of name from Endurance Technologies Private Limited to Endurance Technologies Limited, by deleting the word 'Private' and for alteration of Articles of Association. Accordingly, with effect from June 28, 2010, Endurance Technologies Private Limited ceased to be a private limited company. The Registrar of Companies, Maharashtra, Mumbai has issued a fresh certificate of incorporation dated July 9, 2010. The change of name of the Company to Endurance Technologies Limited has become effective from 9th July, 2010.

ANNEXURE 28 – NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

Notes on Restated Consolidated Financial Information:

1. Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of Advance):

(Rs. In Million)

Particulars	As at 31st March				
	2006	2007	2008	2009	2010
Tangible Assets	284.46	446.53	309.75	170.51	406.54
Intangible Assets	-	45.72	28.43	-	-
Total	**284.46**	**492.25**	**338.18**	**170.51**	**406.54**

2. Payment To Auditors (Excluding Service tax)

(Rs. In Million)

Particulars	For the Year Ended 31 March				
	2006	2007	2008	2009	2010
Statutory Auditors					
Audit Fees	0.12	1.95	2.20	3.15	3.06
Certification	0.04	0.12	0.40	0.42	0.33
Tax Audit	0.08	0.60	-	-	-
Other Matters	0.06	0.80	0.80	-	0.90
Expenses reimbursed	-	0.00	-	0.12	0.19
Total	**0.30**	**3.47**	**3.40**	**3.69**	**4.48**

3. Scheme of Amalgamation (F.Y. 2005-06):

Anurang Engineering Company Pvt Ltd (AEC – the amalgamating Company) had been amalgamated with the Company with effect from 1st January 2006 (the appointed date) in terms of the Scheme of Amalgamation (the Scheme) sanctioned by the Hon'ble High Court at Bombay vide its Order dated 7th July, 2006 and registered by Registrar of Companies on 11th August 2006 (the effective date). Accordingly the Scheme had become effective on 11th August 2006. These financial statements had been prepared giving effects of the scheme.

a) Amalgamation had been accounted for under the "Pooling of Interest Method" as prescribed by Accounting Standard-14 "Accounting for Amalgamations" issued by the Institute of Chartered Accountants of India. Accordingly, the assets and liabilities and reserves of AEC had been recorded at their book values in the accounts of the Company. AEC carried on its business and activities for the benefit and in trust for the Company from the appointed date. Accordingly the profit or income accruing or arising to AEC or expenditure or losses arising or incurred by AEC from the appointed date were treated as profit or income or expenditure or loss as the case may be, of the Company.

b) AEC was mainly engaged in the business of the manufacture of Auto components.

c) In accordance with the Scheme the entire business and undertakings of AEC stand transferred and vested in the Company with effect from the appointed date i.e. 1st January 2006. In consideration of the said transfer, 9 equity shares of Rs 10 each fully paid up of the Company have to be issued and allotted at par to shareholders of erstwhile AEC for every 10 shares of Rs 10 each fully paid up of AEC. These equity shares shall rank pari passu with the existing equity shares of the Company. Pending the allotment of the shares pursuant to the scheme, the amount had been shown as "Share Capital - Pending Allotment" as on 31st March 2006. The difference between the paid up value of the equity shares to be allotted and the paid up value of the equity share capital of AEC, amounting to Rs 0.32 Million , as stipulated in Court approved scheme, had been adjusted against the General Reserves. The said shares were subsequently allotted on 12th August 2006 to the shareholders of AEC.

d) Consequent upon the amalgamation, accounting policy of AEC relating to Inventory valuation had been changed to bring the same in line with the accounting policy of the Company. The resultant difference amounting to Rs 1.12 Million relating to the period prior to appointed date i.e. up to 31st December 2005 had been adjusted against General Reserve of the Company as stated in the Scheme.

e) In terms of the Scheme, the Equity Shares as and when allotted by the Company shall rank pari-passu in all respects with the existing Equity shares of the Company. Accordingly appropriation for the proposed dividend includes dividend amount of Rs 0.58 Million on 288027 Equity shares to be allotted to the erstwhile shareholders of AEC.

f) In view of the aforesaid amalgamation with effect from 1st January 2006, the Balance Sheet as at 31st March 2006 and the Profit & Loss Account and Cash Flow Statement for the year ended 31st March 2006, include the figures of erstwhile AEC from the said date.

g) In terms of the Scheme and after complying requirements of Companies Act 1956, the name of the Company had been changed from Endurance Transmission Systems (India) Private Limited to Endurance Technologies Private Limited w.e.f. 11th August 2006.

4. Scheme of Arrangement (F.Y. 2008-09):

During the F.Y. 2008-09 pursuant to the Scheme of Arrangement ("the Scheme") under Sections 391 to 394 read with sections 78, 100 to 103 of the Companies Act, 1956 sanctioned by the Hon'ble High Court of Bombay vide Order dated 16th October, 2009 (a certified true copy of which was received by the Company on 24th November 2009) and filed with the Registrar of Companies on 1st December 2009 (the 'effective date'), Endurance Systems (India) Private Limited ("ESIPL"), a wholly owned subsidiary of the Company, had been amalgamated with the Company with effect from the Appointed Date being 1st April, 2008. The said Scheme of Arrangement had been approved by the Board of Directors of the Company in their meeting held on 28th July 2009.

a) Upon the scheme becoming effective, all the assets and liabilities and investments (including overseas investments) as appearing in the books of account of ESIPL as on the Appointed Date were required to be recorded at their respective fair values by the Company. Further, in terms of the scheme, if it is considered necessary and appropriate by the Board of Directors of the Company and if the fair value of any of the assets, liabilities and investments including overseas investments as on the date of approval of the Scheme by the Board of Directors (i.e. 28th July 2009) is substantially different, then the same may also be adjusted while arriving at the fair value for any such assets, liabilities and investments including overseas investments. However, in the opinion of Board of Directors all the balances in assets and liabilities as of 1st April 2008 [except for the tangible fixed assets which have been revalued (Refer Note No. 4 (d) (i) mentioned below) and investments in Endurance Far East Limited which had been provided for (Refer Note No. 6 (e) mentioned below) represent the respective fair values and accordingly these had been transferred to the Company at their respective book values.

b) In the F.Y. 2008-09 pursuant to the terms of the Scheme, the reserves of ESIPL as at 31st March, 2008 had been merged with those of the Company in the same form as they appeared in the financial statements of ESIPL.

Further from F.Y. 2008-09, in accordance with the terms of the Scheme, the business and activities carried out by ESIPL from the Appointed date (1st April 2008) to the Effective Date (1st December 2009) were deemed to have been carried out on account of the Company. Accordingly, the financial statements of the Company including the notes in this Schedule have been prepared including the transactions, assets and liabilities of ESIPL.

c) Restructuring of assets and liabilities of the Company:

In the F.Y. 2008-09, as an integral part of the Scheme, with an intention to right size the Balance Sheet of the Company post amalgamation, the assets including investments in other subsidiaries and liabilities of the Company were required to be recorded at their present fair values as on the date of approval of the Scheme by the Board of Directors i.e.28th July 2009.

However, in the opinion of Board of Directors all the balances in assets, liabilities and investments (including overseas investments) as of 31st March, 2009 [except for the tangible fixed assets which have been revalued (Refer Note No. 4 (d) (i)) and investments in Paioli Meccanica, Endurance Overseas S.r.l & Nuova Renopress which had been written-off / adjusted for permanent diminution in the value of investments (Refer Note Nos. 6 (a), (b) & (d) mentioned below) represent the respective fair values and accordingly these had been carried at their respective book values.

d) Business Reconstruction Reserve:

(i) During the year 2008-09, as per the Scheme, a separate reserve account titled as Business Reconstruction Reserve ("BRR") was created by transferring Rs 100 Million (excluding the unutilised balance of Rs 28.74 Million transferred back to Securities Premium account) out of Securities Premium Account of the Company and the increase in the value of fixed assets as a result of revaluation of tangible fixed assets of ESIPL (as at 1st April 2008) and of the Company (as at 31st March 2009) for adjustment of certain expenses as prescribed therein.

Following are the details of the amounts that had been transferred to BRR and the expenses that had been adjusted against the same in the previous year as per the Scheme:

Sr. No.	Particulars	Amount (Rs in Million)	Amount (Rs in Million)	Remarks
a)	Amount transferred from Securities Premium		100.00	
b)	Revaluation of Tangible Fixed Assets			
	-ESIPL (as at 1st April 2008)	424.72		
	- ETPL (as at 31st March 2009)	2481.28	2906.00*	
c)	Amounts receivable / payable from / to Endurance Far East Ltd. written off / back			
	- Balance Payable	20.35		
	- Balance Receivable	13.11	7.24	Refer Note 6(e) mentioned below
	Sub Total (A)		3013.24	
d)	Provision for diminution in the value of Long Term Investments:			Refer Note 6 mentioned below
	- Investment in Endurance Far East Ltd	77.19		
	- Investment in Nuova Renopress	243.08		
	- Investment in Endurance Overseas Srl	440.01	760.28*	
e)	Investment in Paioli Meccanica Written off		376.73*	Refer Note 6 mentioned below
f)	Excess of book value of investment in ESIPL and the face value of Share Capital of ESIPL			
	- Book value of investment in ESIPL	247.62		
	- Less: Share Capital of ESIPL	22.00	225.62	
g)	Foreign Exchange Fluctuation loss / gain incurred during the year			

Sr. No.	Particulars	Amount (Rs in Million)	Amount (Rs in Million)	Remarks
	- Loss	1429.42		
	- Gain	192.51**	1236.91	
h)	Provision for Doubtful Loans given to Endurance Overseas Srl.		207.70*	Refer Note 6(d) mentioned below
i)	Interest for breach of Covenant of loan agreements with Bank		77.34	Treated as an extra ordinary items by the Board
j)	Provision for Mark to Market Loss		64.38	
k)	Additional depreciation for the year on Revaluation of Tangible Fixed Assets		14.79	
l)	Profit / Loss on sale of fixed assets			
	Loss	22.39		
	Profit	8.82**	13.57	
m)	Loss on termination of a Technical Know-How agreement (included in Capital Work in Progress)		4.11*	
n)	Restructuring Expenses		3.07	Incurred subsequent to the Balance Sheet date. Accounted as of 31st March, 2009 in accordance with approved Scheme.
	Sub Total (B)		2984.50	
	Net Balance (A-B) transferred back to Securities Premium		28.74	

The balance in business reconstruction reserve as on 31 March 2009 was NIL as above expenses are adjusted and balance unutilisd amount of Rs. 28.74 Million transferred back to securities premium account. However for the purpose of restated consolidated financial information the same are not adjusted and restated.

* The adjustments for diminution in the value / write-off of investments, loans and assets have been adjusted against the BRR as, in the opinion of the Management, the said diminution / write-off of the investments, loans and assets was necessary to bring the value of investments to their respective fair values and according to the terms of the Scheme, such adjustments were required to be adjusted against the BRR.

** Though the Scheme does not specifically state that the foreign exchange gains and profit on sale of fixed assets would be covered under, Restructuring Expenses, the Management has adjusted the foreign exchange loss (net of gain) and the loss on sale of fixed assets (net of gain) for the year against the BRR. This was because in the opinion of the Management, though not stated specifically in the Scheme, the basic intention was to transfer the 'net' loss to the BRR.

(ii) Had the Scheme not prescribed aforesaid treatment, the impact in the financial year 2008-09 would have been as under:

(a) In the Profit and Loss Account of Endurance Technologies Limited (Standalone)

(Rs in Million)

Particulars	For the year ended 31st March, 2009 Increase / (Decrease)	
Other Expenses		
- Foreign Exchange Fluctuation loss (net)	1236.91	
- Provision for Doubtful Loans given to Endurance Overseas Srl.	207.70	
- Loss on Sale of Fixed Assets (net)	13.57	
- Amounts receivable from Endurance Far East Ltd. Written off	13.11	
- Loss on termination of a Technical Know-How agreement	4.11	1475.40
Other Income:		
- Amounts payable to Endurance Far East Ltd. Written back		(20.35)
Interest		77.34
Depreciation & Amortisation		
- Additional depreciation for the year on Revaluation of Fixed Assets	14.79	
- Less: Amount withdrawn from Revaluation Reserve	(14.79)	-
- Amortisation of Goodwill	45.12	45.12
Extra-ordinary expenses		
- Provision for diminution in the value of Long Term Investments	760.28	
- Investment Written off	376.73	
- Provision for Mark to Market Loss	64.38	1201.39
Loss for the year		2778.90

Particulars	For the year ended 31st March, 2009 Increase / (Decrease) Rs.
Basic EPS	(163.49)
Diluted EPS	(163.49)

(b) In the Balance Sheet of the Endurance Technologies Limited (Standalone):

(Rs. In Million)

Particulars	As at 31st March, 2009 Increase / (Decrease)	
Reserves & Surplus:		
Securities Premium Account		71.26
Revaluation Reserve:		
- Created on revaluation of fixed assets	2906.00	
- Less: Amount transferred to P&L to the extent of additional depreciation	(14.79)	2891.21
Profit & Loss Account		(2778.90)
Goodwill*	225.62	
Less Amortisation for the year	(45.12)	180.50

* as per Purchase Method prescribed by AS 14 on "Accounting for Amalgamation"

5. **Deferred Payment**

Particulars	Year ended 31st March				
	2006	2007	2008	2009	2010
Technical Know-how fees payable	-	23.61	20.00	15.29	13.55
Relating to Investment	-	215.93	187.70	-	-

6. **Investment in Overseas Companies**

a) **Nuova Renopress S.p.A., Italy (Nuova Renopress)**

During the year 2006-07, the Company had acquired 51% shares in accordance with the Share Sale and Purchase Agreement (SSPA) dated 14th July, 2006 and committed to invest EURO 3.5 Million on 3rd August, 2006. Out of the total purchase consideration of EURO 3.5 Million, the Company had paid EURO 3.15 Million and balance EURO 0.35 Million (Rs.22.18 Million) was payable on contingencies as specified in the SSPA. During the F.Y. 2008-09, the said liability of EURO 0.35 Million (Rs.22.18 Million) had been written back as the same was no longer payable. During the year 2007-08, the balance 49% shares of Nuova Renopress were acquired on 5thDecember, 2007 by Endurance Overseas S.r.l (EOSRL), a 100% subsidiary of the Company for Euro 2.30 Million. The Company had remitted Euro 0.92 Million (Rs.54 Million) as a contribution to Equity capital of Nuova Renopress on 29th November 2007. The said amount was appropriated towards Recapitalisation of losses (Euro 0.86 Million) and Share Capital (Euro 0.06 Million). In the process of recapitalization of losses and acquisition of the said balance stake of 49%, the Company's holding in Nuova Renopress had become 49% and EOSRL held 51%.

At the end of the F.Y. 2008-09 the company held 49% stake in the Nuova Renopress S.p.A, Italy (Nuova Renopress) and the balance 51% was held by EOSRL (100% Subsidiary of the Company). Nuova Renopress had continually incurred losses as a result of the global recession, phasing out of important customers etc resulting in the erosion of its share capital. As required by the Italian Civil Code, the Company was required to make fresh contributions to raise and maintain minimum required positive Share Capital of Nuova Renopress. However, the revival of Nuova Renopress was difficult which was heavily indebted.

The Company ceased to be the shareholder of Nuova Renopress w.e.f. 23rd July 2009 as the Capital of Nuova Renopress had eroded completely and the Company did not participate in the further re-capitalization of Nuova Renopress in order to re-instate its capital to the statutory minimum level as per the provisions of the Italian law. Awaiting clarification from the Authorised Dealer, the Management had provided for the diminution to the extent of Rs. 243.08 Million in value of investment & transferred the same to the BRR in F.Y. 2008-09. During the F.Y. 2009-10, the disinvestment of stake in Nuova Renopress has been taken on record by the Reserve Bank of India (RBI) and accordingly the investment in Nuova Renopress, which was already provided for in the year 2008-09, has been written off in the year 2009-10.

For the purpose of consolidated restated financial information, the balance in the provision for diminution in the value of investments amounting to Rs.243.08 Million in the books of ETL (after knocking off the balance in investment in the books of ETL and equity in the books of Nuova Renopress) has been transferred to reserves as this was never debited to profit and loss account in earlier years.

b) **Paioli Meccanica S.p.A., Italy (Paioli)**

During the year 2006-07, the Company acquired 40% shares for Euro 6.12 Million by paying an upfront amount of EURO 2.42 Million (Rs. 142.57 Million) and provided a Bank Guarantee for balance amount of EURO 3.70 Million (Rs. 215.93 Million) payable in 5 annual equal installment commencing from 29th September 2007. During the year 2007-08, the Company had paid the 1st installment of Euro 0.74 Million (Rs. 43.18 Million) against the said bank guarantee & had also recapitalized loss of Paioli by remitting Euro 0.28 Million (Rs. 16.02 Million).

In the F.Y. 2008-09, the Company held 40% stake in Paioli. However, due to the continuous losses incurred by Paioli, lack of professional management, weak financial position and financial & legal risks associated therewith, in the F.Y. 2008-09 the Company had taken a conscious decision to exit from Paioli and sold its stake of 40% for Euro 1 to the majority shareholder as there was no other willing buyer for the Company's stake. In view of the above developments, the Company had written off the total investment amount of Rs. 376.73 Million in Paioli in F.Y 2008-09 by debiting the BRR Account.

For the purpose of consolidated restated financial information, Group's share in losses upto 31st March 2008 amounting to Rs. 20.09 Million have been adjusted against Reserves.

c) Amann Druckguss GmbH.-Germany

The total investment of the Company in Amann Druckguss (a wholly owned subsidiary of the Company) as at the end of F.Y. 2009-10 amounted to Euro 30.94 Million [including an amount of Euro 8.7 Million (Rs. 546.64 Million) representing loans & interest thereon converted to capital reserve].

The Company had extended financial support to Amann Druckguss, which had suffered severe liquidity problems due to global recession. During the F.Y.2008-09, the Company had invested an amount of Euro 6 Million (Rs. 420.77 Million) in Amann and had converted shareholder's loan of Euro 5 Million & interest on shareholder's loan of Euro 0.7 Million into equity (by adding them to capital reserve) in Amann Druckguss to maintain positive share capital as required under German Laws.

Further, the Company has provided two Corporate Guarantees for Euro 17 Million and a lien on shares of Amann Druckguss held by the Company in favour of Bank of India, London for the credit facilities provided to Amann Druckguss.

d) Endurance Overseas S.r.l (EOSRL)

During the year 2007-08, the Company had floated Endurance Overseas S.r.l. on 14th May, 2007 which had acquired stake in following companies:

- 51% stake in Fondalmec S.p.A. Italy in May 2007
- 51% stake and recapitalization in Nuova Renopress S.p.A. Italy

The total investment of the Company in EOSRL (a wholly owned subsidiary of the Company) as at end of F.Y. 2009-10 amounts to Euro 15.74 Million (Rs. 1,016.68 Million) which includes the following:

- Euro 1.05 Million (Rs. 72.21 Million) invested during the F.Y.2008-09
- Euro 4.58 Million (Rs. 321.51 Million) from loan and Euro 0.22 Million (Rs. 14.14 Million) from amount receivable from subsidiary were converted to equity during the F.Y.2009-10.
- Euro 4 Million (Rs. 267.76 Million) invested in F.Y. 2009-10 in the equity of EOSRL as approved by the Board. Though this investment has been made in F.Y. 2009-10, the same had been accounted for in the books of account of the Company in the F.Y. 2008-09 as in the opinion of the Management, the commitment to pay the said amount has been given before 31st March 2009.

Further, during F.Y. 2009-10 the Company has given shareholders' loan to EOSRL of Euro 7.50 Million (Rs. 524.98 Million). The interest accrued as at 31st March 2010 amounts to Euro 0.09 Million (Rs. 5.23 Million). Out of the said loan given in the F.Y. 2009-10, the Company had converted an amount of Euro 4.58 Million (Rs. 321.51 Million) to equity. In the opinion of the Management the balance in the loan and the interest thereon as at 31st March, 2010 amounting to Euro 2.94 Million (Rs. 176.14 Million) is considered to be good. However the balance outstanding as of 31st March 2009 was considered doubtful and hence had been provided for in full in F.Y.2008-09.

(i) As stated in note 6 (a) above, the Company has ceased to be the shareholder of Nuova Renopress w.e.f. 23rd July 2009. EOSRL which contributed for recapitalization, remained the sole shareholder of Nuova Renopress. As a part of restructuring, EOSRL has since exited from Nuova Renopress by transferring its entire shareholding to a third party.

In view of the above, the Management believes that there is a permanent diminution in the value of the investment in EOSRL. Accordingly in the F.Y.2008-09, the Company had made a provision amounting to Rs. 647.71 Million [Rs. 440.01 Million against the investment and Rs. 207.70 Million against the outstanding shareholders' loan] as at 31st March 2009 by debiting the BRR.

(ii) In the F.Y 2009-10, on 2nd December, 2009 EOSRL had executed necessary agreement for acquisition of the residual 49% stake in Fondalmec for a total consideration of Euro 14 Million, out of which Euro 7 Million were paid to the Transferor of shares at the time of transfer of the shares and balance 7 Millions will be paid in installments, the last installment being payable by 31st March 2014.

(iii) For the purpose of consolidated restated financial information, the balance in the provision for doubtful loans amounting to Rs. 207.70 Million (after knocking off the balance in the loan recoverable in the books of ETL and loan payable in the books of EOSRL) has been transferred to Capital Reserve.

e) Endurance Far East Limited, Thailand (EFEL)

During the year ended 2007-08, the erstwhile ESIPL (which has now been merged with the Company) had incorporated a new subsidiary in Thailand, named EFEL.

The total investment in the shares of the EFEL as on 31st March 2009 was THB 28.89 Million i.e. Rs.77.45 Million including Rs. 38.97 Million (USD 805,000) on account of conversion of Shareholder's loan into equity and an additional investment of Rs. 5 Million (equivalent USD 116,727) made during the F.Y.2008-09.

In view of continued losses, EFEL was voluntarily dissolved on 12th May 2009 and the liquidation was registered by the competent government authority in Thailand on 28th October, 2009. Accordingly, during the F.Y. 2008-09, the Company had made a provision amounting to Rs. 77.19 Million against the investment by debiting the BRR. Subsequently, the Company has received a letter from RBI dated 28th May 2010 confirming that the voluntary liquidation of this subsidiary has been taken on record by them based on which, the Company has written off the investment made in EFEL during the F.Y. 2009-10.

For the purpose of the consolidated fianacial statements, during the previous year 2008-09, the net amount payable (Rs. 7.24 Million) had been reinstated by debiting an equivalent amount to the reserves.

Further, in view of the above, during the F.Y. 2008-09, the Company had also written back Rs. 7.24 Million representing the amounts payable to Endurance Far East Ltd. (net of amounts receivable Rs. 13.11 Million) by adjusting the same in the BRR.

For the purpose of consolidated financial statements, the balance in the provision for diminution in the value of investments amounting to Rs.77.19 Million (after knocking off the balance in investment in the books of ETL and equity in the books of EFEL) have been adjusted against Reserves to the extent of Rs. 71.27 Million and Rs.5.29 Million has been retained as a provision under Current Liabilities & provisions.

7. **Endurance Magneti Marelli Shock Absorbers (I) Pvt. Ltd.**

During the F.Y. 2008-09 Endurance Magneti Marelli Shock Absorbers (India) Private Limited (EMM) was promoted jointly by the Company and Magneti Marelli Holding SpA, Italy (now known as Magneti Marelli SpA) for manufacture of shock absorbers, semi-corner modules, gas springs of four and above wheeled vehicles. The total investment made by the Company in EMM as at 31st March 2010 amounts to Rs. 85 Million for cash at par representing shareholding of 50% + 1 share in the paid up Share Capital of EMM.

The erstwhile ESIPL (since amalgamated with the Company) had given a Corporate Guarantee of Rs. 110 Million to Andhra Bank in respect of the credit facilities to be availed by EMM. As a result of the amalgamation of ESIPL with the Company, the same has been transferred in the name of the Company.

8. **Extraordinary expenses include the following:**

(Rs. In Million)

Particulars	Year ended 31st March				
	2006	2007	2008	2009	2010
Mark to market loss on account of Derivative instruments which are not covered by Accounting Standard (AS) 11 "The Effects Of Changes In Foreign Exchange Rates".	-	-	260.19	64.38	56.45
Provision on acquisition expenses of overseas	-	45.24	-	-	-
Loss on sale of Investment	-	-	-	-	63.41
Income from financial debt cancellation	-	-	-	-	(226.43)
Provision for redundancy costs	-	-	-	-	27.63
Total	-	45.24	260.19	64.38	(78.94)

The extraordinary expenses for the financial year 2008-09 were adjusted against the Business Reconstruction Reserve created in the approved scheme of arrangement. [Refer note 4(d)(i)]

9. **Deferred Tax:**

The Company has recognised deferred tax as required by Accounting Standard 22 "Accounting for Taxes on Income". The major components of deferred tax assets and liabilities on account of timing differences are as under:

(Rs. In Million)

Particulars	As at 31st March				
	2006	2007	2008	2009	2010
Deferred Tax Liabilities					
On account of timing differences in:					
Depreciation & Amortisation	236.87	429.41	554.87	327.10	230.47
R&D Expenditure claimed for tax purposes	2.77	(1.64)	(1.93)		-
Others	9.18	11.54	53.71	60.84	18.71
Sub total	**248.82**	**439.31**	**606.65**	**387.94**	**249.17**
Deferred Tax Assets					
On account of timing differences in:					
Brought forward losses/Unabsorbed depreciation	-	-	111.91*	196.39*	-
Disallowances u/s Section 40 (a) (ia), 43B, 35DD, 35DDA	1.35	28.03	-	23.31	31.15

Particulars	As at 31st March				
	2006	2007	2008	2009	2010
Others	-	0.28	136.70	174.60	71.81
Sub total	**1.35**	**28.31**	**248.61**	**394.30**	**102.96**
Net Deferred Tax Liability / (Asset)	**247.47**	**411.00**	**358.04**	**(6.36)**	**146.22**

*Deferred tax asset in respect of unabsorbed depreciation and carry forward of tax losses is recognized to the extent of the deferred tax liability in the absence of virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

10. Related Parties Disclosures

Refer Annexure – 45 for related party disclosure as required by the Accounting Standard 18.

11. Employee Benefits

Liability for Employee Benefits has been determined by an actuary, appointed for the purpose, in conformity with the principles set out in the Accounting Standard-15 (Revised), the details of which are as hereunder:

Defined Contribution Plan:

Amount recognized as an expenses in the profit & loss account in respect of defined contribution plan as under:

(Rs. In Million)

Particulars	Defined Contribution Plan				
	As at 31st March				
	2006	2007	2008	2009	2010
Amount recognized as an expense in the Profit & Loss Account	-	-	28.84	41.21	38.89
Total	-	-	28.84	41.21	38.89

Defined Benefit Plan:

i) Actuarial gains and losses in respect of defined benefit plans are recognized in the Profit and Loss Account.

ii) The defined benefit plans comprises of gratuity.

Principal actuarial assumptions:

Particulars	Gratuity		
	As at 31st March		
	2008	2009	2010
Discount rate	8.00%	7.00% - 7.25%	7% - 8.25%
Rate of Return on Plan Assets	8.00%	8.00%	8.00%
Salary Escalation	6.00%	4.00% - 6.00%	6.00%

a) The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated terms of the obligations.

b) Expected Rate of Return of Plan Assets: This is based on the expectation of the average long term rate of return expected on investments of the Fund during the estimated term of obligations.

c) Salary Escalation Rate: The estimates of future salary increases considered taking into the account the inflation, seniority, promotion and other relevant factors.

Reconciliation of Benefit Obligation:

(Rs. In Million)

Particulars	Gratuity		
	As at 31st March		
	2007-2008	2008-2009	2009-2010
Liability at the beginning of the year	13.94	28.26	36.34
Interest Cost	2.05	2.69	2.35
Current Service Cost	3.79	6.91	7.11
Benefit Paid	(1.21)	(2.46)	(17.13)
Contribution by Plan Participants	(1.46)	-	-
Actuarial (Gain) / Loss on Obligations	11.16	0.94	19.98
Liability at the end of the year	**28.26**	**36.34**	**49.35**

Reconciliation of fair value of Plan Assets:

(Rs. In Million)

Particulars	Gratuity		
	As at 31st March		
	2008	2009	2010
Fair Value of Plan Assets at the beginning of the year**	16.32	19.55	18.24
Expected Return on Plan Assets	1.52	1.47	0.77
Contributions	3.64	0.10	-
Benefit Paid	(1.96)	(2.46)	(17.13)
Actuarial (Gain) / Loss on Obligations	0.02	(0.42)	15.24
Fair Value of Plan Assets at the end of the year	19.55	18.24	17.12

Amount to be recognised in Balance Sheet

(Rs. In Million)

Particulars	Gratuity		
	As at 31st March		
	2008	2009	2010
Liability at the end of the year	28.26	36.34	49.35
Fair Value of Plan Assets at the end of the year	19.55	18.24	17.12
Amount to be recognised in Balance Sheet	8.71	18.10	32.23

Expenses recognized in the Profit and Loss Account under the head Employee Cost: Gratuity

(Rs. In Million)

Particulars	As at 31st March		
	2008	2009	2010
Current Service Cost	3.79	6.91	7.61
Interest Cost	2.05	3.58	2.55
Expected Return on Plan Assets	(1.52)	(1.47)	(0.77)
Net Actuarial (Gain) / Loss recognized	11.16	1.31	4.73
Past service cost	-	-	-
Expenses recognized in Profit and Loss Account*	15.48	10.33	14.12

* In the year 2009-10 - Expenses recognized in the Profit and Loss account excludes, additional gratuity paid by the Company to the left employees amounting to Rs 0.28 Million (Year 2008-09 Rs. 3.06 Million).

In case of Endurance Magneti Marelli Shock Absorbers (I) Pvt. Ltd. the joint venture of the company, expenses of Rs. 0.20 Millions (Previous Year Rs. 0.04 Millions) disclosed in the profit & loss account is net of the obligation as of 31st march 2010 Rs Nil (Previous Year amounting to Rs. 0.27 Millions) in respect of the employees, payable for the period of service prior to joining to the company reimbursable to the company

** Liability and Fair value of Plan Assets of the beginning of the year 2008-09 included Liability of Rs 8.08 Million and Fair value of Plan Assets of Rs 6.71 Million taken over on amalgamation.

Employees Benefits pertaining to FY 2005-06 and 2006-07

The revised Accounting standard (AS-15) "Employees Benefits" has become applicable to the company with effect from 1 April 2007. However, as a matter of prudence, the company has determined the liability in respect of Leave Encashment and Gratuity in respect of year ended 31 march 2007 and 31 March 2006 with reference to the present value of defined benefit taking the basis given in the revised – AS15. Accordingly, for the purpose of Restated consolidated financial information made no adjustment was required to be made.

12. Details of provision and movement in each class of provision as required by Accounting Standard 29 on Provisions, Contingent Liabilities and Contingent Assets:

(Rs. In Million)

Particulars	Year Ended 31st March				
Warranty	**2006**	**2007**	**2008**	**2009**	**2010**
Carrying amount as at 1st April	2.22	6.11	19.02	13.14	13.52
Add: On account of Acquisition	-	11.05	-	-	-
Additional Provision made during the year	6.56	12.64	0.66	8.47	9.57
Less : Amount paid/utilized during the year	2.67	10.78	6.54	8.09	9.80
Exchange (gain) / loss on revaluation	-	-	-	-	-
Carrying amount as at 31st March	6.11	19.02	13.14	13.52	13.29

Particulars	Year Ended 31st March				
Contingencies	**2006**	**2007**	**2008**	**2009**	**2010**
Carrying amount as at 1st April	-	-	-	-	33.52
Additional Provision made during the year	-	-	-	31.98	-
Less : Amount paid/utilized during the year	-	-	-	-	33.52
Exchange (gain) / loss on revaluation	-	-	-	1.54	-
Carrying amount as at 31st March	-	-	-	33.52	-

Provision for warranties: The Company gives warranties on certain products from the date of sale, for their satisfactory performance during the warranty period as per contracts with buyers. Provision for warranty claims arising out of such obligation is made based on such warranty period.

13. Disclosures regarding Derivative Instruments:

The company uses forward exchange contract, currency swaps, currency options to hedge its exposure in foreign currency and interest rates. The information on derivative instruments is as follows:

a) Details of Forward Exchange Contract, Currency swaps, Currency options:

Particulars	Currency	Year Ended 31st March							
		2007		2008		2009		2010	
		Foreign Currency (In Millions)	Rupees (In Millions)	Foreign Currency (In Millions)	Rupees (In Millions)	Foreign Currency (In Millions)	Rupees (In Millions)	Foreign Currency (In Millions)	Rupees (In Millions)
Forward Contract - USD-INR	USD	2.24	98.34	15.82	632.40	24.78	1263.47	6.77	305.92
Forward Contract - INR	USD	-	-	-	-	0.04	1.94	-	-

Particulars	Currency	Year Ended 31st March							
		2007		2008		2009		2010	
		Foreign Currency (In Millions)	Rupees (In Millions)	Foreign Currency (In Millions)	Rupees (In Millions)	Foreign Currency (In Millions)	Rupees (In Millions)	Foreign Currency (In Millions)	Rupees (In Millions)
	JPY	-	-	-	-	24.78	1263.47	102.75	49.85
Forward Contract - JPY –INR	JPY	-	-	-	-	362.34	188.49	276.12	133.98
Forward Contract - USD-JPY	USD	-	-	0.20	7.86	-	-	-	-
Currency Swap Option - JPY-USD	JPY	3,409.43	1,261.49	5285.19	2127.29	4057.01	2110.46	2,362.26	1,146.17
Options - USD-INR Contracts on JPY - USD Currency Swap Options	USD	-	-	1.45	58.03	1.09	54.37	12.52	565.58
Fixed Currency Swap Euro-INR	EURO	-	-	-	-	-	-	21.15	1,282.99
Fixed Currency Swap JPY-INR	JPY	-	-	-	-	-	-	857.66	416.14
Currency Swap Option - EURO-USD	EURO	5.00	291.60	-	-	13.73	930.93	-	-
Option's - GBP-USD	GBP	-	-	1.00	80.00	-	-	-	-
Option's - USD-CHF	USD	-	-	9.00	359.91	1	50.98	-	-
Option's - USD-INR	USD	-	-	20.50	819.80	18.45	940.58	18.00	813.24
Options - USD-JPY	USD	-	-	10.00	399.90	10	509.8	10.00	451.8
On JPY-USD Currency Swap - USD-INR	JPY	-	-	19.10	7.69	13.76	7.16	7.85	3.81
On EURO-USD Currency Swap - USD-INR	USD	-	-	8.33	333.12	3.57	182.04	-	-
Currency Swap Option -	USD	3.00	132.00	-	-	-	-	-	-

Particulars	Currency	Year Ended 31st March							
		2007		2008		2009		2010	
		Foreign Currency (In Millions)	Rupees (In Millions)	Foreign Currency (In Millions)	Rupees (In Millions)	Foreign Currency (In Millions)	Rupees (In Millions)	Foreign Currency (In Millions)	Rupees (In Millions)
USD-CHF									
Interest Rate Swap	EUR	16.00	926.88	16.00	1008.67	-	-	6.00	363.38

Note: The information in respect of forward exchange contracts, currency swaps, currency options, if any for the year 2005-06 is not available with the Company and hence not disclosed

14. (A) Disclosure in respect of Finance Lease Payments:

(a) Assets taken on lease :

i) Total of Minimum Lease Payments

(Rs in Million)

The total of minimum lease payments for a period:-	Year Ended 31st March				
	2006	2007	2008	2009	2010
- Not Later than 1 Year	-	41.28	143.45	85.81	38.19
- Later Than 1 Year and not later than 5 Year	-	89.59	145.22	157.59	64.78
- Later Than 5 Years	-	82.57	72.08	62.19	40.69

ii) Present value of minimum lease payments

(Rs in Million)

Present value of minimum lease payments for a period:-	Year Ended 31st March				
	2006	2007	2008	2009	2010
- Not Later than 1 Year	-	37.86	138.82	82.03	35.80
- Later Than 1 Year and not later than 5 Year	-	79.43	133.03	141.92	59.33
- Later Than 5 Years	-	77.57	68.19	59.15	39.08

The above amount excludes the present value of Minimum Lease Payment payable by Amann Druckguss GmbH due to unavailability of information

(B) Disclosure in respect of Operating Lease:-

1. Assets taken on Lease:

i. Total of Minimum Lease Payments

(Rs in Million)

Total of minimum lease payments for a period:	Year Ended 31st March				
	2006	2007	2008	2009	2010
- Not Later than 1 Year	-	21.96	196.24	228.75	167.59
- Later Than 1 Year and not later than 5 Year	-	3.48	410.65	351.44	141.42
- Later Than 5 Years	-	-	-	-	-

ii. Amount charged to Profit & Loss Account:

(Rs. In Million)

Particulars	Year Ended 31st March				
	2006	2007	2008	2009	2010
Amount charged to profit & loss account for operating lease	-	24.63	154.38	249.50	230.47

(b) Amann Druckguss GmbH

Amann Druckguss GmbH has taken over from Amann Druckguss KG as its legal successor in relation to the property purchase contract and lease agreement with purchase option concluded by the latter. The Company sold its property in Massenbachhausen, Jahnstr., sub-plot no. 777/1, with a total surface area of 15,727 m² including a production facility, warehouse and administration building to Alyssum Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs-KG, Wiesbaden, (sale and leaseback). The deed of conveyance was dated December 17, 2003; possession, rewards,encumbrances and risks were transferred to the buyer at year-end 2003. The purchase price amounted to Euro 6.00 Million plus VAT of Euro 0.98 Million and was paid in February 2004. Also on December 17, 2003, the Company entered into a lease agreement with purchase option with the buyer of the property, under which the company under review leases the property back as of January 1, 2004. The Company has a purchase option once the fixed lease term of 16.5 years expires.

15. Disclosure of Goodwill (on Consolidation):

(Rs.in Million)

Particulars	As at 31st March			
	2007	**2008**	**2009**	**2010**
Opening Balance	-	427.80	1,177.41	569.91
Add:	-	-	-	-
Provision for impairment	-	-	(431.29)	-
Goodwill on acquisition of balance 49% stake in Fondalmec Officine Meccaniche S.p.A	-	-	-	525.01
Goodwill on further investment in Nuova Renopress S.p.A	229.90	144.98	-	-
Goodwill on acquisition of Fondalmec S.p.A.	-	562.00	-	-
Goodwill on acquisition of Amann Druckguss GmbH	178.88	-	-	-
Impact of Foreign Currency Translation	-	36.07	88.11	(68.27)
Adjustment against BRR (Refer note 8 (d))	-	-	(243.08)	-
Restatement Adjustment	19.02	6.56	(21.24)	(0.54)
Total	**427.80**	**1,177.41**	**569.91**	**1,026.11**

In respect of group's subsidiary company namely Nuova Renopress, Nuova Renopress has continually incurred losses as a result of the global recession, phasing out of important customers etc resulting in the erosion of its share capital. As required by the Italian Civil Code, the Company was required to make fresh contributions to raise and maintain minimum required positive Share Capital of Nuova Renopress. However, the revival of Nuova Renopress was difficult which was heavily indebted.

Hence the Group has made a provision for impairment of goodwill on arising consolidation in respect of Nuova Renopress amounting to Rs. 431.29 Million.

16. Disclosure of Capital Reserve (on Consolidation):

(Rs.in Million)

Particulars	As at 31 March			
	2007	**2008**	**2009**	**2010**
Opening Balance at the beginning of the year	-	155.97	145.67	5.10
Add:				
Capital Reserve on further stake in HTTS.	-	-	5.10	15.53
Capital Reserve / (Goodwill) on acquisition of ES(I)PL	153.82	(8.15)	-	-
Reversal of Capital Reserve on merger of ES(I)PL	-	-	(145.67)	-
Restatement Adjustments	2.14	(2.15)	-	-
Closing Balance at the end of the year	**155.97**	**145.67**	**5.10**	**20.63**

17. Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with group financial statements.

18. In the preparation of these consolidated financial statements, no adjustments have been made for any events (which required an adjustment to or a disclosure in the consolidated financial statements) occurring subsequent to the dates of the individual audit reports on the standalone financial statements issued by the respective auditors of each of the subsidiaries, joint venture and an associate included in the Group.

19. Private Placement of Preference Shares:

During the F.Y. 2009-10 Standard Chartered Private Equity (Mauritius) II Limited ('the Investor') subscribed to 40 Million Compulsorily Convertible Preference Shares (CCPS) of Rs.10 each with coupon rate of 8% p.a. for Cash at par aggregating to Rs. 400 Million issued by the Company on Private Placement basis in the manner stipulated in the Supplementary Share Subscription and Share Holder's Agreement (SSSSHA). The CCPS were allotted to the Investor on 10th November, 2009. The CCPS subscription amount shall be utilized towards general business purposes, recurring capital expenditure requirements and towards completion of acquisition of existing overseas subsidiary company.

The CCPS shall automatically and compulsorily convert into Equity Shares, on occurrence of the 'Conversion Event' i.e. upon finalization of the audited financial results of the Company for the financial year ending on 31st March 2010. The terms and conditions and manner of computation of the conversion price and number of equity shares issuable on conversion and occurrence of the conversion event have been stipulated in Annexure 1 to the SSSSHA. The conversion price would be determined as below:

$$\text{Conversion Price} = \frac{\text{Equity Value (-) CCPS Subscription Amount}}{\text{Total Number of shares issued and paid just before conversion}}$$

'Equity Value' shall be 6 times the Consolidated Audited EBITDA for the financial year ending March 2010 less Net Debt as on 31.03.2010.

20. Issue of Redeemable Preference Shares

During the F.Y.2009-10, the Company has converted the loan taken from Directors / Share holders amounting to Rs. 16.8 Million into Redeemable Preference Shares (RPS) of Rs. 10/- each (as per stipulation from Bankers) with coupon rate of 8% p.a. from the date of allotment of the RPS and for the year 2010-11. In accordance with the terms of allotment, the coupon rate shall be increased to 8.5% p.a. in the year 2011-12, 9% p.a. in the year 2012-13 and 10% p.a. in the year 2013-14 and for a further period till the date the same are redeemed. The Shares will be redeemed for cash at par on the date of adoption of the Annual Accounts for the financial year ended 31st March 2014 by shareholders in the Annual General Meeting or the date of repayment of the restructured loan of the banks from whom the Company has availed the working capital limit aggregating to Rs. 2,383 Million, whichever is later.

21. Previous years figures have been regrouped / reclassified wherever necessary to conform to this year's classification.

ANNEXURE 29: STATEMENT ON ADJUSTMENTS TO CONSOLIDATED FINANCIAL STATEMENTS (Refer Annexure 30)

(Rs. In Million)

S. No.	Particulars	AS at 31st March				
		2006	**2007**	**2008**	**2009**	**2010**
A	**Prior Period Items**					
	Income					
	Sales	-	-	(0.26)	0.46	-
	Other Income	(1.10)	(5.92)	(5.95)	(26.50)	(37.29)
		(1.10)	**(5.92)**	**(6.21)**	**(26.04)**	**(37.29)**
	Expenditure					
	Material Cost	(0.21)	2.63	9.42	0.54	-
	Employee Cost	0.97	(0.24)	0.88	0.57	-
	Operating Expenses	3.03	7.05	23.80	(11.86)	28.98
	Interest	1.20	(0.03)	0.82	(0.20)	-
		4.99	**9.41**	**34.92**	**(10.95)**	**28.98**
	Total - A	**3.89**	**3.49**	**28.71**	**(36.99)**	**(8.31)**
B	**Changes in Accounting Policy**					
	Depreciation	(163.18)	-	-	-	-
	Total - B	**(163.18)**	**-**	**-**	**-**	**-**
C	**Total of Adjustments (A+B)**	**(159.29)**	**3.49**	**28.71**	**(36.99)**	**(8.31)**
D	Tax Impact on Adjustments	53.29	(1.63)	(3.72)	5.17	9.32
E	Excess / Short Provision of Taxes	(6.28)	5.24	11.88	(18.51)	2.39
F	Total Tax	47.01	3.61	8.16	(13.34)	11.71
G	**Adjustments (Net of Tax)**	**(112.28)**	**7.10**	**36.87**	**(50.33)**	**3.40**

ANNEXURE 30: NOTES TO STATEMENT ON ADJUSTMENTS TO CONSOLIDATED FINANCIAL STATEMENTS

1. MATERIAL RESTATEMENT ADJUSTMENTS:

a) Summary of results of restatements made in the audited financial statements of the Company and its subsidiaries, joint venture and an associate (the Company and its subsidiaries, joint venture and associate together constitute 'the Group') for the years and their impact on the profits / losses of the Group is as under:

(Rs. In Million)

Particulars	Year Ended March 31,				
	2006	2007	2008	2009	2010
Net Profit as per audited Profit & Loss account	448.28	366.83	(857.26)	(743.86)	35.69
Adjustments for -					
Adjustment for Change in Depreciation method	(163.18)	-	-	-	-
Excess Provisions/Unclaimed Balances	4.65	5.64	4.10	(5.68)	(13.43)
Adjustments for Prior Period Expenses	(2.06)	(1.20)	15.12	(17.39)	6.80
Adjustments for Prior Period Income	2.83	(0.93)	12.35	(14.01)	(23.85)
Adjustments for Excess/Short Tax Provision	(7.81)	5.22	9.02	(18.42)	24.57
Adjustment in Deferred Tax due to above	53.29	(1.63)	(3.72)	5.17	9.31
Adjustments Total	**(112.28)**	**7.10**	**36.87**	**(50.33)**	**3.40**
Net Profit as per restated summary statements	**336.00**	**373.93**	**(820.39)**	**(794.19)**	**39.09**

b) Adjustments resulting from change of method of depreciation:

During the year 2005-06, Endurance Technologies Limited (the Company) had changed the method of providing depreciation on fixed assets from Written Down Value Method (WDV) to Straight Line Method (SLM). The Company has also changed its accounting policy for providing depreciation on all Dies from WDV method to method based on their estimated economic life determined on the basis of their uses or on Straight Line Method whichever is higher. In accordance with the Accounting Standard (AS)-6 "Depreciation Accounting", depreciation had been recalculated as per the new method from the date the asset coming into use. The change in accounting policy, in the opinion of the Board of Directors, would result in more appropriate presentation of the financial statements. Consequent to above change, there is reduced charge of depreciation of Rs 163.18 Million relating to earlier years which had been written back in the year 2005-06. For the purpose of this statement the said reduced charge of depreciation relating to the period prior to the year ended 31st March 2005 has been appropriately adjusted to the opening balance of profit and loss account.

c) Prior Period Items:

In the audited financial statements of the Group for the years ended 31st March 2010, 2009, 2008, 2007 & 2006, certain items were identified as prior period items. For the purpose of this statement such prior period items and other income / expenses, which pertain to previous years but not disclosed as prior period items in the audited financial statements on materiality grounds, have been appropriately adjusted to the respective years to which they relate and items relating to the period prior to the year ended 31st March 2005 have been appropriately adjusted to the opening balance of profit and loss account.

d) Excess provision / Unclaimed balances written back

In the audited financial statements of the Group for the years ended 31st March 2010, 2009, 2008, 2007 & 2006, certain liabilities created in earlier years were written back. For the purpose of this statement such liabilities have been appropriately adjusted to the respective years in which they were originally created. Further the balance in the Profit & Loss Account as at 1st April 2005 has been adjusted to reflect the impact of the items pertaining to prior to March 31, 2005.

e) Short \ Excess provision for tax for earlier years

Profit and loss account of certain years includes amounts paid / provided / written back for, in respect of shortfall / excess of income tax arising out of assessments, appeals etc. which for the purpose of this statement, have been adjusted in the years to which they relate.

f) Tax impact of adjustments

For the purpose of the restated summary statements, adjustments have been made for the tax impact of the adjustments in the respective years to which the adjustment pertain.

2. Reconciliation of Profit & Loss Account as at 1st April 2005:

Particulars	Amount (Rs in Million)
Net Profit as per audited Profit & Loss account	70.07
Adjustments for -	
Excess Provisions/Unclaimed Balances	3.36
Adjustment for Change in Depreciation method	163.18
Adjustments for Prior Period Expenses	(0.83)
Adjustments for Prior Period Income	19.66
Adjustments for Excess/Short Tax Provision	(4.06)
Adjustment in Deferred Tax due to above	(62.31)
Adjustments Total	**119.00**
Net Profit as per restated summary statements	**189.07**

3. Non-Adjustment Items

A. Auditor's Qualifications – Not Adjusted

The Auditors' have reported the following qualifications in their Audit Reports for the respective years. These qualifications have not been adjusted by the Group in these Restated Financial Statements for the reasons stated there-against.

i) Financial year ended 31st March 2008

Qualification: The Company has restated the outstanding foreign currency denominated long term loans which are covered by foreign exchange range forward contracts (JPY-USD) using the exchange rates mentioned as strike rates in the unexpired foreign currency range forwards contracts instead of the cross currency spot exchange rates as on 31st March, 2008 as required by the Accounting Standard (AS) 11 "The Effects of Changes in Foreign Exchange Rates". Had these foreign currency term loan amounts been restated at the spot rates, the loss for the year and the term loan liabilities would have increased by Rs. 351.6 Million and Reserves as at 31st March, 2008 would have decreased by Rs. 351.6 Million.

Management Comments: The outstanding foreign currency denominated long term loans which are covered by foreign exchange range forward contracts (JPY-USD) have been restated in 2008-09 using the cross currency spot exchange rates as on 31st March 2009 as required by the AS 11. Accordingly, the resultant exchange gain / loss for the year 2008-09 as adjusted against the Business Reconstruction Reserve (BRR) includes the impact of the above referred qualification in the previous year ended 31st March 2008. The adjustment in "Business Reconstruction Reserve" was done as per the Scheme of Arrangement ("the Scheme") sanctioned by the Hon'ble High Court of Bombay vide Order dated 16th October, 2009 (a certified true copy of which was received by the Company on 24th November, 2009). Hence the Business

Reconstruction Reserve was neither adjusted nor restated for the purpose of this statement.

ii) Financial year ended 31st March 2009

Pursuant to the Scheme of Arrangement ("the Scheme") under Sections 391 to 394 read with sections 78, 100 to 103 of the Companies Act, 1956 sanctioned by the Hon'ble High Court of Bombay vide Order dated 16th October, 2009 (a certified true copy of which was received by the Company on 24th November, 2009) and filed with the Registrar of Companies on 1st December 2009 (the 'effective date'), Endurance Systems (India) Private Limited ("ESIPL"), a wholly owned subsidiary of the Company, has been amalgamated with the Company with effect from the Appointed Date being 1st April, 2008. The said Scheme of Arrangement has been approved by the Board of Directors of the Company in their meeting held on 28th July 2009.

a) Qualification: As stated in Note No. 9(a) of Annexure 5, upon the Scheme becoming effective, all the assets and liabilities and investments (including overseas investments) as appearing in the books of account of Endurance Systems (India) Private Limited (ESIPL) as on the Appointed Date were required to be recorded at their respective fair values by the Company. Further, in terms of the Scheme, if it is considered necessary and appropriate by the Board of Directors of the Company and if the fair value of any of the assets, liabilities and investments including overseas investments as on the date of approval of the Scheme by the board of directors (i.e. 28th July 2009) is substantially different, then the same also may be adjusted while arriving at the fair value for any such assets, liabilities and investments including overseas investments.

However, in the opinion of Board of Directors, all the balances in assets and liabilities [except for the tangible fixed assets which have been revalued and investments in one of the subsidiary which has been adjusted for permanent diminution in the value of investment] as of 1st April 2008 represent the respective fair values and accordingly these have been transferred to the Company at their respective book values.

Management Comments: In the opinion of Board of Directors, all the balances in assets and liabilities [except for the tangible fixed assets which have been revalued and investments in one of the subsidiary which has been adjusted for permanent diminution in the value of investment] as of 1st April 2008 represent the respective fair values and accordingly these have been transferred to the Company at their respective book values. Further, as regards inventory, during the year 2009-10, the Company has consumed almost the entire quantum of such inventory as at 31st March 2009 in the manufacture of finished products and/or disposed of the same, at values not less than their book values. As regards sundry debtors, the outstanding dues of almost all the sundry debtors as at 31st March 2009 have been subsequently realised in 2009-10 for amounts not less than their outstanding balances/ amount recorded in books of accounts of the Company. Accordingly, no adjustment has been made for the purpose of this statement.

b) Qualification: As stated in Note No. 9(c) of Annexure 5, as an integral part of the Scheme approved by the Hon'ble High Court of Judicature at Bombay, with an intention to right size the Balance Sheet of the Company post amalgamation, the assets including investments in other subsidiaries and liabilities of the Company were required to be recorded at their present fair values as on the date of approval of the Scheme by the Board of Directors i.e.28th July 2009.

However, in the opinion of Board of Directors all the balances in assets, liabilities and investments (including overseas investments) as of 31st March, 2009 [except for the tangible fixed assets which have been revalued and investments in certain subsidiaries which have been written-off / adjusted for permanent diminution in the value of investments] represent the respective fair values and accordingly these have been carried at their respective book values.

Management Comments: In the opinion of Board of Directors all the balances in assets, liabilities and investments (including overseas investments) as of 31st March, 2009 [except for the tangible fixed assets which have been revalued and investments in certain subsidiaries which have been written-off / adjusted for permanent diminution in the value of investments] represent the respective fair values and accordingly these have been carried at their respective book values. Further, as regards inventory, during the year 2009-10, the Company has consumed almost the entire quantum of such inventory as at 31st March 2009 in the manufacture of finished products and/or disposed of the same, at values not less than their book values. As regards debtors, the outstanding dues of almost all the sundry debtors as at 31st March 2009 have been subsequently realised in 2009-10 for amounts not less than their outstanding balances/ amount recorded in books of accounts of the Company. Accordingly, no adjustment has been made for the purpose of this statement.

iii) Financial year ended 31st March 2010

a) Qualification: As stated in Note No. 9(a) of Annexure 5, in the absence of an independent assessment of the fair values of the balances in all the assets and liabilities [except for the tangible fixed assets which have been revalued and investments in one of the subsidiary which had been adjusted for permanent diminution in the value of investment] as of 1st April 2008, the impact on the financial statements could not be ascertained. This matter had been qualified in the previous year's Auditors' Report. Further, the impact of the same, if any, on the carrying amounts of the balances in the assets and liabilities as of 31st March 2010, is not determinable.

Management Comments: As regards inventory, during the year 2009-10, the Company has consumed almost the entire quantum of such inventory as at 31st March 2009 in the manufacture of finished products and/or disposed of the same, at values not less than their book values. As regards sundry debtors, the outstanding dues of almost all the sundry debtors as at 31st March 2009 have been subsequently realised in 2009-10 for amounts not less than their outstanding balances/ amount recorded in books of accounts of the Company. Accordingly, no adjustment has been made for the purpose of this statement.

b) Qualification: As stated in Note No. 9(c) of Annexure 5, in the absence of an independent assessment of the fair values of the balances in assets, liabilities & investments (including overseas investments) as of 31st March 2009 [except for the tangible fixed assets which have been revalued and investments in certain subsidiaries which have been written-off / adjusted for permanent diminution in the value of investments], the impact on the financial statements could not be ascertained. This matter had been qualified in the previous year's Auditors' Report. Further, the impact of the same on the carrying amounts of the balances in the assets and liabilities as of 31st March 2010 is not determinable.

Management Comments: As regards inventory, during the year 2009-10, the Company has consumed almost the entire quantum of such inventory as at 31st March 2009 in the manufacture of finished products and/or disposed of the same, at values not less than their book values. As regards sundry debtors, the outstanding dues of almost all the sundry debtors as at 31st March 2009 have been subsequently realised in 2009-10 for amounts not less than their outstanding balances/ amount recorded in books of accounts of the Company. Accordingly, no adjustment has been made for the purpose of this statement.

B. Auditor's Qualifications – Non-Adjusting

The Auditors' have reported the following qualifications in their Audit Reports for the respective years and which do not require any adjustment in these Restated Financial Statements.

i) Financial year ended 31st March 2010

a) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, where each of such transaction is in excess of Rs.5 lakhs in respect of any party, in respect of certain transactions comparable quotations are not available. Accordingly, it is not possible to comment on whether such transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices. Similar comments have been given in the Auditors' Report for the years ended 31st March 2009, 2008, 2007 & 2006.

Management Comments: The goods purchased are of specific nature, made as per order with specialised process duly approved by the end customer. Hence there is no comparable quotation.

ii) Financial year ended 31st March 2009

In respect of its fixed assets: The Company has maintained proper records showing full particulars including quantitative details and situation of the fixed assets. The said records are in the process of being updated. Similar comment has been given in the Auditors' Report for the years ended 31st March 2008, 2007 & 2006.

Management Comment: Fixed Asset Register has now been updated upto 31.03.2010.

4. Material Regroupings:

Appropriate adjustments have been made in the Restated Summary Statements of Assets and Liabilities, Profits and Losses and Cash Flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited financials of the Group for the year ended 31st March 2010 and the requirements of the Securities and exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009.

5. Other items not adjusted:

i) Revaluation of tangible fixed assets:

During the year 2008-09, the Company has revalued all the Tangible Fixed Assets as at 31st March, 2009. Also, the tangible fixed assets which were transferred from the erstwhile subsidiary ESIPL, during the process of amalgamation were revalued as on the Appointed Date i.e. 1st April, 2008. In case of the assets included in Electrical Installations, Computers, Dies, Electrical Fittings, Vehicles, Furniture & Fixtures and Office Equipments in case of both the company, the independent valuer has certified that the fair values of these assets are almost same as their respective written down values as at 31st March, 2009 & 1st April, 2008. Accordingly, no adjustments on account of revaluation have been made to these class of assets.

The net increase in the block on revaluation of tangible fixed assets (Rs. 424.72 Million & Rs.2,481.28 Million in respect of assets of ESIPL & the Company respectively) has been transferred to the Business Reconstruction Reserve (BRR) as per the Scheme of Arrangement as sanctioned by the Hon'ble High Court of Bombay. Hence, there is no balance outstanding as at 31st March 2010 & 31st March 2009 in revaluation reserve account which needs to be deducted from both fixed assets and revalution reserve.

Depreciation/amortisation for the year 2008-09 includes Rs. 14.79 Million on account of additional depreciation on revaluation of fixed assets which has been transferred to Business Reconstruction Reserve as per the Scheme of Arrangement. (Refer note 8 (d)(i) of annexure 5).

Further, during the year 2008-09, the Company has also evaluated the estimated useful life of certain class of Fixed Assets w.e.f. 31st March, 2009. Accordingly, effective 31st March, 2009 depreciation has been charged over the remaining useful life of the assets. However, the resultant impact on depreciation for the year is not expected to be material.

For the purpose of this statement, the balances as at 31st March 2006, March 2007 & March 2008 in respect of these fixed assets (which have been subsequently revalued in the year 2008-09) and their respective accumulated depreciation have not been adjusted to reflect the impact of revaluation and re-assessment of useful life of certain fixed assets. The impact of such adjustments on the profits / losses and balances in assets and liabilities as of March 2006, March 2007 & March 2008 has not been ascertained.

ii) Changes in Accounting Policy

a) Employee Benefits

The revised Accounting Standard-15 (AS-15) "Employee Benefits" has become applicable to the Company with effect from 1st April 2007. However as a matter of prudence, the Company had determined the liability in respect of Leave encashment and Gratuity in respect of the year ended 31st March 2007 and 31st March

2006 with reference to the present value of defined benefits taking the basis given in the guidelines of revised AS-15. Accordingly, for the purpose of this statement, no adjustment was required to be made.

b) Foreign exchange liabilities pertaining to purchase of fixed assets

In view of withdrawal of the 'Announcement' issued by the Institute of Chartered Accountants of India on 'Treatment of exchange differences under Accounting Standard (AS) 11 (revised 2003), The Effects of Changes in Foreign Exchange Rates vis-à-vis Schedule VI to the Companies Act, 1956', effective from 1st April 2007, any income or expense on account of exchange difference related to foreign exchange liabilities pertaining to purchase of fixed assets has been recognised in the Profit and Loss Account instead of giving effect thereof to the cost of the fixed assets. Till the end of 31st March 2007, these exchange differences in respect of liabilities for acquisition of fixed assets from a country outside India were adjusted in the carrying cost of fixed assets.

Any gain or loss on account of exchange difference related to foreign exchange liabilities pertaining to purchase of fixed assets arising during the years ended on 31st March 2006 and 31st March 2007, the effect of which was given to the cost of the fixed assets has been not adjusted for the purpose of this statement. Consequently, the depreciation on fixed assets has also been not adjusted for the relevant years. The impact on the restated financial information as a result of this non-adjustment, has not been ascertained.

c) Derivative Accounting

The Company has not adopted Accounting Standard (AS) 30, "Financial Instruments: Recognition and Measurement" which becomes mandatory from 1.04.2011. As specified in the Announcement issued by the Institute of Chartered Accountants of India (ICAI) on 29th March, 2008 in respect of accounting for derivatives, with effect from the year ended 31st March 2008, the Company has accounted for foreign exchange loss in respect of derivative instruments which are not covered by AS 11, based on Mark to Market valuation as on Balance Sheet date. However, for the purpose of this statement, as the mark to market valuation in respect of the derivative instruments outstanding as at 31st March 2006 & 31st March 2007, the loss, if any, on such instruments has not been recognized or adjusted. The impact on the restated financial information as a result of this non-adjustment, has not been ascertained.

6. Business Reconstruction Reserves (BRR)

During the year 2008-09, as per the Scheme of Arrangement, a separate reserve account titled as Business Reconstruction Reserve ("BRR") was created by transferring Rs 100 Million (excluding the unutilised balance of Rs 28.74 Million transferred back to Securities Premium account) out of Securities Premium Account of the Company and the increase in the value of fixed assets as a result of revaluation of tangible fixed assets of ESIPL (as at 1st April 2008) and of the Company (as at 31st March 2009) for adjustment of certain expenses like provision for diminution in the value of Long Term Investments, Amounts receivable / payable from / to Subsidiary Company (Endurance Far East Ltd.) written off / back, Foreign Exchange Fluctuation loss / gain incurred during the year,Provision for Mark to Market Loss, additional depreciation on revalued portion, profit/loss on sale of fixed assets, restructuring expenses etc.

The balance in the BRR Account as at 31st March, 2010 is Nil, as after the adjustment of the above referred expenses, the balance unutilised amount of Rs. 28.74 Million has been transferred back to Securities Premium Account. However, for the purpose of this statement, the above referred expenses adjusted against the BRR have not been restated to their respective years. The impact on the restated financial information as a result of this non-adjustment, has not been ascertained.

Management Comments:

The adjustment in "Business Reconstruction Reserve" was done as per the Scheme of Arrangement ("the Scheme") sanctioned by the Hon'ble High Court of Bombay vide Order dated 16th October, 2009 (a certified true copy of which was received by the Company on 24th November, 2009). As the accounting treatment given in the books of account was as required by the Scheme of Arrangement approved by the High Court, the individual items adjusted against the Business Reconstruction Reserve were neither adjusted nor restated for the purpose of this statement.

ANNEXURE 31 - STATEMENT OF SHARE CAPITAL

Particulars	As at 31st March				
	2006	2007	2008	2009	2010
Authorized Share Capital:					
Equity Shares					
Number of Shares of Rs. 10/- each	3,000,000	3,000,000	20,000,000	20,000,000	22,500,000
Amount (Rs. In Million)	30.00	30.00	200.00	200.00	225.00
Preference Share					
Compulsorily Convertible Preference Shares (CCPS)					
Number of Shares of Rs. 10/- each	-	-	-	-	48,000,000
Amount (Rs. In Million)	-	-	-	-	480.00
Redeemable Preference Shares (RPS)					
Number of Shares of Rs. 10/- each	-	-	-	-	2,000,000
Amount (Rs. In Million)	-	-	-	-	20.00
Issued, Subscribed and Paid up Share Capital					
Equity Shares					
Number of Shares of Rs. 10/- each	1,274,500	1,699,676	16,996,760	16,996,760	16,996,760
Amount (Rs. In Million)	12.75	17.00	169.97	169.97	169.97
Less: Buyback of Equity Shares					
Number of Shares of Rs. 10/- each	63,725	-	-	-	-
Amount (Rs. In Million)	0.64	-	-	-	-
Equity Shares at the year end					
Number of Shares of Rs. 10/- each	1,210,775	1,699,676	16,996,760	16,996,760	16,996,760
Amount (Rs. In Million)	12.11	17.00	169.97	169.97	169.97
Preference Share					
Compulsorily Convertible Preference Shares (CCPS)					
Number of Shares of Rs. 10/- each	-	-	-	-	40,000,000
Amount (Rs. In Million)	-	-	-	-	400.00
Redeemable Preference Shares (RPS)					
Number of Shares of Rs. 10/- each	-	-	-	-	1,680,000
Amount (Rs. In Million)	-	-	-	-	16.80
Total Share Capital	**12.11**	**17.00**	**169.97**	**169.97**	**586.77**
Share Capital pending allotment					
Number of Shares of Rs. 10/- each	288,027	-	-	-	-
Amount (Rs. In Million)	2.88	-	-	-	-
Total Share Capital Pending allotment	**2.88**	**-**	**-**	**-**	**-**

Notes:

Out of the above shares:

1. During the year ended on 31st March 2006,
   a. The company has bought back 63725 Equity shares for total consideration of Rs. 17.84 Million at price of Rs.280 per share Consequently a sum of Rs.17.20 Million being premium on buyback has been charged to General Reserve and a sum of Rs. 0.64 Million has been transferred to Capital Redemption Reserve from the General Reserve.
   b. Share Capital - Pending allotment: 288027 Equity Shares of Rs.10 each to be allotted to the Shareholders of erstwhile Anurang Engineering Company Private Limited pursuant to its Amalgamation with the company effective from 1st January, 2006

2. During the year ended on 31st March 2007,
   a. The Company made preferential allotment of 18,284 Equity Shares of Rs.10 each to the Promoters of the Company aggregating to Rs.150.2 Million.
   b. The Company made preferential allotment of 1,82,590 Equity Shares of Rs.10 each to Standard Chartered Private Equity (Mauritius) II Limited aggregating Rs. 1500 Million.
   c. The Company allotted 288,027 Equity Shares of Rs.10 each to the Shareholders of Anurang Engineering Co. Private Limited, which has since been amalgamated with the Company.

3. During the year ended on 31st March 2008,
   a. The company increased the Authorized Share Capital from Rs.30 Million as at 31.3.2007 to Rs.200 Million as at 31.3.2008.
   b. 15,297,084 Equity Shares of Rs. 10 each allotted as fully paid up bonus shares issued in the ratio of 9 bonus shares for every one share held by way of Capitalization of Securities premium.

4. During the year ended on 31st March 2010,
   a. The Authorized Capital of the Company was increased from Rs. 200 Million to Rs. 700 Million by way of issue of 50,000,000 Compulsorily Convertible Preference Shares(CCPS) of Rs. 10 each aggregating to Rs. 500,000,000 to enable allotment of 40,000,000 CCPS to Standard Chartered Private Equity (Mauritius) II Limited.

      Further, consequent to the Amalgamation of ESIPL with the Company, in terms of the High Court order, ESIPL stands dissolved without winding up and the Authorized Capital of the Company stands enhanced from Rs. 700 Million to Rs. 725 Million with effect from 1st December 2009 (increased by an amount equivalent to the Authorized Share Capital of ESIPL).

      The Company, at its EGM dated 26th March, 2010, reclassified the authorized share capital of 2,000,000 CCPS of Rs.10 each to 2,000,000 Redeemable Preference Shares (RPS) of Rs. 10 each to enable the issuance of 1,680,000 RPS of Rs. 10 each to Directors/ Share Holders.

   b. Standard Chartered Private Equity (Mauritius) II Limited, subscribed to 40 Million CCPS of Rs.10 each for Cash at par aggregating to Rs. 400 Million.
   c. The Company converted the loan taken from Directors / Share holders amounting to Rs.16.8 Million in to Redeemable Preference Shares of Rs.10 each.

ANNEXURE 32 - CONSOLIDATED STATEMENT OF RESERVES AND SURPLUS

(Rs. In Million)

Particulars	As at 31st March				
	2006	2007	2008	2009	2010
A. Capital Subsidy					
As per last Balance Sheet	-	6.50	11.50	11.50	11.50
Add: Transfer from AEC on Amalgamation	6.50	-	-	-	-
Add: Balance in subsidiaries	-	2.00	-	-	-
Add: Amount Received during the year	-	3.00	-	-	-
Total	**6.50**	**11.50**	**11.50**	**11.50**	**11.50**
B. Capital Redemption Reserve	**0.64**	**0.64**	**0.64**	**0.64**	**0.64**
C. Capital Reserve					
As per last Balance Sheet	**-**	**-**	**-**	**-**	207.72
Add: Addition during the year	**-**	**-**	**-**	**207.72**	1.62
	-	**-**	**-**	**207.72**	**209.34**
D. Capital Reserve - (on Consolidation)					
As per last Balance Sheet	**-**	**-**	155.97	147.81	5.10
Add: Addition during the year	**-**	155.97	-	-	15.54
Less: Deduction during the year	**-**	**-**	8.16	142.71	-
		155.97	**147.81**	**5.10**	**20.64**
E. Foreign Currency Translation Reserve	**-**	**(30.53)**	**42.40**	**129.41**	**(21.46)**
F. Share in Jointly Controlled Entity	**-**	**-**	**-**	**-**	**-**
G. Securities Premium Account					
As per last Balance Sheet	-	-	1,616.36	1,463.38	1,392.12
Add: Amount Received during the year	-	1,648.19	-	-	-
Add: Transferred back from Business Reconstruction Reserve	-	-	-	28.74	-
Less: Utilized for Share issue expenses	-	31.83	-	-	-
Less: Utilized for issue of bonus Equity Shares	-	-	152.98	-	-
Less: Transferred to Business Reconstruction Reserve	-	-	-	100.00	-
Total	**-**	**1,616.36**	**1,463.38**	**1,392.12**	**1,392.12**
H. Business Reconstruction Reserve					
Addition during the year	**-**	**-**	**-**	**3,013.23**	-
Less: Adjustment during the year	**-**	**-**	**-**	**3,013.23**	-
Total	-	-	-	-	-
I. General Reserve					
As per last Balance Sheet	392.12	974.49	957.72	957.72	1,015.22
Add: Addition on Amalgamation	122.27	-	-	-	-
Add: Transferred from Profit and Loss Account	480.00	-	-	-	3.83

Particulars	As at 31st March				
	2006	2007	2008	2009	2010
Add: Acquired under the Scheme of Arrangement	-	-	-	57.50	-
Less: Transitional Adjustment for Gratuity Liability	0.94	-	-	-	-
Less: Adjustment of Inventory on Amalgamation	1.12	-	-	-	-
Less: Utilized for buy back of Equity Shares	17.20	-	-	-	-
Less: Transferred to Capital Redemption Reserve on buyback of Equity Shares	0.64	-	-	-	-
Less: Transferred to P&L appropriation account for Amalgamation Expenses	-	16.77	-	-	-
Total	**974.49**	**957.72**	**957.72**	**1,015.22**	**1,019.05**
J. Surplus in Profit & Loss Account, as restated					
Balance as per Profit and Loss Account	105.80	473.09	-	-	-
	105.80	**473.09**	**-**	**-**	**-**
Grand Total	**1,087.43**	**3,184.75**	**2,623.45**	**2,761.71**	**2,631.83**

ANNEXURE 33 - CONSOLIDATED STATEMENT OF SECURED LOANS

(Rs. In Million)

Particulars		As at 31st March				
		2006	2007	2008	2009	2010
I	**Loans & Advances from Banks:**					
1	Term Loans (including foreign currency term loans)	1,634.70	5,192.81	6,884.08	8,025.44	6,518.10
2	Loans against Fixed Deposits	-	124.58	37.89	-	-
3	Cash credits, Working Capital Demand Loans & Buyers' Credit (including foreign currency term loans)	321.33	330.07	944.08	668.03	687.69
4	Interest Accrued and due on term loans	4.76	13.91	37.96	35.67	19.22
	Sub-total	**1,960.79**	**5,661.37**	**7,904.01**	**8,729.14**	**7,225.01**
II	**Other Loans & Advances:**					
1	Term Loan - Indian Renewable Energy Development Agency Limited (IREDA)	49.58	42.33	32.90	23.46	14.03
2	Term loan against Keyman Insurance Policy	-	-	-	18.40	18.40
3	Interest free loan from customer	-	7.95	7.95	7.95	7.95
	Sub-total	**49.58**	**50.28**	**40.85**	**49.81**	**40.38**
	Total	**2,010.37**	**5,711.65**	**7,944.86**	**8,778.95**	**7,265.39**

Principal Terms of Secured Loans

A. Long Terms loans

<table>
<tr><th>S. No</th><th>Bank name</th><th>Facility Type</th><th>Interest rate</th><th>Loan Currency</th><th>Sanctioned Amount in Million</th><th>Outstanding Loan as on 31.03.2010 in INR in million</th><th>Repayment terms as per Loan Agreement</th><th>Security as per loan agreement</th></tr>
<tr><td>1</td><td>Bank of India</td><td>Rupee Term Loan</td><td>@ BPLR</td><td>INR</td><td>122.50</td><td>114.41</td><td>17 quarterly Installments commencing from March 2010. (Restructured)</td><td rowspan="2">(i). For the entire credit facility:
a. Charge on all tangible movable machineries and plants, both present and future, whether installed or not and whether lying loose or at site or in transit or acquired subsequently or which may at any time during the continuance of this security being installed or lying loose or in cases or being in or upon or about our Company's premises/godowns at B-22 and B-1/3, Chakan Industrial Area, Pune, at B-2 and L-6/3 MIDC Industrial Area, Waluj, Aurangabad and at Gut No.416, Takve, Pune;
b. Charge on all book debts, outstanding, money receivables, claims and bills which are due or may become due to our Company by any person, firm, company or body corporate or by the central or state government or government department or office; and
c. Personal guarantee of Mr. Anurang Jain (Managing Director);
(ii). For the corporate loan facility: Second pari-passu charge on the immovable property at B-2, L-6/3, MIDC Industrial Area, Waluj, Aurangabad and Gut No.416, Takve, Pune; and
(iii). For the term loan facility: First pari-passu charge on the immovable property at B-1/3 and B-22 MIDC Chakan, Pune</td></tr>
<tr><td>2</td><td>Bank of India</td><td>INR/FCTL (Corporate Loan)</td><td>FC 6 Months USD Libor + 600 bps (Fluctuating) (if in INR at COBAR)</td><td>USD</td><td>6.34 Mn (Equivalent to INR 25 Crores)</td><td>286.60</td><td>16 quarterly commencing from June 2010. (Restructured)</td></tr>
<tr><td>3</td><td>Bank of India</td><td>ECB Loan</td><td>3 Month JPY L + 160 bps from the</td><td>JPY</td><td>575.00</td><td>140.90</td><td>8 half yearly consecutive</td><td>(i). For the entire ECB loan:</td></tr>
</table>

S. No	Bank name	Facility Type	Interest rate	Loan Currency	Sanctioned Amount in Million	Outstanding Loan as on 31.03.2010 in INR in million	Repayment terms as per Loan Agreement	Security as per loan agreement
			date of each advance				installments, starting at the end of 15 months from the date of first disbursal	a. Perfected first pari-passu charge along with other banks on the land and buildings situated at B-1/3, Chakan Industrial Estate, Chakan, Pune and at Gat No. 416, Takve, Pune; and b. Exclusive first charge in bank's favour on the plant and machinery to be acquired by Company under the credit facility.
5	Bank of India	ECB Loan	200 bps over the three/six month LIBOR from the date of each advance	JPY	426.00	166.38	5 half yearly consecutive installments, starting at the end of 4 years from the date of first disbursal.	(i). For the entire ECB loan: a. Perfected first pari-passu charge on the land and buildings situated at B-22 and B-1/3, Chakan Industrial Estate, Chakan, Pune; and b. Exclusive first charge in bank's favour on the plant and machinery to be acquired by Company under the ECB loan.
6	Bank of India	ECB Loan	1.5% per annum over the three month LIBOR from the date of each advance	JPY	247.00	44.94	8 half yearly consecutive installments starting at the end of 18 months from the date of initial advance.	(i). For the entire ECB loan: (a). Perfected first pari-passu charge with other banks on the land and buildings situated at B-22, Chakan Industrial Estate, Chakan, Pune; and (b). Perfected first pari-passu charge with other banks on all tangible and moveable assets/property/plant and machinery, spare tools, accessories (both present and future) whether installed or not or whether lying loose or in cases at sites and or in transit or wherever else or which may at any time during the continuance of this security being installed or lying loose or in cases or being in or upon or about our Company's premises/godowns at B-22, Chakan Industrial Estate, Chakan, Pune or any held by any party anywhere to the

S. No	Bank name	Facility Type	Interest rate	Loan Currency	Sanctioned Amount in Million	Outstanding Loan as on 31.03.2010 in INR in million	Repayment terms as per Loan Agreement	Security as per loan agreement
								order and the disposition of the Company or in the course of transit to the Company.
7	Bank of India	ECB Loan	6 month Euro Libor + 400 bps	EURO	6.00	407.86	20 quarterly installments after initial moratorium of 18 months from the date of first draw down	(i). For the entire ECB loan: (a). Second charge on the immovable properties of Company situated at E-92, E-93, E-94, K-120, MIDC Waluj, Aurangabad, at B-20, MIDC Chakan, Pune, at the windmill division of Company at Gat No. 27 and 28, Bhambe, Satara and at Gat No. 341, Pimpalgaon, Ahmednagar; (b). Second charge on the movable properties of Company, such as plant and machineries, factory equipment, electrical installations, fittings, computers, dies and moulds etc., situated at E-92, E-93, E-94, K-120, MIDC Waluj, Aurangabad, at B-20, MIDC Chakan, Pune , 350 KW wind electric generators (3 nos) and other grid interphasing equipments situated at Bhambhe village, Satara and other grid interphasing equipments situated at Gat No. 341, Pipalgaon, Ahmednagar; and (c). Pledge of shares in Amann Druckguss GmbH held by the erstwhile ESIPL.
8	Citi Bank	ECB Loan	LIBOR +1.20% p.a.	USD	USD 15 million (Equivalent JPY)	372.19	16 equal quarterly payments beginning from the date falling 15 months after the last day of the availability period and to be repaid within 60 months.	(i). For the entire ECB loan: a. First pari-passu charge by way of mortgage on all land, building, plant and machinery situated at B-22, Chakan, Pune; and b. First charge on land, building, plant and machinery at plot no. 3, Sector 10, Pantnagar Industrial Area, Uttaranchal and at F-82, Sipcot's Industrial Park, Irungattukottai, Chennai; and c. First charge on the

S. No	Bank name	Facility Type	Interest rate	Loan Currency	Sanctioned Amount in Million	Outstanding Loan as on 31.03.2010 in INR in million	Repayment terms as per Loan Agreement	Security as per loan agreement
								entire movable property situated at plot no. 3, Sector 10, Pantnagar Industrial Area, Uttaranchal and at F-82, Sipcot's Industrial Park, Irungattukottai, Chennai. d. Exclusive charge on the plant & machineries located at B-23 Chakan Pune financed under the facility.
9	Citi Bank	ECB Loan	LIBOR +1.20% p.a.	USD	USD 15.5 million (Equivalent JPY)	579.80	17 equal quarterly payments beginning from the date falling 12 months after the last day of the availability period and to be repaid within 60 months.	(i). For the entire ECB loan:a. First pari-passu charge on all land, building, plant and machinery situated at B-22, Chakan, Pune; andb. First pari-passu charge on the entire movable property, both present and future, situated at B-22, Chakan, Pune; andc. First charge on land, building, plant and machinery at plot no. 3, Sector 10, Pantnagar Industrial Area, Uttaranchal and at F-82, Sipcot's Industrial Park, Irungattukottai, Chennai; andd. First pari-passu charge on the entire movable property, both present and future, situated at plot no. 3, Sector 10, Pantnagar Industrial Area, Uttaranchal and at F-82, Sipcot's Industrial Park, Irungattukottai, Chennai.
10	Citi Bank	ECB Loan	LIBOR + 1.50% p.a.	USD	USD 4.3 million (Equivalent JPY)	61.43	16 equal quarterly installments commencing from the date falling 15th months after the first utilisation date	(i). For the entire ECB loan: a. First pari-passu charge on all land, building, plant and machinery at B-22, Chakan, Pune; and b. First charge on land, building, plant and machinery at plot no. 3, Sector 10, Pantnagar Industrial Area, Uttaranchal and at F-82, Sipcot's Industrial Park, Irungattukottai, Chennai; and c. Charge by way of hypothecation of the movable properties of our Company situated at B-22, Chakan, Pune.
11	Standard Chartered Bank, London	ECB Loan	LIBOR plus 0.5% p.a.	USD	USD 3 million	25.84	9 semi-annual installments	(i). For the entire ECB loan:

S. No	Bank name	Facility Type	Interest rate	Loan Currency	Sanctioned Amount in Million	Outstanding Loan as on 31.03.2010 in INR in million	Repayment terms as per Loan Agreement	Security as per loan agreement
					(Equivalent JPY)		starting from end of 12th month from the drawdown date and to be repaid within 60 months.	a. First exclusive charge by way of hypothecation on all movable plant and machinery including all other movable assets, both present and future, situated at B-23, MIDC Chakan, Pune; and (ii). First pari-passu charge on land and buildings, both present and future, situated at B-1/3 and B-23, MIDC Chakan, Pune.
12	Standard Chartered Bank, London	ECB Loan	LIBOR plus 0.5% p.a.	USD	USD 3.375 million (Equivalent JPY)	44.77	9 semi-annual equal installments starting from end of 12th month from the drawdown date and to be repaid within 60 months.	(i). For the entire ECB loan: a. First exclusive charge by way of hypothecation on all movable plant and machinery, both present and future, that is part of the expansion of the 3,000 MT plant situated at B-1/3, MIDC Chakan, Pune; and (ii). First pari-passu charge on land and buildings, both present and future, situated at B-1/3 and B-23, MIDC Chakan, Pune.
13	ICICI Bank, Singapore Branch	ECB Loan	6 months JPY LIBOR + 140 basis points	JPY	540.50	283.94	7 half yearly installments payable after 48th months moratorium after the date of first disbursement.	(i). For the entire credit facility: a. First charge by way of hypothecation on movable fixed assets (except book debts) of the die-casting division at Pantnagar; and b. First pari-passu charge on leasehold land along with building, plant and machinery of the plant at Pantnagar.
14	ICICI Bank	ECB Loan	(i) Tranch A: 1.35% p.a. + LIBOR; (ii) Tranch B: 0.76% p.a. + LIBOR; and (iii) Tranch C: 0.76 p.a. + LIBOR	Euro	19.00	1,094.44	(i) Tranch A: 5 semi-annual equal installments starting from the end of 48 months from average drawdown date; (ii) Tranch B: 7 quarterly equal installments starting from February 2007; and (iii) Tranch C: 7 semiannual equal installments	(i). For the entire credit facility: a. First charge on all immovable and movable properties, present and future, of the front forks division (K-228 and 229) of Company; b. First charge on all immovable and movable properties of the disc brake division of Company (plant K-226/2); and c. First charge on all movable properties of the windmill division located at Jaisalmer Rajasthan; and

S. No	Bank name	Facility Type	Interest rate	Loan Currency	Sanctioned Amount in Million	Outstanding Loan as on 31.03.2010 in INR in million	Repayment terms as per Loan Agreement	Security as per loan agreement
							starting May 2007	d. First charge on all immovable and movable properties of the die-casting division of Company at Manesar subject to prior charges; and e. First charge on all the immovable and movable properties situated at B-1/2, Chakan, Pune.
15	Corporation Bank	INR/FCTL	Corporate loan -FC 6 month USD Libor + 600 bps (fluctuating) (if in INR at COBAR)	USD INR'	6.10 9.01	258.13 9.01	21 quarterly installments commencing from February 2009 (Restructured)	(i) Second pari-passu charge with another bank on the fixed assets of Company situated at plant Nos. L-6/3 and B-2, Waluj, Aurangabad and the plant at Gut No. 416, Takve, Pune.
16	Corporation Bank, IFB Branch, Pune	Term Loan	At COBAR	INR'	80.00	53.33	16 equal quarterly installments after an initial 12 months moratorium period and to be repaid within 60 months.	(i). For the entire corporate loan: (a). First pari-passu charge on the factory land and building situated at B-20, Chakan, Pune. (b). Second charge by way of hypothecation on plant and machinery and other movable fixed assets acquired/to be acquired and stored/lying/installed at B-20, Chakan, Pune; and
17	Corporation Bank, IFB Branch, Pune	Term Loan	At COBAR	INR'	50.00	50.00	8 equal half yearly installments after an initial 15 month's moratorium period and to be repaid within 63 months.	(i). For the entire term loan facility: a. Exclusive charge by way of hypothecation of plant and machinery and other movable properties acquired under the facility; and b. First pari-passu charge on the factory land and building situated at B-20, Chakan, Pune.
18	Corporation Bank, IFB Branch, Pune	Term Loan	At COBAR	INR'	77.00	4.90	18 quarterly installments commencing from June 30, 2006 and ending on September 30, 2010	(i). For the entire term loan facility:(a). Charge by way of mortgage on the land and building of Company situated at E-92 and K-120, MIDC Waluj, Aurangabad and at B-20, MIDC Chakan, Pune; and(b). First charge by way of equitable mortgage on the property situated at E-94, MIDC Waluj, Aurangabad; and(c). Pari-passu charge by way of

S. No	Bank name	Facility Type	Interest rate	Loan Currency	Sanctioned Amount in Million	Outstanding Loan as on 31.03.2010 in INR in million	Repayment terms as per Loan Agreement	Security as per loan agreement
								hypothecation on movable properties (excluding vehicles) situated at E-92, E-93, E-94 and K-120, MIDC Waluj, Aurangabad and at B-20, MIDC Chakan, Pune; and(d). Charge on three nos. of 350 KV wind electric generators and other grid interphasing equipments situated at Bhambhe village, Satara.
19	Corporation Bank, IFB Branch, Pune	Term Loan	At COBAR	INR'	29.70	2.20	27 equal quarterly installments commencing from April 30, 2004 ending on October 31, 2010	Equitable Mortgage of Windmill located at Bhambre Taluka, Satara District and hypothecation of moveable assets.
20	Corporation Bank, IFB Branch, Pune	Term Loan	At COBAR	INR'	123.70	59.74	18 quarterly installments commencing from December 2008 (Restructured)	(i). For the entire term loan facility under loan refinance scheme: a. Exclusive charge by way of hypothecation on the movable properties financed under this facility; and b. First pari-passu charge on the factory land and building situated at Gat No. 416, Takve, Pune & B/2 Plant at Waluj, Aurangabad
21	Corporation Bank, IFB Branch, Pune	Term Loan	At COBAR	INR'	160.00	46.95	18 quarterly installments commencing from December 2008 (Restructured)	(i). For the entire term loan facility under loan refinance scheme: a. First pari-passu charge on the land and buildings situated at B-1/3, MIDC Chakan, Pune; and b. First charge on the plant and machinery and other movable properties financed under this facility.
22	Corporation Bank, IFB Branch, Pune	Term Loan	At COBAR	INR'	99.00	90.80	9 half yearly installments commencing from September 2009 (Restructured)	(i). For the entire term loan facility: a. First charge on the plant and machinery and other movable properties acquired under the facility; and b. First pari-passu charge on the factory land and building by way of equitable mortgage of plant at L-6/3, B-2, MIDC Waluj, Aurangabad and at Gat No. 416, Takve,

S. No	Bank name	Facility Type	Interest rate	Loan Currency	Sanctioned Amount in Million	Outstanding Loan as on 31.03.2010 in INR in million	Repayment terms as per Loan Agreement	Security as per loan agreement
								Pune.
23	Corporation Bank, IFB Branch, Pune	Term Loan	At COBAR	INR	107.00	15.14	10 quarterly installments commencing from March 2009 (Restructured)	(i). For the entire term loan facility under loan refinance scheme: (a). First charge on the plant and machinery and other movable properties financed under the facility; and (b). First pari-passu charge on the land and building situated at L-6/3, MIDC Waluj, Aurangabad.
24	Indian Overseas Bank, Camp Branch Pune	Term Loan	At BPLR - with minimum of 12.50%	INR	123.70	61.70	4 Half yearly installments commencing from December 2010 (Restructured)	(i). First pari-passu charge on the immovable properties of our Company situated at L-6/3, Waluj, Aurangabad; and (ii). Exclusive charge on the plant and machinery financed out of the said credit facilities.
25	Indian Overseas Bank, Camp Branch Pune	Term Loan	At BPLR - with minimum of 12.50%	INR	Rs. 340 mn (revised to Rs. 185 Mn)	155.18	8 half yearly installments commencing from March 31, 2010 (Restructured)	(i). For the entire term loan facility: (a). Exclusive charge on the machinery financed out of term loans and (b). Exclusive charge on the assets acquired for the Singur project.
26	Indian Overseas Bank, Camp Branch Pune	Term Loan	At BPLR - with minimum of 12.50%	INR	210 (60+15)	84.30	3 equal half yearly installments from March 2011 (Restructured)	(i). For the term loan facility of Rs. 150 million: a. First charge on the plant and machinery situated at L-6/3, MIDC Waluj, Aurangabad; and b. First pari-passu charge on the land and building situated at L-6/3, MIDC Waluj, Aurangabad; and (ii). For the term loan facility of Rs. 60 million: a. First charge on the plant and machinery situated at B-1/3, MIDC, Chakan, Pune; and b. First pari-passu charge on the land and building situated at B-1/3, MIDC, Chakan, Pune.
27	Indian Overseas Bank, Camp Branch Pune	WCTL under Consortium - (Carved out from Working Capital Facility)	At BPLR - with minimum of 12.50%	INR	132.50	130.85	17 quarterly installment starting from March 2010 (Restructured).	For the Working Capital Term Loans: i) Second parri passu charge without any preference or priority of one over
28	Bank of	WCTL under	Higher of BPLR or	INR	132.50	132.50	16 quarterly	

S. No	Bank name	Facility Type	Interest rate	Loan Currency	Sanctioned Amount in Million	Outstanding Loan as on 31.03.2010 in INR in million	Repayment terms as per Loan Agreement	Security as per loan agreement
	Maharashtra, Kranti Chowk, Aurangabad	Consortium - (Carved out from Working Capital Facility)	rates charged by other banks;				installments starting from April 2010. (Restructured)	the other or others on movable plant, machinery, equipment, movable assets and all immovable properties of the Company, present and future, situated at various plants of the Company. ii) Second parri passu charge on all current assets namely stocks of raw material imported by availing the facilities, receivables and book debts, and all other movable properties situated at various plants of the Company. iii) For working capital of Rs. 800 million and working capital fund based facilities of Rs. 143 million, Personal guarantee is given by Mr. Anurang Jain (Managing Director).
29	Bank of India	WCTL under Consortium - (Carved out from Working Capital Facility)	@ BPLR	INR	402.50	402.50	20 quarterly installments commencing from June 2010 (Restructured)	
30	Corporation Bank, IFB Branch, Pune	WCTL under Consortium - (Carved out from Working Capital Facility)	At COBAR	INR	132.50	132.50	Moratorium period of 15 months and then 16 quarterly installment starting from June 2010. (Restructured)	
31	Banca Popolare di Novara,Italy	Long Term Loan	Euribor 3months + 0.7%	Euro	8.60	387.16	quarterly	Secured by guarantee issued by ICICI bank Ltd., Landmark Corse circle, Vadodara India against the lien on 30% of the shares owned by Endurance Technologies Private Limited in Endurance Overseas Ltd.
32	IREDA Delhi	Term Loan	13.50%	INR	33.40	9.29	In thirty Six Quarterly Installments starting from 2nd year.	1. Exclusive charge by way of Hypothecation and Mortgage of the Windmill of 1.00 MW Wind Farm of Pimpalgaon- Dist Ahmednagar , Taluka Parner and of Vankusawade, Dist Satara. 2. Personal Guarantee given by Mr. Naresh Chandra (Chairman) and Mr. Anurang Jain (Managing Director) of the Company.
33	IREDA Delhi	Term Loan	13.50%	INR	33.85	4.73	In thirty Six Quarterly Installments starting from 2nd year.	
34	Bank of India Wembley,London	Long term loan	6 month Euro Libor + 250 bps	Euro	15 (revised to 7.9)	478.66	In 9 Half yearly installment commencing from June 10	1. Pledge of Shares representing 100% equity of Endurance Technologies Private Limited in Amann Holding GmbH. 2. First legal charge on Current Assets and Fixed Assets excluding landed

S. No	Bank name	Facility Type	Interest rate	Loan Currency	Sanctioned Amount in Million	Outstanding Loan as on 31.03.2010 in INR in million	Repayment terms as per Loan Agreement	Security as per loan agreement
								property in the name of the Company. 3. Letter of negative lien. 4. First legal charge on the block assets, company proposed to be acquired. 5. Corporate Guarantee from Endurance Technologies Private Limited.
35	Bank of India ,Tokyio, JAPAN Branch	Term Loan-Foreign Currency (ECB Loans)	6 months TIBOR + 160 bps	JPY	175.00	42.46	8 Half Yearly equal installments commencing 18 months from first disbursement	Exclusive first charge on company's plant situated at Pantnagar, Uttarakhand
36	Indian Overseas Bank	Working Capital Facility	BPLR-1.25% with a minimum of 11.25%	INR	107.50	14.40	Working Capital Loan-One Yr - Renewed every yr	1. Hypothecation of stocks and book debts on parri passu. 2. Collateral security on block of assets of K-226 MIDC Waluj Aurangabad.
37	Andhra Bank,Pimpri Pune	Term loan	BMPLR + 3.25%+ 0.25% (T.P)	INR	180.00	78.49	In 16 Quarterly Installment starting from 15 months after first disbursement.	1. Hypothecation of assets created out of loan. 2. Collateral Security - extension of second charge on the current assets of the Company. 3. Corporate Guarantee given by Parent Company in equal proportion with other joint venture partner.
	Total. A					**6,328.41**		

B. Cash Credits, Working Capital Demand Loans and Buyers Credit (Working Capital Facility)

S. No	Loan sanctioning Bank /Particulars	Facility Type , Bank Name - Working Capital Consortium Agreement	Outstanding Loan as on 31.03.2010	Repayment terms as per Loan Agreement	Security as per loan agreements
1	LC Against Bills Accepted	Working capital consortium agreement dated June 10, 2009 and first supplemental working capital consortium agreement dated 31st August, 2009 (working capital facility and working capital term loan ("WCTL")) with Bank of India (Lead Bank), Indian Overseas Bank, Corporation Bank, Bank of Maharashtra, Citibank N.A., ICICI Bank Limited and Standard Chartered Bank	11.56	Cash credit and bank guarantee – on demand Letter of credit – on maturity	For the working capital facilities (other than the demand and term loans): i) First charge ranking pari passu without any preference or priority of one over the other or others by way of hypothecation and/or pledge of Company's current assets, namely stocks of raw materials, Semi Finished Goods, Finished Goods and Stores & Spares not related to Plant & Machinery (Consumable Stores & Spares) goods
2	Buyers Credit Availed under the LC		392.21		
3	Indian Overseas Bank - Bills/Hundies Accepted		255.41		
4	Cash credit A/c		-		

S. No	Bank name	Facility Type	Interest rate	Loan Currency	Sanctioned Amount in Million	Outstanding Loan as on 31.03.2010 in INR in million	Repayment terms as per Loan Agreement	Security as per loan agreement
								meant for exports/local sales and goods imported by availing the facilities, receivables and book debts, and all other movables of Company both present & future. ii) Second pari passu charge on all movable and immovable assets along with fixed plant & machinery (both present & future) situated at various plants of the Company. iii) Out of total facility of Rs. 1,583 million, for Rs. 143 million, personal guarantee of Mr. Anurang Jain (Managing Director) is given to bankers under consortium.
5	Andhra Bank,Pimpri Pune	Working Capital Facility	BMPLR + 3.25%	INR	40.00	14.10	Working Capital Loan - Renewable every year	1. Hypothecation of Raw Material, SIP, Stores & Spares, Finished Goods and Book debts. 2. Collateral Security - extension of second charge on the fixed assets of the Company 3. Corporate Guarantee given by Parent Company in equal proportion with other joint venture partner.
6	Bank of India Wembley,London	Working Capital	6 month Euro Libor + 325 bps	Euro	3.00	181.77	Working Capital Demand Loan - renewal at the discretion of the bank.	
		Overdraft facility	6 month Euro Libor + 175 bps	Euro	0.645	36.36	On Demand Facility	Legal charge on Cash Deposit of Endurance Technologies Limited.
7	Term Loan : against Keyman Insurance Policy	Advance (loan) against policy	10% compounded half yearly	INR	18.40	18.40	On maturity or may be prepaid earlier.	Insurance Policy No. 0006359605 and 0006359112 taken from Bajaj Allianz Company Ltd.
8	Interest free Loan from Customer	-	-	INR	7.95	7.95	-	Secured by Bank Guarantee
9	Interest accrued					19.22		
	Total B					**936.98**		
	G. Total					**7,265.39**		

ANNEXURE 34 - CONSOLIDATED STATEMENT OF UNSECURED LOANS

(Rs. In Million)

Particulars	As at 31st March				
	2006	2007	2008	2009	2010
From Banks					
Short Term Loans			1,957.30	1,803.22	-
Bill Discounting Facilities	464.45	2,073.87	1,442.69	299.23	1,902.95
Loan from Public Limited Company	50.00	-	-	200.00	387.64
Loan from Directors / Shareholders	16.80	16.80	16.80	16.80	-
Overdraft in Current Account	-	43.42	-	16.02	-
Interest free Sales Tax Deferral Loan	608.57	825.50	840.71	833.97	821.67
Liability under Finance lease	-	177.93	158.59	144.32	116.81
Total	**1,139.82**	**3,137.52**	**4,416.09**	**3,313.56**	**3,229.07**

Principal Terms of Unsecured Loans

S. No	Details of Facility	Facility Type	Interest rate	Outstanding Loan as on 31.03.2010	Repayment terms
1	IDBI Bank Limited	Invoice Discounting Facility	To be mutually decided at the time of discounting of invoices	878.21	Not to exceed 60 days/ 1 year
2	IDBI Bank Limited	(Invoice Discounting Facility)	to be mutually decided	56.60	not to exceed 60 days/ 1 year
3	Bajaj Auto Finance Limited	Term Loan	11.00%	225.00	Repayable in 30 months in monthly Installment, starting from May 2010.
4	Bajaj Auto Finance Limited	Term Loan	13.50%	162.64	Repayable in 15 months in monthly Installment
5	Interest free Sales Tax Deferral Loan	Incentive under Sales Tax Deferral Scheme	Interest free	821.67	Repayable in annual Installment in five yrs after the expiry of 10 years from the Year of Availment - Package Incentive schemes Period
6	Intesa San Paolo	Short term loan	Euribor 3months + 0,5%	74.38	quarterly
7	Banca Popolare di Novara	Short term loan	Euribor 3months + 0,525%	76.65	quarterly
8	Intesa San Paolo	Short term loan	Euribor 3months + 0,5%	62.06	quarterly
9	Cariparma	Short term loan	Euribor 3months + 1,5%	83.00	monthly
10	Monte Dei Paschi Di Siena Spa	Short term loan	Euribor 6months + 1,35%	81.38	monthly

S. No	Details of Facility	Facility Type	Interest rate	Outstanding Loan as on 31.03.2010	Repayment terms
11	Banca Regionale Europea	Bill Discounting	Euribor 3months + 1,05%	237.98	At collection from customers
12	Banca Popolare di Novara	Bill Discounting	Euribor 3months + 0,5%	150.67	
13	Eurofactor Italia Spa	Bill Discounting	Euribor 3months + 0,75%	186.49	
14	Unicredit Leasing Spa	Leasing	Euribor 3months + 0,98%	15.01	monthly
15	Banca Agreleasing Spa	Leasing	Euribor 3months + 1,70%	0.55	quarterly
16	Alyssum Grund GmbH	Leasing	As per Lease Terms	116.79	quarterly
	Total			**3,229.07**	

ANNEXURE 35 - CONSOLIDATED STATEMENT OF SUMMARY OF INVESTMENTS

(Rs. In Million)

Particulars	As at 31st March				
	2006	2007	2008	2009	2010
I. Long Term Investments (at Cost)					
(i) Fully paid Equity Shares (Unquoted)					
Deogiri Nagari Sahakari Bank Limited	0.10	0.10	0.10	0.10	0.10
Saraswat Co-op Bank Limited	0.01	0.04	0.04	0.04	0.04
Volksbank Heilbronn	-	0.05	0.05	0.06	0.05
Banca di Bologna	-	1.05	1.20	1.30	-
CERMET	-	0.10	0.10	0.11	-
Consorzio Gas Intensive	-	0.06	0.06	0.07	-
Quadri Cofimp	-	0.01	0.01	0.01	-
Consorzio Union fidi	-	0.01	0.01	0.01	0.01
Consorzio Consaf	-	0.01	0.01	0.02	0.01
Paioli Meccanica SpA	-	354.54	356.65	-	-
(ii) Fully paid Equity shares (Quoted)					
Indian Overseas Bank	0.06	0.06	0.06	0.06	0.06
(iii) Other Investments (Unquoted)					
National Saving Certificates (Lodged with Govt. Authorities)	0.04	0.10	0.10	0.15	0.14
5.5% SIDBI Capital Gain Bonds & Other	-	17.04	17.04	-	-
Total - Investment in Others	**0.21**	**373.17**	**375.43**	**1.92**	**0.40**
Total - Long Term Investments	**0.21**	**373.17**	**375.43**	**1.92**	**0.40**
II. Current Investments - others					
(at Cost or Fair value whichever is lower)					
Investments in Mutual Fund (Unquoted)					
DSP Merrill Lynch Liquid Fund Daily Dividend	-	374.16	30.87	-	-
DSP Merrill Lynch Liquid Plus - Weekly Dividend Option	-	-	57.74	-	-
Prudential ICICI Liquid Daily Dividend	-	0.10	0.11	-	-
HSBC Cash Fund- Inst. Plus Daily Dividend	-	5.81	6.18	-	-
Prudential ICICI FMP-Series 35	-	251.15	250.00	-	-
Prudential ICICI Short Term Dividend	-	59.43	-	-	-
Templeton India Short Term Inc-Inst Monthly Dividend	-	87.07	-	-	-
Total - Current Investments	**-**	**777.72**	**344.90**	-	-
Total - Investments (I + II)	**0.21**	**1150.89**	**720.33**	**1.92**	**0.40**

ANNEXURE 36 - CONSOLIDATED STATEMENT OF DEBTORS

(Rs. In Million)

Particulars	As at 31st March				
	2006	2007	2008	2009	2010
Debts outstanding for a period exceeding six months					
- considered good	10.79	257.16	22.39	123.66	180.65
- considered doubtful	-	0.99	7.42	4.93	13.87
Others					
- considered good	981.00	2,487.00	4,549.98	3,388.80	4,466.29
- considered doubtful	-	2.14	-	79.32	-
Less: Provision for doubtful debts	-	3.13	7.42	84.26	78.47
Total	**991.79**	**2744.16**	**4572.37**	**3512.45**	**4582.34**

Sundry Debtors other than Subsidiary companies include amount due from:-

a. Directors / Promoters	-	-	-	-	-

b. Sundry debtors, Loans & Advance includes, other than Subsidiary companies, Parties related to Directors / Promoters / Company

Particulars	As at 31st March,				
	2006	2007	2008	2009	2010
Endurance Systems (I) Private Limited	33.34	-	-	-	-
Paioli Meccanica SPA	-	-	-	88.33	-
Endurance Magnetti Marelli Shock Absorbers (I) Private Limited	-	-	-	47.44	11.38
Total	**33.34**	**-**	**-**	**135.77**	**11.38**

ANNEXURE 37 - CONSOLIDATED STATEMENT OF LOANS AND ADVANCES

(Rs. In Million)

Particulars	As at 31st March,				
	2006	**2007**	**2008**	**2009**	**2010**
Advances recoverable in cash or in kind or for value to be received					
- considered good	139.69	402.26	515.42	500.36	608.66
- considered doubtful	-	-	-	-	0.09
Total	139.69	402.26	515.42	500.36	608.75
Less: Provision for doubtful loans and receivable	-	-	-	-	0.09
	139.69	**402.26**	**515.42**	**500.36**	**608.66**
Other loans and advances					
Sundry / Other Deposit	19.64	68.08	54.61	78.42	71.81
Balance with Central Excise, Customs, Port Trusts	95.26	184.52	133.42	119.42	95.7
Minimum Alternate Tax Credit Entitlement	-	-	-	-	28.95
Tax Deducted at Source & Advanced Tax	288.15	168.37	251.98	132.20	29.25
	403.05	**420.97**	**440.01**	**330.04**	**225.71**
Total	**542.74**	**823.23**	**955.43**	**830.40**	**834.37**

Loan & Advances other than Subsidiary companies include amount due from:-

a. Directors / Promoters	-	-	-	-	-
b. Parties related to Directors / Promoters / Company	**Refer Annexure 36**				

ANNEXURE 38 - CONSOLIDATED STATEMENT OF CURRENT LIABILITIES AND PROVISIONS

(Rs. In Million)

Particulars		As at 31st March,				
		2006	2007	2008	2009	2010
A. CURRENT LIABILITIES						
	Acceptances	-	-	181.40	540.08	505.24
	Sundry Creditors					
	Others	1102.73	2143.1	3512.85	3478.51	4718.48
	Other Current Liabilities:					
	Other Liabilities	52.38	234.67	143.08	156.24	221.16
	Advances from Customers	109.25	302.39	184.02	99.95	148.06
	Interest accrued but not due	-	16.14	34.60	71.12	39.58
	Total - A	**1264.36**	**2696.30**	**4055.95**	**4345.90**	**5632.52**
B. PROVISIONS						
	Provision for Taxation	287.14	115.61	232.96	57.71	71.35
	Provision for Employees Benefits	2.25	108.75	205.45	223.48	94.01
	Provision for Warranty Claims	6.11	18.92	13.14	13.52	13.28
	Provision for Foreign Exchange Contract	-	-	260.19	163.04	125.69
	Provision for Future Risks	-	-	-	33.52	-
	Proposed Dividend	3.00	-	-	-	14.59
	Tax on Proposed Dividend	0.42	-	-	-	-
	Total - B	**298.92**	**243.28**	**711.74**	**491.27**	**318.92**
	Total (A+B)	**1563.28**	**2939.58**	**4767.69**	**4837.17**	**5951.44**

ANNEXURE 39 - CONSOLIDATED STATEMENT OF OTHER INCOME

	Particulars	For the year ended 31st March				
		2006	2007	2008	2009	2010
A.	Other Income, As Restated - (Rs. in Million)	158.77	608.17	977.69	506.16	596.42
B.	Profit / (Loss) Before tax (including extra ordinary expenses), As Restated - (Rs. in Million)	591.08	704.45	-361.32	-1135.14	409.88
	Percentage (%) A/B	26.86%	86.33%	-270.59%	-44.59%	145.51%

SOURCES OF OTHER INCOME

(Rs. In Million)

Particulars	Nature of Income	For the year ended 31st March				
		2006	2007	2008	2009	2010
Scrap Sales	Recurring	74.02	209.75	506.85	339.40	330.93
Foreign Exchange Fluctuation Gain	Recurring	-	115.02	-	-	118.06
Interest Received on Fixed Deposits	Recurring	19.83	67.17	69.19	38.78	14.05
Interest Received on Others	Recurring	1.07	0.33	4.94	0.26	-
Dividend Received from Current Investment	Recurring	-	38.43	43.12	4.29	0.05
Profit on sale of fixed assets	Non Recurring	0.97	95.75	49.42	19.74	20.49
Profit On Sales of Current Investment	Non Recurring	-	-	1.19	-	-
Withdrawal of Key man Insurance Premium	Non Recurring	-	-	47.03	-	-
Export Incentives	Recurring	2.08	7.06	17.59	17.70	9.19
Duty Drawback	Recurring	-	-	-	5.06	0.89
Discount Received	Recurring	10.97	9.99	6.26	26.02	37.82
Excess Provision Written Back	Non Recurring	1.30	-	-	-	-
Surplus on Premature Repayment of Sales Tax Liability	Non Recurring	46.49	41.71	21.28	-	-
Miscellaneous Receipts	Recurring	3.14	28.88	216.77	81.41	102.23
Total		**159.87**	**614.09**	**983.64**	**532.66**	**633.71**
Restated Adjustments		(1.10)	(5.92)	(5.95)	(26.50)	(37.29)
Other Income, As Restated		**158.77**	**608.17**	**977.69**	**506.16**	**596.42**

Note: The classification of recurring / non-recurring income is based on the current operations and business activity of the Company as determined by the Management.

ANNEXURE 40 - CONSOLIDATED STATEMENT OF DIVIDEND PAID / PROPOSED ON EQUITY SHARES AND PREPERENCE SHARES

Particulars	For the year ended 31st March				
	2006	2007	2008	2009	2010
Class of Shares					
Equity Shares					
Numbers Rs. 10 each	1,210,775	1,699,676	16,996,760	16,996,760	16,996,760
Amount (Rs. In Million)	12.11	17.00	169.97	169.97	169.97
Compulsorily Convertible Preference Shares (CCPS)					
Number of Shares of Rs. 10/- each	-	-	-	-	40,000,000
Amount (Rs. In Million)	-	-	-	-	400.00
Redeemable Preference Shares (RPS)					
Number of Shares of Rs. 10/- each	-	-	-	-	1,680,000
Amount (Rs. In Million)	-	-	-	-	16.80
Final Dividend					
Rate of Dividend (%)	20%	-	-	-	8% for CCPS & RPS
Dividend per Share (Rs.)	2.00	-	-	-	-
Amount of Dividend (Rs in Million)	3.00	-	-	-	12.47
Corporate Dividend Tax (Rs in Million)	0.42	-	-	-	2.12
Interim Dividend					
Rate of Dividend (%)	-	30%	-	-	-
Dividend per Share (Rs.)	-	3.00	-	-	-
Amount of Dividend (Rs in Million)	-	5.10	-	-	-
Corporate Dividend Tax (Rs in Million)	-	0.72	-	-	-

Notes:

a. Final dividend of the year ending 31st March 2006 was paid subsequently in the year ended 31st March 2007.

b. The equity share outstanding as on 31st March 2006 excludes 288,027 number of shares (to erstwhile Anurang Engineering Company India Private Limited pursuant to its Amalgamation with the company effective from 1st January, 2006) issued subsequently in the year ended 31st March 2007.

c. Dividend for preference shares are distributed proportionate for the period.

ANNEXURE 41 - CONSOLIDATED STATEMENT OF ACCOUNTING RATIOS

	Particulars	For the year ended 31st March				
		2006	2007	2008	2009	2010
A.	Net profit-as restated - after tax - Rs in Million	336.00	373.93	(820.39)	(794.19)	39.09
B.	Net profit as restated attributable to equity shareholders - Rs in Million	336.00	373.93	(820.39)	(794.19)	24.50
C.	Net Worth including Preference Shares - Rs in Million	1,102.42	3,201.75	2,445.12	635.18	2,942.77
D.	Net Worth excluding Preference Shares - Rs in Million	1,102.42	3,201.75	2,445.12	635.18	2,525.97
E.	Weighted average number of equity shares outstanding during the year/period - (In Numbers)	1,320,031	1,623,980	16,996,760	16,996,760	16,996,760
F.	Total number of shares outstanding at the end of the year/period - (In Numbers)	1,210,775	1,699,676	16,996,760	16,996,760	16,996,760
G.	Basic earnings per share (In Rs.) **(B/E)**	254.54	230.26	(48.27)	(46.73)	1.44
H.	Return on net worth (In %) **(A/C)**	30.48%	11.68%	33.55%	30.14%	1.33%
I.	Net asset value per equity share (In Rs.) **(D/F)**	910.51	1,883.74	43.86	155.04	148.61

Note: Diluted Earning Per Share (EPS) is the same as the Basic EPS.

Notes:

1. The ratios have been computed as below:

   i) **Earnings per share (Rs)**

   $$\frac{\text{Net profit attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year/period}}$$

   ii) **Return on net worth (%)**

   $$\frac{\text{Net profit after tax}}{\text{Net worth excluding revaluation reserve at the end of the year/period}}$$

   iii) **Net asset value per equity share (Rs)**

   $$\frac{\text{Net worth excluding revaluation reserve and preference share capital at the end of the year/period}}{\text{Number of equity shares outstanding at the end of the year/period}}$$

2. Net profit, as restated as appearing in the Statement of profits and losses, as restated has been considered for the purpose of computing the above ratios. These ratios are computed on the basis of the standalone (unconsolidated) restated financial statements of the Company.

3. Earnings per share calculations are done in accordance with Accounting Standard 20 “Earnings Per Share” issued by the Institute of Chartered Accountants of India.

ANNEXURE 42 - CONSOLIDATED CAPITALISATION STATEMENT

Particulars	Pre-Issue As at 31st March 2010	Post Issue
Short term debt	2,726.68	(*)
Long term debt	7,767.78	(*)
Total debt	**10,494.46**	(*)
Shareholders' funds		
- Share capital	586.77	(*)
- Reserves (excluding revaluation reserve)	2,356.00	(*)
Total shareholders' funds	**2,942.77**	(*)
Long term debt / Equity Ratio	**2.64 : 1**	(*)

Note:
* Post Issue Capitalization will be determined after finalization of issue price

ANNEXURE 43 - CONSOLIDATED STATEMENT OF CONTINGENT LIABILITIES

(Rs. In Million)

Particulars	As at 31st March				
	2006	2007	2008	2009	2010
Outstanding Letters of Credit	63.63	144.91	551.89	607.04	582.52
Guarantees Given By Company's Bankers	33.3	299.48	258.97	587.81	104.73
Bank Guarantees favouring Commissioner of Custom	-	5.36	-	-	-
SBLC Given to ICICI Bank for EOSRL	-	-	544.98	582.99	402.31
Corporate Guarantee given to Bank of India, London for the loan taken by Amann Druckguss GMBH.	-	874.8	994.91	671.12	601.03
Corporate Guarantee			63.98		
Corporate Guarantee given to Andhra Bank for loan taken by EMM	-	-	-	-	-
SBLC given to Bank of India, London for the working capital loan taken by Amann Druckguss GMBH.	-	-	-	67.79	-
Disputed Excise Demand	5.01	5.83	3.84	5.31	57.28
Claims by suppliers under dispute	0.45	0.45	0.45	2.97	0.45
Service Tax Matters	-	0.84	2.14	4.76	3.13
Sales Tax Matters	-	-	0.29	0.32	0.04
Excise Matters			0.36		0.15
Claims towards workman compensation	0.44	0.44	0.44	31.01	-
Foreign Bill discounting	120.5	47.65	-	-	-
Disputed Grampanchayat Tax	0.13	0.13	-	-	-
Bank Guarantee Outstanding (Maharashtra State Electricity Distribution Company Ltd., Aurangabad-Rs.13,99,625/-)	-	-	-	1.40	-
Corporate Guarantee given to Andhra Bank for loan taken by EMM	-	-	-	-	110
Total	**223.46**	**1379.89**	**2,422.25**	**2,562.52**	**1,861.64**
			-		-
Disputed Income tax *	Refer Note	Refer Note	Refer Note	-	-

Note:

* During the Assessment proceedings for Assessment Year 2002-2003 of erstwhile Anurang Engineering Company Private Ltd, was amalgamated with the Company, the Tax Authorities have made disallowances amounting to Rs 32.50 million. The Company's appeal before Income Tax Appellate Tribunal (ITAT) is decided in favour of company. The Company was advised that the litigation for assessment year 2002-03 may or may not end at the ITAT stage and that possibility of future appeals from either party may not be ruled out.

In view of the above advice the Company reworked its tax liability for assessment year 2006-07 considering this disallowance and made a payment of Rs. 10.4 Million on 29.12.2006. Since the issue is decided by ITAT in favour of the Company, the said payment of Rs. 10.4 Million will call for a refund which may be granted then, along with applicable interest.

ANNEXURE 44 - CONSOLIDATED STATEMENT OF SEGMENT INFORMATION

(i) Primary Segment

The Company is engaged mainly in the business of automobile components. This in the context of Accounting Standard 17 on Segment Reporting is considered to constitute one single reportable primary segment.

(ii) Secondary Segment (Geographical Segment)

(Rs. In Million)

Particulars	**As at 31st March**				
	2006	**2007**	**2008**	**2009**	**2010**
Segmental Revenue					
In India	5,082.81	11,621.92	15,368.99	15,194.97	17,338.89
European market	41.34	1,649.01	7,585.80	8,185.72	6,674.97
Others	99.82	322.02	85.60	34.39	64.77
Total	**5,223.97**	**13,592.95**	**23,040.39**	**23,415.08**	**24,078.63**
Capital Expenditure					
In India	1,203.54	2,433.75	1,994.34	972.22	816.78
European market	-	322.11	596.62	507.11	209.42
Others	-	-	29.84	15.35	-
Total	**1,195.53**	**2,755.86**	**2,620.80**	**1,494.68**	**1,026.20**
Segmental Assets					
In India	5,399.00	10,683.53	11,477.06	12,716.06	13,975.19
European market	10.61	3,318.71	7,915.38	6,802.00	5,356.14
Others	-	-	39.17	73.82	-
Total	**5,409.61**	**14,002.24**	**19,431.61**	**19,591.88**	**19,331.33**

ANNEXURE 45 - CONSOLIDATED STATEMENT OF RELATED PARTY TRANSACTIONS

A. Particulars of related parties and nature of relationship

Name of the Related Parties	Nature of Relationship
Endurance Magneti Marelli Shock Absorbers India Pvt Limited	Joint Venture (From July 2008)
Paioli Meccanica S.P.A	Associate Company (From Sep 2006 upto Nov 2009 - Disinvested)
Mr. Anurang Jain - Managing Director	Key Management Personnel (KMP)
Mr. Naresh Chandra	Relatives of KMP - (Relationship - Father)
Mrs. Suman Jain	Relatives of KMP - (Relationship - Mother)
Mrs.Varsha Jain	Relatives of KMP - (Relationship - Wife)
Naresh Chandra HUF	HUF (in the Years 2005-06 to 2009-10)
Anurang Jain HUF	HUF (in the Years 2005-06 to 2006-07)
Endurance Systems India Private Limited	Enterprises Owned or Controlled by KMP and/or their Relatives (in the Year 2008-09 - Merged with ETL)
Varroc Engineering Private Limited	Enterprises Owned or Controlled by KMP and/or their Relatives (in the Years 2005-06 to 2009-10)
Varroc Lightings Private Limited	Enterprises Owned or Controlled by KMP and/or their Relatives (in the Years 2005-06 to 2006-07)
Varroc Trading Private Limited	Enterprises Owned or Controlled by KMP and/or their Relatives (in the Years 2005-06 to 2009-10)
Varroc Exhaust Systems Private Limited	Enterprises Owned or Controlled by KMP and/or their Relatives (in the Years 2005-06 to 2009-10)
Varroc Elastomers Private Limited	Enterprises Owned or Controlled by KMP and/or their Relatives (in the Years 2005-06 to 2009-10)
Varroc Polymers Private Limited	Enterprises Owned or Controlled by KMP and/or their Relatives (in the Years 2007-08 to 2009-10)
Durovalves India Private Limited	Enterprises Owned or Controlled by KMP and/or their Relatives (in the Years 2005-06 to 2009-10)
Mouldcraft (Hindustan) Private Limited	Enterprises Owned or Controlled by KMP and/or their Relatives (in the Years 2005-06 to 2006-07)

B. Translation carried out with the related party in ordinary course of business

(Rs. In Million)

Particulars	Nature of Relationships / Name of the Party	Transactions for the year ended 31st March				
		2006	2007	2008	2009	2010
Purchases						
Goods & Materials						
	Associates					
	Paioli Meccanica S.P.A	-	0.53	-	0.61	-
	Joint Ventures					
	Endurance Magneti Marelli Shock Absorbers India Pvt Limited	-	-	-	6.99	38.07
	Enterprises Owned or controlled by Key Management Personnel or	399.36	245.59	38.30	35.76	40.63

Particulars	Nature of Relationships / Name of the Party	Transactions for the year ended 31st March				
		2006	2007	2008	2009	2010
	their relatives					
	Total	**399.36**	**246.12**	**38.30**	**43.36**	**78.70**
Fixed Assets						
	Enterprises Owned or controlled by Key Management Personnel or their relatives	13.38	25.77	-	39.23	-
	Joint Ventures					
	Endurance Magneti Marelli Shock Absorbers India Pvt Limited					3.09
	Total	**13.38**	**25.77**	**-**	**39.23**	**3.09**
Job work	**Enterprises Owned or controlled by Key Management Personnel or their relatives**	**-**	**32.64**	**-**	**-**	**-**
Sales						
Goods & Materials						
	Associates					
	Paioli Meccanica S.P.A	-	221.91	432.08	354.16	-
	Joint Ventures					
	Endurance Magneti Marelli Shock Absorbers India Pvt Limited	-	-	-	9. 31	38.16
	Enterprises Owned or controlled by Key Management Personnel or their relatives	467.86	902.78	-	0.43	0.60
	Total	**467.86**	**1,124.69**	**432.08**	**363.90**	**38.76**
Fixed Assets						
	Joint Ventures					
	Endurance Magneti Marelli Shock Absorbers India Pvt Limited	-	-	-	33.61	2.86
	Key Management Personnel	-	-	-	-	12.50
	Enterprises Owned or controlled by Key Management Personnel or their relatives	8.39	0.09	-	-	-
	Total	**8.39**	**0.09**	**-**	**33.61**	**15.36**
Job work Received						
	Enterprises Owned or	3.52	0.25	-	-	-

Particulars	Nature of Relationships / Name of the Party	Transactions for the year ended 31st March				
		2006	2007	2008	2009	2010
	controlled by Key Management Personnel or their relatives					
	Total	**3.52**	**0.25**	**-**	**-**	**-**
Expenses						
Rent	**Joint Ventures**					
	Endurance Magneti Marelli Shock Absorbers India Pvt Limited	-	-	-	6.79	12.51
	Relatives of Key Management Personnel	0.21	0.60	-	-	-
	Enterprises Owned or controlled by Key Management Personnel or their relatives	0.02	-	-	-	-
	Total	**0.23**	**0.60**	**-**	**6.79**	**12.51**
Staff Deputation	**Enterprises Owned or controlled by Key Management Personnel or their relatives**	0.16	-	-	-	-
	Total	**0.16**	**-**	**-**	**-**	**-**
Remuneration	**Key Management Personnel**	2.81	6.63	11.00	16.99	17.04
	Total	**2.81**	**6.63**	**11.00**	**16.99**	**17.04**
Interest paid						
	Relatives of Key Management Personnel	0.29	1.18	1.52	1.51	1.36
	Key Management Personnel	0.04	-	-	-	-
	Total	**0.33**	**1.18**	**1.52**	**1.51**	**1.36**
Directors Fees	**Relatives of Key Management Personnel**	0.01	0.01	0.03	0.05	0.08
	Total	**0.01**	**0.01**	**0.03**	**0.05**	**0.08**
Professional Charges	**Relatives of Key Management Personnel**	0.13	0.81	1.10	1.18	1.11
	Total	**0.13**	**0.81**	**1.10**	**1.18**	**1.11**
Labour Charges paid						

Particulars	Nature of Relationships / Name of the Party	Transactions for the year ended 31st March				
		2006	2007	2008	2009	2010
	Enterprises Owned or controlled by Key Management Personnel or their relatives	45.76	-	-	-	-
	Total	**45.76**	**-**	**-**	**-**	**-**
Expeneses Reimbursed						
	Associates					
	Paioli Meccanica S.P.A	-	-	8.26	-	-
	Joint Ventures					
	Endurance Magneti Marelli Shock Absorbers India Pvt Limited	-	-	-	7.13	0.84
	Enterprises Owned or controlled by Key Management Personnel or their relatives	0.07	0.12	0.31	0.31	-
	Total	**0.07**	**0.12**	**8.57**	**7.44**	**0.84**
Excise Duty Reimbursed						
	Joint Ventures					
	Endurance Magneti Marelli Shock Absorbers India Pvt Limited	-	-	-	-	0.29
	Total	**-**	**-**	**-**	**-**	**0.29**
Charges for ERP	**Joint Ventures**					
	Endurance Magneti Marelli Shock Absorbers India Pvt Limited	**-**	**-**	**-**	**-**	**1.25**
	Total	**-**	**-**	**-**	**-**	**1.25**
Computer Rent	**Joint Ventures**					
	Endurance Magneti Marelli Shock Absorbers India Pvt Limited	-	-	-	-	0.13
	Total	**-**	**-**	**-**	**-**	**0.13**
Royalty	**Associates**					
	Paioli Meccanica S.P.A	-	49.47	51.73	69.41	-
	Total	**-**	**49.47**	**51.73**	**69.41**	**-**
Income						
Rent/ Interest Receipt						
	Joint Ventures					
	Endurance Magneti Marelli Shock Absorbers India Pvt Limited	-	-	-	8.78	11.16
	Enterprises Owned or	0.30	-	-	-	-

Particulars	Nature of Relationships / Name of the Party	Transactions for the year ended 31st March				
		2006	2007	2008	2009	2010
	controlled by Key Management Personnel or their relatives					
	Total	**0.30**	**-**	**-**	**8.78**	**11.16**
Expenses Recovered						
	Joint Ventures					
	Endurance Magneti Marelli Shock Absorbers India Pvt Limited	-	-	-	5.49	2.60
	Enterprises Owned or controlled by Key Management Personnel or their relatives	1.62	-	0.01	-	-
	Total	**1.62**	**-**	**0.01**	**5.49**	**2.60**
Excise Duty Recovered						
	Joint Ventures					
	Endurance Magneti Marelli Shock Absorbers India Pvt Limited	-	-	-	3.69	-
	Enterprises Owned or controlled by Key Management Personnel or their relatives	0.00	-	-	-	-
	Total	0.00	-	-	3.69	-
	Total	**-**	**-**	**-**	**-**	**-**
Other Income						
	Joint Ventures					
	Endurance Magneti Marelli Shock Absorbers India Pvt Limited	-	-	-	-	1.25
	Total	**-**	**-**	**-**	**-**	**1.25**
Finance						
Share Investments						
	Joint Ventures					
	Endurance Magneti Marelli Shock Absorbers India Pvt Limited	-	-	-	60.00	25.00
	Associates					
	Paioli Meccanica S.P.A	-	360.71	16.02	-	-
	Relatives of Key	-	-	-	-	16.80

Particulars	Nature of Relationships / Name of the Party	Transactions for the year ended 31st March				
		2006	2007	2008	2009	2010
	Management Personnel					
	Total	**-**	**360.71**	**16.02**	**60.00**	**41.80**
Buy back of Shares						
	Enterprises Owned or controlled by Key Management Personnel or their relatives	17.84	-	-	-	-
	Total	**17.84**	**-**	**-**	**-**	**-**
Loan Repaid						
	Key Management Personnel	12.20	-	-	-	-
	Relatives of Key Management Personnel	-	-	-	-	16.80
	Enterprises Owned or controlled by Key Management Personnel or their relatives	30.00	-	-	-	-
	Total	**42.20**	**-**	**-**	**-**	**16.80**
Balance outstanding as on date Period ended Mar 31						
Receivable						
	Joint Ventures	-	-	-	45.20	32.56
	Associates	-	65.83	78.42	88.33	-
	Enterprises Owned or controlled by Key Management Personnel or their relatives	33.34	98.41	-	-	-
	Endurance Magneti Marelli Shock Absorbers India Pvt Limited	-	-	-	-	9.77
	Total	**33.34**	**164.24**	**78.42**	**133.53**	**32.56**
Payable by Endurance Technologies Limited						
	Associates	-	10.82	-	10.09	-
	Enterprises Owned or controlled by Key Management Personnel or their relatives	58.20	8.32	4.85	10.99	5.57
	Endurance Magneti Marelli Shock Absorbers India Pvt Limited	-	-	-	-	9.77
	Total	**58.20**	**19.14**	**4.85**	**21.08**	**15.34**

Particulars	Nature of Relationships / Name of the Party	Transactions for the year ended 31st March				
		2006	**2007**	**2008**	**2009**	**2010**
Loan Taken by Endurance Technologies Limited	**Relatives of Key Management Personnel**	16.80	16.80	16.80	16.80	-
	Total	**16.80**	**16.80**	**16.80**	**16.80**	**-**
Share Investment by Endurance Technologies Limited - As on year end						
	Joint Ventures	-	-	-	60.00	85.00
	Associates	-	360.71	376.73	-	-
	Total	**-**	**360.71**	**376.73**	**60.00**	**85.00**

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with our restated unconsolidated and consolidated financial statements, including the notes thereto, and other financial data beginning on page 144 of this Draft Red Herring Prospectus. You should also read the sections titled "Risk Factors" and "Forward-Looking Statements" beginning on pages xii and xi, respectively, of this Draft Red Herring Prospectus which discuss a number of factors and contingencies that could impact our financial condition and results of operations.

The following discussion is based on our restated consolidated financial statements as of and for the fiscal years March 31, 2010, 2009, 2008 and 2007. Our audited unconsolidated and consolidated financial statements are prepared in accordance with Indian GAAP, the accounting standards prescribed by the ICAI and the relevant provisions of the Companies Act and restated in accordance with the relevant provisions of the SEBI Regulations and the Companies Act. Our fiscal year ends on March 31 of each year. Unless otherwise stated, "fiscal year" or "fiscal" refers to the twelve month period ending March 31 of that year.

Overview

We are a leading automotive component manufacturing company in India. We manufacture and supply a diverse range of components for two-wheelers, three-wheelers, passenger vehicles, light commercial vehicles ("LCVs") and heavy commercial vehicles ("HCVs").

Our products include :

- aluminium die-casting products, such as high-pressure, low-pressure and gravity die-castings and two-wheeler aluminium alloy wheels;
- suspension products, such as shock absorbers for two-wheelers and three-wheelers, front forks for motorcycles and hydraulic and gas-charged dampers, struts and gas springs for passenger vehicles, LCVs and HCVs;
- transmission products, such as clutches, friction plates and continuous variable transmissions; and
- brake products, such as hydraulic disc brakes for two-wheelers, rotary brake discs for two-wheelers and hydraulic drum brakes and tandem master cylinders for three-wheelers.

We have 16 manufacturing plants in India, all of which are located in the major automotive manufacturing belts of the country, comprising seven in Aurangabad, Maharashtra, five in Pune, Maharashtra, two in Pantnagar, Uttarakhand, and one each in Manesar, Haryana and Chennai, Tamil Nadu. We also have two manufacturing plants in Massenbachhausen, Germany, which are owned by our subsidiary Amann Druckguss, and one in Torino, Italy, which is owned by our indirect subsidiary Endurance Fondalmec.

We are promoted by Mr. Anurang Jain, who commenced aluminium die-casting operations in 1985 through Anurang Engineering Company Private Limited, which subsequently merged with and into our Company. Since then, several brake, suspension and transmission businesses promoted by Mr. Anurang Jain in India were consolidated with our Company. Our Company also owns an 85.0% equity interest in HTTS, our subsidiary, and the balance equity interest is held by Adler. HTTS India manufactures and sells clutches, friction plates and CVTs for two-wheelers and three-wheelers. We also have a joint venture in India with Magneti Marelli, EMM JV, a company in which we own a 50.0% equity interest. EMM JV manufactures struts, shock absorbers and gas springs for passenger vehicles and LCVs.

We acquired Amann Druckguss, our German subsidiary in 2006 and acquired 51.0% of the shareholding in Endurance Fondalmec, through Endurance Overseas Srl, our Italian subsidiary, in 2007. Endurance Overseas Srl subsequently increased its shareholding in Endurance Fondalmec to 100.0% in 2009. Endurance Fondalmec and Amann Druckguss are engaged in the business of manufacturing and supplying aluminium die-casting automotive components.

Significant Factors Affecting Our Results of Operations

Purchasing Patterns of our Principal Customers

The purchasing patterns of our principal customers have a significant impact on our results of operations. Our sales are particularly affected by the inventory and production levels of our principal customers. We cannot predict when our customers will decide to either build or reduce inventory levels or whether new inventory levels will approximate historical inventory levels. This may result in variability in our sales. Uncertainty regarding inventory levels may be exacerbated by favourable consumer financing programs initiated by manufacturers which may accelerate sales that otherwise would occur in future periods. We have historically experienced sales declines due to manufacturers scheduled shutdowns or shutdowns resulting from unforeseen events. The effect of changes in purchasing patterns may be further heightened by the fact that, consistent with the practices of the automotive component industry, we do not typically enter into firm commitment long-term agreements with our customers and instead rely on purchase orders to govern the volume and other terms of sale of our products. Any changes in purchasing patterns may require immediate changes in our own production processes.

Sales to our top five and ten customers represented 72.4% and 80.5%, respectively, of our consolidated net sales for the fiscal year 2010, with our two largest customers, Bajaj Auto Limited and subsidiaries of Fiat Group Automobiles SpA representing 51.5% and 10.9%, respectively. We continue to seek to diversify our customer base, for example, Bajaj Auto Limited accounted for 95.1%, 75.6%, 56.9%, 51.2% and 51.5% of our net sales for the fiscal years 2006, 2007, 2008, 2009 and 2010, respectively.

We believe that our strong relationships with our principal customers enables us to predict their purchasing pattern. Certain of our customers have approached us to assist them in the development of new products which ensures predictability and stability in our future orders. In addition for certain of our principal customers, we believe that we are responsible for producing the entire requirement of a particular product, which reduces the uncertainty in the purchasing patterns.

Macroeconomic Conditions and Trends and Conditions in the Automotive Industry

As a company operating in India and Europe, and with sales of our products to a number of countries worldwide, we are affected by the general macroeconomic conditions in a number of countries and, in particular, trends and conditions in the automotive industry. We believe that economic growth will propel demand for automotive components in the future. For example, we expect that positive macroeconomic conditions in India will continue to contribute significantly to our growth. However, a reduction in consumer spending in the countries where we sell our products, or generally weak economic conditions in the countries where our operations are located, could adversely impact our business and results of operations. See "Industry Overview" on page 68 of this Draft Red Herring Prospectus, for a discussion on macroeconomic conditions in India and a more detailed description of the automotive and automotive components industries in the markets that we operate.

Automotive sales and production are cyclical in nature and subject to many factors beyond our control, including, but not limited to, consumer confidence, employment levels, fuel prices, interest rates, labour relations issues, technological developments, regulatory requirements, trade agreements and other factors. In light of the global economic downturn, European automotive industries suffered from declines in sales, overcapacity, high levels of competition, high fixed cost structures and significant employee pension and health care obligations in the recent years. However, passenger vehicle volumes in Europe have shown signs of revival, though only in the second half of 2009, as a result of various stimulus measures taken by the European governments. Additionally, as a result of factors such as declining interest rates and stimulus packages offered by the Government of India, production volumes in the Indian automotive market in the second half of 2009 have exceeded levels experienced before the global economic downturn. However, the current growth of the automotive industry may be affected if various governments withdraw their respective stimulus measures.

OEMs and suppliers are continuing to implement various cost-cutting strategies, which include the restructuring of operations, relocation of production to low-cost regions, vendor rationalisation and sourcing on a global basis. We believe that our operations in India, our strong relationships with many of our customers and our ability to produce diverse range of products across a number of geographies will allow us to take advantage of such cost-cutting strategies.

Currently, our business remains particularly dependent on the performance of the automotive sector in India, particularly the two-wheeler market. Sales of two-wheeler components accounted for 58.0%, 51.2% and 54.3% of our consolidated net sales for the fiscal years 2008, 2009, and 2010, respectively. While we have expanded our operations to three-wheelers, passenger vehicles, light commercial vehicles and heavy commercial vehicles and to customers outside India, our products portfolio has been and continues to be concentrated on providing components for two-wheeler manufacturers in India. As a result, our business and results of operations have been and will continue to be significantly dependent on the performance of, and the prevailing conditions affecting, the two-wheeler market in India.

Operating Costs, Efficiency and our Ability to Improve Operational Performance at our overseas Subsidiaries

Given the nature of our business, operating costs and efficiencies are critical to maintaining our competitiveness and profitability. Our profitability is dependent on our ability to spread fixed production costs over higher production volume. In addition, we face substantial pressure from our principal customers to reduce costs, including the cost of products purchased from outside suppliers. Such reductions are subject to risk and uncertainties as they are calculated based on negotiations and other external factors beyond our control. Accordingly, suppliers must be able to reduce their operating costs in order to maintain profitability.

In light of the recent global economic downturn which had a particularly severe impact on the European automobile market, our overseas Subsidiaries faced financial difficulties as result of prolonged periods of operating at relatively lower volumes with low capacity utilisation. In the last three fiscal years, we have sold our entire investment in other European companies, in certain cases at a substantial loss, as a result of financial difficulties faced by such companies. In addition, we have recapitalized our overseas Subsidiaries, which was necessitated as a result of losses incurred by the economic downturn. We have also invested fresh capital into Endurance Fondalmec SpA, by increasing our shareholding to 100.0% from 51.0%, through Endurance Overseas Srl. An improvement in the operational performance of our overseas Subsidiaries is particularly important, as they play an integral role in our growth strategy. We intend to continue to improve our operating performance, including that of our overseas Subsidiaries, through steps such as reduction of manpower and other fixed costs, limiting our capital expenditure and maintaining low inventories. We have also adopted TPM initiatives to improve the efficiency and reliability of our manufacturing processes in terms of productivity, quality, cost control, delivery, employee safety and morale. In addition, we have continued to make investments in our overseas subsidiaries over the last three fiscal years and we believe that our Subsidiaries are in better financial health to take advantage of the improvement in economic conditions.

Commodity prices, especially prices for aluminium, other ferrous and non-ferrous metals and fuel, also have an impact on our results of operations. Our materials costs accounted for and 58.6%, 56.5% and 55.1%, of our total income for the fiscal years 2008, 2009 and 2010 respectively. Commodity prices are influenced by, among other factors, changes in global economic conditions, industry cycles, demand-supply dynamics, attempts by individual producers to capture market share and speculation in the market. In addition to market fluctuations, our average selling prices can be affected by contractual arrangements and hedging strategies, if any.

Technological Advances and Competition

The development of products in the automotive components industry is closely linked to technological advances. Our success will substantially depend on our ability to anticipate technological development trends and our ability to identify, develop and commercialise newer and more advanced technologies and products that our customers may demand in the future, in a timely and cost-effective manner. We currently operate five research and development centres to identify and meet new technological trends. We also intend to incur significant R&D expenditure in the current fiscal year with the objective of maintaining and improving the reliability of our products. In addition, because these research and development centres are approved by the Government of India, we are eligible for tax rebates in relation to our research and development spending. The rebates obtained by us for the last three fiscal years are set out below:

Rs. in Million

	For the Fiscal Years		
	2010	**2009**	**2008**
Total	**111.54**	**112.20**	**36.86**

Our results of operations could also be affected by intense competition in the automotive component sector. We need to be competitive with respect to technology, design and quality and deal with our competitors who may have greater financial resources, technology, research and development capability, greater market penetration and operations in diversified geographies and product portfolios. In Europe, many automotive components suppliers are facing financial distress because of the effects of the global economic downturn and this may present us with an opportunity to continue to increase our market share. In India, we expect competition to intensify due to possible new entrants in the market and existing competitors further expanding their operations.

Our Current Funding and Availability of Cost Effective Funding

We have relied on capital contributions from our shareholders, third-party debt and cash generated from our operations to fund our working capital and capital expenditure requirements. As of March 31, 2010, on a consolidated basis, we had an aggregate outstanding indebtedness of Rs. 10,494.46 Million, under our financing agreements. For further details see "Financial Indebtedness" on page 327 of this Draft Red Herring Prospectus. Our interest expense was Rs. 759.18 Million, Rs. 909.91 Million and Rs. 790.04 million for the fiscal years 2008, 2009 and 2010, respectively. Although we intend to repay a portion of the outstanding indebtedness from the Net Proceeds of the Issue, our debt service costs are expected to remain significant. Our debt service costs, as well as our overall cost of funding, depend on many external factors, including developments in the regional credit markets and, in particular, interest rate movements and the existence of adequate liquidity in the debt markets. We believe that the future availability of cost effective funding will be crucial and the non-availability of such funding at favourable terms could affect our business, financial condition and results of operations.

Regulatory Regime

Existing regulations and policies in the jurisdictions in which we operate, including regulations pertaining to foreign trade, foreign investments, import and export license requirements, and tariffs and taxes, have a material impact on our results of operations.

The excise duty regime in India has a significant impact on our results of operations. During the fiscal years 2008, 2009 and 2010, excise duty paid by us aggregated to Rs. 2,514.10 million, Rs. 1,853.63 million and Rs. 1,298.81 million, representing 10.9%, 7.9% and 5.4% of our total income, respectively.

Our results of operations may also continue to be affected by trade policy in various markets we operate. For example, if countries to which we export our products were to change their tariff regime, we may have to change our cost-structure and pricing. In the case of our Indian operations, we take advantage of a number of incentive schemes offered by the Government of India and the state governments, including state industrial policies and incentive schemes, concessions on import duty and incentives relating to Duty Entitlement Pass Book licenses ("DEPB Licenses") and under the Export Promotion Capital Goods Scheme (the "EPCG Scheme") of the Government of India. Changes in these underlying policies may have an effect on our results of operations. We also enjoy a 10 year income tax holiday with respect to our Pantnagar manufacturing facility, where we are allowed to deduct 100% of the profit before tax attributable to this facility from our taxable income for the first five years of operation and 30% thereafter. We are currently in the fourth year of operation at this facility. In addition, under a sales tax incentives scheme offered by the State Government of Maharashtra, we are allowed us to repay our sales tax due over five annual instalments after ten years from the date of the availing such benefit. As of March 31, 2010, the total sales tax outstanding to the State Government of Maharashtra was Rs. 821.67 million, which would be payable in annual instalments until May 1, 2020.

Our operations are also subject to the numerous applicable financial and accounting laws and regulations of the various jurisdictions that we operate in. For example, during the fiscal year 2009, we were required to invest Rs. 420.77 million in our German subsidiary, Amann Druckguss, to maintain positive share capital to ensure compliance with German accounting laws. The costs of compliance with such laws and regulations will continue to have a significant effect on our results of operations.

Our operations are also subject to labour legislation. For example, India has stringent labour legislation that protects the interests of workers. As of July 31, 2010, 1,651 of our employees, constituting 38.5% of all our employees, are members of labour unions. In addition, many of our customers and supplies have unionised workforces. Our results of operation would continue to be affected by our and our customers' ability to maintain healthy relationships with our workers.

Exchange Rates

We report our results of operations in the Indian Rupee, which has experienced significant fluctuations in exchange rates in recent years. We have currency exposures related to the buying, selling and financing in currencies other than the local currencies in which we operate. Most of our export income in denominated in Euro. We also have borrowings denominated in Japanese Yen, US Dollars and Euro. In addition, our Italian and German Subsidiaries report their financial results in Euro which is translated to Indian Rupees for the purposes of consolidation. To the extent that we are unable to match income received in foreign currencies with costs incurred in the same currencies, directly or pursuant to foreign currency hedging contracts, exchange rate fluctuations in such currencies could have an adverse effect on our results of operations. We have entered into multiple forward contracts to hedge our foreign exchange risk exposure to a number of currencies including the Japanese Yen, US Dollar, Euro and British Pound. For further details, see "Notes to Financial Statements – Note 11 – Disclosures Regarding Derivative Instruments" on page 171 of this Draft Red Herring Prospectus.

Our Critical Accounting Policies

Our financial statements are prepared and presented in accordance with the accounting principles generally accepted in India ("Indian GAAP") and the requirements of the Companies Act. The most significant accounting conventions and principles used by us and the significant accounting policies followed by us in preparing our financial statements are set out below.

Principles of Consolidation

The consolidated financial statements relate to our Company, its Subsidiaries, Joint Venture and Associate, collectively the Group. The list of our subsidiary companies which have been considered for consolidation and our Company's direct or indirect shareholdings in such subsidiaries, as of the dates therein have been set forth below:

Name of the subsidiary	As of March 31, 2010	As of March 31, 2009	As of March 31, 2008	As of March 31, 2007	As of March 31, 2006
Direct Subsidiaries					
High Technology Transmission Systems (India) Private Limited	85%	65.38%	51%	51%	51%
Endurance Systems (I) Private Limited	-	-	100%	86.36%	-
Nuova Renopress SpA	-	-	-	51%	-
Endurance Overseas S.r.L	100%	100%	100%	-	-
Amann Druckguss GmbH**	100%	100%	100%	-	-
Endurance Holding GmbH (Formerly Mainsee 493 VV)	-	100%	100%	100%	-
Endurance Far East Limited, Thailand	-	100%	-	-	-
Indirect Subsidiaries					
Amann Druckguss GmbH	-	-	-	100%	-
Endurance Fondalmec (formally known as Fondalmec Officine Meccaniche SpA)	100%	51%	51%	-	-
Endurance Far East Limited, Thailand	-	-	100%	100%	-
Fondpress Srl	-	100%	100%	-	-
Nuova Renopress SpA	-	100%	100%	-	-
Associate					
Paioli Meccanica SpA	-	40%	40%	40%	-

Name of the subsidiary	As of March 31, 2010	As of March 31, 2009	As of March 31, 2008	As of March 31, 2007	As of March 31, 2006
Joint Venture					
Endurance Magneti Marelli*	50% + 1 equity share	50% + 1 equity share	-	-	-

* *50% with effect from August 31, 2010 as per agreement dated August 6, 2010.*

** *Including treasury shares representing 6.15% of the total shareholding, held by Amann Druckguss.*

Our consolidated financial statements have been prepared on the following basis:

- Our consolidated financial statements have been combined on a line by line basis by adding together the like items of assets, liabilities, income and expenses. Intra-group balances, intra-group transactions and unrealised profits or losses have been fully eliminated.

- Share in profit or loss of our associate company is included in our consolidated financial statements and is accounted for through the 'equity method', where the share of profit or loss in our associate company has been added or deducted, as the case may be, from the cost of our investment. The deduction for loss is restricted to the initial cost of the investment.

- An associate is an enterprise in which we have significant influence and is neither our subsidiary nor a joint venture.

- The financial statements of our joint venture have been combined by using proportional consolidation and, accordingly, each joint venture partner's share in the assets, liabilities, income and expenses of the joint venture is reported as separate line items in our consolidated financial statements.

- The excess of cost of investment in our Subsidiaries and our Company's share of equity of our Subsidiaries or joint venture at the date on which the investments were made, is recognised as goodwill. Goodwill is recorded as an asset in our consolidated financial statements. Alternatively, the excess of our shareholding in our Subsidiaries or Joint Venture, and the cost of investment in our Subsidiaries, as of the date of investment, is recognised in our financial statements as capital reserve.

- In the case of our overseas Subsidiaries, revenue items are consolidated at the average foreign exchange rate prevailing during the fiscal year. All assets and liabilities are converted at the foreign exchange rates prevailing at the end of the fiscal year. Any exchange difference arising on consolidation is recognized in the foreign currency translation reserve.

- Minority interest in the net assets of our Subsidiaries consists of the amount of equity attributable to minority at the date on which the investment in our Subsidiary was made and the minority share of movements in equity since the date that our relationship with such Subsidiary came in to existence.

Basis of Accounting

The consolidated financial statements have been prepared under the historical cost convention, on the accrual basis of accounting, in accordance with generally accepted accounting principles as prescribed by the Companies (Accounting Standards) Rules, 2006, to the extent applicable. Our former associate company, Paioli Meccanica SpA, and our former overseas subsidiary, Endurance Far East Limited, went into liquidation during the fiscal year 2010. The preparation of our financial statements requires our management to make estimates and assumptions that affect the reported amounts of income and expenses of the period, reported balances of assets, liabilities, and disclosure of contingent liabilities as of the date of the financial statements. Such estimates and assumptions that are used in the accompanying financial statements are prudent and are based on our evaluation of the relevant facts and circumstances as of the date of the financial statements. However, actual results may differ from these estimates and assumptions used in preparing our financial statements.

Revenue Recognition

Sale of goods is recognized, net of returns and trade discounts, when the risk and rewards of ownership are passed on to our customers, which is generally on dispatch of goods. Sales include excise duty but exclude sales tax and value added tax. Job work receipts are accounted as and when the services are rendered. Benefits on account of entitlement to import of goods free of duty under the duty entitlement pass book scheme (DEPB Scheme) are accounted for in the fiscal year of export.

Fixed Assets

Fixed assets are stated at the cost of acquisition or construction and include any amount added or deducted on revaluation, less any accumulated depreciation or amortization and impairment loss. Pre-operation expenses including trial run expenses, net of revenue, are capitalized. All costs relating to the acquisition and installation of fixed assets are capitalized and include borrowing costs related to funds attributable to the construction or acquisition of qualifying assets, up to the date that the asset or plant is ready for its intended use.

Depreciation and Amortization

Our Company, our Indian Subsidiaries and our Joint Venture

Depreciation is provided for on a straight line basis, at the rates and in the manner prescribed in Schedule XIV to the Companies Act proportionate from the date when put to use, except as given below:

- freehold land is not depreciated;
- leasehold land is depreciated over the period of the lease;
- dies are depreciated by the higher of:
  - their estimated economic life, determined on the basis of their use; or
  - under the straight line method, in the manner specified in Schedule XIV;
- technical know-how, including income tax and research and development cess, is amortized over a period of six years, except in the case of our subsidiary, HTTS India, where it is amortized over four years;
- software costs and ERP systems are amortized in three equal annual instalments;
- individual assets that cost less than Rs. 5,000.00, are depreciated in full during the year of acquisition; and
- in respect of assets whose useful life has been revised, the unamortized depreciable amount is charged over the remaining revised useful life.

Our Overseas Subsidiaries and our Associate Company

In the case of our overseas Subsidiaries and Associate Company, depreciation has been provided under the methods and at the rates required and/or permissible by the local laws, so as to write-off assets over their useful life.

Foreign Currency Transactions

Transactions in foreign currencies are recorded at the average exchange rates prevailing during the year. Foreign currency monetary assets and liabilities are translated at the appropriate year-end exchange rate. Exchange differences arising upon settlement of transactions and translation of monetary items are recognized as an income item or expense in the year in which they arise, except in consolidation of non-integral foreign operations, in which case the assets, liabilities and goodwill arising on acquisition of our overseas operations are translated at the prevailing exchange rate as of our balance sheet date, and income and expenditure items are translated at the average exchange rate for the period. Exchange differences arising out of consolidation are recognised in the foreign exchange translation reserve until the we dispose of the net investment.

Premiums or discounts on forward contracts are amortized over the life of such contracts. We account for foreign exchange loss in respect of derivative instruments, which are not covered by Accounting Standard 11, through mark-to-market valuation as of the balance sheet date.

Inventories

Inventories of raw materials and components, work-in-progress, stock-in-trade, stores and spares and tools and instruments are valued at the lower of cost and net realizable value. Cost is ascertained on a weighted average basis. The cost of work-in-progress and finished goods is determined on an 'absorption cost' basis. Excise duty in respect of inventory of finished goods manufactured is shown separately as an item of expense and included in the valuation of inventory of finished goods.

Employee Benefits

Provident fund

Our eligible employees in India are entitled to receive benefits under the provident fund, which is a defined contribution plan in which we and our employees make monthly contributions at a specified percentage of the employee's salary. The contributions are currently set at 12.0%. As specified under law, the contributions are paid to the Indian Central Government Provident Fund and the Family Pension Fund and charged to our profit and loss account for each year.

Gratuity

We have an obligation towards funding a gratuity, which is a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to employees of an amount, which is equivalent to 15 days salary payable for each completed year of service, at their retirement or death while in our employment or upon termination of their employment. Such vesting occurs upon completion of five years of continuous service. We account for the liability for gratuity benefits payable in the future based on an independent actuarial valuation. We have obtained a group gratuity and life assurance scheme with the Life Insurance Corporation of India for future payments of gratuity to eligible employees. The premium is paid periodically pursuant to the terms of this policy.

Actuarial valuation of Nuova Renopress Srl was not done due to lack of information.

Investments

Long term investments are valued at cost less any diminution in value that we consider to be non-temporary in nature. Current investments are valued at the lower of cost and fair value.

Taxes on Income

Our Company, our Indian Subsidiaries and our Joint Venture

Current tax expense is calculated in accordance with the Income Tax Act, 1961, as applicable. Deferred tax for all time periods is recognized by applying the tax rates that have been substantively enacted as of the date of the balance sheet. Deferred tax assets, in respect of unabsorbed depreciation and any carry forward of tax losses, are recognized if there is a virtual certainty, supported by convincing evidence, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Our Overseas Subsidiaries and our Associate Company

Foreign companies recognize tax liabilities and assets in accordance with their applicable local laws.

Impairment of Assets

We conduct an annual review of the carrying amounts of our fixed assets to determine if there is any indication that such assets have suffered any impairment loss. If any such indication exists, we estimate the recoverable amount of the asset in order to determine the extent of the impairment loss. The recoverable amount is the higher of an asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows expected from the continuing use of the asset and from its ultimate disposal are discounted to their present values using a pre-determined discount rate that reflects the current market assessment of the time value of money and the risks specific to the asset.

Goodwill on Consolidation

Goodwill on consolidation represents the difference between our share in the net worth of the investee company and the cost of our investment in the investee company at the time of acquisition. Such goodwill is not amortised, however, it is tested for impairment at each balance sheet date, and any impairment loss is provided for.

Provisions, Contingent Liabilities and Contingent Assets

In accordance with Accounting Standard 29 – "Provisions, Contingent Liabilities and Contingent Assets," we recognize provisions only where (i) such provision is a present obligation incurred due to a past event, (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and (iii) a reliable estimate of the amount of the obligation can be made.

No provision is recognized for either of the following:

- Present obligations that arise from past events where the existence of such obligations will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events that are not wholly within our control; or

- Present obligations that arise from past events but are not recognized because (i) it is improbable that an outflow of resources embodying economic benefits will be required to settle the obligation, or (ii) a reliable estimate of the amount of obligation cannot be made.

We record such obligations as contingent liabilities. These are assessed continually and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in extremely rare circumstances where no reliable estimate can be made.

Contingent assets are not recognized in our financial statements, since this could result in the recognition of income that may never be realized.

Changes in Accounting Policies

During the fiscal year 2006, our Company had changed the method of providing depreciation on fixed assets from written down value method (WDV) to straight line method (SLM). Our Company also changed its accounting policy for providing depreciation on all dies from WDV method to a method based on their estimated economic life determined on the basis of their uses or on SLM, whichever is higher. See Annexure 30 of our Restated Consolidated Financial Statements in section "Financial Statements" beginning on page 144 of this Draft Red Herring Prospectus.

Scheme of Arrangement – Business Reconstruction Reserve

On July 28, 2009, our Board of Directors approved a scheme of arrangement (the "Scheme of Arrangement"), under which our wholly owned subsidiary, Endurance Systems (India) Private Limited, was merged with and into our Company, with effect from December 1, 2009 with an appointed date of April 1, 2008. The Scheme of Arrangement was approved by the Bombay High Court through its order dated October 16, 2009. Accordingly, the financial statements of our Company for the fiscal years 2009 onwards have been prepared including the transactions, assets and liabilities of Endurance Systems (India) Private Limited.

Pursuant to the Scheme of Arrangement, the assets and liabilities of our Company were to be recorded at their fair values at the time of the Scheme of Arrangement. With the exception of our tangible fixed assets, which were revalued, and our investments in four entities, Endurance Far East Limited, Paioli Meccanica SpA, Endurance Overseas Srl and Nuova Renopress SpA, all the assets and liabilities were recorded at their book values, because we believe that their book values represented their fair values at the time of revaluation. Our auditor has included a qualification in its report with respect to the treatment of assets, liabilities and investments at book value under this Scheme. See the Auditor's Report on our Restated Consolidated Financial Statements beginning on page 144 of this Draft Red Herring Prospectus. Our investments in Endurance Far East Limited, Paioli Meccanica SpA, Endurance Overseas Srl and Nuova Renopress SpA were either written off entirely or adjusted for a permanent diminution in their value, and have been recorded accordingly to reflect such changes.

In addition, as part of this Scheme of Arrangement, a Business Reconstruction Reserve account was created through, among others, the transfer of funds from our securities premium account and an increase in the valuation of the tangible fixed assets of Endurance Systems (India) Private Limited and our Company. The aggregate value of the credit on account of revaluation and transfer of funds to the Business Reconstruction Reserve account was Rs. 3,013.24 million. We charged a number of items to the Business Reconstruction Reserve account including the write off or permanent diminution in value of our overseas investments in Endurance Far East Limited, Paioli Meccanica SpA, Endurance Overseas Srl and Nuova Renopress SpA, provision for doubtful loans extended to Endurance Overseas Srl, foreign exchange fluctuation losses and penalty interest paid out on account of our Company's breach of covenants in our loan agreements. The aggregate value of the amount charged to our Business Reconstruction Reserve was Rs. 2,984.50 million and the balance was credited to our securities premium account.

Consequently, had the Scheme of Arrangement not allowed for the use of the Business Reconstruction Reserve account, we would have incurred an additional loss of Rs. 2,778.90 million for the fiscal year 2009. For further details, see Notes to Restated Consolidated Financial Information beginning on page 144 of this Draft Red Herring Prospectus.

Our Business Segments

Our business primarily consists of the manufacture of automobile components constituting a single reportable primary segment. We have disclosed geographical markets as our secondary segment, divided into India, Europe and other markets. The table below sets forth our revenue for the fiscal years 2010, 2009 and 2008 and as a percentage of total income, for our operations in India, Europe and our other markets.

	Fiscal Year 2010		**Fiscal Year 2009**		**Fiscal Year 2008**	
	Revenue (Rs. in million)	**Percentage of Total Income (%)**	**Revenue (Rs. in million)**	**Percentage of Total Income (%)**	**Revenue (Rs. in million)**	**Percentage of Total Income (%)**
India	17,338.89	72.0	15,194.97	64.8	15,368.99	66.4
Europe	6,674.97	27.7	8,185.72	34.9	7,585.80	32.8
Other	64.77	0.3	34.39	0.1	85.60	0.4
Total	***24,078.63***	***99.9***	***23,415.08***	***99.8***	***23,040.39***	***99.5***
Non–Segment Revenue	13.90	0.1	43.37	0.2	118.48	0.5
Total Income	**24,092.53**	**100.0**	**23,458.44**	**100.0**	**23,158.87**	**100.0**

Results of Operations

Description of Income Items

Our total income consists of gross sales net of excise duty paid, revenue from job work receipts, revenue from wind power generated and other income.

Gross Sales. Our gross sales consists of aggregate revenues received from the sale of our products.

Excise Duty. Excise duty refers to excise duty paid with respect to products manufactured by our Indian operations on account of the sale of such products.

Net Sales. Our net sales consist of gross sales net of excise duty paid.

Trading sales. Our trading sales consist of sales of items purchased by us.

Job Work Receipts. Our revenue from job work receipts consists of charges for machining and casting carried out by us for third parties.

Wind Power Generated for Captive Consumption. Our revenues from wind power generated for captive consumption represents credit received equivalent to the value of wind power generated by our wind power turbine generators, with respect to the captive consumption of our operations in Maharashtra.

Wind Power – Sales. Our revenue from the sale of wind power consists of revenue received from the sale of power generated by our wind power turbine generators to third parties.

Other Income. Our other income primarily consists of recurring income such as sales of scrap generated by our manufacturing processes, favourable foreign exchange fluctuations, miscellaneous receipts, discounts received from our suppliers, interest received on fixed deposits, interest received from other sources such as deposits paid to the electricity and water boards, revenue from export incentives and duty drawbacks. During the last four fiscal years, we have also recorded other income for non-recurring sources including profits on sale of fixed assets and current investments and withdrawal of key man insurance premium.

Description of Expenditure Items

Our total expenditure consists of material costs, employee costs and other expenses.

Material Cost. Our material cost primarily consists of the cost of raw materials that are used in the manufacture of our products.

Employee Cost. Our employee cost primarily consists of salaries, wages and bonuses paid to our employees and staff welfare expenses such as contributions to provident fund and gratuity and superannuation fund.

Other Expenses. Our other expenses primarily consist of labour charges, power, water and fuel expenses, stores and spares consumed, provision for asset impairment and miscellaneous expenses such as professional fees and other general expenses.

Provision for Impairment of Assets. See Critical Accounting Policies set out above.

Provision for Impairment of Goodwill on Consolidation. See Critical Accounting Policies set out above.

The following table sets out the principal components of our profit and loss line items and as a percentage of our total income, for the periods indicated:

	For the fiscal year							
	2010		**2009**		**2008**		**2007**	
	(Rs. in million)	**% of Total Income**	**(Rs. in million)**	**% of Total Income**	**(Rs. in million)**	**% of Total Income**	**(Rs. in million)**	**% of Total Income**
Income:								

	For the fiscal year							
	2010		2009		2008		2007	
	(Rs. in million)	% of Total Income	(Rs. in million)	% of Total Income	(Rs. in million)	% of Total Income	(Rs. in million)	% of Total Income
Gross Sales	24,509.66	101.7	24,063.51	102.6	24,282.57	104.9	14,946.89	109.1
Less: Excise Duty	1,298.81	5.4	1,853.63	7.9	2,514.10	10.9	2,044.01	14.9
Net Sales	23,210.85	96.3	22,209.88	94.7	21,768.47	94.0	12,902.88	94.2
Trading Sales	23.88	0.1	546.41	2.3	215.76	0.9	-	-
Job Work Receipts	181.99	0.8	122.85	0.5	149.36	0.6	148.66	1.1
Wind Power Generated for Captive Consumption	22.18	0.1	25.37	0.1	23.00	0.1	16.03	0.1
Wind Power – Sales	19.92	0.1	21.27	0.1	18.64	0.1	17.23	0.1
Other Income	633.71	2.6	532.66	2.3	983.64	4.2	614.09	4.5
Total Income	**24,092.53**	**100.0**	**23,458.44**	**100.0**	**23,158.87**	**100.0**	**13,698.89**	**100.0**
Expenditure:								
Material Cost	13,282.05	55.1	13,264.81	56.5	13,568.71	58.6	8,287.59	60.5
Employee Cost	2,242.08	9.3	2,653.27	11.3	2,385.43	10.3	864.68	6.3
Other Expenses	5,146.96	21.4	5,361.58	22.9	5,008.88	21.6	2,684.49	19.6
Provision for Impairment of Assets	195.55	0.8	53.35	0.2	-	-	-	-
Provision for Impairment of Goodwill on Consolidation			431.29	1.8	-	-	-	-
Total Expenditure	**20,866.64**	**86.6**	**21,764.30**	**92.8**	**20,963.02**	**90.5**	**11,836.76**	**86.4**
Profit Before Interest, Depreciation, Tax and Extraordinary Expenses	**3,225.89**	**13.4**	**1,694.14**	**7.2**	**2,195.85**	**9.5**	**1,862.13**	**13.6**
Interest	790.04	3.3	909.91	3.9	759.18	3.3	392.03	2.9
Depreciation and Amortisation	2,017.66	8.4	1,882.38	8.0	1,826.70	7.9	769.14	5.6
Total Interest, Depreciation and Amortisation	**2,807.70**	**11.7**	**2,792.29**	**11.9**	**2,585.88**	**11.2**	**1,161.17**	**8.5**
Profit / (Loss) Before Taxation and	**418.19**	**1.7**	**(1,098.15**	**(4.7)**	**(390.03)**	**(1.7)**	**700.96**	**5.1**

	For the fiscal year							
	2010		2009		2008		2007	
	(Rs. in million)	% of Total Income	(Rs. in million)	% of Total Income	(Rs. in million)	% of Total Income	(Rs. in million)	% of Total Income
Extraordinary Expenses								
Provision for Taxation:								
Current Tax	258.75	1.1	96.15	0.4	160.37	0.7	150.38	1.1
Minimum Alternate Tax Credit Eligible for Set Off	(28.95)	(0.1)	-	-	-	-	-	-
Wealth Tax	0.13	0.0	0.03	0.0	0.25	0.0	0.24	0.0
Deferred Tax	177.39	0.7	(352.88)	(1.5)	(72.45)	(0.3)	82.57	0.6
Fringe Benefit Tax	-	-	5.66	0.02	9.98	0.04	6.08	0.04
Current Tax of earlier years	24.57	0.1	-	-	2.96	0.01	2.42	0.02
Total Provision for Taxation	**431.89**	**1.8**	**(251.04)**	**(1.1)**	**101.11**	**0.4**	**241.69**	**1.8**
Minority Expenses	(29.54)	(0.1)	103.25	0.4	(92.01)	(0.4)	(41.03)	(0.3)
Share of Profits / (Loss) of Associates	-	-	-	-	(13.92)	(0.1)	(6.17)	-
Extraordinary Expenses	(78.93)	(0.3)	-	-	260.19	1.1	45.24	0.3
Adjustments (Net of Tax)	3.40	0.0	(50.33)	(0.2)	36.87	0.2	7.10	0.1
Net Profit / (Loss) after Taxation, As Restated	**39.09**	**0.2**	**(794.19)**	**(3.4)**	**(820.39)**	**(3.5)**	**373.93**	**2.7**

Fiscal Year 2010 Compared to Fiscal Year 2009

Total Income. Our total income increased by 2.7% to Rs. 24,092.53 million for the fiscal year 2010 from Rs. 23,458.44 million for the fiscal year 2009, primarily as a result of an increase in net sales and job work receipts.

Gross Sales. Our gross sales increased by 1.9% to Rs. 24,509.66 million for the fiscal year 2010 from Rs. 24,063.51 million for the fiscal year 2009. While the sales volume at our Indian and Italian operations increased during the fiscal year 2010 as result of the improvement in the macroeconomic factors, such increases were offset by decrease in sales volumes at our German operations, primarily as a result of customer rationalization steps taken by us with the objective of focusing on our principal customers and decrease in sales as a result of the sale of our subsidiary, Nuova Renopress SpA during the fiscal year 2010.

Excise Duty. Our excise duty decreased by 29.9% to Rs. 1,298.81 million for the fiscal year 2010 from Rs. 1,853.63 million for the fiscal year 2009, primarily as a result of an increase in sales by made by our Indian operations by 14.1% to Rs. 17,338.89 million during the fiscal year 2010 from Rs. 15,194.97 million during the fiscal year 2009.

Net Sales. Our net sales increased by 4.5% to Rs. 23,210.85 million for the fiscal year 2010 from Rs. 22,209.88 million for the fiscal year 2009. As a percentage of total income, our net sales increased to 96.3% for the fiscal year 2010 from 94.7% for the fiscal year 2009.

Trading Sales. Our trading sales decreased by 95.6% to Rs. 23.88 million for the fiscal year 2010 from Rs. 546.41 million for the fiscal year 2009, primarily as a result of reduction in sales of aluminium alloy purchased for producing raw castings.

Job Work Receipts. Our revenue from job work receipts increased by 48.1% to Rs. 181.99 million for the fiscal year 2010 from Rs. 122.85 million for the fiscal year 2009, primarily as a result of an increase in job work charges for certain alloy wheels assembling done by us.

Wind Power Generated for Captive Consumption. Our revenue from wind power generated for captive consumption decreased by 12.6% to Rs. 22.18 million for the fiscal year 2010 from Rs. 25.37 million for the fiscal year 2009, as a result of a decrease in production of electricity due to a change in prevailing wind patterns.

Wind Power - Sales. Our revenue from wind power sold decreased by 6.3% to Rs. 19.92 million for the fiscal year 2010 from Rs. 21.27 million for the fiscal year 2009, as a result of a decrease in production of electricity due to changes in prevailing wind patterns.

Other Income. Our other income increased by 19.0% to Rs. 633.71 million for the fiscal year 2010 from Rs. 532.66 million for the fiscal year 2009, primarily as a result of a foreign exchange gain of Rs. 118.06 million during the fiscal year 2010 as compared to nil during the fiscal year 2009, an increase in miscellaneous receipts to Rs. 102.23 million for the fiscal year 2010 from Rs. 81.41 million for the fiscal year 2009, primarily as a result of an increase in income from miscellaneous services rendered to customers and other miscellaneous income and an increase in discounts received to Rs. 37.82 million during the fiscal year 2010 from Rs. 26.02 million during the fiscal year 2009, partially offset by a decrease in decrease in interest received on fixed deposits to Rs. 14.05 million during the fiscal year 2010 from Rs. 38.78 million during the fiscal year 2009 as a result of lower amounts of fixed deposits. As a percentage of total income, our other income increase to 2.6% for the fiscal year 2010 from 2.3% for the fiscal year 2009.

Expenditure. Our total expenditure decreased by 4.1% to Rs. 20,866.64 million for the fiscal year 2010 from Rs. 21,764.30 million for the fiscal year 2009, primarily as a result of a decrease in employee cost, and other expenses, partially offset by a marginal increase in material cost. As a percentage of total income, our total expenditure decreased to 86.6% for the fiscal year 2010 from 92.8% for the fiscal year 2009.

Material Cost. Our material cost marginally increased, to Rs. 13,282.05 million for the fiscal year 2010 from Rs. 13,264.81 million for the fiscal year 2009. As a percentage of total income, our material cost decreased to 55.1% for the fiscal year 2010 from 56.5% for the fiscal year 2009, primarily as a result of decreases in aluminium costs, costs control measures undertaken such as reduction of scrap and better management of our manufacturing processes.

Employee Cost. Our employee cost decreased by 15.5% to Rs. 2,242.08 million for the fiscal year 2010 from Rs. 2,653.27 million for the fiscal year 2009, primarily as a result of a decrease in the number of our employees as part of rationalization measures undertaken and outsourcing of certain non-critical components of our manufacturing processes. Consequently, as a percentage of total income, our employee cost decreased to 9.3% for the fiscal year 2010 from 11.3% for the fiscal year 2009.

Other Expenses. Our other expenses decreased by 4.0% to Rs. 5,146.96 million for the fiscal year 2010 from Rs. 5,361.58 million for the fiscal year 2009, primarily as a result of decrease in the costs of tools and instruments and stores and spares consumed which were offset by marginal increases in labour charges and power, water and fuel expenses. As a percentage of total income, our other expenses decreased to 21.4% for the fiscal year 2010 from 22.9% for the fiscal year 2009.

Provision for Impairment of Assets. Our provision for impairment of assets was Rs. 195.55 million for the fiscal year 2010 as compared to Rs. 53.35 million during the fiscal year 2009, which related to the difference in the carrying cost and the recoverable amount with respect to assets owned by our subsidiaries, Endurance Overseas Srl, Nuova

Renopress SpA and Fondpress Srl.

Provision for Impairment of Goodwill on Consolidation. Our provision for impairment of goodwill on consolidation was nil for the fiscal year 2010, as compared to Rs. 431.29 million during the fiscal year 2009. We tested goodwill with respect to our subsidiaries, Endurance Overseas Srl, Nuova Renopress SpA and Fondpress Srl for impairment and in consideration of the negative outlook with respect to their businesses, we provided for such impairment in the fiscal year 2009.

Interest. Our interest expense decreased by 13.2% to Rs. 790.04 million for the fiscal year 2010 from Rs. 909.91 million for the fiscal year 2009, as a result of a decrease in our consolidated indebtedness by 13.2% to Rs. 10,494.45 million for the fiscal year 2010 from Rs. 12,092.51 million for the fiscal year 2009 on account repayment of our existing borrowings. As a percentage of total income, our interest expenses decreased to 3.3% for the fiscal year 2010 from 3.9% for the fiscal year 2009.

Depreciation and Amortisation. Our depreciation and amortisation expense increased by 7.2% to Rs. 2,017.66 million for the fiscal year 2010 from Rs. 1,882.38 million for the fiscal year 2009, primarily as a result of an increase in depreciation with respect to plant and machinery. As a percentage of total income, our depreciation and amortisation expenses was 8.4% for the fiscal year 2010 as compared to 8.0% for the fiscal year 2009.

Provision for Taxation. Our provision for taxation increased to Rs. 431.89 million for the fiscal year 2010 from a credit of Rs. 251.04 million for the fiscal year 2009, primarily as a result of an increase in provision for deferred tax to Rs. 177.39 million for the fiscal year 2010 from a deferred tax credit of Rs. 352.88 million for the fiscal year 2009, and an increase in provision for current tax of Rs. 258.75 million for the fiscal year 2010 from Rs. 96.15 million for the fiscal year 2009 as result of an increase in the profit before tax for the fiscal year 2010.

Minority Interest. Share of minority interest in our profits was 29.54 million for the fiscal year 2010 as compared to share in our loss of Rs. 103.25 million for the fiscal year 2009 as a result of improvement of sales volumes at HTTS and Endurance Fondalmec during the fiscal year 2010. We, through our Subsidiary, Endurance Overseas Srl, acquired the balance 49.0% equity interest held by the minority shareholders in Endurance Fondalmec and increased our shareholding in our subsidiary, HTTS from 65.38% to 85% during the fiscal year 2010.

Extraordinary Income/Expenses. We recognised extraordinary income of Rs. 78.93 million for the fiscal year 2010, which related to income from cancellation of indebtedness of Endurance Overseas SrL aggregating to Rs. 226.43 million, partially offset by loss on investment of Rs. 63.41 million and marked to market losses with respect to foreign currency derivative contracts of Rs. 56.45 million as compared to nil for the fiscal year 2009.

Adjustments. Our net profit for the fiscal year 2010 increased by Rs. 3.40 million as compared to increase in our net loss of Rs. 50.33 million for the fiscal year 2009 as result of adjustments for prior period items and restatement in accordance with SEBI Regulations. For details of these adjustments, see Annexures 29 and 30 in our Consolidated Restated Financial Statements.

Net Profit/Loss After Taxation, As Restated. For the reasons stated above, our net profit after taxation, as restated, was Rs. 39.09 million for the fiscal year 2010 as compared to a net loss, as restated, of Rs. 794.19 million for the fiscal year 2009.

Fiscal Year 2009 Compared to Fiscal Year 2008

Total Income. Our total income increased by 1.3% to Rs. 23,458.44 million for the fiscal year 2009 from Rs. 23,158.87 million for the fiscal year 2008, primarily as a result of an increase in net sales, partially offset by a decrease in job work receipts and other income.

Gross Sales. Our gross sales decreased by 0.9% to Rs. 24,063.51 million for the fiscal year 2009 from Rs. 24,282.57 million for the fiscal year 2008, primarily as a result of decrease in the sales volume at our German operations and at Nuova Renopress SpA which were partially offset by the increase in sales volumes at our Indian operations.

Excise Duty. Our excise duty decreased by 26.3% to Rs. 1,853.63 million for the fiscal year 2009 from Rs. 2,514.10

million for the fiscal year 2008 as a result of a decrease in excise duty rates. The excise duty (excluding education cess and secondary and higher education cess) rates decreased to 14% from 16% in March 2008 and further reduced to 10% and 8% in December 2008 and March 2009, respectively.

Net Sales. Our net sales increased by 2.0% to Rs. 22,209.88 million for the fiscal year 2009 from Rs. 21,768.47 million for the fiscal year 2008. As a percentage of total income, our net sales increased to 94.7% for the fiscal year 2009 from 94.0% for the fiscal year 2008.

Job Work Receipts. Our revenue from job work receipts decreased by 17.7% to Rs. 122.85 million for the fiscal year 2009 from Rs. 149.36 million for the fiscal year 2008, primarily as a result of the treatment of certain alloy wheel castings work recorded as sales from job work undertaken during the fiscal year 2008.

Wind Power Generated for Captive Consumption. Our revenue from wind power generated for captive consumption increased by 10.3% to Rs. 25.37 million for the fiscal year 2009 from Rs. 23.00 million for the fiscal year 2008, primarily as a result of an increase in production of electricity due to changes in prevailing wind patterns.

Wind Power - Sales. Our revenue from wind power sold increased by 14.1% to Rs. 21.27 million for the fiscal year 2009 from Rs. 18.64 million for the fiscal year 2008, as a result of an increase in production of electricity due to changes in prevailing wind patterns.

Other Income. Our other income decreased by 45.8% to Rs. 532.66 million for the fiscal year 2009 from Rs. 983.64 million for the fiscal year 2008, primarily as a result of a decrease in revenues from the sale of scrap from our manufacturing processes to Rs. 339.40 million for the fiscal year 2009 from Rs. 506.85 million for the fiscal year 2008 on account of in house consumption of scrap, a decrease in miscellaneous receipts to Rs. 81.41 million for the fiscal year 2009 from Rs. 216.77 million for the fiscal year 2008 as a result of the income from transfer of equipment to customers and corresponding shareholding in Nuova Renopress SpA and Fondpress Srl, a decrease in dividends received from current investments such as mutual funds to Rs. 4.29 million for the fiscal year 2009 from Rs. 43.12 million for the fiscal year 2008, a decrease in interest received from fixed deposits to Rs. 38.78 million for the fiscal year 2009 from Rs. 69.19 million for the fiscal year 2008 as a result of lower levels of fixed deposits, partially offset by an increase is discounts received to Rs. 26.02 million for the fiscal year 2009 from Rs. 6.26 million for the fiscal year 2008. As a percentage of total income, our other income decreased to 2.3% for the fiscal year 2009 from 4.2% for the fiscal year 2008.

Expenditure. Our total expenditure increased by 3.8% to Rs. 21,764.30 million for the fiscal year 2009 from Rs. 20,963.02 million for the fiscal year 2008, primarily as a result of an increase in employee cost and other expenses, partially offset by a decrease in material cost. As a percentage of total income, our total expenditure increased to 92.8% for the fiscal year 2009 from 90.5% for the fiscal year 2008.

Material Cost. Our material cost decreased by 2.2% to Rs. 13,264.81 million for the fiscal year 2009 from Rs. 13,568.71 million for the fiscal year 2008. As a percentage of total income, our material cost decreased to 56.5% for the fiscal year 2009 from 58.6% for the fiscal year 2008, primarily as a result, costs control measures such as reduction of scrap and better management of our manufacturing processes.

Employee Cost. Our employee cost increased by 11.2% to Rs. 2,653.27 million for the fiscal year 2009 from Rs. 2,385.43 million for the fiscal year 2008, as a result of an increase in the number of our employees on account of new plants commencing operations and an increase in the salary levels at our Italian and German operations. As a percentage of total income, our employee cost increased to 11.3% for the fiscal year 2009 from 10.3% for the fiscal year 2008.

Other Expenses. Our other expenses increased by 7.0% to Rs. 5,361.58 million for the fiscal year 2009 from Rs. 5,008.88 million for the fiscal year 2008, primarily as a result of an increase in the costs of stores and spares consumed, power, water and fuel costs and rent expenses, which were partially offset by decreases in labour charges and travelling and conveyance expenses. As a percentage of total income, our other expenses increased to 22.9% for the fiscal year 2009 from 21.6% for the fiscal year 2008.

Provision for Impairment of Assets. Our provision for impairment of assets was Rs. 53.35 million for the fiscal year

2009 as compared to nil during the fiscal year 2008, which related to the difference in the carrying cost and the recoverable amount with respect to assets owned by our subsidiaries, Endurance Overseas Srl, Nuova Renopress SpA and Fondpress Srl.

Provision for Impairment of Goodwill on Consolidation. Our provision for impairment of goodwill on consolidation was Rs. 431.29 million for the fiscal year 2009 as compared to nil during the fiscal year 2008. We tested goodwill with respect to our subsidiaries, Endurance Overseas Srl, Nuova Renopress SpA and Fondpress Srl for impairment and in consideration of the negative outlook with respect to their businesses, we provided for such impairment in the fiscal year 2009.

Interest. Our interest expense increased by 19.9% to Rs. 909.91 million for the fiscal year 2009 from Rs. 759.18 million for the fiscal year 2008, as a result of an increase in interest payable under our various borrowings. As a percentage of total income, our interest expenses increased to 3.9% for the fiscal year 2009 from 3.3% for the fiscal year 2008.

Depreciation and Amortisation. Our depreciation and amortisation expense increased by 3.0% to Rs. 1,882.38 million for the fiscal year 2009 from Rs. 1,826.70 million for the fiscal year 2008 as a result of an increase in gross block to Rs. 20,549.87 million as of March 31, 2009 from Rs. 15,927.93 million as of March 31, 2008. As a percentage of total income, our depreciation and amortisation expenses increased to 8.0% for the fiscal year 2009 from 7.9% for the fiscal year 2008.

Provision for Taxation. Our provision for taxation decreased to a credit of Rs. 251.04 million for the fiscal year 2009 from Rs. 101.11 million for the fiscal year 2008, primarily as a result of a deferred tax credit of Rs. 352.88 million for the fiscal year 2009 as a result of business and foreign exchange losses in previous years as compared to a deferred tax credit of Rs. 72.45 million for the fiscal year 2008.

Minority Interest. Share of minority interest in our losses marginally increased to Rs. 103.25 million for the fiscal year 2009 from Rs. 92.01 million for the fiscal year 2008, as a result of the economic downturn in Europe .

Adjustments. Our net loss for the fiscal year 2009 increased by Rs. 50.33 million as compared to a decrease of Rs. 36.87 million for the fiscal year 2008 as result of adjustments for prior period items and restatement in accordance with SEBI Regulations. For details of these adjustments, see Annexures 29 and 30 in our Consolidated Restated Financial Statements.

Net Loss After Taxation, As Restated. For the reasons stated above, our net loss after taxation, as restated, decreased by 3.2% to Rs. 794.19 million for the fiscal year 2009 from a loss of Rs. 820.39 million for the fiscal year 2008.

Fiscal Year 2008 Compared to Fiscal Year 2007

Total Income. Our total income increased by 69.1% to Rs. 23,158.87 million for the fiscal year 2008 from Rs. 13,698.89 million for the fiscal year 2007, primarily as a result of an increase in net sales and other income.

Gross Sales. Our gross sales increased by 62.5% to Rs. 24,282.57 million for the fiscal year 2008 from Rs. 14,946.89 million for the fiscal year 2007, primarily as a result of the acquisition of the 51% of the equity share capital of Endurance Fondalmec during the fiscal year 2008 and full year of sales in the fiscal year 2008 from ESIPL which was acquired by our Company during the fiscal year 2007.

Excise Duty. Our excise duty increased by 23.0% to Rs. 2,514.10 million for the fiscal year 2008 from Rs. 2,044.01 million for the fiscal year 2007, primarily as a result of an increase in sales by made by our Indian operations by 32.2% to Rs. 15,368.99 million for the fiscal year 2008 from Rs. 11,621.92 million for the fiscal year 2007.

Net Sales. Our net sales increased by 68.7% to Rs. 21,768.47 million for the fiscal year 2008 from Rs. 12,902.88 million for the fiscal year 2007. As a percentage of total income, our net sales decreased to 94.0% for the fiscal year 2008 from 94.2% for the fiscal year 2007.

Job Work Receipts. Our revenue from job work receipts increased to Rs. 149.36 million for the fiscal year 2008 from Rs. 148.66 million for the fiscal year 2007.

Wind Power Generated for Captive Consumption. Our revenue from wind power generated for captive consumption increased by 43.5% to Rs. 23.00 million for the fiscal year 2008 from Rs. 16.03 million for the fiscal year 2007, primarily as a result of a change in the prevailing wind patterns.

Wind Power - Sales. Our revenue from wind power sold increased by 8.2% to Rs. 18.64 million for the fiscal year 2008 from Rs. 17.23 million for the fiscal year 2007, primarily as a result of a change in the prevailing wind patterns.

Other Income. Our other income increased by 60.2% to Rs. 983.64 million for the fiscal year 2008 from Rs. 614.09 million for the fiscal year 2007, primarily as a result of an increase in sales of scrap to Rs. 506.85 million for the fiscal year 2008 from Rs. 209.75 million for the fiscal year 2007 as a result of scrap generated from the new alloy wheel plant which commenced operations during the fiscal year 2008 and an increase in miscellaneous receipts to Rs. 216.77 million for the fiscal year 2008 from Rs. 28.88 million for the fiscal year 2007 as a result of as a result the income from transfer of equipment to customers and corresponding shareholding in Nuova Renopress SpA and Fondpress Srl, partially offset by a decrease in foreign exchange fluctuation gains to nil for the fiscal year 2008 from Rs. 115.02 million for the fiscal year 2007 as a result of favourable movement in the exchange rate of the U.S. Dollar against the Rupee during the fiscal year 2007 and a decrease in profit on the sale of fixed assets to Rs. 49.42 million for the fiscal year 2008 from Rs. 95.75 million for the fiscal year 2007 which related to the sale of fixed assets owned by Nuova Renopress SpA. As a percentage of total income, our other income decreased to 4.2% for the fiscal year 2008 from 4.5% for the fiscal year 2007.

Expenditure. Our total expenditure increased by 77.1% to Rs. 20,963.02 million for the fiscal year 2008 from Rs. 11,836.76 million for the fiscal year 2007, as a result of an increase in material cost, employee cost and other expenses. As a percentage of total income, our total expenditure increased to 90.5% for the fiscal year 2008 from 86.4% for the fiscal year 2007.

Material Cost. Our material cost increased by 63.7% to Rs. 13,568.71 million for the fiscal year 2008 from Rs. 8,287.59 million for the fiscal year 2007, primarily as a result of an increase in production volumes arising out of our acquisition of 51.0% of the equity share capital of Endurance Fondalmec during the fiscal year 2008 and full year of material costs in the fiscal year 2008 attributable to ESIPL which was acquired by our Company during the fiscal year 2007. As a percentage of total income, our material cost decreased to 58.6% for the fiscal year 2008 from 60.5% for the fiscal year 2007.

Employee Cost. Our employee cost increased to Rs. 2,385.43 million for the fiscal year 2008 from Rs. 864.68 million for the fiscal year 2007, primarily as a result of an increase in the number of our employees because of our acquisition of 51.0% of the equity share capital of Endurance Fondalmec during the fiscal year 2008, including the higher level of salaries, wages and bonuses at Endurance Fondalmec. As a percentage of total income, our employee cost increased to 10.3% for the fiscal year 2008 from 6.3% for the fiscal year 2007.

Other Expenses. Our other expenses increased by 86.6% to Rs. 5,008.88 million for the fiscal year 2008 from Rs. 2,684.49 million for the fiscal year 2007, as a result of an increase in costs of stores and spares consumed, tools and instruments consumed, labour charges, power, water and fuel expenses and repair charges our acquisition of 51.0% of the equity share capital of Endurance Fondalmec during the fiscal year 2008 and full year of other expenses in the fiscal year 2008 attributable to ESIPL which was acquired by our Company during the fiscal year 2007. As a percentage of total income, our other expenses increased to 21.6% for the fiscal year 2008 from 19.6% for the fiscal year 2007.

Interest. Our interest expense increased by 93.7% to Rs. 759.18 million for the fiscal year 2008 from Rs. 392.03 million for the fiscal year 2007, as a result of an increase in our consolidated indebtedness to Rs. 12,360.95 million for the fiscal year 2008 from Rs. 8,849.17 million for the fiscal year 2007 representing the indebtedness incurred to acquire 51.0% of the equity share capital Endurance Fondalmec during the fiscal year 2008 and the assumed borrowings of Endurance Fondalmec. As a percentage of total income, our interest expense increased to 3.3% for the fiscal year 2008 from 2.9% for the fiscal year 2007.

Depreciation and Amortisation. Our depreciation and amortisation expense increased to Rs. 1,826.70 million for the fiscal year 2008 from Rs. 769.14 million for the fiscal year 2007, primarily as a result of an increase in gross block to Rs. 15,927.93 million as of March 31, 2008 from Rs. 10,499.29 million as of March 31, 2007 representing fixed assets of Endurance Fondalmec and an increase in amortisation of goodwill arising out of the acquisitions carried out by us. As a percentage of total income, our depreciation and amortisation expenses increased to 7.9% for the fiscal year 2008 from 5.6% for the fiscal year 2007.

Provision for Taxation. Our provision for taxation decreased by 58.2% to Rs. 101.11 million for the fiscal year 2008 from Rs. 241.69 million for the fiscal year 2007, primarily as a result of a deferred tax credit of Rs. 72.45 million for the fiscal year 2008 as a result of an increase in depreciation which was not absorbed in the calculation of tax payable for the previous year, as compared to a provision for deferred tax of Rs. 82.57 million for the fiscal year 2007.

Minority Interest. Minority interest in our share of profit increased to Rs. 92.01 million for the fiscal year 2008 from Rs. 41.03 million for the fiscal year 2007, which represented the minority shareholding of 49% in Endurance Fondalmec, in which we acquired 51% during the fiscal year 2008.

Extraordinary Expenses. We recorded extraordinary expenses of Rs. 260.19 million for the fiscal year 2008 which related to marked to market losses with respect to foreign currency derivative contracts as compared to Rs. 45.24 million for the fiscal year 2007, which related to professional charges incurred in relation to the acquisition of our subsidiary, Amann Druckguss and charges in respect of standby letter of credit provided with respect to the loan availed for this purpose.

Adjustments. Our net loss for the fiscal year 2008 increased by Rs. 36.87 million as compared to an increase of Rs. 7.10 million in our net profit for the fiscal year 2007 as result of adjustments for prior period items and restatement in accordance with SEBI Regulations. For details of these adjustments, see Annexures 29 and 30 in our Consolidated Restated Financial Statements.

Net Profit/Loss After Taxation, As Restated. Our net profit after taxation, as restated, decreased to a loss of Rs. 820.39 million for the fiscal year 2008 from Rs. 373.93 million for the fiscal year 2007.

Financial Condition, Liquidity and Capital Resources

Cash Flows

The following table sets forth our consolidated cash flows for the fiscal years 2010, 2009 and 2008:

	Fiscal Year			
	2010	**2009**	**2008**	**2007**
Net cash generated from/(used in) operating activities	2,775.22	3,591.99	1,057.53	692.36
Net cash generated from/(used in) investing activities	(1,569.14)	(977.10)	(2,536.44)	(5,209.89)
Net cash generated from/(used in) financing activities	(1,018.99)	(2,625.56)	1,423.66	4,627.88
Net increase/ (decrease) in cash and cash equivalents	187.09	(10.67)	(55.25)	110.35

Cash in the form of bank deposits, current account balances and cash on hand represents our cash and cash equivalents.

Cash Flows from Operating Activities

Fiscal Year 2010

Net cash generated from our operating activities was Rs. 2,775.22 million for the fiscal year 2010 as compared to Rs. 3,591.99 million for the fiscal year 2009, primary as a result of an increase in net profit before tax and after extraordinary expenses to Rs. 497.12 million for the fiscal year 2010 from a net loss before tax and after extraordinary expenses of Rs. 1,098.15 million for the fiscal year 2009. Our net profit before tax and after extraordinary expenses was adjusted by items such as:

- restructuring of loans of Rs. 226.43 million for the fiscal year 2010 on account of a change in repayment periods, as compared to nil for the fiscal year 2009;

- impairment of assets of Rs. 195.55 million the fiscal year 2010 as compared to nil for the fiscal year 2009; and

- income on account of exchange differences arising from consolidation of Rs. 154.60 million for the fiscal year 2010 as compared to losses on account of exchange differences arising from consolidation of Rs. 26.57 million for the fiscal year 2009.

Our operating profit before working capital changes increased to Rs. 3,097.45 million for the fiscal year 2010 as compared to Rs. 2,102.78 million for the fiscal year 2009. Our operating profit was adjusted for working capital changes such as:

- an increase in trade and other receivables of Rs. 1,864.73 million for the fiscal year 2010 on account of payment terms and increase in sales, as compared to a decrease in trade and other receivables of Rs. 1,059.49 million for the fiscal year 2009 ;

- an increase in inventories of Rs. 212.61 million for the fiscal year 2010 on account of an increase in sales, as compared to a decrease in inventories of Rs. 460.39 million for the fiscal year 2009 ; and

- an increase in trade payables, other liabilities and provisions of Rs. 1,900.63 million for the fiscal year 2010 on account of a change in credit terms, as compared to an increase in trade payables, other liabilities and provisions of Rs. 145.59 million for the fiscal year 2009 .

The cash generated from our operation increased to Rs. 2,920.74 million for the fiscal year 2010 from Rs. 3,768.25 million for the fiscal year 2009, which was adjusted by direct taxes paid of Rs. 145.52 million for the fiscal year 2010 as compared to Rs. 176.26 million for the fiscal year 2009.

Fiscal Year 2009

Net cash generated from our operating activities was Rs. 3,591.99 million for the fiscal year 2009 as compared to Rs. 1,057.53 million for the fiscal year 2008, primary as a result of an increase in net loss before tax and after extraordinary expenses to Rs. 1,098.15 million for the fiscal year 2009 from Rs. 650.22 million for the fiscal year 2008. Our net profit before tax and after extraordinary expenses was adjusted by items such as:

- impairment of goodwill of Rs. 452.25 million for the fiscal year 2009, as compared to nil for the fiscal year 2008;

- foreign exchange losses of Rs. 144.47 million, as adjusted against the business reconstruction reserve account, for the fiscal year 2009, as compared to nil for the fiscal year 2008;

- interest paid of Rs. 909.71 million for the fiscal year 2009, as compared to Rs. 760.00 million for the fiscal year 2008, on account of a change in interest rates; and

- losses on account of exchange differences arising from consolidation of Rs. 26.57 million for the fiscal year 2009 as compared to income on account of exchange differences arising from consolidation of Rs. 116.40 million for the fiscal year 2008.

Our operating profit before working capital changes decreased to Rs. 2,102.78 million for the fiscal year 2009 from Rs. 2,051.30 million for the fiscal year 2008. Our operating profit was adjusted for working capital changes such as:

- a decrease in trade and other receivables of Rs. 1,059.49 million for the fiscal year 2009 on account of a change in payment terms, as compared to a decrease in trade and other receivables of Rs. 444.41 million for the fiscal year 2008;

- a decrease in inventories of Rs. 460.39 million for the fiscal year 2009 on account of better inventory management, as compared to an increase in inventories of Rs. 521.69 million for the fiscal year 2008; and

- an increase in trade payables, other liabilities and provisions of Rs. 145.59 million for the fiscal year 2009 on account of a change in payment terms of the creditors, as compared to a decrease in trade payables, other liabilities and provisions of Rs. 779.29 million for the fiscal year 2008 .

The cash generated from our operations increased to Rs. 3,768.25 million for the fiscal year 2009 from Rs. 1,194.73 million for the fiscal year 2008, which was adjusted by direct taxes paid of Rs. 176.26 million for the fiscal year 2009 as compared to Rs. 137.20 million for the fiscal year 2008.

<u>Fiscal Year 2008</u>

Net cash generated from our operating activities was Rs. 1,057.53 million for the fiscal year 2008 as compared to Rs. 692.36 million for the fiscal year 2007, primary as a result of an increase in net loss before tax and after extraordinary expenses to Rs. 650.22 million for the fiscal year 2008 from a net profit before tax and after extraordinary expenses of Rs. 655.72 million for the fiscal year 2007. Our net profit before tax and after extraordinary expenses was adjusted by items such as:

- extraordinary expenses of Rs. 260.19 million for the fiscal year 2008, as compared to nil for the fiscal year 2007, on account of marked to market losses with respect to foreign currency derivative contracts ;

- depreciation and amortisation expenses of Rs. 1,826.70 million for the fiscal year 2008, on account of, as compared to Rs. 769.14 million for the fiscal year 2007 on account of full year of consolidation of Endurance Fondalmec which was acquired during the fiscal year 2007;

- interest paid of Rs. 760.00 million for the fiscal year 2008, as compared to Rs. 392.00 million for the fiscal year 2007, on account of an increase in our indebtedness; and

- income on account of exchange differences arising from consolidation of Rs. 116.40 million for the fiscal year 2008 as compared to losses on account of exchange differences arising from consolidation of Rs. 3.84 million for the fiscal year 2007.

Our operating profit before working capital changes increased to Rs. 2,051.30 million for the fiscal year 2008 from Rs. 1,733.78 million for the fiscal year 2007. Our operating profit was adjusted for working capital changes such as:

- a decrease in trade and other receivables of Rs. 444.41 million for the fiscal year 2008 on account of the addition of opening balance as a result of acquisition of Endurance Fondalmec, as compared to an increase in trade and other receivables of Rs. 430.15 million for the fiscal year 2007 ;

- an increase in inventories of Rs. 521.69 million for the fiscal year 2008 on account of an increase in sales, as compared to an increase in inventories of Rs. 183.50 million for the fiscal year 2007 ; and

- a decrease in trade payables, other liabilities and provisions of Rs. 779.29 million for the fiscal year 2008 on account of the addition of opening balance as a result of acquisition of Endurance Fondalmec, as compared to a decrease in trade payables, other liabilities and provisions of Rs. 222.93 million for the fiscal year 2007.

The cash generated from our operations increased to Rs. 1,194.73 million for the fiscal year 2008 from Rs. 897.20 million for the fiscal year 2007, which was adjusted by direct taxes paid of Rs. 137.20 million for the fiscal year 2008 as compared to Rs. 204.84 million for the fiscal year 2007.

Cash Flows from Investing Activities

Net cash used in investing activities was Rs. 1,569.14 million during the fiscal year 2010, which primarily consisted of acquisition of plant and machinery, of Rs. 1,026.21 million and investment in subsidiaries and joint venture, EMM JV, HTTS and Endurance Overseas SrL, of Rs. 941.62 million, partially offset by sale of fixed assets relating to non-critical components of the manufacturing process which were outsourced and certain land parcels, of Rs. 380.64 million.

Net cash used in investing activities was Rs. 977.10 million during the fiscal year 2009, which primarily consisted of acquisition of plant and machinery, of Rs. 1,498.79 million, investment in our former associate Paioli Meccanica SpA, of Rs. 192.42 million and investment in subsidiaries and joint venture, EMM JV, HTTS, Amann Druckguss and Endurance Overseas SrL (Endurance Fondalmec), of Rs. 61.73 million, partially offset by sale of fixed assets, such as relating to non-critical components of the manufacturing process which were outsourced and certain land parcels, of Rs. 367.81 million, redemption of mutual funds and sale of shares of Rs. 344.90 million and interest received from fixed deposits of Rs. 41.98 million.

Net cash used in investing activities was Rs. 2,536.44 million during the fiscal year 2008, which primarily consisted of acquisition of plant and machinery, of Rs. 2,532.91 million and investments in subsidiaries and joint venture, EMM JV, HTTS, Amann Druckguss and Endurance Overseas SrL (Endurance Fondalmec) , of Rs. 807.82 million, partially offset by redemption of mutual funds and sale of shares of Rs. 435.34 million, sale of certain land parcels, of Rs. 266.68 million, interest received from fixed deposits of Rs. 105.17 million and dividend received of Rs. 43.12 million.

Cash Flows from Financing Activities

Net cash used in financing activities was Rs. 1,018.99 million during the fiscal year 2010, which primarily consisted of repayment of borrowings, including term loans, of Rs. 3,123.83 million and interest paid on our borrowings, including term loans, of Rs. 806.49 million, partially offset by proceeds from borrowings, including term loans, of Rs. 2,511.33 million and infusion of equity in the form of CCPS aggregating to Rs. 400.00 million.

Net cash used in financing activities was Rs. 2,625.56 million during the fiscal year 2009, which primarily consisted of repayment of borrowings, including term loans, of Rs. 3,349.77 million and interest paid on our borrowings, including term loans, of Rs. 1,026.30 million, partially offset by proceeds from borrowings, including term loans, of Rs. 1,756.45 million.

Net cash generated from financing activities was 1,423.66 million during the fiscal year 2008, which consisted of proceeds from term loans of Rs. 3,677.28 million, partially offset by repayment of term loans of Rs. 1,486.44 million and interest paid on our borrowings of Rs. 716.91 million.

Fixed Assets

As of March 31, 2010, we had Rs. 10,549.12 million of fixed assets, comprising Rs. 319.03 million of capital work in progress and net block of Rs. 10,230.09 million as compared to Rs. 12,569.08 million comprising Rs. 279.20 million of capital work in progress and net block of Rs. 12,289.88 million as of March 31, 2009. This decrease was primarily attributable to the sale of our shareholding in Nuova Renopress SpA and Fondpress Srl during the fiscal year 2010.

Indebtedness

As of March 31, 2010, we had Rs. 10,494.46 million of aggregate amount of indebtedness outstanding, on a consolidated basis as compared to Rs. 12,092.51 million as of March 31, 2009. This decrease was primarily due to repayment of certain of our borrowings during the fiscal year 2010. The following table provides the types and amounts of our outstanding indebtedness:

(Rs. in millions)

Particulars	**As of March 31,**		
	2010	**2009**	**2008**
Secured Loans			

Particulars	As of March 31,		
	2010	2009	2008
Term Loan – Foreign Currency (ECB Loans)	6,518.10	8,025.44	6,884.08
Loans against Fixed Deposits	-	-	37.89
Cash credits, Working Capital Demand Loans and Buyers' Credit (Including Foreign Currency Term Loans)	687.69	668.03	944.08
Interest accrued and due on Term Loans	19.22	35.67	37.96
Interest free loan from customer	7.95	7.95	7.95
Term Loan: Indian Renewable Energy Development Agency Limited	14.03	23.46	32.90
Term Loan: Against Keyman Insurance Policy	18.40	18.40	-
Sub-Total	***7,265.39***	***8,778.95***	***7,944.86***
Unsecured Loans			
Bill Discounting Facilities From Banks	1,902.95	299.23	1,442.69
Short Term Loan From Banks	-	1,803.22	1,957.30
Loan from Public Limited Company	387.64	200.00	-
Loan from Director/Shareholder	-	16.80	16.80
Overdraft in Current Account	-	16.02	-
Interest Free Sales Tax Deferral Loan	821.67	833.97	840.71
Liability under Finance Lease	116.81	144.32	158.59
Sub-Total -	***3,229.07***	***3,313.56***	***4,416.09***
Total Indebtedness	**10,494.46**	**12,092.51**	**12,360.95**

We are bound by restrictive covenants in our loan agreements with domestic and foreign banks and financial institutions. Such covenants include preventing us from changing our capital structure, modifying our constitutive documents, declaring dividends in certain cases or undertaking material changes in our business without prior notification to and/or the approval of such lenders and, furthermore, require our compliance with certain financial ratios and other financial condition tests. Our ability to meet those financial ratios and tests can be affected by events beyond our control, and we cannot assure you that we will meet those ratios and tests. Moreover, the consent of our lenders for incurring additional debt or issuing equity may be required, and we cannot assure you that we will be successful in obtaining any such consents in the future, including consents that may be necessary for us to implement our business and expansion plans. We are not in compliance with certain covenants contained in our borrowings. See "Risk Factors" on page xii.

Contractual Obligations and Commercial Commitments

The following table sets forth the estimated amount of contracts remaining unexecuted on our capital account on a consolidated basis:

(Rs. in million)

	As of March 31,		
	2010	2009	2008
Tangible Assets	406.54	170.51	309.75
Intangible Assets	-	-	28.43
Total	**406.54**	**170.51**	**338.18**

These contracts primarily relate to our ongoing capital expenditure with respect to plant and machinery and our contractual commitment with respect to implementation of the ERP.

In addition, minimum lease payments of our outstanding financial and operating leases as of March 31, 2010 and their respective maturities are set out below:

(Rs. in million)

	Not Later than 1 Year	Later than 1 Year but not later than 5 years	Later than 5 Year
Financial Leases	38.19	64.78	40.69

	Not Later than 1 Year	Later than 1 Year but not later than 5 years	Later than 5 Year
Operating Leases	167.59	141.42	-

Capital Expenditure

Typically, our principal capital expenditure requirements involve the development and operation of our manufacturing facilities. For the details of our capital expenditure plans for the next two fiscal years, see "Objects of the Issue" on page 39 of this Draft Red Herring Prospectus.

Contingent Liabilities

From time to time, we grant security over certain of our assets as collateral as well as issue corporate guarantees in respect of debt incurred by us. In addition, we also provide bank guarantees in respect of loans taken by our overseas Subsidiary and Joint Venture. Our contingent liabilities as of March 31, 2010 included the following:

(Rs. in Million)

Particulars	2010
Outstanding Letters of Credit	582.52
Guarantees Given By Company's Bankers	104.73
Bank Guarantees favouring Commissioner of Custom	-
SBLC Given to ICICI Bank for EOSRL	402.31
Corporate Guarantee given to Bank of India, London for the loan taken by Amann Druckguss GMBH.	601.03
Corporate Guarantee	
Corporate Guarantee given to Andhra Bank for loan taken by EMM	-
SBLC given to Bank of India, London for the working capital loan taken by Amann Druckguss GMBH.	-
Disputed Excise Demand	57.28
Claims by suppliers under dispute	0.45
Service Tax Matters	3.13
Sales Tax Matters	0.04
Excise Matters	0.15
Claims towards workman compensation	-
Foreign Bill discounting	-
Disputed Grampanchayat Tax	-
Bank Guarantee Outstanding (Maharashtra State Electricity Distribution Company Ltd., Aurangabad-Rs.13,99,625/-)	-
Corporate Guarantee given to Andhra Bank for loan taken by EMM	110
Total	**1,861.64**
Disputed Income tax	-

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements.

Transactions with Related Parties

We have engaged in the past, and may engage in the future, in transactions with related parties, including with our affiliates and certain key management members on an arm's length basis. Examples of such transactions include purchases of goods from our joint ventures or enterprises controlled by our key management personnel or their relatives, sales of goods or fixed assets to our joint ventures, share investments in our joint ventures and in entities owned by relatives of our key management personnel and loans to and from enterprises owned by relatives of our key management personnel.

For further details on such transactions, see "Financial Statements – Annexure 45 – Consolidated Statement of Related Party Transactions" beginning on page 144.

Quantitative and Qualitative Disclosure about Market Risk

Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk and commodity risk. We are exposed to interest rate risk, commodity risk, foreign exchange risk, inflation risk and credit risk in the normal course of our business.

Interest Rate Risk

We currently have floating rate indebtedness and also maintain deposits of cash and cash equivalents with banks and other financial institutions. Moreover, the interest rates on certain of our indebtedness are subject to periodic resets. As of March 31, 2010, Rs. 7,411.00 million, or approximately 70.6% of our total indebtedness, consisted of floating rate indebtedness. Fluctuations in interest rates or resets may increase the cost of both existing and new debts. Such changes in interest rates may affect our debt service obligations and our access to funds. See "Financial Indebtedness" on page 327 of this Draft Red Herring Prospectus.

Commodity Risk

We are exposed to risks in respect of price availability of certain raw materials, which are used as key inputs in our production process. The automotive industry has experienced significant volatility with respect to raw materials prices in the recent past, primarily in ferrous and non-ferrous metals. Historically, as a practice, we have passed on an increase in the cost of metals, especially aluminium and steel to our customers. However, our cash flows may still be adversely affected because of any gap in time between the date of procurement of those primary raw materials and the date on which we can reset the component prices for our customers to account for the increase in the prices of such raw materials.

Foreign Exchange Risk

Changes in currency exchange rates influence our results of operations. While we report our consolidated financial results in Indian Rupees, certain portions of our total income and expenses are generated or incurred in other currencies, such as the U.S. Dollar. As of March 31, 2010, we had Rs. 4,675.48 million of foreign currency borrowings outstanding. For our Indian operations, we enter into forward contracts, in order to cover large exposures, especially in case of capital goods imported by us. We also currently use derivative instruments to modify the nature of our exposure to foreign currency fluctuations so as to manage our foreign exchange risk.

For more details on foreign exchange risk, see "- Significant Factors Affecting our Results of Operations – Exchange Rates".

Inflation Risk

In recent years, India has not experienced significant inflation. Accordingly, inflation has not had an adverse effect on our business and results of operations. According to the CIA World Factbook, inflation in India was estimated to be approximately 10.7% and 8.3%, for the calendar years 2009 and 2008, respectively. Although the Government of India has initiated several economic measures to curb the rise in inflation rates, we cannot assure you that these measures will have the desired effect.

Credit Risk

We are exposed to credit risk on monies owed to us by our customers. If our customers do not pay us promptly, or at all, we may have to make provisions for or write off such amounts. As of March 31, 2010, Rs. 78.47 million was provided for doubtful debts.

Other Qualitative Factors

Dependence on a Single or Few Suppliers/Customers

As described in the sections "Risk Factors" and "Our Business" on page xii and 86 of this Draft Red Herring Prospectus, respectively, we will depend substantially on our principal customers for our future revenues. Our five largest customers accounted for 74.7%, 63.5% and 69.8% of our revenue in the fiscal years 2008, 2009 and 2010, respectively.

Unusual or Infrequent Events or Transactions

Except as described in this section and "Risk Factors" in this Draft Red Herring Prospectus, to our knowledge, there are no events or transactions which may be described as "unusual" or infrequent".

Known Trends or Uncertainties

Except as described in this section and "Risk Factors", to our knowledge, there are no trends or uncertainties that have had, or are expected to have, an adverse impact on our business or results of operation.

New Product or Business Segment

Other than as described in the section "Our Business" on page 86 of this Draft Red Herring Prospectus, to our knowledge, there are no new products or business segments.

Seasonality of Business

Our revenues and results may be affected by seasonal factors. For example, inclement weather, including during monsoon season, may delay or disrupt production and shipment of our goods. Further, some of our customers may have businesses which may be seasonal in nature and a downturn in demand for our products by such customers could reduce our revenue during such periods. For example, the automobile industry generally produces and sells their vehicles on annual basis. A particular model may receive upgrades for the upcoming year and such upgrades may or may not utilise our automotive components.

Competitive Conditions

For further details on competitive conditions that may affect our business, please refer to the discussions of our competition in "Risk Factors" and "Our Business" on pages xii and 86 of this Draft Red Herring Prospectus, respectively.

Significant Developments after March 31, 2010

- The shareholders of our Company passed the necessary resolutions on June 28, 2010 to convert our Company to a public limited company. Accordingly, with effect from June 28, 2010, our Company ceased to be a private limited company and our Company was renamed to Endurance Technologies Limited. The change of name of our Company was effective from the date of issuance of a fresh certificate of incorporation from the Registrar of Companies, Mumbai, Maharashtra on July 9, 2010.

- We have drawn down further amounts under our existing borrowings or incurred fresh borrowings in the ordinary course of our business. See "Financial Indebtedness" on page 327 of this Draft Red Herring Prospectus.

- 40 million CCPS held by SCPE were converted into Equity Shares on September 27, 2010. For more details see "Capital Structure" of this Draft Red Herring Prospectus.

Except as stated above or elsewhere in this Draft Red Herring Prospectus, to our knowledge no circumstances have arisen since the date of the last financial statements as disclosed in this Draft Red Herring Prospectus which materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

FINANCIAL INDEBTEDNESS

The details of indebtedness of our Company on a standalone basis, as at August 31, 2010, are as provided below, together with a brief description of certain material covenants of the relevant financing agreements:

Secured Loans

Sr. No.	Name of the Lenders	Nature of Borrowing	Amount Sanctioned	Principal Amount Outstanding as at August 31, 2010 (In Rs. Million)	Purpose	Utilization	Interest/Commission	Tenure	Repayment	Security
1.	Bank of India, Indian Overseas Bank, Corporation Bank, Bank of Maharashtra, Citibank N.A., ICICI Bank Limited and Standard Chartered Bank	Working capital consortium agreement dated June 10, 2009 and first supplemental working capital consortium agreement dated August 31, 2009 (working capital facility and working capital term loan (“WCTL”)/working capital demand loan (“WCDL”))	Aggregate - Rs. 2,383.00 Million (working capital facilities - Rs. 1,583.00 Million and WCDL/WCTL - Rs. 800.00 Million) (carved out from working capital facility)	Aggregate - Rs 2,099.11 million Aggregate working capital facilities - Rs 1,310.73 Million Aggregate WCDL/WCTL - Rs. 788.38 Million	Working capital	Working capital				For details of security see note 1 below.
			Bank of India – aggregate Rs. 600.00 Million* Working capital facilities - 197.50 Million WCDL - 402.50 Million	Aggregate – Rs. 5,16.70 Million Working capital facilities - Rs. 1,19.20 Million WCDL - Rs. 397.50 Million			Cash credit – BPLR minus 0.25% p.a. (minimum of 12.25% p.a.) Letter of credit and bank guarantee – 50% of normal commission WCDL – BPLR	Working capital facility - 1 year WCDL - 6 years	Cash credit and bank guarantee – on demand Letter of credit – on maturity WCDL - 20 quarterly installments commencing from June 30, 2010	
			Indian Overseas Bank - aggregate Rs. 628.00 Million	Aggregate – Rs. 521.95 Million			Cash credit and drawee bill discounting – BPLR minus 0.25% p.a. (minimum of 12.25%	Working capital facility - 1 year WCTL - 5 years	Cash credit and bank guarantee – on demand	

Sr. No.	Name of the Lenders	Nature of Borrowing	Amount Sanctioned	Principal Amount Outstanding as at August 31, 2010 (In Rs. Million)	Purpose	Utilization	Interest/Commission	Tenure	Repayment	Security
			Working capital facilities - 495.50 Million WCTL - 132.50 Million	Working capital facilities - Rs 392.76 Million WCTL - Rs. 129.19 Million			p.a.) Letter of credit and bank guarantee –normal commission WCTL – BPLR		Letter of credit – on maturity WCTL - 17 quarterly installments commencing from March 31, 2010, after a moratorium period of 15 months from January 2009, and ending March 31, 2014	
			Corporation Bank - Rs. 320.00 Million Working capital facilities - 187.50 Million WCTL - 132.50 Million	Aggregate – Rs. 348.35 Million** Working capital facilities – Rs. 217.50 Million WCTL – Rs. 130. 85 Million			Cash credit and WCTL – corporation bank benchmark advance rate (“**COBAR**”); Letter of credit and bank guarantee – 50% of normal commission.	Working capital facility - 1 year WCTL - 5 years	Cash credit and bank guarantee – on demand Letter of credit – on maturity WCTL - 63 months including a 15 month initial moratorium	
			Bank of Maharashtra - Rs. 300 Million Working capital facilities - 167.50 Million WCTL - 132.50 Million	Aggregate – Rs. 211.47 Million Working capital facilities - Rs 80.63 Million WCTL - Rs 130.84 Million			Cash credit – higher of BPLR minus 0.25% p.a. or rates charged by other banks; Letter of credit – higher of 50% of normal commission or rates charged by other banks; Bank guarantee – higher of 1.5% p.a. or rates charged by other banks. WCTL – higher of BPLR or rates charged by other	Working capital facility - 1 year WCTL - 5 years	Cash credit and bank guarantee – on demand Letter of credit – on maturity WCTL - 16 quarterly installments commencing April 1, 2010	

Sr. No.	Name of the Lenders	Nature of Borrowing	Amount Sanctioned	Principal Amount Outstanding as at August 31, 2010 (In Rs. Million)	Purpose	Utilization	Interest/Commission	Tenure	Repayment	Security
							banks.			
			Citibank N.A. - Rs. 135.00 Million (working capital facilities)	Working capital facility - Rs. 113.94 Million			As mutually agreed from time to time	Working capital facility - 1 year	Working capital facility - 1 year (Invoice discounting – 60 days; CC/WCDL - 1 year; Guarantee - 1 year; and ULC/SLC//BC/ - 180 days)	
			ICICI Bank Limited - Rs. 300.00 Million (working capital facilities)	Working capital facility - Rs. 286.70 Million			Letter of credit – 2.15% p.a.; Bank guarantee – financial – 2.15% p.a. and performance – 1.10% p.a.	Working capital facility - 1 year	Letter of credit – on maturity Bank guarantee – payable demand	
			Standard Chartered Bank - Rs. 100.00 Million	Working capital facility - Rs 100.00 Million			as per negotiated rates	Working capital facility - 1 year	Bank guarantee – on demand Letter of credit – on maturity	

Sr. No.	Name of the Lenders	Nature of Borrowing	Amount Sanctioned	Principal Amount Outstanding as at August 31, 2010 (In Rs. Million)	Purpose	Utilization	Interest/Commission	Tenure	Repayment	Security
2.	Bank of India	Hypothecation cum loan agreement dated December 28, 2007 (term loan and corporate loan)	Rs. 372.50 Million (inclusive of term loan - Rs. 122.50 Million and corporate loan – Rs. 250 Million /FCTL)	Term loan - Rs. 110. 66 Million Corporate loan – Rs. 285.73 Million	Term loan - expansion at plants B-1/3, Chakan and B-22, Chakan Corporate loan - for augmenting long term working capital requirement	Term loan - to meet capital expenditure at plants B-1/3, Chakan and B-22, Chakan Corporate loan – to meet long term working capital requirement	Term loan - BPLR Corporate loan –FC - 6 month USD Libor + 600 bps (revised by letter dated July 29, 2010 - fluctuating) (if loan in INR - BPLR)	6 years and 3 months	Term loan – 17 quarterly installments commencing from March 2010 Corporate loan – 16 quarterly installments commencing from June 2010 (Restructured by sanction letter dated February 10, 2009)	For details of security see Note 2 below.
3.	Bank of India	Facility agreement dated February 3, 2007 (ECB Loan)	JPY 575.00 Million	Rs. 114. 56 Million	Setting up tool room and gravity die casting unit, R&D centre at Chakan, enhancing machining capacity at Manesar and expansion project at Takve, Pune	To meet capital expenditure for setting up of a tool room and gravity die casting unit, R&D centre at Chakan, enhancing machining capacity at Manesar and expansion project at Takve, Pune	160 bps over the three month LIBOR from the date of each advance	5 years and 3 months from the date of first disbursal	8 half yearly consecutive installments, starting at the end of 15 months from the date of first disbursal	For details of security see Note 3 below.
4.	Bank of India	Facility agreement dated February 27, 2008 (ECB Loan)	JPY 426.00 Million	Rs. 166.38 Million	Capital expenditure at plants B-1/3 and B-22 Chakan, Pune	To meet capital expenditure at plants B-1/3 and B-22 Chakan, Pune	200 bps over the three/six month LIBOR from the date of each advance	6 years and 6 months from the date of first disbursal	5 half yearly consecutive installments, starting at the end of 4 years from the date of first disbursal.	For details of security see Note 4 below.

Sr. No.	Name of the Lenders	Nature of Borrowing	Amount Sanctioned	Principal Amount Outstanding as at August 31, 2010 (In Rs. Million)	Purpose	Utilization	Interest/Commission	Tenure	Repayment	Security
5.	Bank of India	Facility agreement dated March 31, 2006 (ECB Loan)	JPY 247.00 Million	Rs. 32. 80 Million	Capital expenditure at plant B-22 Chakan, Pune	To meet capital expenditure at plant B-22 Chakan, Pune	1.5% p.a. over the three month LIBOR from the date of each advance	5 years and 5 months starting at the end of 18 months from the initial advance	8 half yearly consecutive installments starting at the end of 18 months from the initial advance.	For details of security see Note 5 below.
6.	Bank of India (Wembley)	Sanction letter dated March 25, 2009 (ECB Loan)	Euro 6.00 Million	Rs. 407.86 Million	Investment in Amann Druckguss GmbH Germany	Equity investment in Amann Druckguss GmbH Germany	400 basis points over six months Euro LIBOR	6 years and 5 months from the date of first draw down	20 quarterly installments after initial moratorium of 18 months from the date of first draw down	For details of security see Note 6 below
7.	Corporation Bank	Agreement for corporate loan dated November 27, 2007 as amended pursuant to memorandum to amend repayment schedule dated March 31, 2009 (Corporate Loan - FCTL)	Rs. 250.00 Million	Rs. 263.57 Million	Augmenting long term working capital requirement	To meet long term working capital requirement	Corporate loan -FC - 6 month USD Libor + 650 bps (fluctuating) (revised by letter dated August 28, 2010) If loan in INR - COBAR – revised by letter dated January 27, 2009	6 years and 6 months	21 quarterly installments commencing from February 2009)	For details of security see Note 7 below
8.	Corporation Bank	Agreement for term loans under IDBI/NABARD/SIDBI schemes loans refinance scheme dated October 30, 2004 (Term Loan)	Rs. 160.00 Million	Rs. 43.20 Million	Part financing die casting unit at Takve, machining at Chakan plants	Part financing die casting unit at Takve, machining at Chakan plants	COBAR	8 years and 5 months	18 quarterly installments commencing from December 2008 (Restructured by letter dated January 27, 2009)	For details of security see Note 8 below
9.	Corporation Bank	Agreement for term loans under IDBI/NABARD/SIDBI schemes loans refinance scheme dated March 24, 2006 (Term Loan)	Rs. 123.70 Million	Rs. 55.28 Million	Part financing for expansion of machine shop at Takve Plant	Expansion at Takve Plant	COBAR	7 years	18 quarterly installments commencing from December 2008 (Restructured by letter dated January 27, 2009)	For details of security see Note 9 below

Sr. No.	Name of the Lenders	Nature of Borrowing	Amount Sanctioned	Principal Amount Outstanding as at August 31, 2010 (In Rs. Million)	Purpose	Utilization	Interest/Commission	Tenure	Repayment	Security
10.	Corporation Bank	Agreement for term loans dated March 18, 2008 (Corporate loan)	Rs. 80.00 Million	Rs. 48.33 Million	Augmenting long term working capital requirement	To meet long term working capital requirement	COBAR (revised by letter dated April 11, 2009)	5 years	16 equal quarterly installments after an initial 12 month moratorium period and to be repaid within 60 months	For details of security see Note 10 below
11.	Corporation Bank	Agreement for term loans dated December 28, 2005 (Term Loan)	Rs. 77.00 Million	Rs. 1.00 Million	Part financing for the capital expenditure at plants E-94, 93 and K-120 Waluj and B-20 Chakan	Capital expenditure at plants E-94, 93 and K-120 Waluj and B-20 Chakan	COBAR (revised by letter dated April 11, 2009)	4 years 9 months	18 quarterly installments after an initial 6 month moratorium period commencing from June 30, 2006 and ending on September 30, 2010	For details of security see Note 11 below
12.	Corporation Bank	Agreement for term loans dated March 18, 2008 (Term Loan)	Rs. 50.00 Million	Rs. 43.75 Million	Part financing for the capital expenditure at plants E-94, and B-20 Chakan	Capital expenditure at plants E-94, and B-20 Chakan	COBAR Million (revised by letter dated April 11, 2009)	5 years and 3 months	8 equal half yearly installments after an initial 15 month moratorium period	For details of security see Note 12 below
13.	Corporation Bank	Agreement for term loans under IDBI/NABARD/SIDBI schemes loans refinance scheme dated March 22, 2004 (Term Loan)	Rs. 107.00 Million	Rs. 11.38 Million	Part financing for the capital expenditure at plant L-6/3, Waluj	For the capital expenditure at plant L-6/3, Waluj	COBAR	7 years and 3 months	10 quarterly installments commencing from March 2009 (Restructured by letter dated January 27, 2009)	For details of security see Note 13 below
14.	Corporation Bank	Term loan agreement dated November 27, 2007 and memorandum to amend dated March 31, 2009	Rs. 99.00 Million	Rs 90.79 Million	Part financing for the capital expenditure at plants L-	for the capital expenditure at plants L-6/3, Waluj	COBAR	6 years and 4 months	9 half yearly installments commencing from September	For details of security see Note

Sr. No.	Name of the Lenders	Nature of Borrowing	Amount Sanctioned	Principal Amount Outstanding as at August 31, 2010 (In Rs. Million)	Purpose	Utilization	Interest/Commission	Tenure	Repayment	Security
		(Term Loan)			6/3, Waluj and Takve, Pune	and Takve, Pune			2009 (Restructured by letter dated January 27, 2009)	14 below
15.	Corporation Bank	Fourth supplemental common deed of hypothecation of movable/asset/book debts dated May 28, 2007 (working capital facility)	Rs. 270.00 Million	Rs. 59.14 Million	Working Capital	Working Capital	Cash credit: 1.00% p.a. below the COBAR Bank guarantee and import/inland LC: at bank's prescribed rate	1 year	Cash credit and bank guarantee - on demand Import/inland LC - on maturity	For details of security see Note 15 below
16.	Indian Overseas Bank	Term loan agreement dated February 28, 2008 (Term Loan)	Rs. 340.00 Million (reduced to Rs. 185.00 Million pursuant to letter dated March 25, 2009)	Rs. 69.77 Million	For financing of capital expenditure at plants B-1/3 Chakan, Manesar and Chennai and K-226/2 Waluj - Plant	Capital expenditure B-1/3 Chakan, Manesar and Chennai and K-226/2 Waluj - Plant	BPLR; (minimum of 12.50%);	5 years and 6 month	8 half yearly installments commencing from March 31, 2010 (Restructured by sanction letter dated March 25, 2009)	For details of security see Note 16 below
17.	Indian Overseas Bank	Loan Agreement dated March 8, 2006 (Term Loan)	Rs. 123.70 Million	Rs. 61.70 Million	Financing of capital expenditure of plant L-6/3 Waluj, Aurangabad	Capital expenditure of plant L-6/3 Waluj, Aurangabad	BPLR; (minimum of 12.50%);	6 years and one month	4 half yearly installments starting from December 2010 (Restructured by sanction letter dated March 25, 2009)	For details of security see Note 17 below
18.	Indian Overseas Bank	Loan agreements dated April 4, 2005 and April 16, 2005 (Term Loan)	Rs. 210.00 Million	Rs. 84.30 Million	Financing expansion at plants L-6/3, Waluj and B-1/3, Chakan	Capital expenditure at plants L-6/3, Waluj and B-1/3, Chakan	BPLR; (minimum of 12.50%);	7 years and 1 month	3 equal half yearly installments commencing from March 31, 2011 (Restructured by sanction letter dated March 25,	For details of security see Note 18 below

Sr. No.	Name of the Lenders	Nature of Borrowing	Amount Sanctioned	Principal Amount Outstanding as at August 31, 2010 (In Rs. Million)	Purpose	Utilization	Interest/Commission	Tenure	Repayment	Security
									2009)	
19.	Indian Overseas Bank	Letter of hypothecation dated July 19, 2010 (letter of credit) (LC – cum buyers credit facility –under the process of sanction)	Rs. 43.83 Million	Rs. 43.83 Million	Financing of machineries at Pantnagar	Capital expenditure for the machineries at Pantnagar	As applicable	3 years facility	On maturity	For details of security see Note 19 below
20.	Indian Overseas Bank	Letter of hypothecation dated August 9, 2010 (LC – cum buyers credit facility under the process of sanction)	Rs. 15.06 Million	Rs. 15.06 Million	Financing of machineries at various units of the company	Capital expenditure for the machineries	As applicable	3 years facility	On maturity	For details of security see Note 20 below
21.	IDBI Bank Limited	Facility Agreement dated April 12, 2010 (LC – cum buyers credit facilities)	Rs. 200.00 Million	Rs. 193.47 Million	Financing of machineries at various units of the company	Payment of machineries	1.50% p.a. plus service tax – usance/commitment/other charges	Letter of credit – Maximum 360 days TCBG/BC – maximum 3 years (subject to review/ renewal after 1 year)	on due dates	For details of security see Note 21 below
22.	IDBI Bank Limited	Facility Agreement dated May 24, 2010 (Working capital facilities)	Rs. 350.00 Million	Rs. 279.22 Million	Working capital	Working capital	1.50% p.a. plus service tax – commission	Inland/Import LC/TCBG/Buyer's Credit - maximum 180 days/one year Bank guarantee – maximum of 3 years (subject to review/renewal after 1 year)	Honouring commitments on due dates	For details of security see Note 22 below
23.	Standard Chartered Bank (London)	Facility Agreement dated January 30, 2006 (ECB loan)	US$ 3.375 Million or equivalent JPY	Rs. 22.38 Million	Financing at B-1/3 Chakan plant as a part of 3000MT die casting capacity expansion	To meet capital expenditure at B-1/3 Chakan plant as a part of 3000MT die casting capacity expansion	LIBOR plus 0.5% p.a.	5 years	9 semi-annual equal installments starting from end of 12^{th} month from the drawdown date and to be repaid within 60 months.	For details of security see Note 23 below.

Sr. No.	Name of the Lenders	Nature of Borrowing	Amount Sanctioned	Principal Amount Outstanding as at August 31, 2010 (In Rs. Million)	Purpose	Utilization	Interest/Commission	Tenure	Repayment	Security
24.	Standard Chartered Bank (London)	Facility Agreement dated September 14, 2005 (ECB loan)	US$ 3.00 Million or equivalent JPY	Rs. 25.84 Million	Financing for expansion of front fork Facility at B-23 Chakan	Expansion of front fork facility at B-23 Chakan	LIBOR plus 0.5% p.a.	5 years	9 semi-annual installments starting from end of 12th month from the drawdown date and to be repaid within 60 months.	For details of security see Note 24 below.
25.	Standard Chartered Bank	Working capital facilities sanction letter dated May 19, 2010 (working capital facility)	Rs. 300.00 Million	Rs. 219.10 Million	Working Capital	Working Capital	as per negotiated rates	1 year	Bank guarantee – on demand Letter of credit – on maturity	For details of security see Note 25 below.
26.	Citibank N.A. (London)	Credit facility agreement dated July 18, 2006 (ECB loan)	USD 15.00 Million or equivalent JPY	Rs. 291.11 Million	Finance capital expenditure for expansion projects at plants B-23 Chakan (for front fork capacity) & Manesar (die casting capacity expansion) and proposed new plants at Pantnagar, Uttaranchal and Chennai	Capital expenditure for expansion projects at plants B-23 Chakan (for front fork capacity) & Manesar (die casting capacity expansion) and proposed new plants at Pantnagar, Uttaranchal and Chennai	Aggregate of LIBOR and margin 1.20% p.a.	5 years	16 equal quarterly payments beginning from the date falling 15 months after the last day of the availability period and to be repaid within 60 months.	For details of security see Note 26 below.
27.	Citibank N.A. (London)	Credit facility agreement dated April 24, 2007 (ECB loan)	USD 15.50 Million or equivalent JPY	Rs. 517.77 Million	Finance capital expenditure for plants at Pantnagar (for front fork and alloy wheel facility) and	Capital expenditure for plant at Pantnagar (for front fork and alloy wheel facility), B-22 Chakan	Aggregate of LIBOR and margin 1.20% p.a.	5 years	17 equal quarterly payments beginning from the date falling 12 months after the last day of the availability period and to	For details of security see Note 27 below

Sr. No.	Name of the Lenders	Nature of Borrowing	Amount Sanctioned	Principal Amount Outstanding as at August 31, 2010 (In Rs. Million)	Purpose	Utilization	Interest/Commission	Tenure	Repayment	Security
					B-22 Chakan (For alloy wheel) and Chennai (die-casting - m.s. project) and acquisition in Fondalmec Italy	(For alloy wheel), Chennai die casting - m.s. project), and acquisition of Fondalmec S.p.A, Italy			be repaid within 60 months.	
28.	Citibank N.A. (Bahrain)	Facility agreement dated January 27, 2006 (ECB loan)	USD 4.3 Million	Rs. 33.63 Million	Financing for capital expenditure at B-22 Chakan alloy wheel plant	Capital expenditure at B-22 Chakan alloy wheel plant	Aggregate of LIBOR and margin (1.50% p.a.)	5 years and 3 months from each date on which the facility is utilized	16 equal quarterly installments commencing from 15 months from each date on which the facility is utilized	For details of security see Note 28 below
29.	ICICI Bank Limited	Facility agreement dated January 2, 2008 (Standby Letter of Credit facility)	EURO 8.60 Million	Rs. 337.30 Million	Financial guarantee in favor of suitable Italian bank for the onward funding of Euro 8.60 Million to wholly owned subsidiary of Company for the acquisition of 51% stake in Fondalmec SPA and subsequently these funds shall be used to liquidate the FCTL of	Financial guarantee in favor of Banka Popolare DE Novara Italy for the onward funding of Euro 8.60 Million to wholly owned subsidiary of Company for the acquisition of 51% stake in Fondalmec S.p.A. and subsequently these funds shall be used to liquidate	Commission payable at 0.36% p.a.	5 years	At maturity	For details of security see Note 29 below

Sr. No.	Name of the Lenders	Nature of Borrowing	Amount Sanctioned	Principal Amount Outstanding as at August 31, 2010 (In Rs. Million)	Purpose	Utilization	Interest/Commission	Tenure	Repayment	Security
					Euro 8.60 Million funded by ICICI Bank to our Company	the FCTL of Euro 8.60 Million funded by ICICI Bank to our Company				
30.	ICICI Bank Limited	Facility Agreement dated March 26, 2007	JPY 540.50 Million	Rs. 283.94 Million	Financing for a die-casting facility at the Pantnagar plant	For a die-casting facility at the Pantnagar plant	6 months JPY LIBOR + 1.40% margin	7 years	7 half yearly installments payable after a 48 month moratorium after the date of first disbursement.	For details of security see Note 30 below
31.	ICICI Bank Limited	Facility Agreement dated December 7, 2006	Euro 19.00 Million	Rs. 1073.51 Million	Financing vide three Tranches A, B and C for acquiring shares in a German SPV and for refinancing two ECBs obtained from Bank of India, San Francisco, U.S.	Tranche A for acquiring shares in a German SPV which SPV would then be used for acquiring shares in a target company; Tranche B and C for refinancing two ECBs from Bank of India, San Francisco, U.S. in respect of the K-226/2 Waluj and the Manesar plant	Percentage rate p.a. of the aggregate of applicable margin and 6 months LIBOR: (i) Tranche A - 1.35% p.a. + 6 months LIBOR; (ii) Tranche B - 0.76% p.a. + 6 months LIBOR; and (iii) Tranche C - 0.76 p.a. + 6 months LIBOR	6 years and 6 months from average drawdown date	(i) Tranche A - 5 semi-annual equal installments starting from the end of 48 months from average drawdown date; (ii) Tranche B - 7 quarterly equal installments starting from February 2007; and (iii) Tranche C -7 semiannual equal installments starting May 2007.	For details of security see Note 31 below

Sr. No.	Name of the Lenders	Nature of Borrowing	Amount Sanctioned	Principal Amount Outstanding as at August 31, 2010 (In Rs. Million)	Purpose	Utilization	Interest/Commission	Tenure	Repayment	Security
32.	Bajaj Allianz Life Insurance Company Limited	Absolute assignment of policy for valuable consideration dated January 30, 2009	Rs. 18.40 million	Rs. 18.40 million	General corporate purpose	General corporate purpose	10% p.a.	Upto January 3, 2020	On maturity or may be prepaid earlier to maturity	For details of security see Note 32 below

* *Company is in receipt of a sanction letter dated July 13, 2010 from Bank of India for additional working capital facilities of Rs 227 Million, and the terms and condition of the same are under negotiation.*

** *Additional facility of adhoc inland/import letter of credit of Rs. 40 million was sanctioned by a letter dated February 18, 2010. The sanction letter term expired on August 17, 2010, however, the adhoc inland/import letter of credit issued pursuant to the sanction letter is payable on maturity, i.e., 90 days for inland letter of credit and 180 days for import letter of credit.*

Note 1:

(i) For the working capital facilities (other than working capital term loans):

(a) First pari-passu charge without any preference or priority of one over the other or others by way of hypothecation on the current assets, receivables and book debts situated at (1) Plot no. K-226/2, K-228, K-229, B-2, L-6/3 MIDC Waluj, Aurangabad; (2) Plot No:-B-1/3, B-1/2, B-22, B-23, MIDC Chakan, Pune; (3) Gut no. 416, Takve, Maval, Pune; (4) Plot no. 400, IMT Manesar, Haryana; (5) Plot no. F-82, in SIPCOT Industrial park at Irungattukottai, Village Katrambakkam, Taluka Sriperumpudur, District Chengalputtu, Chennai; (6) Plot no. 3, Sector 10, IIE, Pantnagar, Uttaranchal; and (7) Khasara no. 395/505, 408/507 Badabagh, Jaiselmer; and

(b) Second pari-passu charge on movable properties and immovable asset along with fixed plants and machinery (both present and future) of our Company situated at (1) Plot no. K-226/2, K-228, K-229, B-2, L-6/3 MIDC Waluj, Aurangabad; (2) Plot No:-B-1/3, B-1/2, B-22, B-23, MIDC Chakan, Pune; (3) Gut no. 416, Takve, Maval, Pune; (4) Plot no. 400, Manesar, Haryana; (5) Plot no. F-82, in SIPCOT Industrial park at Irungattukottai, Village Katrambakkam, Taluka Sriperumpudur, District Chengalputtu, Chennai; (6) Plot no. 3, Sector 10, IIE, Pantnagar, Uttaranchal; and (7) Khasara no. 395/505, 408/507 Badabagh, Jaiselmer;

(ii) For the working capital term loans:

(a) Second pari-passu charge without any preference or priority of one over the other or others on movable plant, machinery, equipment, movable assets and all immovable properties of our Company, present and future, situated at (1) Plot no. K-226/2, K-228, K-229, B-2, L-6/3 MIDC Waluj, Aurangabad; (2) Plot No:-B-1/3, B-1/2, B-22, B-23, MIDC Chakan, Pune; (3) Gut no. 416, Takve, Maval, Pune; (4) Plot no.400, IMT Manesar, Haryana; (5) Plot no.F-82, in SIPCOT Industrial park at Irungattukottai, Village Katrambakkam, Taluka Sriperumpudur, District

Chengalputtu, Chennai; (6) Plot no.3, Sector 10, IIE, Pantnagar, Uttaranchal; and (7) Khasara no.395/505, 408/507 Badabagh, Jaiselmer; and

(b) Second pari-passu charge on all current assets namely stocks of raw materials imported by availing the facilities, receivables and book debts, and all other movable properties situated at (1) Plot no.K-226/2, K-228, K-229, B-2, L-6/3 MIDC Waluj, Aurangabad; (2) Plot No:-B-1/3, B-1/2, B-22, B-23, MIDC Chakan, Pune; (3) Gut no.416, Takve, Maval, Pune; (4) Plot no.400, Manesar, Haryana; (5) Plot no.F-82, in SIPCOT Industrial park at Irungattukottai, Village Katrambakkam, Taluka Sriperumpudur, District Chengalputtu, Chennai; (6) Plot no.3, Sector 10, IIE, Pantnagar, Uttaranchal; and (7) Khasara no.395/505, 408/507 Badabagh, Jaiselmer;;

(iii) For the working capital term loan of Rs. 800.0 Million and working capital fund based facilities of Rs. 143.0 Million:

(a) Personal guarantee of the Promoter.

Note 2:

(i) For the entire credit facility:

(a) Charge on all tangible movable machineries and plants, both present and future, whether installed or not and whether lying loose or at site or in transit or acquired subsequently or which may at any time during the continuance of this security being installed or lying loose or in cases or being in or upon or about our Company's premises/godowns at B-22 and B-1/3, Chakan Industrial Area, Pune, at B-2 and L-6/3 MIDC Industrial Area, Waluj, Aurangabad and at Gut no. 416, Takve, Pune;

(b) Charge on all book debts, outstanding, money receivables, claims and bills which are due or may become due to our Company by any person, firm, company or body corporate or by the central or state government of government department or office; and

(c) Personal guarantee of the Promoter;

(ii) For the corporate loan facility: Second pari-passu charge on the immovable property at B-2, L-6/3, MIDC Industrial Area, Waluj, Aurangabad and Gut no.416, Takve, Pune; and

(iii) For the term loan facility: First pari-passu charge on the immovable property at B-1/3 and B-22 MIDC Chakan, Pune.

Note 3:

(i) For the entire ECB loan:

(a) Perfected first pari-passu charge along with other banks on the land and buildings situated at B-1/3, Chakan Industrial Estate, Chakan, Pune and at Gut no. 416, Takve, Pune; and

(b) Exclusive first charge in bank's favour on the plant and machinery to be acquired by our Company under the credit facility.

Note 4:

(i) For the entire ECB loan:

(a) Perfected first pari-passu charge along with other banks on the land and buildings situated at B-22 and B-1/3, Chakan Industrial Estate, Chakan, Pune; and

(b) Exclusive first charge in bank's favour on the plant and machinery to be acquired by our Company under the ECB loan.

Note 5:

(i) For the entire ECB loan:

(a) Perfected first pari-passu charge along with other banks on the immovable property situated at B-22, Chakan Industrial Estate, Chakan, Pune; and

(b) Perfected first pari-passu charge with other banks on all tangible and moveable assets/property/plant and machinery, spare tools, accessories (both present and future) whether installed or not or whether lying loose or in cases at sites and or in transit or wherever else or which may at any time during the continuance of this security being installed or lying loose or in cases or being in or upon or about our Company's premises/godowns at B-22, Chakan Industrial Estate, Chakan, Pune.

Note 6:

(i) For the entire ECB loan:

(a) Second charge on the immovable properties of our Company situated at E-92, E-93, E-94, K-120, MIDC Waluj, Aurangabad, at B-20, MIDC Chakan, Pune, at the windmill division of our Company at Gat no. 27 and 28, Bhambe, Satara and at Gat no. 341, Pimpalgaon, Ahmednagar;

(b) Second charge on the movable properties of our Company, such as plant and machineries, factory equipment, electrical installations, computers, dies and moulds etc., situated at E-92, E-93, E-94, K-120, MIDC Waluj, Aurangabad, at B-20, MIDC Chakan, Pune , three Nos. of 350 KV wind electric generators and other grid interphasing equipments situated at Bhambhe village, Satara and other grid interphasing equipments situated at Gat no. 341, Pipalgaon, Ahmednagar; and

(c) Pledge of shares in Amann Druckguss GmbH held by the erstwhile ESIPL.

Note 7:

(i) For the entire loan facility: Second pari-passu charge with another bank on the fixed assets of our Company situated at plant Nos. L-6/3 and B-2, Waluj, Aurangabad and at the plant at Gut no. 416, Takve, Pune.

Note 8:

(i) For the entire term loan facility under loan refinance scheme:

(a) First pari-passu charge on the land and buildings situated at B-1/3, MIDC Chakan, Pune; and

(b) First charge on the plant and machinery and other movable properties financed under this facility.

Note 9:

(i) For the entire term loan facility under loan refinance scheme:

(a) Exclusive charge by way of hypothecation on the movable properties financed under this facility;

(b) First pari-passu charge on the factory land and building situated at Gat no. 416, Takve, Pune; and

(c) First pari-passu charge on the immovable property situated at B-2, Waluj, Aurangabad.

Note 10:

(i) For the entire corporate loan:

(a) First pari-passu charge on the factory land and building situated at B-20, Chakan, Pune; and

(b) Second charge by way of hypothecation on plant and machinery and other movable fixed assets acquired/to be acquired and stored/lying/installed at B-20, Chakan, Pune.

Note 11:

(i) For the entire term loan facility:

(a) Charge by way of mortgage on the land and building of our Company situated at E-92 and K-120, MIDC Waluj, Aurangabad and at B-20, MIDC Chakan, Pune; and

(b) First charge by way of equitable mortgage on the property situated at E-94, MIDC Waluj, Aurangabad; and

(c) Pari-passu charge by way of hypothecation on movable properties (excluding vehicles) situated at E-92, E-93, E-94 and K-120, MIDC Waluj, Aurangabad and at B-20, MIDC Chakan, Pune; and

(d) Charge on three nos. of 350 KV wind electric generators and other grid interphasing equipments situated at Bhambhe village, Satara.

Note 12:

(i) For the entire term loan facility:

(a) Exclusive charge by way of hypothecation on the plant and machinery and other movable properties acquired under the facility; and

(b) First pari-passu charge on the factory land and building situated at B-20, Chakan, Pune.

Note 13:

(i) For the entire term loan facility under loan refinance scheme:

(a) First charge on the plant and machinery and other movable properties financed under the facility; and

(b) First pari-passu charge on the land and building situated at L-6/3, MIDC Waluj, Aurangabad.

Note 14:

(i) For the entire term loan facility:

(a) First charge on the plant and machinery and other movable properties acquired under the facility; and

(b) First pari-passu charge on the factory land and building by way of equitable mortgage of plant at L-6/3, Aurangabad.

Note 15:

(i) For the entire working capital facility:

(a) Exclusive charge by way of hypothecation on movable properties, present and future, comprising of inventory (excluding vehicles), such as inventory, bills receivables, book debts and all other current assets, situated at our Company's plants at E-92, E-93, E-94 and K-120, MIDC Waluj, Aurangabad and at B-20, MIDC Chakan, Pune; and

(b) Exclusive charge on three 350 KV wind electric generators and other grid interphasing equipments situated at Bhambhe village, Satara.

Note 16:

(i) For the entire term loan facility:

(a) Exclusive charge on the machinery financed out of term loans; and

(b) Exclusive charge on the assets acquired for the Singur project.

Note 17:

(i) For the entire term loan facility:

(a) First pari-passu charge on the immovable properties of our Company situated at L-6/3, Waluj, Aurangabad; and

(b) Exclusive charge on the plant and machinery financed out of the said credit facilities.

Note 18:

(i) For the term loan facility of Rs. 150 Million:

(a) First charge on the plant and machinery situated at L-6/3, MIDC Waluj, Aurangabad; and

(b) First pari-passu charge on the land and building situated at L-6/3, MIDC Waluj, Aurangabad; and

(ii) For the term loan facility of Rs. 60 Million:

(a) First charge on the plant and machinery situated at B-1/3, MIDC, Chakan, Pune; and

(b) First pari-passu charge on the land and building situated at B-1/3, MIDC, Chakan, Pune.

Note 19:

(i) For the entire letter of credit facility:

(a) Charge by way of hypothecation on the machineries which have been fixed or lying loose at the plant situated in Pantnagar and the machinery to be acquired under this facility including machineries in transit; and

(b) Counter guarantee by our Company in favour of the bank.

Note 20:

(i) For the entire letter of credit facility: Charge by way of hypothecation on the machinery imported under this facility.

Note 21:

(i) For the entire letter of credit-cum buyers credit facility:

(a) Exclusive first charge by way of hypothecation on machinery, machinery spares, tools, accessories and other movable properties acquired or to be acquired by our Company under this facility; and

(b) First pari-passu charge with other banks to be created on our Company's immovable properties for the plant situated at B-1/3, Chakan, Pune.

Note 22:

(i) For the entire working capital facility: First pari-passu charge with other banks by way of hypothecation on the entire current assets of our Company, both current and future.

Note 23:

(i) For the entire ECB loan:

(a) First exclusive charge by way of hypothecation on all movable plant and machinery including all other movable assets, both present and future, that is part of the expansion of the 3,000 MT die casting capacity expansion plant situated at B-1/3, MIDC Chakan, Pune; and

(b) First pari-passu charge on land and buildings and plant and machinery attached to earth or permanently fastened, both present and future, situated at B-1/3 and B-23 MIDC Chakan, Pune.

Note 24:

(i) For the entire ECB loan:

(a) First exclusive charge by way of hypothecation on all movable plant and machinery including all other movable assets, both present and future, situated at B-23, MIDC Chakan, Pune; and

(b) First pari-passu charge on land and buildings and plant and machinery attached to earth or permanently fastened, both present and future, situated at B-1/3 and B-23 MIDC Chakan, Pune.

Note 25:

(i) For the entire working capital facility: First pari-passu charge on the stocks and book debts of our Company.

Note 26:

(i) For the entire ECB loan:

(a) First pari-passu charge by way of mortgage on all land, building, plant and machinery situated at B-22, Chakan, Pune; and

(b) First charge on land, building, plant and machinery at plot no. 3, Sector 10, Pantnagar Industrial Area, Uttaranchal and at F-82, Sipcot's Industrial Park, Irungattukottai, Chennai; and

(c) First charge on the entire movable property situated at plot no. 3, Sector 10, Pantnagar Industrial Area, Uttaranchal and at F-82, Sipcot's Industrial Park, Irungattukottai, Chennai.

(d) Exclusive charge on the plant and machineries located at B-23 Chakan, Pune which was financed under the facility.

Note 27:

(i) For the entire ECB loan:

(a) First pari-passu charge on all land, building, plant and machinery situated at B-22, Chakan, Pune; and

(b) First pari-passu charge on the entire movable property, both present and future, situated at B-22, Chakan, Pune; and

(c) First charge on land, building, plant and machinery at plot no. 3, Sector 10, Pantnagar Industrial Area, Uttaranchal and at F-82, Sipcot's Industrial Park, Irungattukottai, Chennai; and

(d) First pari-passu charge on the entire movable property, both present and future, situated at plot no. 3, Sector 10, Pantnagar Industrial Area, Uttaranchal and at F-82, Sipcot's Industrial Park, Irungattukottai, Chennai.

Note 28:

(i) For the entire ECB loan:

(a) First pari-passu charge on all land, building, plant and machinery at B-22, Chakan, Pune; and

(b) First charge on land, building, plant and machinery at plot no. 3, Sector 10, Pantnagar Industrial Area, Uttaranchal and at F-82, Sipcot's Industrial Park, Irungattukottai, Chennai; and

(c) Charge by way of hypothecation of the movable properties of our Company situated at B-22, Chakan, Pune.

Note 29:

(i) For the entire standby letter of credit facility:

(a) Second charge on all movable properties, both present and future and excluding current assets and debtors, situated at K-228, K-229 and K-226/2, MIDC Waluj, Aurangabad, at plot no. 3, Sector 10, Pantnagar Industrial Area, Uttaranchal, at the windmill division at Jaisalmer, Rajasthan and at plot no. 400, Manesar; and

(b) Second charge on immovable properties situated at K-226/2, 228 and 229, MIDC Waluj, Aurangabad, at plot no. 400, Sector 8, IMT, Manesar, Gurgaon, Haryana, at plot no. 3, Sector 10, Pantnagar Industrial Area, Uttaranchal and at B-1/2, Chakan Industrial Area, Pune; and

(c) Pledge of quota of nominal value of 30% shares held by our Company in Endurance Overseas SrL, Italy and negative lien on the balance 70% shares held by company in Endurance Overseas SrL, Italy.

Note 30:

(i) For the entire credit facility:

(a) First charge by way of hypothecation on movable fixed assets (except book debts) of the die-casting division at Pantnagar; and

(b) First pari-passu charge on leasehold land along with building, plant and machinery of the plant at Pantnagar.

Note 31:

(i) For the entire credit facility:

(a) First charge on all immovable and movable properties, present and future, of the front forks division (K-228 and 229) of our Company;

(b) First charge on all immovable and movable properties of the disc brake division of our Company (plant K-226/2); and

(c) First charge on all movable properties of the windmill division, Jaiselmer, Rajasthan; and

(d) First charge on all immovable and movable properties of the die-casting division of our Company at Manesar excluding other exclusive charges that exist in favour of Citibank and Bank of India; and

(e) First charge on all the immovable and movable properties situated at B-1/2, Chakan, Pune.

Note 32:

(i) For the entire credit facility: Insurance policy no. 006359605 and 0006359112 taken from Bajaj Allianz Life Insuarnce Company Limited.

Unsecured Loans

Sr. No.	Name of the Lenders	Nature of Borrowing	Amount Sanctioned	Principal Amount Outstanding as at August 31, 2010 (In Rs. Million)	Interest	Tenure	Repayment
1.	Citibank, N.A.	Loan Agreement dated June 14, 2010 and the sanction letter dated June 22, 2010	Overall limit Rs. 200 Million (amount sanctioned Rs. 114 Million)	-	Commission: as mutually agreed Interest: as applicable from time to time, and agreed prior to each drawdown	1 year from the date of availment	Invoicing discounting – 60 days Cash credit and WDTL on demand
2.	Bajaj Auto Finance Limited	Pre-shipment Finance Facility Agreement dated August 3, 2010	Rs. 200 Million	Rs. 199.44 Million	8.0% p.a.	1 year or such period as the dues in relation to this facility is repaid, whichever is later	On demand
3.	Bajaj Auto Finance Limited	Tripartite Agreement dated November 19, 2009	Rs. 200 Million	Rs. 97.51 Million	13.50% p.a.	1 year and 3 months	15 installments
4.	Bajaj	Agreement dated	Rs. 225 Million	Rs. 225.00	11.0% p.a.	36 months	30 installments

Sr. No.	Name of the Lenders	Nature of Borrowing	Amount Sanctioned	Principal Amount Outstanding as at August 31, 2010 (In Rs. Million)	Interest	Tenure	Repayment
	Auto Finance Limited	March 22, 2010		Million			
5.	Standard Chartered Bank	Facility Sanction Letter dated May 24, 2010	Rs. 250 Million	Rs. 173.40 Million	The amount is drawn down in trenches then the applicable rate shall be advised by the bank on date of drawdown of respective tranches	Maximum upto 120 days	To be repaid maximum at the end of 120 days. The facility is valid till May 23, 2011.
6.	Tata Capital Limited	Term-loan agreement dated August 28, 2010	Rs. 85.40 Million	Rs. 85.40 Million	LTLR minus 2.75% subject to minimum of 11.25%	60 months (including 12 months moratorium period)	48 monthly installments commencing after 12 months of moratorium period from the date of first disbursement
7.	IDBI Bank Limited	Facility Agreement dated March 16, 2009 as amended by the supplemental facilities agreements dated August 18, 2009 and March 31, 2010 (Invoice financing facility of Rs. 1,000.00 Million + LC bill discounting facility of Rs. 100.00 Million + LER facility of Rs. 50.00	Rs. 1,150.00 Million	Rs. 433.40 Million	Invoice discounting – to be mutually decided Bill discounting limit – to be mutually decided Treasury limit – as per bank tariff (commission)	1 year (Invoice discounting – not to exceed 60 days and Bill discounting limit – usance period not to exceed 90 days) Treasury limit – valid till March 15, 2011 (renewable)	Invoice discounting –on or before due date Bill discounting limit – on due date Treasury limit – on due date

Sr. No.	Name of the Lenders	Nature of Borrowing	Amount Sanctioned	Principal Amount Outstanding as at August 31, 2010 (In Rs. Million)	Interest	Tenure	Repayment
		Million)					

Sales Tax Deferral

Our Company has availed unsecured loans under sales tax deferral aggregating to an amount of Rs. 844.26 Million under package of incentives schemes of erstwhile Maharashtra Sales Tax Act. The aggregate outstanding as on August 31, 2010 is Rs. 790.74 Million. Pursuant to the scheme our Company is allowed to pay eligible sales tax collected amount after 10 years in five equal installments. The outstanding amount is repayable in yearly installments during the period 2010 to 2020 with the last installment being due on May 1, 2020.

Restrictive Covenants with Respect to our Borrowing

Certain corporate actions for which our Company requires the prior written consent of the lenders include:

(a) make any adverse or significant change in the management or change the composition of its Board of Directors;

(b) transfer the share of the promoter Directors below the prescribed per cent;

(c) contract, create, incur, assume or suffer to exist any indebtedness, except for permitted indebtedness;

(d) carry on any business or activity other than in connection with the completion or operation of the project;

(e) issue any guarantee except as required under the transaction documents;

(f) wind up, liquidate or dissolve our Company's affairs;

(g) enter into any transaction of merger, consolidation, amalgamation or reorganisation;

(h) convey, sell, lease, let or otherwise dispose of (or agree to do any of the foregoing at any future time) all or any part of its property or assets, except for any permitted disposal;

(i) alter Memorandum of Association and / or Articles of Association;

(j) agree to, create, incur, assume or suffer to exist any security interest upon or with respect to any property, revenues, or assets (real, personal or mixed, tangible or intangible) of our Company, whether now owned or hereafter acquired;

(k) alter our Company's capital structure;

(l) to declare or pay dividends for any year except out of profits relating to that year after the meeting of all financial commitments to the bank and making of due and necessary provisions;

(m) to utilize the loans for purposes other than provided for;

(n) make any corporate investment or investment by way of contribution to share capital or debentures or advance funds to or place deposits with any concern; and

(o) to implement a new scheme of expansion or take up an allied line of business or manufacture.

Further, under the terms of the loan agreements, our Company is required to maintain certain limits on financial ratios like current ratio, debt equity ratio, debt service coverage ratio and asset coverage ratio.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below there are no outstanding litigation, suits, criminal or civil prosecutions, proceedings or disputed tax liabilities against our Company, our Subsidiaries and our Joint Venture Company, whose outcome could have a material and adverse effect on our consolidated results of operations or financial position, and no litigation against our Directors and our Promoter and there are no defaults, non payment of statutory dues, over-dues to banks/financial institutions, defaults against banks / financial institutions, defaults in dues payable to the holders of any debentures, bonds and fixed deposits and arrears of preference shares issued by our Company or its Subsidiaries, defaults in creation of full security as per terms of issue/other liabilities, proceedings initiated for economic/civil/any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part 1 of Schedule XIII of the Companies Act) other than unclaimed liabilities of our Company and our Subsidiaries and no disciplinary action has been taken by SEBI or any stock exchanges against our Company, our Subsidiaries, our Directors and our Promoter.

Other than in accordance with the mutually accepted terms in our agreements with our suppliers, wherein the credit period has been determined, there are no small scale undertakings to which a sum exceeding Rs. 100,000 is due for a period of more than 30 days to be paid by us.

For details of the contingent liabilities of our Company and our Subsidiaries, refer to our consolidated financial statements in the Section "Financial Statements" beginning on page 144 of this Draft Red Herring Prospectus.

We confirm that neither: (i) our Company, the Promoter, the Selling Shareholder, our Subsidiaries, members of the Promoter Group, our Directors, persons in control of our Company, nor (ii) companies with which any of the Promoter, the Directors or persons in control of our Company are or were associated as a promoter, director or person in control, are debarred or prohibited from accessing the capital markets under any order or direction passed by SEBI or any other authority.

Neither of our Company, the Promoter or the relatives of Promoter, the Selling Shareholder have been declared as willful defaulters by the RBI or any other governmental authority and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them.

The Promoter has further confirmed that there are no violations of securities laws committed by him in the past or currently pending against him.

Litigation against our Company

Tax Proceedings

1. The Commissioner of Central Excise, Pune, has filed an appeal (no. CEA/(L)04/235/2007) before the High Court of Bombay against Anurang Engineering Company Private Limited (which has been merged with our Company with effect from January 1, 2006) ("AECPL") challenging the order dated February 15, 2007 passed by the Customs, Excise and Service Tax Appellate Tribunal ("CESTAT"), Mumbai. A show cause notice dated March 'Nil', 2002 was issued by the Commissioner of Central Excise, Pune, in relation to the admissibility of credit on furnace oil which is further used in the manufacture of exempted goods. The Commissioner of Central Excise, Pune by an order dated June 17, 2002 confirmed the demand made by the show cause notice dated March 'Nil', 2002. AECPL filed an appeal before the Commissioner of Central Excise (Appeals), Pune against the order dated June 17, 2002. The Commissioner of Central Excise (Appeals), Pune pursuant to order dated September 14, 2005 set aside the order dated June 17, 2002. The Commissioner of Central Excise, Pune filed an appeal before the CESTAT, Mumbai, against the order dated September 14, 2005. The CESTAT by an order dated February 15, 2007 upheld the order dated September 14, 2005. The amount involved in the matter is Rs. 0.12 Million. The matter is currently pending.

2. The Commissioner of Central Excise & Customs, Aurangabad, has filed an appeal (no. FA/1239/2009)

before the High Court of Bombay against Endurance Systems (India) Private Limited (which has been merged with our Company with effect from December 1, 2009) ("ESIPL") challenging the order dated December 11, 2008 passed by the CESTAT, Mumbai. A show cause notice dated February 15, 2007 was issued by the Deputy Commissioner of Central Excise & Customs, Aurangabad, in relation to cenvat credit of service tax on, *inter alia*, rent-a-cab, insurance, air travel. The Commissioner of Central Excise & Customs, Aurangabad by an order dated March 31, 2007 partially confirmed the demand made by the show cause notice dated February 15, 2007. ESIPL filed an appeal before the Commissioner (Appeal) of Central Excise & Customs, Aurangabad, against the order dated March 31, 2007. The Commissioner (Appeal) of Central Excise & Customs, Aurangabad, by an order dated August 31, 2007 allowed the appeal and set aside the show cause notice dated February 15, 2007. The Commissioner of Central Excise & Customs, Aurangabad, filed an appeal before the CESTAT, Mumbai, only in relation to the credit on the service tax paid on group mediclaim policy and workman's accident policy taken by the manufacturer for its workers. The CESTAT, Mumbai by an order dated December 11, 2008 dismissed the said appeal. The amount involved in the matter is Rs. 0.004 Million. The matter is currently pending.

3. The Assistant Commissioner, Central Excise, Pune-V, has filed an appeal (no. E/1144/06/Mum/) before the CESTAT, Mumbai, against ESIPL challenging the order dated December 23, 2005 passed by the Commissioner (Appeals) of Central Excise and Customs, Pune-I. A show cause notice dated December 9, 2004 was issued to ESIPL by the Assistant Commissioner, Central Excise, Pune-V alleging that ESIPL was undervaluing its products by not including the value of capital goods received free of cost from its customers for the production of goods cleared back to its customers for the period August 2003 to March 2004. The Assistant Commissioner, Central Excise, Pune-V, confirmed the demand made by the show cause notice dated December 9, 2004 of Rs. 0.16 Million and also imposed a penalty of Rs. 0.16 Million pursuant to its order dated February 28, 2005. ESIPL filed an appeal before the Commissioner (Appeals) of Central Excise and Customs, Pune, against the order dated February 28, 2005. The Commissioner (Appeals) of Central Excise and Customs, Pune pursuant to its order dated December 23, 2005 disposed the appeal by confirming and appropriating the duty demand and interest and setting aside the penalty imposed by the Assistant Commissioner, Central Excise, Pune-V. The matter is currently pending.

4. The Commission of Central Excise, Pune-I, has filed an appeal (no. 299-301 of 2009) before the Supreme Court of India against our Company challenging the order dated March 17, 2008 passed by the CESTAT, Mumbai. Two show cause notices dated June 20, 2006 and March 1, 2007 were issued by the Assistant Commissioner of Central Excise, Pune-I against AECPL alleging failure to pay interest on the differential duty paid on supplementary invoices raised during the period from February 2005 to September 2006. our Company challenged the abovementioned notices before the Commissioner (Appeals) Central Excise, Pune-I, who by an order dated March 29, 2007 set aside the said notices. The Commissioner of Central Excise, Pune-I filed an appeal an appeal before CESTAT, Mumbai, against the order dated March 29, 2007, which pursuant to order dated March 17, 2008 dismissed the said appeal. The amount involved is 0.11 Million. The matter is currently pending.

Labour cases

1. Ten separate complaints have been filed before the Industrial Court, Aurangabad, against AECPL alleging unfair labour practices in form of partiality and unfavorable treatment in terms of employment such as permanency, leave and remuneration. The complainants have claimed for, *inter alia*, job permanency. Interim relief applications were filed by the complainants. Our Company has filed its replies. The Court ordered for maintenance of status quo until the hearing of the interim relief applications. The matter is currently pending.

2. Panther Power Kamgar Sangathana ("Complainant") has filed a case (no. ULP/13/2009) before the Industrial Court, Aurangabad, against our Company alleging that our Company is engaging in unfair labour practices in form of favorable treatment to certain class of workers regardless of merit. The Complainants prayed for payment of over time wages and dearness allowance to the members of the trade union and issue direction restraining our Company from forcing the members to submit resignations from their services. A reply dated March 19, 2009 has been filed our Company. The matter is currently pending.

3. Sunil Gadhe ("Complainant") has filed a complaint (no. ULP/133/2009) before the Industrial Court, Aurangabad, against our Company and Anurang Jain ("Respondents") alleging that unfair labour practices were being followed by the Respondents. The Complainant alleged that his services, as a watchman, was terminated without following the principles of natural justice. The Complainant claimed for continuity of services along with compensation of Rs. 0.5 Million. A reply dated November 11, 2009 has been filed by our Company. The matter is currently pending.

4. Babulal Rathod ("Complainant") has filed a complaint (no. ULP/87/2008) before the Industrial Court, Aurangabad, against ESIPL alleging unfair trade practices carried out by our Company. The Complainant prayed for continuity of his services and back wages along with a compensation of Rs. 0.5 Million. A reply dated January 3, 2009 has been filed by our Company. The matter is currently pending.

5. G. S. Dongare ("Applicant") has filed a case (WC/14/2005) before the Labour Court, Ahmadnagar, against our Company claiming compensation for multiple fractures suffered by him due to an accident, which allegedly occurred during the course of and out of the employment. The Applicant has claimed a compensation of Rs. 0.44 Million. A reply dated July 31, 2006 has been filed our Company. The matter is currently pending.

6. Pankaj Naik ("Complainant") filed a case (ULP/67/2008) before the Labour Court-2, Aurangabad,, against our Company alleging illegal termination of his services without following the principles of natural justice. The Complainant prayed, *inter alia*, for reinstatement of his services. A reply dated August 27, 2008 has been filed by our Company. The matter is currently pending.

7. Two separate complaints have been filed before the Industrial Court, Aurangabad, against our Company, Anurang Jain and others alleging unfair labour practices. The complainants claim for continuity of services. The complainants in both the complaints have claimed for continuity of services along with compensation of Rs. 2.5 Million. The Industrial Court by two interim orders dated May 19, 2010 directed our Company to reinstate the complainants until further orders. The matter is pending for hearing.

8. Ten separate cases have been filed before the Labour Court, Aurangabad, by ten workers against our Company and another ("Respondents") alleging illegal termination of their services and that our Company is engaging in unfair labour practices. The workers alleged that the Respondents have terminated their services without following the due procedure of law. The workers claimed for reinstatement of their services along with full back wages. These matters are currently pending.

9. Sanjay Ghusinge ("Complainant") has filed a complaint (ULP/77/2007) before the Industrial Court, Aurangabad, against ESIPL ("Respondent") alleging that the Complainant was suspended from his services on the false grounds of theft being committed by Biradar, employee of ESIPL, on the Complainant's instance and that the departmental enquiry conducted by the Respondent was in violation of the principles of natural justice. The Complainant claimed for revocation of the suspension order along with compensation of Rs. 0.1 Million. A reply dated February 1, 2008 has been filed by the Respondent. The matter is pending for hearing.

10. Popat Dahiphale ("Complainant") has filed a complaint (ULP/79/2005) before the Labour Court, Aurangabad, against AECPL alleging illegal termination of his services. The Complainant alleged that his services were terminated by our Company without assigning any reasons. The Complainant claimed for reinstatement of his services along with back wages. A reply dated December 14, 2005 has been filed by our Company. The matter is currently pending.

Trademark Cases

1. Apollo Tyres Limited (the "Appellant") has filed an appeal (no. R0625/2010-1) before the office of the Harmonisation in the Internal Market, Spain, against our Company challenging the order dated February 24, 2010 passed by the CTM Opposition Division. Our Company had filed an opposition against the registration of the name 'Endurace' as community trademark under the class 12, 35 and 37 in name of the Appellant. The CTM Opposition Division partially upheld our opposition pursuant to its order dated

February 24, 2010. The Appellant has prayed for allowing the CMT application for registration of the name 'Endurace' to proceed.

Notices

Tax Notices

1. A show cause notice (no. 14/CEX/Addl Commr/2009) dated January 7, 2009 was issued by the Additional Commissioner, Central Excise and Customs, Aurangabad, to ESIPL alleging wrongful availment of cenvat credit of service tax on transport of goods by road, insurance, rent-a-cab for office use, authorized service station, export clearing and forwarding agents etc for a period from April 2005 to March 2008. The amount involved in the matter is Rs. 1.16 Million. A reply dated February 6, 2009 has been filed by ESIPL. The matter is currently pending.

2. A show cause notice (no. 23/CEX/AC/08) dated May 26, 2008 was issued by the Assistant Commissioner, Central Excise and Customs, Aurangabad, to ESIPL alleging wrongful availment of cenvat credit of service tax paid on outward carriage freight. The amount involved in the matter is Rs. 0.04 Million for a period from April 2007 to August 2007. A reply dated June 16, 2008 has been filed by ESIPL. The matter is currently pending.

3. A show cause notice (no. 32/CEX/AC/08) dated July 23, 2008 was issued by the Assistant Commissioner, Central Excise and Customs, Aurangabad, to our Company alleging wrongful availment of cenvat credit of service tax paid on outward carriage freight for a period January 2005 to August 2007. The amount involved in the matter is Rs. 0.18 Million. A reply dated August 25, 2008 has been filed by our Company. The matter is currently pending.

4. A show cause notice (no. 45/P-V/R-CKN/ADC/2009) dated March 25, 2009 was issued by the Commissioner of Central Excise, Pune, to our Company with respect to recovery of interest on the differential duty paid on the supplementary invoices issued by our Company for a period from March 2007 to March 2008. The amount involved in the matter is Rs. 0.10 Million. A reply dated May 15, 2009 has been filed by our Company. The matter is currently pending.

5. A show cause notice (no. 134/ST/JC/2008) dated September 30, 2008 was issued by the Joint Commissioner, Central Excise, Customs and Service Tax, Aurangabad, to ESIPL alleging, *inter alia*, failure on part of ESIPL to pay service tax on consulting engineer services provided by AL-KO Records SA to ESIPL as the service provider is from abroad not having office in India, for a period from October 24, 2003 to August 2004. The amount involved in the matter is Rs. 0.91 Million. A reply dated October 30, 2008 was filed by ESIPL. The matter is currently pending.

6. A show cause notice (no. 50/CE/AC/10) dated March 17, 2010 was issued by the Assistant Commissioner, Central Excise and Customs, Aurangabad Division II, to our Company alleging wrongful availment of cenvat credit of service tax on services like insurance, rent-a-cab for office use, authorized service station for a period from March 2009 to December 2009. The amount involved in the matter Rs. 0.28 Million. A reply dated April 5, 2010 has been filed by our Company. The matter is currently pending.

7. A show cause notice (no. 52/CEX/AC/10) dated March 17, 2010 was issued by the Assistant Commissioner, Central Excise and Customs, Aurangabad Division-II, to our Company with respect to wrongful credit availed on outward freight on 'transport of goods by road' service for the period from March 2009 to December 2009. The amount involved in the matter Rs. 0.46 Million. A reply dated April 5, 2010 has been filed our Company. The matter is currently pending.

8. A show cause notice (no. 12/P-V/R-CKN/COMMR/2010) dated February 8, 2010, was issued by the Commissioner of Central Excise, Pune, to our Company alleging failure on part of our Company to pay the interest on the differential duty paid on supplementary invoices issued by our Company during the period from August 2007 to January 2009. The amount involved in the matter Rs. 0.26 Million. A reply dated March 22, 2010 has been filed by our Company. The matter is currently pending.

9. A show cause notice (no. 151/CEX/COMMR/2009) dated November 23, 2009, was issued by the Commissioner, Central Excise and Customs, Aurangabad, against our Company, with respect to payment of central excise duty on deferred sales tax under proviso to Section 11A(1) of Central Excise Act,1944 for the year 2006-2007 and 2007-2008 The amount involved in the matter Rs. 10.31 Million. A reply dated December 18, 2009 has been filed by our Company. The matter is currently pending.

10. A show cause notice (no. 36/P-I/TGN/ADC/2006) dated April 7, 2006 was issued by the Commissioner of Central Excise, Pune-I, to AECPL alleging wrongful availment of cenvat credit of duty attributable to the extent of furnace oil availed and used in the manufacture of job-work, goods removed without payment of central excise duty, for the periods September 2002 to December 2004 and March 2005 to May 15, 2005. The amount involved in the matter Rs. 3.54 Million. A reply dated May 10, 2006 has been filed by our Company. The matter is currently pending.

Stamp Duty Notices

1. Two separate notices dated June 1, 2010 were issued by the Collector of Stamps, Jodhpur, to our Company under Section 51(5) of the Rajasthan Stamp Act, 1998 read with Rule 65(2) of the Rajasthan Stamp Rules, 2004, in relation to payment of stamp duty and registration fee on the movable property and machinery established by our Company for the wind mills operated by Suzlon Energy Limited in Jaisalmer. In terms of the notices the hearing was to take place on July 5, 2010, however, the same was adjourned to September 29, 2010.The amount involved is Rs. 0.60 Million.

Arbitration Proceedings

1. Arbitration proceeding were initiated before the sole arbitrator, V. K. Sharma, by Bestways Transport (India) Private Limited against our Company claiming Rs. 2.13 Million from our Company as freight charges for the transportation of material by the claimant to our Company. It is alleged that a notice dated March 27, 2010 was served upon our Company demanding payment of the outstanding amount. It is further alleged that our Company failed to make the abovementioned payment. A reply dated May 25, 2010 has been filed by our Company. The amount in involved in the matter is Rs. 2.13 Million and interest thereto. The matter is currently pending.

Litigation by our Company

Criminal Cases

1. ESIPL has filed a complaint (no. 21 of 2006) before the Judicial Magistrate First Class, Aurangabad, against Anand Deshkar in relation to the dishonor of cheque dated October 30, 2004 under Section 138 of the Negotiable Instruments Act, 1881 along with an application for condonation of delay for filing the said complaint as the same was barred by the limitation. The amount involved is Rs. 0.21 Million. The matter is currently pending.

Tax Proceedings

1. Our Company has filed an appeal (no. E/55/10-Mum) before the CESTAT, Mumbai, against the Assistant Commissioner, Central Excise and Customs, Aurangabad, challenging the common order dated October 6, 2009 passed by the Commissioner (Appeals) of Central Excise and Customs, Aurangabad. Three separate show cause notices dated March 4, 2009, March 31, 2009 and May 25, 2009 were issued by the Assistant Commissioner of Central Excise and Customs, Aurangabad, division II, with respect to the wrongful availment of cenvat credit of service tax on the annual maintenance contract services for the repair and maintenance of wind mills situated 150 to 500 kms away from our Company's factory under a certain category for a period from April 2005 to March 2009. The Assistant Commissioner of Central Excise and Customs, Aurangabad, division II, by a common order dated June 30, 2009 confirmed the demand made the abovementioned show cause notices. Our Company filed an appeal before the Commissioner (Appeals) of Central Excise & Customs, Aurangabad, who by an order dated October 6, 2009 partially allowed the

appeal by dismissing the penalty imposed however disallowing the cenvat credit availed by our Company. An interim order dated August 6, 2010 has been passed by the CESTAT waiving the pre-deposit of interest during the pendency of the matter. The amount involved in the matter is Rs. 0.66 Million. The matter is currently pending.

2. Our Company has filed an appeal (no. E/1005/09-Mum) before CESTAT, Mumbai, against the Commissioner, Central Excise, Pune, challenging the order dated June 16, 2009. The Commissioner, Central Excise, Pune, had issued a show cause notice dated November 2, 2007 with respect to the recovery of interest on the differential duty on the supplementary invoices issued by our Company for a period from October 2006 to July 2007. The Commissioner, Central Excise, Pune, by an order dated June 16, 2009 confirmed the demand of interest made by the show cause notice dated November 2, 2007. The amount involved in the matter is Rs. 0.08 Million. The matter is currently pending.

3. Our Company has filed an appeal (no. E/131/10-Mum) before the CESTAT, Mumbai, against the Commissioner, Central Excise and Customs, Aurangabad, challenging the order dated January 5, 2010 passed by the Commissioner (Appeals) of Central Excise and Customs, Aurangabad. A show cause notice dated February 9, 2004 was issued by the Assistant Commissioner, Central Excise and Customs, Aurangabad Division-II to our Company demanding interest on differential central excise duty for a period from October 2000 to June 2004. The Assistant Commissioner, Central Excise and Customs, Aurangabad-II division, pursuant to order dated January 10, 2006 confirmed the demand of interest. Our Company filed an appeal before the Commission (Appeals), Central Excise and Customs, Aurangabad, who pursuant to order dated June 8, 2006, remanded the matter back to Adjudicating Authority for fresh adjudication. The Assistant Commissioner, Central Excise and Customs, Aurangabad Division-II, pursuant to order dated October 7, 2009 confirmed the demand of interest. Our Company filed an appeal before the Commissioner (Appeals) of Central Excise and Customs who pursuant to his order dated January 5, 2010 dismissed the appeal and upheld the order dated October 7, 2009. The amount involved in the matter is Rs. 0.21 Million. The matter is currently pending.

4. Two separate appeals have been filed by our Company before the Commissioner (Appeals) of Central Excise & Customs, Delhi, against the Additional Commissioner, Central Excise, Delhi-III, Gurgaon, challenging the common order dated October 30, 2009 passed by Additional Commissioner of Central Excise, Delhi-III, Gurgaon. Two separate show cause notices dated January 31, 2008 and March 23, 2009, were issued by the Additional Commissioner, Central Excise, Delhi-III demanding payment of interest at 13% p.a. on differential duty paid by the applicants against the supplementary invoices issued by our Company during the period from April 1, 2006 to March 31, 2007 and May 2008 to January 2009. The Additional Commissioner of Central Excise, Delhi-III passed a common order dated October 30, 2009 confirming the demand of interest. The amount involved in the matter is Rs. 0.30 Million. The matter is currently pending.

5. Our Company has filed an appeal (no. ETPL/CE/GGN/140/10) before the Commissioner (Appeals) of Central Excise & Customs, Delhi against the Assistance Commissioner, Central Excise Division-III, Delhi-III, challenging the common order dated December 30, 2009. Two separate show cause notices dated April 10, 2008 and January 29, 2009 were issued demanding the interest payable on the delayed payment of central excise duty against the supplementary invoices issued by our Company for a period from April 2007 to November 2007 and February 2008 to March 2008 respectively. The Assistance Commissioner, Central Excise Division-III, Delhi-III, pursuant to a common order dated December 30, 2009 confirmed the abovementioned demand. The amount involved in the matter is Rs. 0.07 Million. The matter is currently pending.

6. Six appeals have been filed before the CESTAT, Mumbai, by our Company against the Commissioner of Central Excise, Aurangabad, challenging the common order dated July 31, 2009 passed by the Commissioner, Central Excise, Customs and Service Tax, Aurangabad. The common order dated July 31, 2009 confirmed the demand made under the show cause notices issued by the department of Central Excise and Customs, Aurangabad. Six show cause notices were issued to our Company in relation to the recovery of interest under Section 11AB of Central Excise Act, 1944 on the differential duty paid by our Company. The amount involved in the said matters is Rs. 1.88 Million. The matters are currently pending.

7. Our Company has filed an appeal (no. E/105/10-Mum) before the CESTAT, Mumbai, against the Commissioner of Central Excise and Customs, Aurangabad, challenging the order dated October 28, 2009. A show cause notice dated February 12, 2007 was issued by the Commissioner of Central Excise and Customs, Aurangabad, in relation to wrongful availment of cenvat credit on martial job work. The Commissioner of Central Excise and Customs, Aurangabad, vide order dated October 28, 2009 confirmed the demand made by the show cause notice dated February 12, 2007 and further imposed a penalty on our Company. The amount involved in the said matter is 0.20 Million. The CESTAT, Mumbai, by an interim order dated June 11, 2010 waived the payment of pre-deposit of penalty. The matter is currently pending.

8. Our Company has filed an appeal (no. 74 of 2010) before the Commissioner Central Excise (Appeals), Pune-I, challenging the order dated February 11, 2010 passed by the Additional Commissioner, Central Excise, Pune-I. A show cause notice dated July 3, 2009, was issued by the Additional Commissioner, Central Excise, Pune-I demanding the interest payable on the central excise duty against the supplementary invoices issued by our Company for a period from October 2008 to December 2008. The Additional Commissioner, Central Excise, Pune-I confirmed the said demand by an order dated February 11, 2010. The amount involved in the matter is Rs. 0.13 Million. The matter is currently pending.

9. Our Company has filed an appeal (no. ST/212/08-Mum) before the CESTAT, Mumbai, against the Commissioner Central Excise, Aurangabad, challenging the order dated July 30, 2008 passed by the Commissioner (Appeals) Central Excise, Aurangabad. A show cause notice dated January 4, 2008 was issued by the Additional Commissioner of Central Excise and Customs, Aurangabad, demanding service tax plus interest leviable on job work activity like powder coating and crome plating provided by our Company. The Additional Commissioner of Central Excise and Customs, Aurangabad by an order dated February 19, 2008 confirmed the said demand and imposed a penalty of 2% of such tax per month from the due date till the date of actual payment. An appeal was filed by our Company before the Commissioner (Appeals), Central Excise, Aurangabad, who by an order dated July 30, 2008 upheld the order dated February 2, 2008. The amount involved in the matter is Rs. 4.24 Million. The matter is currently pending.

10. Our Company has filed an appeal (no. E/861/09-Mum) before the CESTAT, Mumbai, against the Commission of Central Excise and Customs, Pune, against an order dated March 31, 2009 passed by the Commissioner of Central Excise, Pune-I. A show cause notice dated September 25, 2008 was issued by the Commissioner of Central Excise, Pune-I, against our Company alleging failure to pay interest on the differential duty paid on supplementary invoices raised during the period from March 2006 to June 2007. The Commissioner of Central Excise, Pune-I, pursuant to order dated March 31, 2009 confirmed the demand made under the show cause notice dated September 25, 2008. The amount involved is Rs. 0.24 Million. The matter is currently pending.

Labour Cases

1. ESIPL has filed an appeal (no. A.T.A. 822(9)/2007) before the Employees' Provident Fund Appellate Tribunal, New Delhi, against the Assistant Provident Fund Commissioner, Aurangabad, against the order dated October 22, 2007. A notice dated December 21, 2006 was issued by the Assistant Provident Fund Commissioner, Aurangabad, demanding employees provident fund contributions for the year 2000-2001. The Assistant Provident Fund Commissioner, Aurangabad, by an order dated October 22, 2007 directed ESIPL to pay Rs. 0.83 Million as outstanding dues. The Employees' Provident Fund Appellate Tribunal by an interim order dated December 11, 2009 directed the respondent not to take any corrosive action till the disposal of the appeal and to vacate the attachment, if any. The matter is currently pending.

2. AECPL ("Complainant") has filed a miscellaneous application (no. ULP/5/2005) before the Industrial Court, Aurangabad, against Bhim Yadav ("Respondent") for vacating the ex-parte order dated November 27, 2003 passed in the complaint (no. ULP/293/1999). The Respondent had filed a complaint before the Industrial Court, Aurangabad, under section 28 of the Maharashtra Recognition of Trade Union and Prevention of Unfair Labour Practices for grant of permanency. The Industrial Court pursuant to its ex-parte order dated November 27, 2003 directed the Complainant to confirm the services of the Respondent and make him permanent with all consequential benefits.

Civil Cases

1. Our Company has filed a civil suit (no. 26 of 2010) before the Civil Judge Senior Division, Aurangabad, against Advansys India Private Limited ("Defendant") for recovery of Rs. 8.36 Million for the supply of pressure die casting items by our Company to the Defendant. The Defendant has not paid for the invoices from May 15, 2008. A legal notice dated September 23, 2009 was served on the Defendant. The Defendant replied to the said notice by an email dated October 12, 2009 offering to make the payment in installments starting from November 2009. However the Defendant failed to make the said payment. The matter is currently pending.

2. ESIPL has filed a civil suit (no. 403 of 2006) before the Civil Judge Senior Division, Aurangabad, against Prasad Dangoi ("Defendant") for recovery of Rs. 0.06 Million, inclusive of interest. Our Company has entered into a dealership agreement dated August 6, 2001 with the Defendant. The Defendant has failed to make the payment since April 1, 2004. Our Company vide letter dated February 7, 2005 called upon the defendant to pay the outstanding amount. The Defendant failed to make the repayment. The matter is currently pending.

3. Indian Wind Energy Association, representing amoung other our Company, and others have filed a writ petition (no. 5561 of 2009) before the High Court of Bombay, against the State of Maharashtra, Grampanchayat and others in relation to property/building taxes levied on wind mills situated at Satara, Maharashtra, by way of bills dated December 1, 2008. The Petitioners have prayed for directions from the Court setting aside the abovementioned bills dated December 1, 2008. The amount involved in this matter is Rs. 1.58 Million. The matter is currently pending.

Litigation involving our Subsidiaries

High Technology Transmission Systems (India) Private Limited

Criminal Cases

1. HTTS has filed a complaint (RCC no. 6332 of 2003) before the Chief Judicial Magistrate, Aurangabad, against Ramesh Kankariya ("Accused") in relation to the dishonor of cheque dated April 30, 2003 under Section 138 of the Negotiable Instruments Act, 1881. A legal notice dated September 23, 2003 was issued to the Accused by HTTS through its advocate in this regard asking the Accused to pay the dues. The said legal notice dated September 23, 2003 was returned with endorsement 'refused' on September 25, 2003. Hence the said complaint was filed. The amount involved is Rs. 0.05 Million. The matter is currently pending.

2. HTTS has filed a complaint (RCC no. 6335 of 2003) before the Chief Judicial Magistrate, Aurangabad, against Ramesh Kankariya ("Accused") in relation to the dishonor of cheque dated April 30, 2003 under Section 138 of the Negotiable Instruments Act, 1881. A legal notice dated September 23, 2003 was issued to the Accused by HTTS through its advocate in this regard asking the Accused to pay the dues. The said legal notice dated September 23, 2003 was returned with endorsement 'refused' on September 25, 2003. Hence the said complaint was filed. The amount involved is Rs. 0.03 Million. The matter is currently pending.

3. HTTS has filed a complaint (SCC no. 301797 of 2008) before the Chief Judicial Magistrate, Aurangabad, against Samir Raghava ("Accused") in relation to the dishonor of cheque dated January 1, 2008 under Section 138 of the Negotiable Instruments Act, 1881. A legal notice dated January 25, 2008 to the Accused by HTTS through its advocate in this regard asking the Accused to pay the dues. The legal notice was returned with endorsement 'unclaimed' on February 4, 2008. Hence the said complaint was filed seeking double the amount of the cheque as compensation. The amount involved is Rs. 0.06 Million. The matter is currently pending.

Tax Proceedings

1. HTTS has filed an appeal (no E/130/10-Mum) before the CESTAT, Mumbai, against the Commissioner of Central Excise, Aurangabad, challenging the order dated December 21, 2009 passed by the Commissioner (Appeal), Central Excise, Aurangabad. Two separate show cause notices dated March 25, 2009 and June 1, 2009 were issued to HTTS in relation to recovery of interest on the differential duty on the supplementary invoices issued by HTTS for a period from March 2003 to December 2007. The demand made by the two show cause notices were confirmed by the Assistant Commissioner of Central Excise, Aurangabad, vide orders dated September 22, 2009 and October 7, 2009. HTTS filed an appeal before the Commissioner (Appeal) Central Excise, Aurangabad, who passed an order dated December 21, 2009 and upheld the orders dated September 22, 2009 and October 7, 2009. The amount involved in the matter is Rs. 0.10 Million. The matter is currently pending.

2. HTTS has filed an appeal (no. E/514/10-Mum) before the CESTAT, Mumbai, against the Additional Commissioner Central Excise, Pune-I, challenging his order dated November 30, 2009. A show cause notice dated December 31, 2008, was issued by the Additional Commissioner, Central Excise, Pune - I in relation to recovery of interest on the differential duty on the supplementary invoices issued by HTTS for a period from April 2004 to November 2007. The Additional Commissioner, Central Excise, Pune - I passed an order dated November 30, 2009 confirmed the demand made by the show cause notice dated December 31, 2008. The amount involved in the matter is Rs. 0.04 Million. The matter is currently pending.

Labour Cases

1. Rangnath Tarde ("Complainant") has filed a complaint (ULP/104/2008) before the Industrial Court, Aurangabad, against HTTS alleging unfair trade practices and illegal termination of his services. The Complainant alleged that he was forced to submit his resignation. The Complainant claimed for continuity of his services along with a compensation of Rs. 0.5 Million. The matter was directly taken up for argument on June 22, 2009. The matter is currently pending.

2. Dadarao Hade and others ("Complainants") have filed a complaint (ULP/71/2010) before the Industrial Court, Aurangabad, against HTTS, Anurang Jain and another ("Respondents") alleging unfair labour practices. The Complainants alleged that they were not allowed to resume their duties by the Respondent. The Complainants claimed for continuity of services along with compensation of Rs. 1.5 Million. The Industrial Court, Aurangabad, by an interim order dated May 19, 2010 has directed HTTS to reinstate the Complainants until further orders. The matter is currently pending.

3. Sanjeev Choudhary ("Complainant") has filed a complaint (ULP/57/2008) before the Labour Court, Aurangabad, against HTTS and another alleging unfair trade practices and seeking re-instatement of his services along with back wages. The complainant alleged that he was forced to resign under the pretext of committing theft of 700 friction plates worth Rs. 0.02 Million. HTTS has filed its reply dated July 16, 2010. The matter is currently pending.

Civil Cases

1. HTTS has filed a special civil suit (no. 200141 of 2006) before the Civil Judge Senior Division, Aurangabad, against Bharat Doshi ("Defendant") for recovery of Rs. 0.40 Million. HTTS had entered into a dealership agreement dated June 13, 2002 with the Defendant. HTTS has claimed that the Defendant failed to make the payment since January 1, 2005. HTTS pursuant to letter dated February 7, 2005 called upon the Defendant to pay the outstanding amount. The Defendant failed to make the repayment. The matter is currently pending.

Endurance Overseas SrL

Nil

Amann Druckguss GmbH

Civil Cases

1. Lukin Johann ("Complainant") has filed a case before the Arbeitsgericht Heilbronn against Amann Druckguss GmbH challenging the warning letter issued to the Complainant by Amann Druckguss GmbH for failure on part of the Complainant to fulfill certain obligations as per the terms of his employment. The Complainant claimed for withdrawal of the abovementioned warning letter. Amann Druckguss GmbH has filed it reply dated July 23, 2010. The matter is currently pending.

Endurance Fondalmec SpA

Nil

Litigation involving our Joint Venture Company

Endurance Magneti Marrelli Shock Absorbers (India) Private Limited

Nil

Litigation involving our Directors

Naresh Chandra

NIL

Anurang Jain

Labour Cases

1. Sunil Gadhe has filed a complaint (no. ULP/133/2009) before the Industrial Court, Aurangabad, against our Company and Anurang Jain. For further details see 'Labour Cases' under 'Litigation against our Company' in this section.

2. Dadarao Hade and others have filed a case (ULP/71/2009) before the Industrial Court, Aurangabad, against HTTS, Anurang Jain and another. For further details see 'Labour Cases' under 'Litigation involving our Subsidiaries' in this section.

3. Two separate cases have been filed before the Industrial Court, Aurangabad, against our Company, Anurang Jain and others alleging unfair labour practices. For further details see 'Labour Cases' under 'Litigation against our Company' in this section.

Civil Cases

1. A writ petition (no. 4222 of 2010) has been filed before the High Court of Bombay by Vashdeo Bhojwani ("Petitioner") against IndusInd Bank Ltd, Anurang Jain and other ("Respondents") challenging the order dated April 23, 2010 passed by the Debt Recovery Appellate Tribunal. The Petitioner has filed a case in the Debt Recovery Tribunal alleging, *inter alia*, that the sale deed dated December 14, 2007 by which Anurang Jain bought the property located in Pune is void to the extent of the Petitioner's un-divided share in the said property. The Debt Recovery Tribunal vide order dated January 25, 2008 dismissed the said matter. The Petitioner filed an appeal before the Debt Recovery Appellate Tribunal, Mumbai, which was dismissed vide order dated April 23, 2010. The Petitioner in the present petition has prayed for an injunction from creating any right or interest in respect of the said property and/or demolishing the bungalow/structure on the said property. The matter is pending at the admission stage in the High Court of Bombay. The matter is currently pending.

Notice

1. A notice dated July 30, 2010 has been issued by the Registrar of Companies, Ministry of Corporate Affairs, Government of India in relation to default under Sections 159, 166, 210 and 220 of the Companies Act, 1956 committed by Hawkeye IT Solutions Private Limited. A reply dated September 13, 2010 has been filed by Anurang Jain informing the Registrar of Companies that he is not the director of the Hawkeye IT Solutions Private Limited and has no connection with the above-mentioned company and therefore the said notice should be withdrawn by the Registrar of Companies.

Nainesh Jaisingh

NIL

Roberto Testore

Labour Cases

1. An ex-employee of Trenitalia S.p.a. has filed a case against the entire the management, including Roberto Testore, in relation to termination of his employment. The Labour section of the Civil Tribunal of Rome, in July 2010 held that the management had complied with all rules regarding the discharge for cause undertaken by Trenitalia S.p.a. against the employee. The employee has also been condemned to an indemnity for legal expenses equivalent to € 11,000.00.

Partho Datta

Economic Offences

1. A case has been filed before the Special Court for Economic Offences, Bangalore against Partho Datta and others in relation to International Advanced Process Technologies Limited, registered in Belgaum, Karnataka for alleged non-submission of annual accounts and annual reports to the RoC, for two years. Partho Datta was not a director of the abovementioned company during the relevant period.

Soumendra Basu

NIL

Litigation involving our Promoter

For details see the litigation involving Anurang Jain under the 'Litigation involving our Directors' under this section.

Material Developments

There have been no material developments, since the date of the last balance sheet otherwise than as disclosed in the section "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 301 of this Draft Red Herring Prospectus.

GOVERNMENT AND OTHER APPROVALS

On the basis of the approvals listed below, our Company can undertake this Issue and our current business activities and other than disclosed below no further material approvals from any governmental or regulatory authority or any other entity are required to undertake the Issue or continue our business activities. Unless otherwise stated, these approvals are all valid as of the date of this Draft Red Herring Prospectus.

I. Approvals in relation to the Issue

1. Approval of our Board dated September 27, 2010 for the Issue under Section 81(1A) of the Companies Act.

2. Approval of our shareholders dated September 27, 2010 under Section 81(1A) of the Companies Act.

3. Approval of the board of directors of the Selling Shareholder dated September 16, 2010 approving the Offer for Sale.

4. In-principle approval dated [●], 2010 from the NSE.

5. In-principle approval dated [●], 2010 from BSE.

6. Our Company will apply to RBI to approve the transfer of the Equity Shares by the Selling Shareholder in the Offer for Sale.

II. Tax related and other approvals

1. Permanent Account Number AAACE7066P

2. Tax Payers Identification Number 27920293255C under the Central Sales Tax Act, 1956.

3. Tax Payers Identification Number 27920293255V under the Maharashtra Value Added Tax Act, 2002.

4. Tax Deduction Account Number NSKE00384G under the Income Tax Act, 1961.

5. Central Excise Registration Certificate (registration no. AAACE7066PXM007) certifying the registration for manufacturing of excisable goods issued by Assistance Commissioner of Central Excise under the provisions of the Central Excise Rules, 2002.

6. EPCG Licenses issued by office of Joint Director General of Foreign Trade under the Foreign Trade (Development and Regulation) Act, 1992, with export obligation period of eight years.

7. DEPB-post export license issued by the Director General of Foreign Trade under the Foreign Trade (Development and Regulation) Act, 1992.

III. Approvals in relation to the plants

Our Company is required to obtain various approvals for our plants. The registrations and approvals required to be obtained by our Company usually in respect of our plants in India include the following:

1. Service Tax Codes in relation to registration with the Central Excise Department.

2. Factory Licenses issued by the Factories Inspector, under the provisions of the Factories Act, 1948.

3. Approvals for storage of furnace oil/L.D.O. issued by the Petroleum and Explosives Safety Organization, Ministry of Commerce and Industry, Government of India, under the provisions of the Petroleum Rules, 2002.

4. Licenses to import and store oil, petroleum and/or gas issued by the Petroleum and Explosives Safety Organization, Ministry of Commerce and Industry, Government of India, under the provisions of the Petroleum Act, 1934, the Petroleum Rules, 2002, Indian Explosives Act, 1884 and Static and Mobile Pressure Vessel Rules (Unfired), 1981.

5. Consents to operate issued by respective State Pollution Control Board, under the provisions of the Water (Prevention & Control of pollution) Act, 1974, the Air (Prevention & Control of Pollution) Act, 1981 and authorization/renewal of authorization under the Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008.

6. Registrations and licenses to work a factory issued under the provisions of the Factories Act, 1948.

7. Stability certificates issued under the provisions of the Factories Act, 1948.

8. Amendments of registration certificate for registering contract labours issued by the Registering and Licensing Office under the provisions of the Contract Labour (Regulation & Abolition), 1970.

9. Certificate of registration issued by office of the Assistant Commissioner, Customs, Excise and Service Tax Division, Rampur, issued under the provisions of the Finance Act, 1994.

10. Acknowledgements for receipt of memorandum for manufacture of the Products by our Company issued by the Secretariat for Industrial Assistance, Ministry of Commerce, Government of India.

11. Certificate of registration issued by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India, for purpose of availing the exemptions of customs duty and excise duty.

12. Recognition of in-house R&D unit issued by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India.

13. No objection certificate ("**NOC**") dated April 8, 2010 issued by the Municipal Corporation, Gurgaon, in respect of fire safety of the factory situated at Plot No. 400,401 IMT Manesar, sector 8, Gurgaon, Haryana, subject to the conditions that trained staff shall be retained and the fire fighting system shall be in good condition. The NOC is valid till April 26, 2011.

14. Fire License granted by the Tamil Nadu Fire and Rescue Service under the provision of Tamil Nadu Fire Services Act, 1985 for processing of items related to automobile industry within jurisdiction of Irrungattukottai, Sriperumbudur, Kancheepuram, Tamil Nadu.

IV. Intellectual Property

Trademarks

1. ESIPL has obtained a registration for the name 'Endurance' as trademark no. 1223316 dated August 18, 2003 from the Registrar of Trademarks, India, for a period of ten years. The trademark has been registered under class 12 for parts, fittings and accessories for land vehicles.

2. ESIPL has obtained a registration for the logo 'Endurance' as trademark no. 1278138 dated April 12, 2004 from the Registrar of Trademarks, India, for a period of ten years. The trademark has been registered under class 12 for parts, fittings and accessories for land vehicles.

3. Our Company has obtained a registration for the name 'Endurance' and the logo as trademark no. TM 305920 dated October 27, 2009 from the Trademark Registrar, Department of Intellectual Property, Thailand, for a period of ten years. The trademark has been registered under class 12 for various goods and services mentioned therein.

4. Our Company has obtained a registration for the name 'Endurance' and the logo as trademark no. 6119822 dated March 28, 2010 from Director of Trade Mark Office, China, for a period of ten years. The trademark has been registered under class 12 for traction engines, casting cars and casting carriages.

5. ESIPL has obtained a registration for the logo 'Endurance' as trademark no.25932 dated January 21, 2008 from Department of Industries, Government of Nepal, for a period of seven years. The trademark has been registered under class 12 for the goods mentioned therein.

6. ESIPL has obtained a registration for the name 'Endurance' as trademark no. 25933 dated January 21, 2008 from Department of Industries, Government of Nepal, for a period of seven years. The trademark has been registered under class 12 for the goods mentioned therein.

7. Our Company has obtained a registration for the name 'Endurance' and the logo as trademark no. 37686 dated April 14, 2009 from General Intellectual Property the Registrar, the Republic of Sudan, for a period of ten years. The trademark has been registered under class 12 for the goods mentioned therein.

8. Our Company has obtained a registration for the name 'Endurance' and the logo as community trademark no. 005819149 dated March 13, 2008 from Office of Harmonisation in the Internal Market, Trade Marks and Designs for a period of ten years. The trademark has been registered under class 12 for the goods and services mentioned therein.

Patents

1. ESIPL has obtained patent no. 210922 dated October 15, 2007 from the Patent Office, Government of India, for invention of an 'improved oleo-pneumatic shock absorber for land' for a period of 20 years commencing from September 29, 2003.

2. ESIPL has obtained patent no. 193808 dated February 22, 2005 from the Patent Office, Government of India, for invention of a 'seal shield for shock absorbers for land vehicles and the like' for a period of 20 years commencing from August 27, 2002.

Design

1. Our Company has obtained a Certificate of Registration of Design no. 224428 dated April 23, 2010 has from the Patent Office, Government of India, under the Classes 12-16, in respect of a wheel design for a period of 10 years commencing from the date of registration.

V. Pending Approvals/Licenses/Receipts/Patents

1. Application for establishing and operating the industrial plants dated April 17, 2010 filed before the Uttarakhand Environment Protection & Pollution Control Board, Uttarakhand, under the Air (Prevention & Control of Pollution) Act, 1981 for the plant situated plot no. 3, sector 10, II E, Pantnagar, Rudrapur.

2. Application for consent to establish dated September 21, 2010 filed before the Maharashtra Pollution Control Board for expansion without any increase in consented quantities for the plant situated at B-1/3, MIDC Industrial Area, Chakan, Pune.

3. Application for consent to establish dated September 21, 2010 filed before the Maharashtra Pollution Control Board for installation of plant for machining of aluminum die casting components and investment of R&D centre for the plant situated at B-1/2 MIDC Industrial Area, Chakan, Pune.

4. Application dated February 16, 2010 filed before the Maharashtra Pollution Control Board for renewal of consent and expansion of manufacturing of painting of automobile component, machining of automobile component etc for the plant situated at L-6/3 MIDC Area, Waluj, Aurangabad.

5. Application dated February 23, 2010 for renewal filed before the Haryana State Pollution Board for consent under the Water (Prevention of Control of Pollution) Act, 1974 and Air (Prevention of Control of Pollution) Act, 1981 for year 2010-2011 for the plant situated at plot no. 400, sector 8, Manesar, Gurgaon.

6. Application for renewal dated October 15, 2009 before the Chief Controller of Explosive in respect of license no. P/HQ/TN/15/4642(P187497) for importation of 15 KL petroleum of class B in bulk and storage at plot no. F-82, Sipcot Industrial park, Irrungattukottai, Sriperumbudur, Kancheepuram, Tamil Nadu.

7. Application dated December 29, 2009 filed before the Department of Scientific and Industrial Research, Ministry of Science and Technology under Section 35 (2AB) of Income Tax Act, 1961, for approval of the research & development centre located at Plot E-93, MIDC, Industrial Area, Waluj, Aurangabad.

8. Application dated January 10, 2009 filed before the Department of Scientific and Industrial Research, Ministry of Science and Technology under Section 35 (2AB) of Income Tax Act, 1961, for approval of the research & development centre located at K-226/2, MIDC Industrial Area, Waluj, Aurangabad.

9. Patent application no. 2354/MUM/2009 dated August 29, 2009 filed by ESIPL before the Patent Office, Government of India for preload adjustable front fork.

10. Patent application no. 1363/MUM/2009 dated June 1, 2010 filed by our Company before the Patent Office, Government of India for telescopic two-wheeler fork.

11. Patent application no. 2355/MUM/2009 dated October 8, 2009 filed by our Company before the Patent Office, Government of India for canister type gas shock absorber.

12. Patent application no. 903/MUM/2007 dated May 9, 2008 filed by ESIPL before the Patent Office, Government of India for shock absorber.

13. Patent application no. 904/MUM/2007 dated May 9, 2008 filed by ESIPL before the Patent Office, Government of India, for devices for 'ensuring smoothness of ride in a two-wheeled vehicle'.

14. Trademark application no. 237718 dated June 14, 2007 filed by our Company before the Trademark Registry, Intellectual Property Organisation, Government of Pakistan, for the registration of name 'Endurance' and the logo as trademark under class 12 for parts, fittings and accessories for land vehicles, automobiles and automobile components.

15. Trademark application no. 138886 dated May 15, 2007 filed by our Company before the Director General of Intellectual Property of Sri Lanka, for the registration of name 'Endurance' and the logo as trademark under class 12.

16. Trademark application no. TMA 106135 dated May 15, 2007 filed by our Company before the Registrar, Department of Patents, Designs and Trade Marks, Trade Marks Wing, Dhake, Bangladesh for the registration of name 'Endurance' and the logo as trademark under class 12 for goods mentioned therein.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorised by a resolution of the Board of Directors passed at their meeting held on September 27, 2010, subject to the approval of shareholders of our Company through a special resolution to be passed pursuant to Section 81 (1A) of the Companies Act.

The shareholders of our Company have authorised the Issue by a special resolution passed pursuant to Section 81(1A) of the Companies Act, passed at the EGM of our Company held on September 27, 2010, at Mumbai.

The Board of Directors has, pursuant to its resolution dated September 29, 2010 approved this Draft Red Herring Prospectus.

We have received in-principle approvals from the BSE and the NSE for the listing of our Equity Shares pursuant to letters dated [●] and [●], respectively.

The Selling Shareholder has confirmed that it has held the Equity Shares proposed to be offered and sold in the Issue for more than one year prior to the date of filing of this Draft Red Herring Prospectus and that the Selling Shareholder has not been prohibited from dealings in securities market and the Equity Shares offered and sold are free from any lien, encumbrance or third party rights.

The Selling Shareholder has authorised the Offer for Sale of the Equity Shares held by it pursuant to the terms of a resolution of its board of directors dated September 16, 2010.

Our Company intends to apply to the RBI to approve the transfer of the Equity Shares by the Selling Shareholder in the Offer for Sale.

Prohibition by SEBI, RBI or Other Governmental Authorities

Our Company, its Promoter, the Directors, Promoter Group, and the Selling Shareholder, have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies with which our Promoter, Directors or persons in control of our Company are associated as promoter, directors or persons in control have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or RBI or any other regulatory or governmental authority.

Details of the entities that our Directors are associated with, which are engaged in securities market related business and are registered with SEBI for the same are as follows:

Name of the entity	Peerless Funds Management Company Limited
SEBI Registration Number of the entity	MF/062/09/03
If registration has elapsed, reason for non-renewal	Not applicable
Details of any inquiry/investigation conducted by SEBI at any time	Nil
Penalty imposed by SEBI (penalty includes deficiency/warning letter, adjudication proceedings, suspension/cancellation/prohibitory order	Nil
Outstanding fee payable to SEBI by the entity, if any	Nil

Prohibition by RBI

Neither our Company, its Promoter or the relatives (as defined under the Companies Act) of the Promoter have been identified as wilful defaulters by the RBI or any other governmental authority. There are no violations of securities laws committed by them in the past or are pending against them.

Eligibility for the Issue

The Company is eligible for the Issue in accordance with the Regulation 26(1) of the SEBI Regulations as explained under the eligibility criteria calculated in accordance with restated standalone financial statements under Indian GAAP:

- The Company has net tangible assets of at least Rs. 30 Million in each of the preceding three full years (of 12 months each), of which not more than 50% are held in monetary assets.

- The Company has a track record of distributable profits in terms of Section 205 of the Companies Act, for at least three out of the immediately preceding five years.

- The Company has a net worth of at least Rs. 10 Million in each of the preceding three full years (of 12 months each).

- The aggregate of the proposed Issue and all previous issues made in the same financial year in terms of the issue size is not expected to exceed five times the pre-Issue net worth of the Company.

- The Company has not changed its name in the last fiscal year.

Our Company's net profit, net worth, net tangible assets and monetary assets derived from the Standalone Restated Financial Statements included in this Draft Red Herring Prospectus as at, and for the last five years ended Fiscal 2010 are set forth below:

(*In Rs. Million*)

Particulars	Fiscal 2010	Fiscal 2009	Fiscal 2008	Fiscal 2007	Fiscal 2006
Distributable Profits [(1)]	52.65	28.26	-*	44.10	31.30
Net Worth[(2)]	430.45	337.57	280.08	304.87	101.20
Net Tangible assets[(3)]	1,250.56	937.18	1,080.69	906.67	411.97
Monetary assets[(4)]	43.33	42.30	51.61	58.84	52.98
Monetary assets as a percentage of the net tangible assets (%)	3.46	4.51	4.78	6.49	12.86

** The Company has incurred loss for the year ended 31st March, 2008*

(1) *Distributable profits' have been defined in terms of Section 205 of the Companies Act.*

(2) *'Net worth' has been defined as the aggregate of equity share capital and reserves, excluding preference share redemption reserve and miscellaneous expenditures, if any.*

(3) *'Net tangible assets' means the sum of all net assets of our Company excluding intangible assets as defined in Accounting Standard 26 issued by Institute of Chartered Accountants of India.*

(4) *Monetary assets comprise of cash and bank balances and public deposit accounts with the Government.*

Further, we shall ensure that the number of prospective allottees to whom the Equity Shares will be Allotted shall not be less than 1,000; otherwise the entire application money will be refunded forthwith. In case of delay, if any, in refund our Company shall pay interest on the application money at the rate of 15% p.a. for the period of delay.

In terms of Rule 19(2)(b)(i) of the SCRR, this is an issue for more than 25% of the post-Issue paid-up equity share capital. The Issue is being made through the Book Building Process wherein not more than 50% of the Issue shall be available for allocation on a proportionate basis to QIB Bidders. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

Disclaimer Clause of SEBI

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, KOTAK MAHINDRA CAPITAL COMPANY LIMITED AND CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE OUR COMPANY AND THE SELLING SHAREHOLDER ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS, KOTAK MAHINDRA CAPITAL COMPANY LIMITED AND CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED, ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS, HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 29, 2010 WHICH READS AS FOLLOWS:

WE, THE LEAD MERCHANT BANKER(S) TO THE ABOVE MENTIONED FORTHCOMING ISSUE, STATE AND CONFIRM AS FOLLOWS:

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS (IN CASE OF A BOOK BUILT ISSUE) / DRAFT PROSPECTUS (IN CASE OF A FIXED PRICE ISSUE) / LETTER OF OFFER (IN CASE OF A RIGHTS ISSUE) PERTAINING TO THE SAID ISSUE;**

2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**

   (A) **THE DRAFT RED HERRING PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**

   (B) **ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE**

REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

(C) **THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**

3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.

4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.

5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.

6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTER CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS/DRAFT PROSPECTUS.

7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. <u>NOT APPLICABLE</u>

8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.

9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK

ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO AMONG THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. NOT APPLICABLE

10. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. NOT APPLICABLE.**

    AS THE OFFER SIZE IS MORE THAN RS. 10 CRORES, HENCE UNDER SECTION 68B OF THE COMPANIES ACT, 1956, THE EQUITY SHARES ARE TO BE ISSUED IN DEMAT ONLY.

11. **WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.**

12. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:**

    (A) **AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER; AND**
    (B) **AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.**

13. **WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.**

14. **WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTER EXPERIENCE, ETC.**

15. **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.**

The filing of the Draft Red Herring Prospectus does not, however, absolve our Company and the Selling Shareholder from any liabilities under Section 63 or Section 68 of the Companies Act or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the BRLMs, any irregularities or lapses in the Draft Red Herring Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 60B of the Companies Act. All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 56, 60 and

60B of the Companies Act.

Disclaimer from our Company, the Selling Shareholder and the BRLMs

Our Company, the Directors, the Selling Shareholder and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our website www.endurancegroup.com, would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the agreement entered into among the BRLMs, the Selling Shareholder and our Company on September 27, 2010 and the Underwriting Agreement to be entered into among the Underwriters, the Selling Shareholder and our Company.

All information shall be made available by our Company, the Selling Shareholder and the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at bidding centres or elsewhere.

Investors who Bid in the Issue will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholder, the Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not issue, sell, pledge, or transfer the Equity Shares of our Company to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Selling Shareholder, the Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

The BRLMs and their respective associates and affiliates may engage in transactions with, and perform services for, our Company and the affiliates or associates in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company and the affiliates or associates, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds) and to FIIs, Eligible NRIs and other eligible foreign investors (viz. FVCIs, multilateral and bilateral development financial institutions). This Draft Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for its observations and SEBI shall give its observations in due course. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the Securities Act, or any state securities laws of the United States and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are being offered and sold (1) in the United States only to "qualified institutional buyers" (as defined in Rule 144A under the Securities Act) in reliance on Rule 144 A under the Securities Act and (2) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Disclaimer Clause of BSE

As required, a copy of the Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Disclaimer Clause of the NSE

As required, a copy of the Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Filing

A copy of the Draft Red Herring Prospectus has been filed with SEBI at Corporation Finance Department, Plot No.C4-A,'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, would be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 60 of the Companies Act would be delivered for registration with RoC at the Office of the Registrar of Companies, Everest 5th Floor, 100, Marine Drive, Mumbai 400 002.

Listing

Applications have been made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company and the Selling Shareholder will forthwith repay, without interest, all moneys received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within eight days after our Company and the Selling Shareholder become liable to repay it, then our Company, the Selling Shareholder and every Director of our Company who is an officer in default shall, on and from such expiry of eight days, be liable to repay the money, with at the rate of interest of 15% p.a. on application money, as prescribed under Section 73 of the Companies Act.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above are taken within 12 Working Days of Bid/Issue Closing Date. Further, the Selling Shareholder confirms that all steps, as may be reasonably required and necessary, will be taken for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within 12 Working Days of the Bid/Issue Closing Date.

Consents

Consents in writing of: (a) our Directors, our Company Secretary and Compliance Officer, the Auditors, the legal advisors, the Bankers to the Issue, the Bankers to our Company; and (b) the BRLMs, the Syndicate Members, the Escrow Collection Bankers and the Registrar to the Issue to act in their respective capacities, will be obtained and will be filed along with a copy of the Red Herring Prospectus with the RoC as required under Sections 60 and 60B of the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

Deloitte Haskins & Sells, Chartered Accountants, statutory auditors, have given their written consent to statement of the tax benefits available to our Company and its members in the form and context in which it appears in this Draft Red Herring Prospectus and such consent has not been withdrawn up to the time of submission of the Draft Red Herring Prospectus with SEBI.

Deloitte Haskins & Sells, Chartered Accountants, statutory auditors have given their written consent to the inclusion of their report in the form and context in which it appears in this Draft Red Herring Prospectus and such consent and report has not been withdrawn up to the time of submission of the Draft Red Herring Prospectus with SEBI.

Expert to the Issue

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received consent from the Statutory Auditors namely, Deloitte Haskins & Sells, Chartered Accountants to include their names as an expert in this Draft Red Herring Prospectus in relation to the report of the auditors dated September 27, 2010 and statement of tax benefits dated September 27, 2010 in the form and context in which it appears in this Draft Red Herring Prospectus.

[●], the IPO grading agency engaged by us for the purpose of obtaining IPO grading in respect of this Issue, have given their written consent as experts to the inclusion of their report in the form and context in which they will appear in the Red Herring Prospectus and such consents and reports will not be withdrawn upto the time of delivery of the Red Herring Prospectus and Prospectus to the Designated Stock Exchange.

Expenses of the Issue

The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. For details of total expenses of the Issue, see the section "Objects of the Issue" beginning on page 39 of this Draft Red Herring Prospectus.

Fees Payable to the Syndicate

The total fees payable to the Syndicate (including underwriting commission and selling commission and reimbursement of their out-of-pocket expense) will be as per the engagement letter, Issue Agreement and the Syndicate Agreement, a copy of which is available for inspection at the Registered Office.

Fees Payable to the Registrar to the Issue

The fees payable by our Company and the Selling Shareholder to the Registrar to the Issue for processing of application, data entry, printing of CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the agreement signed among our Company the Registrar to the Issue and the Selling Shareholder, a copy of which is available for inspection at the Registered Office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send refund in any of the modes described in the Red Herring Prospectus or Allotment advice by registered post/speed post/under certificate of posting.

Underwriting commission, brokerage and selling commission on Previous Issues

Since this is an initial public offering of our Company, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares.

Particulars regarding Public or Rights Issues by our Company during the last Five Years

Our Company has not made any public or rights issues during the five years preceding the date of this Draft Red Herring Prospectus.

Previous issues of Equity Shares otherwise than for cash

Except as disclosed in the section "Capital Structure" beginning on page 31 of this Draft Red Herring Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

Commission and Brokerage paid on previous issues of the Equity Shares

Since this is the initial public issue of Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company's inception.

Previous capital issue during the previous three years by listed Subsidiaries and associates of our Company

None of the Subsidiaries and associates of our Company are listed on any stock exchange.

Promise vis-à-vis objects – Public/ Rights Issue of our Company and/ or listed Subsidiaries and associates of our Company

Our Company has not undertaken any previous public or rights issue. None of the associates and Subsidiaries of our Company are listed on any stock exchange.

Outstanding Debentures or Bonds

Our Company does not have any outstanding debentures or bonds as of the date of filing this Draft Red Herring Prospectus.

Outstanding Preference Shares

Our Company does not have any outstanding Preference Shares other than those mentioned in the section "Capital Structure" beginning on page 31 of this Draft Red Herring Prospectus.

Stock Market Data of Equity Shares

This being an initial public issue of our Company, the Equity Shares are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The agreement between the Registrar to the Issue, our Company and the Selling Shareholder will provide for retention of records with the Registrar to the Issue for a period of at least six months from the last date of despatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the ASBA Bid cum Application Form was submitted by the ASBA Bidders.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be 10 working days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible. Our Company has constituted the Shareholders/Investors Grievance and Share Transfer Committee on July 30, 2010. The members of the Investors' Grievance Committee are:

1. Soumendra Basu, Chairman and Non-executive Independent Director;

2. Partho Datta, Non-executive Independent Director; and

3. Nainesh Jaisingh, Non-Executive Non-Independent Director.

Our Company has appointed Vivek M. Achwal, Company Secretary of our Company as the Compliance Officer for this Issue and he may be contacted in case of any pre-Issue or post-Issue related problems at the following address:

Endurance Technologies Limited

E- 92
MIDC Industrial Area, Waluj
Aurangabad 431 136
Maharashtra
Tel: (91 240) 255 9737
Fax: (91 240) 255 1700
Email: investors@endurance.co.in

Changes in Auditors

There has been no change in the Auditors of our Company during the last three years.

Capitalisation of Reserves or Profits

Except as disclosed in the section "Capital Structure" beginning on page 31 of this Draft Red Herring Prospectus, our Company has not capitalised our reserves or profits at any time during the last five years.

Revaluation of Assets

Except as disclosed in the section "Capital Structure" beginning on page 31 of this Draft Red Herring Prospectus, our Company has not re-valued its assets in the last five years.

SECTION VII: ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued and transferred pursuant to the Issue shall be subject to the provisions of the Companies Act, the Memorandum and Articles of Association, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, Bid cum Application Form, ASBA Bid cum Application Form, the Revision Form, the CAN and other terms and conditions as may be incorporated in the Allotment advices and other documents/ certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government, Stock Exchanges, RoC, RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Ranking of Equity Shares

The Equity Shares being issued and transferred in the Issue shall be subject to the provisions of the Companies Act and the Memorandum and Articles of Association and shall rank *pari-passu* with the existing Equity Shares of our Company including rights in respect of dividend. The Allotees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see the section "Main Provisions of the Articles of Association" beginning on page 413 of this Draft Red Herring Prospectus.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to its shareholders in accordance with the provisions of the Companies Act and the Memorandum and Articles of Association.

Face Value and Issue Price

The face value of the Equity Shares is Rs. 4 each and the Issue Price is Rs. [●] per Equity Share. The Anchor Investor Issue Price is Rs. [●] per Equity Share.

At any given point of time there shall be only one denomination for the Equity Shares.

Compliance with SEBI Regulations

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholder

Subject to applicable laws, the equity shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and

- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the listing agreement executed with the Stock Exchanges and our Company's Memorandum and Articles of Association.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, see the section "Main Provisions of the Articles of Association" beginning on page 413 of this Draft Red Herring Prospectus.

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI Regulations, the trading of the Equity Shares shall only be in dematerialised form. Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Issue will be only in electronic form in multiples of one (1) Equity Share subject to a minimum Allotment of [•] Equity Shares.

The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company and the Selling Shareholder in consultation with the BRLMs and advertised in [●] edition of English national daily [●], [●] edition of Hindi national daily [●], and [●] edition of regional language newspaper [●], at least two working days prior to the Bid/ Issue Opening Date.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Mumbai.

Nomination Facility to Investor

In accordance with Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office/Corporate Office of our Company or to the Registrar and Transfer Agent of our Company.

In accordance with Section 109A of the Companies Act, any person who becomes a nominee by virtue of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

- To register himself or herself as the holder of the Equity Shares; or

- To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialised form, there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective depository participant.

Minimum Subscription

If our Company does not receive 90% subscription of the Fresh Issue, including devolvement of underwriters, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after our Company becomes liable to pay the amount, our Company shall pay interest as prescribed under Section 73 of the Companies Act.

Further, we shall ensure that the number of prospective Allotees to whom Equity Shares will be Allotted shall not be less than 1,000.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Arrangement for disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Restriction on transfer of Equity Shares

Except for lock-in of the pre-Issue Equity Shares, Promoter's minimum contribution and Anchor Investor lock-in in the Issue as detailed in the section "Capital Structure" beginning on page 31 of this Draft Red Herring Prospectus, and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation/ splitting except as provided in the Articles of Association. For details, see the section "Main Provisions of the Articles of Association" beginning on page 413 of this Draft Red Herring Prospectus.

ISSUE STRUCTURE

Issue of 13,130,800 Equity Shares for cash at a price of Rs. [●] per Equity Share (including share premium of Rs. [●] per Equity Share) aggregating to Rs. [●] Million. The Issue consists of a fresh issue of 8,566,050 Equity Shares aggregating to Rs. [•] Million and an offer for sale of 4,564,750 Equity Shares by the Selling Shareholder. The Issue will constitute 25% of the post-Issue paid-up equity share capital of our Company.

The Issue is being made through the Book Building Process.

	QIBs#	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares*	Not more than 6,565,400 Equity Shares	Not less than 1,969,620 Equity Shares available for allocation or Issue less allocation to QIB Bidders and Retail Individual Bidders.	Not less than 4,595,780 Equity Shares available for allocation or Issue less allocation to QIB Bidders and Non-Institutional Bidders.
Percentage of Issue Size available for Allotment/allocation	Not more than 50% of the Issue Size being available for allocation to QIBs. However, up to 5% of the QIB Portion (excluding the Anchor Investor Portion) will be available for allocation proportionately to Mutual Funds only.	Not less than 15% of Issue or the Issue less allocation to QIB Bidders and Retail Individual Bidders.	Not less than 35% of the Issue or Issue less allocation to QIB Bidders and Non-Institutional Bidders.
Basis of Allotment/Allocation if respective category is oversubscribed	Proportionate as follows: (a) 229,789 Equity Shares shall be allocated on a proportionate basis to Mutual Funds only; and (b) 4,365,991 Equity Shares shall be allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.	Proportionate	Proportionate
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds Rs. 100,000 and in multiples of [•] Equity Shares thereafter.	Such number of Equity Shares that the Bid Amount exceeds Rs. 100,000 and in multiples of [•] Equity Shares thereafter.	[•] Equity Shares and in multiples of [●] Equity Shares thereafter
Maximum Bid	Such number of Equity Shares not exceeding the Issue, subject to applicable limits.	Such number of Equity Shares not exceeding the Issue, subject to applicable limits.	Such number of Equity Shares, whereby the Bid Amount does not exceed Rs. 100,000.
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity	[●] Equity Shares and in multiples of [●] Equity Shares	[●] Equity Shares and in multiples of [●] Equity

	QIBs#	Non-Institutional Bidders	Retail Individual Bidders
	Shares thereafter.	thereafter.	Shares thereafter.
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter	[●] Equity Shares and in multiples of one Equity Share thereafter	[●] Equity Shares and in multiples of one Equity Share thereafter
Trading Lot	One Equity Share	One Equity Share	One Equity Share
Who can Apply **	Public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual fund registered with SEBI, FIIs and sub-account registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, VCFs, state industrial development corporation, insurance company registered with IRDA, provident fund (subject to applicable law) with minimum corpus of Rs. 250 Million, pension fund with minimum corpus of Rs. 250 Million, in accordance with applicable law and National Investment Fund set up by Government of India and insurance funds set up and managed by army, navy or air force of the Union of India.	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts, sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals.	Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta)
Terms of Payment	Full Bid Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Members. (except for Anchor Investors) ##	Full Bid Amount shall be payable at the time of submission of Bid cum Application Form.##	Full Bid Amount shall be payable at the time of submission of Bid cum Application Form.##

\# *Our Company may allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. For details, see the section "Issue Procedure" beginning on page 384 of this Draft Red Herring Prospectus.*

\## *In case of ASBA Bidders, the SCSB shall be authorised to block such funds in the bank account of the Bidder that are specified in the ASBA Bid cum Application Form.*

* *Subject to valid Bids being received at or above the Issue Price. This Issue is being made in accordance with Rule 19(2)(b)(i) of the SCRR, as amended and under the SEBI Regulations, where the Issue will be made through the Book Building Process wherein not more than 50% of the Issue will be available for allocation on a proportionate basis to QIBs. Out of the QIB Portion (excluding the Anchor Investor Portion), 5% will be available for allocation on a proportionate basis to Mutual Funds only. The remainder will be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 229,789 Equity Shares, the balance Equity Shares available for Allotment in the*

Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders in proportion to their Bids. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

Under-subscription, if any, in any category except in the QIB category would be met with spill-over from other categories at the discretion of our Company and the Selling Shareholder in consultation with the BRLMs and the Designated Stock Exchange.

Withdrawal of the Issue

Our Company and the Selling Shareholder, in consultation with the BRLMs, reserves the right not to proceed with the Issue at anytime after the Bid/Issue Opening Date but before the Allotment of Equity Shares. In such an event our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/ Issue Closing Date, providing reasons for not proceeding with the Issue. The BRLMs, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one day of receipt of such notification. Our Company shall also inform the same to Stock Exchanges on which the Equity Shares are proposed to be listed.

If our Company and the Selling Shareholder withdraw the Issue after the Bid/Issue Closing Date and thereafter determine that they will proceed with an issue of our Company's Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

Bid/ Issue Programme

BID/ISSUE OPENS ON	**[●]***
BID/ISSUE CLOSES ON	**[●]****

* *Our Company may consider participation by Anchor Investors. The Anchor Investor Bid/ Issue Period shall be one working day prior to the Bid/ Issue Opening Date.*

** *Our Company may consider closing the Bid/Issue Period for QIB Bidders one day prior to the Bid/Issue Closing Date*

Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 5.00 p.m**. (Indian Standard Time, "IST") during the Bid/ Issue Period as mentioned above at the bidding centres and designated branches of SCSBs as mentioned on the Bid cum Application Form. On the Bid/ Issue Closing Date, the Bids and any revision in the Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and shall be uploaded until (i) [●] p.m. (IST) in case of Bids by QIB Bidders and Non-Institutional Bidders, and (ii) until [●]p.m. (IST) or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders. It is clarified that the Bids not uploaded in the book would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/ Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/ Issue Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Bid/ Issue Closing Date. All times mentioned in this Draft Red Herring Prospectus are Indian Standard Times. Bidders are cautioned that in the event a large number of Bids are received on the Bid/ Issue Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will be accepted only on Business Days, i.e., Monday to Friday (excluding any public holiday). Neither our Company, the Selling Shareholder, nor any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

On the Bid/ Issue Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received by Retail Individual Bidders after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

Our Company and the Selling Shareholder, in consultation with the BRLMs, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the Face Value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

In case of revision of the Price Band, the Bid/Issue Period will be extended for at least three additional working days after revision of Price Band subject to the Bid/ Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the changes on the websites of the BRLMs and at the terminals of the Syndicate Members.

ISSUE PROCEDURE

This section applies to all Bidders. Please note that all Bidders other than Anchor Investors can participate in the Issue through the ASBA process. ASBA Bidders should note that the ASBA process involves application procedures that may be different from the procedure applicable to Bidders other than the ASBA Bidders. Bidders applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all the Bidders are required to make payment of the full Bid Amount along with the Bid cum Application Form. In case of ASBA Bidders, an amount equivalent to the full Bid Amount will be blocked by the SCSB.

Book Building Procedure

In terms of Rule 19(2)(b)(i) of the SCRR, this Issue is for more than 25% of the post-Issue capital of our Company. The Issue is being made through the Book Building Process wherein not more than 50% of the Issue shall be available for allocation to QIBs on a proportionate basis. Out of the QIB Portion (excluding the Anchor Investor Portion), 5% will be available for allocation on a proportionate basis to Mutual Funds only. The remainder will be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Allocation to Anchor Investors shall be on a discretionary basis and not on a proportionate basis.

All Bidders other than the ASBA Bidders are required to submit their Bids through the Syndicate. ASBA Bidders are required to submit their Bids through the SCSBs.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DPID, PAN and Beneficiary Account Number, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

Bid cum Application Form

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis (ASBA as well as non ASBA Bidders*)	White
Eligible NRIs, FIIs or Foreign Venture Capital Investors, registered Multilateral and Bilateral Development Financial Institutions applying on a repatriation basis (ASBA as well as non ASBA Bidders)	Blue
Anchor Investors**	White

**Bid cum Application forms for ASBA Bidders will also be available on the website of the NSE (www.nseindia.com) and BSE (www.bseindia.com)*
***Bid cum Application forms for Anchor Investors have been made available at the offices of the BRLMs.*

Bidders (other than ASBA Bidders) are required to submit their Bids through the Syndicate. Such Bidders shall only use the specified Bid cum Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of the Red Herring Prospectus. The Bidder shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options shall not be considered as multiple Bids.

ASBA Bidders shall submit an ASBA Bid cum Application Form through the SCSBs authorising blocking of funds that are available in the bank account specified in the ASBA Bid cum Application Form only. QIBs participating in the Anchor Investor Portion cannot submit their Bids in the Anchor Investor Portion through the ASBA process.

No separate receipts shall be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection centre of the Syndicate will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

Upon the filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the Application Form. Upon completion and submission of the Bid cum Application Form to a Syndicate or the SCSB, the Bidder or the ASBA Bidder is deemed to have authorised our Company and the Selling Shareholder to make the necessary changes in the Red Herring Prospectus as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Bidder or the ASBA Bidder.

Who can Bid?

- Indian nationals resident in India who are not minors in single or joint names (not more than three);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of Sole or First bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids by HUFs would be considered at par with those from individuals;
- Companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in equity shares;
- Mutual Funds registered with SEBI;
- Eligible NRIs on a repatriation basis or on a non repatriation basis subject to applicable laws. NRIs other than eligible NRIs are not eligible to participate in this issue;
- Indian financial institutions, scheduled commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the SEBI Regulations and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual under the QIB category;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non-Institutional Bidders category.
- Venture Capital Funds registered with SEBI;
- Foreign Venture Capital Investors registered with SEBI;
- Multilateral and bilateral development financial institutions;
- State Industrial Development Corporations;
- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Scientific and/or industrial research organisations authorised in India to invest in Equity Shares;
- Insurance companies registered with Insurance Regulatory and Development Authority;

- Provident Funds with a minimum corpus of Rs. 250 Million and who are authorised under their constitution to hold and invest in equity shares;

- Pension Funds with a minimum corpus of Rs. 250 Million and who are authorised under their constitution to hold and invest in equity shares;

- National Investment Fund; and

- Insurance funds set up and managed by the army, navy or air force of the Union of India.

As per the existing regulations, OCBs cannot participate in this Issue.

Participation by associates and affiliates of the BRLMs and the Syndicate Members

The BRLMs and the Syndicate Members shall not be allowed to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and Syndicate Members may subscribe to or purchase Equity Shares in the Issue, either in the QIB Portion or in Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis.

The BRLMs and any persons related to the BRLMs or the Promoter and the Promoter Group cannot apply in the Issue under the Anchor Investor Portion.

Bids by Mutual Funds

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event that the demand in the Mutual Funds portion is greater than 229,789 Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Fund Portion.

Bids made by asset management companies or Custodians of Mutual Funds shall specifically state names of the concerned schemes for which such bids are made.

One-third of the Anchor Investor Portion shall be reserved for allocation to domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs should note that applications that are accompanied by payment in free foreign exchange should use the Bid cum Application Form which is blue in colour. Eligible NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts should use the form meant for Resident Indians.

Bids by FIIs

As per the current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of total post-Issue paid-up share capital. In respect of an FII investing in our Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total paid-up share capital or 5% of our total paid-up share capital in case such sub-account is a foreign corporate or a foreign individual. As of now, the aggregate FII holding in our Company cannot exceed 24% of our total paid-up share capital. With the approval of the Board and the shareholders by way of a special resolution, the aggregate FII holding can go up to 100%.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of Regulation 15A(1) of the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended (the "SEBI FII Regulations"), an FII, as defined in the SEBI FII Regulations, may issue or otherwise deal in or hold, offshore derivative instruments (as defined under the SEBI FII Regulations as any instrument, by whatever name called, which is issued overseas by a FII against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FII is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the SEBI FII Regulations. Associates and affiliates of the underwriters including the BRLMs and the Syndicate Members that are FIIs may issue offshore derivative instruments against Equity Shares Allotted to them in the Issue. Any such Offshore Derivative Instrument does not constitute any obligation or claim or claim on or an interest in, our Company.

Bids by SEBI registered Venture Capital Funds and Foreign Venture Capital Investors

The SEBI (Venture Capital Funds) Regulations, 1996 and SEBI (Foreign Venture Capital Investor) Regulations, 2000, as amended *inter alia* prescribe the investment restrictions on VCFs and FVCIs registered with SEBI.

Accordingly, the holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the venture capital fund. Further, venture capital funds and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering of a venture capital undertaking whose shares are proposed to be listed.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholder and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and Bidders are advised to ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

Maximum and Minimum Bid Size

(a) **For Retail Individual Bidders:** The Bid must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Shares thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed Rs. 100,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 100,000. In case the Bid Amount is over Rs. 100,000 due to revision of the Bid or revision of the Price Band or on exercise of Cut-off Price option, the Bid would be considered for allocation under the Non-Institutional Portion. The Cut-off Price option is an option given only to the Retail Individual Bidders indicating their agreement to Bid for and purchase the Equity Shares at the final Issue Price as determined at the end of the Book Building Process.

(b) **For Other Bidders (Non-Institutional Bidders and QIBs):** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 100,000 and in multiples of [•] Equity

Shares thereafter. A Bid cannot be submitted for more than the Issue size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **A QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay the Bid Amount upon submission of the Bid.**

In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs. 100,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to Rs. 100,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off Price'.

(c) **For Bidders in the Anchor Investor Portion:** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount is at least Rs. 100 Million and in multiples of [•] Equity Shares thereafter. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids. A Bid cannot be submitted for more than 30% of the QIB Portion under the Anchor Investor Portion. **Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/ Issue Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised Anchor Investor Allocation Notice.**

Information for the Bidders:

(a) Our Company and the BRLMs shall declare the Bid/Issue Opening Date and Bid/Issue Closing Date in the Red Herring Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in one Marathi newspaper with wide circulation. This advertisement shall be in the prescribed format.

(b) Our Company will file the Red Herring Prospectus with the RoC at least three days before the Bid/Issue Opening Date.

(c) Copies of the Bid cum Application Form and copies of the Red Herring Prospectus will be available with the Syndicate. For ASBA Bidders, Bid cum Application Forms will be available on the websites of NSE and BSE.

(d) Any eligible Bidder who would like to obtain the Red Herring Prospectus and/ or the Bid cum Application Form can obtain the same from the Registered Office of our Company.

(e) Eligible Bidders who are interested in subscribing for the Equity Shares should approach any of the BRLMs or Syndicate Members or their authorised agent(s) to register their Bids. Bidders (other than Anchor Investors) who wish to use the ASBA process should approach the Designated Branches of the SCSBs to register their Bids.

(f) The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms (other than the ASBA Bid cum Application Forms) should bear the stamp of the Syndicate, otherwise they will be rejected. Bids by ASBA Bidders shall be accepted by the Designated Branches of the SCSBs in accordance with the SEBI Regulations and any circulars issued by SEBI in this regard. Bidders (other than Anchor Investors) applying through the ASBA process also have an option to submit the ASBA Bid cum Application Form in electronic form.

(g) The demat accounts of Bidders for whom PAN details have not been verified, excluding persons resident in the state of Sikkim, who, may be exempted from specifying their PAN for transacting in the securities market, shall be "suspended for credit" and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Bidders.

The applicants may note that in case the DP ID and Client ID and PAN mentioned in the Bid cum Application Form and entered into the electronic bidding system of the Stock Exchanges by the Syndicate do not match with the DP ID and Client ID and PAN available in the database of Depositories, the application is liable to be rejected.

Method and Process of Bidding

(a) Our Company and the Selling Shareholder in consultation with the BRLMs will decide the Price Band and the minimum Bid lot size for the Issue and the same shall be advertised in two national newspapers (one each in English and Hindi) and in one Marathi newspaper with wide circulation at least two working days prior to the Bid/ Issue Opening Date. The Syndicate and the SCSBs shall accept Bids from the Bidders during the Bid/Issue Period.

(b) The Bid/Issue Period shall be for a minimum of three working days and shall not exceed 10 working days. The Bid/ Issue Period maybe extended, if required, by an additional three working days, subject to the total Bid/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be published in two national newspapers (one each in English and Hindi) and one Marathi newspaper with wide circulation and also by indicating the change on the websites of the BRLMs and at the terminals of the Syndicate.

(c) During the Bid/Issue Period, Bidders, other than QIBs, who are interested in subscribing for the Equity Shares should approach the Syndicate or their authorised agents to register their Bids. The Syndicate shall accept Bids from all Bidders and have the right to vet the Bids during the Bid/ Issue Period in accordance with the terms of the Red Herring Prospectus. Bidders (other than Anchor Investors) who wish to use the ASBA process should approach the Designated Branches of the SCSBs to register their Bids.

(d) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph titled "Bids at Different Price Levels" below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.

(e) The Bidder cannot Bid on another Bid cum Application Form after Bids on one Bid cum Application Form have been submitted to any member of the Syndicate or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate or SCBS will be treated as multiple Bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph entitled "Build up of the Book and Revision of Bids".

(f) Except in relation to the Bids received from the Anchor Investors, the Syndicate/the SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, ("**TRS**"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.

(g) The BRLMs shall accept the Bids from the Anchor Investors during the Anchor Investor Bid/ Issue Period i.e. one working day prior to the Bid/ Issue Opening Date. Bids by QIBs under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.

(h) Along with the Bid cum Application Form, all Bidders (other than ASBA Bidders) will make payment in the manner described in "Escrow Mechanism - Terms of payment and payment into the Escrow Accounts" in the section "Issue Procedure" beginning on page 384 of the Draft Red Herring Prospectus.

(i) Upon receipt of the ASBA Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Bid cum Application Form, prior to uploading such Bids with the Stock Exchanges.

(j) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchanges.

(k) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.

(l) The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

Bids at Different Price Levels and Revision of Bids

(a) Our Company and the Selling Shareholder, in consultation with the BRLMs and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the Face Value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed at least two days prior to the Bid/ Issue Opening Date and the Cap Price will be revised accordingly.

(b) Our Company, in consultation with the Selling Shareholder and the BRLMs will finalise the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders.

(c) Our Company, in consultation with the Selling Shareholder and the BRLMs, can finalise the Anchor Investor Issue Price within the Price Band, without the prior approval of, or intimation, to the Anchor Investors.

(d) The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.

(e) Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.

Escrow mechanism, terms of payment and payment into the Escrow Accounts

For details of the escrow mechanism and payment instructions, see “Payment Instructions” in this section.

Electronic Registration of Bids

(a) The Syndicate and the SCSBs will register the Bids using the on-line facilities of the Stock Exchanges.

(b) The Syndicate and the SCSBs will undertake modification of selected fields in the Bid details already uploaded within one Working Day from the Bid/Issue Closing Date.

(c) There will be at least one on-line connectivity facility in each city, where a stock exchange is located in India and where Bids are being accepted. The Syndicate Members and/or SCSBs shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Bids accepted by the Syndicate Members and the SCSBs, (ii) the Bids uploaded by the Syndicate Members and the SCSBs, (iii) the Bids accepted but not uploaded by the Syndicate Members and the SCSBs or (iv) with respect to Bids by ASBA Bidders, Bids accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Bids uploaded by the SCSBs, the Bid Amount has been blocked in the relevant ASBA Account.

(d) The Stock Exchanges will offer an electronic facility for registering Bids for the Issue. This facility will be available with the Syndicate and their authorised agents and the SCSBs during the Bid/ Issue Period. The Syndicate Members and the Designated Branches of the SCSBs can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis. On the Bid/ Issue Closing Date, the Syndicate and the Designated Branches of the SCSBs shall upload the Bids till such time as may be permitted by the Stock Exchanges.

(e) Based on the aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges would be made available at the Bidding centres during the Bid/Issue Period.

(f) At the time of registering each Bid other than ASBA Bids, the Syndicate shall enter the following details of the Bidders in the on-line system:

- Investor Category – Individual, Corporate, FII, NRI, Mutual Fund, etc.
- Numbers of Equity Shares Bid for.
- Bid Amount.
- Cheque Details.
- Bid cum Application Form number.
- DP ID and client identification number of the beneficiary account of the Bidder.
- PAN.

With respect to Bids by ASBA Bidders, at the time of registering such Bids, the SCSBs shall enter the following information pertaining to the ASBA Bidders into the online system:

- Application Number;
- PAN (of First ASBA Bidder, in case of more than one ASBA Bidder);
- Investor Category and Sub-Category- Individual, Corporate, FII, NRI, Mutual Funds, etc.:

- DP ID and client identification number of the beneficiary account of the Bidders;
- Numbers of Equity Shares Bid for;
- Quantity;
- Bid Amount; and
- Bank account number;

(g) TRS will be generated for each of the bidding options when the Bid is registered. It is the Bidder's responsibility to obtain the TRS from the Syndicate or the Designated Branches of the SCSBs. The registration of the Bid by the member of the Syndicate or the Designated Branches of the SCSBs does not guarantee that the Equity Shares shall be allocated/Allotted either by the Syndicate, our Company or the Selling Shareholder.

(h) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

(i) In case of QIB Bidders, only the BRLMs and their affiliate Syndicate Members have the right to accept the Bid or reject it. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, Bids will be rejected on technical grounds listed herein. The members of the Syndicate may also reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect. The SCSBs shall have no right to reject Bids, except on technical grounds.

(j) The permission given by the Stock Exchanges to use their network and software of the online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Selling Shareholder and/or the BRLMs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the Promoter, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

(k) Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/ Allotment. Members of the Syndicate and the SCSBs will be given up to one day after the Bid/Issue Closing Date to verify DP ID and Client ID uploaded in the online IPO system during the Bid/Issue Period after which the Registrar to the Issue will receive this data from the Stock Exchanges and will validate the electronic bid details with depository's records.

(l) Details of Bids in the Anchor Investor Portion will not be registered on the on-line facilities of the electronic facilities of the Stock Exchanges.

Build up of the book and revision of Bids

(a) Bids received from various Bidders through the Syndicate and the SCSBs shall be electronically uploaded to the Stock Exchanges' mainframe on a regular basis.

(b) The book gets built up at various price levels. This information will be available with the BRLMs at the end of the Bid/Issue Period.

(c) During the Bid/Issue Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form, which is a part of the Bid cum Application Form.

(d) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form. Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and such Bidder is changing only one of the options in the Revision Form, the Bidder must still fill the details of the other two options that are not being revised, in the Revision Form. The Syndicate and the Designated Branches of the SCSBs will not accept incomplete or inaccurate Revision Forms.

(e) The Bidder can make this revision any number of times during the Bid/Issue Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate or the SCSB through whom such Bidder had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.

(f) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders who had Bid at Cut-off Price could either (i) revise their Bid or (ii) shall make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed Rs. 100,000 if the Bidder wants to continue to Bid at Cut-off Price), with the Syndicate to whom the original Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs. 100,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of this Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.

(g) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders who have Bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account.

(h) Our Company and the Selling Shareholder, in consultation with the BRLMs, shall decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of Rs. 5,000 to Rs. 7,000.

(i) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. With respect to the Bids by ASBA Bidders, if revision of the Bids results in an incremental amount, the relevant SCSB shall block the additional Bid Amount. In case of Bids, other than ASBA Bids, the Syndicate shall collect the payment in the form of cheque or demand draft if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions by the QIB Bidders. In such cases, the Syndicate will revise the earlier Bids details with the revised Bid and provide the cheque or demand draft number of the new payment instrument in the electronic book. The Registrar will reconcile the Bid data and consider the revised Bid data for preparing the Basis of Allotment.

(j) When a Bidder revises his or her Bid, he or she should surrender the earlier TRS request for a revised TRS from the Syndicate or the SCSB, as proof of his or her having revised the previous Bid.

Price Discovery and Allocation

(a) Based on the demand generated at various price levels, our Company in consultation with the Selling Shareholders and the BRLMs, shall finalise the Issue Price and the Anchor Investor Issue Price.

(b) Under-subscription, if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company and the Selling Shareholder in consultation with the BRLMs and the Designated Stock Exchange.

(c) Allocation to Non-Residents, including Eligible NRIs and FIIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.

(d) Allocation to Anchor Investors shall be at the discretion of our Company in consultation with the BRLMs, subject to compliance with the SEBI Regulations.

(e) QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date. Further, the Anchor Investors shall not be allowed to withdraw their Bids after the Anchor Investor Bid/Issue Period.

Signing of the Underwriting Agreement and the RoC Filing

(a) Our Company, the Selling Shareholder, the BRLMs and the Syndicate Members shall enter into an Underwriting Agreement on or immediately after the finalisation of the Issue Price.

(b) After signing the Underwriting Agreement, our Company and the Selling Shareholder will update and file the updated Red Herring Prospectus with the RoC in accordance with the applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Issue Price, the Anchor Investor Issue Price, Issue size, and underwriting arrangements and will be complete in all material respects.

Pre-Issue Advertisement

Subject to Section 66 of the Companies Act, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one English language national daily newspaper, one Hindi language national daily newspaper and one Marathi language daily newspaper, each with wide circulation.

Advertisement regarding Issue Price and Prospectus

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price and the Anchor Investor Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of Confirmation of Allotment Note ("CAN")

(a) Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Syndicate a list of the Bidders who have been Allotted Equity Shares in the Issue.

(b) The Registrar will dispatch CANs to the Bidders who have been Allotted Equity Shares in the Issue.

(c) The dispatch of CAN shall be deemed a valid, binding and irrevocable contract for the Bidder.

(d) The Issuance of CAN is subject to "Notice to Anchor Investors - Allotment Reconciliation and CANs" as set forth below.

Notice to Anchor Investors: Allotment Reconciliation and CANs

A physical book will be prepared by the Registrar on the basis of the Bid cum Application Forms received from Anchor Investors. Based on the physical book and at the discretion of our Company in consultation with the BRLMs, selected Anchor Investors will be sent an Anchor Investor Allocation Notice and if required, a revised Anchor Investor Allocation Notice. All Anchor Investors will be sent Anchor Investor Allocation Notice post Anchor Investor Bid/Issue Period and in the event that the Issue Price is higher than the Anchor Investor Issue Price, the Anchor Investors will be sent a revised Anchor Investor Allocation Notice within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors should note that they shall be required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Issue Price, as indicated in the revised Anchor Investor Allocation Notice within the pay-in date referred to in the revised Anchor Investor Allocation Notice. The revised Anchor Investor Allocation Notice will constitute a valid, binding and irrevocable contract (subject to the issue of CAN) for the Anchor Investor to pay the difference between the Issue Price and the Anchor Investor Issue Price and accordingly the CAN will be issued to such Anchor Investors. In the event the Issue Price is lower than the Anchor Investor Issue Price, the Anchor Investors who have been Allotted Equity Shares will directly receive CAN. The CAN shall be deemed a valid, binding and irrevocable contract for the Allotment of Equity Shares to such Anchor Investors.

The final allocation is subject to the physical application being valid in all respect along with receipt of stipulated documents, the Issue Price being finalised at a price not higher than the Anchor Investor Issue Price and Allotment by the Board of Directors.

Designated Date and Allotment of Equity Shares:

(a) Our Company will ensure that: (i) the Allotment of Equity Shares; and (ii) credit to the successful Bidder's depositary account will be completed within 12 Working Days of the Bid/Issue Closing Date. After the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date, our Company will ensure the credit to the successful Bidder's depository account is completed within two working days from the date of Allotment.

(b) In accordance with the SEBI Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees.

(c) Allottees will have the option to re-materialise the Equity Shares so Allotted as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated/ Allotted to them pursuant to this Issue.

GENERAL INSTRUCTIONS

Do's:

(a) Check if you are eligible to apply;

(b) Ensure that you have Bid within the Price Band;

(c) Read all the instructions carefully and complete the Bid cum Application Form;

(d) Ensure that the details about the Depository Participant and the beneficiary account are correct as Allotment of Equity Shares will be in the dematerialised form only;

(e) Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of a member of the Syndicate or with respect to ASBA Bidders, ensure that your Bid is submitted at a Designated Branch of the SCSB where the ASBA Bidder or the person whose bank account will be utilised by the Bidder for bidding has a bank account;

(f) With respect to Bids by ASBA Bidders ensure that the ASBA Bid cum Application Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the ASBA Bid cum Application Form;

(g) Ensure that you request for and receive a TRS for all your Bid options;

(h) Ensure that you have funds equal to the Bid Amount in your bank account maintained with the SCSB before submitting the ASBA Bid cum Application Form to the respective Designated Branch of the SCSB;

(i) Ensure that the full Bid Amount is paid for the Bids submitted to the Syndicate and funds equivalent to the Bid Amount are blocked in case of any Bids submitted though the SCSBs.

(j) Instruct your respective banks to not release the funds blocked in the bank account under the ASBA process;

(k) Submit revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;

(l) Except for Bids submitted on behalf of the Central Government or the State Government and officials appointed by a court, all Bidders should mention their PAN allotted under the IT Act;

(m) Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;

Don’ts:

(a) Do not Bid for lower than the minimum Bid size;

(b) Do not Bid/ revise Bid Amount to less than the Floor Price or higher than the Cap Price;

(c) Do not Bid on another Bid cum Application Form after you have submitted a Bid to the Syndicate or the SCSBs, as applicable;

(d) Do not pay the Bid Amount in cash, by money order or by postal order or by stockinvest;

(e) Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate or the SCSBs only;

(f) Do not Bid at Cut-off Price (for QIB Bidders and Non-Institutional Bidders, for Bid Amount in excess of Rs. 100,000);

(g) Do not Bid for a Bid Amount exceeding Rs. 100,000 (for Bids by Retail Individual Bidders);

(h) Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Issue Size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;

(i) Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground; and

(j) Do not submit the Bids without the full Bid Amount.

INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM

Bids must be:

(a) Made only in the prescribed Bid cum Application Form or Revision Form, as applicable.

(b) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid cum Application Form or in the Revision Form. Incomplete Bid cum Application Forms or Revision Forms are liable to be rejected. Bidders should note that the Syndicate and / or the SCSBs, as appropriate, will not be liable for errors in data entry due to incomplete or illegible Bid cum Application Forms or Revision Forms.

(c) Information provided by the Bidders will be uploaded in the online IPO system by the Syndicate and the SCSBs, as the case may be, and the electronic data will be used to make allocation/ Allotment. The Bidders should ensure that the details are correct and legible.

(d) For Retail Individual Bidders, the Bid must be for a minimum of [•] Equity Shares and in multiples of [•] thereafter subject to a maximum Bid Amount of Rs. 100,000.

(e) For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares that the Bid Amount exceeds Rs. 100,000 and in multiples of [•] Equity Shares thereafter. Bids cannot be made for more than the Issue size. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of Equity Shares that can be held by them under the applicable laws or regulations.

(f) For Anchor Investors, Bids must be for a minimum of such number of Equity Shares that the Bid Amount exceeds or equal to Rs. 100 Million and in multiples of [•] Equity Shares thereafter.

(g) In single name or in joint names (not more than three, and in the same order as their Depository Participant details).

(h) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Bidder's PAN, Depository Account and Bank Account Details

Bidders should note that on the basis of PAN of the Bidders, DP ID and beneficiary account number provided by them in the Bid cum Application Form, the Registrar will obtain from the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as "Demographic Details"). These bank account details would be used for giving refunds (including through physical refund warrants, direct credit, NECS, NEFT and RTGS) or unblocking of ASBA Account. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch/ credit of refunds to Bidders or unblocking of ASBA Account at the Bidders sole risk and neither the BRLMs or the Registrar or the Escrow Collection Banks or the SCSBs nor our Company shall have any responsibility and undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the refund orders/CANs/allocation advice and printing of bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Bidders in the Bid cum Application Form would not be used for any other purpose by the Registrar.

By signing the Bid cum Application Form, the Bidder would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

Refund orders/ CANs would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/ CANs may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Bidder (other than ASBA Bidders) in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at such Bidder's sole risk and neither our Company, the Selling Shareholder, the Escrow Collection Banks, Registrar, the BRLMs shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories, which matches the two parameters, namely, PAN of the Bidder and the DP ID/Client ID, then such Bids are liable to be rejected.

Bids by Non-Residents including Eligible NRIs, FIIs and Foreign Venture Capital Investors on a repatriation basis

Bids and revision to Bids must be made in the following manner:

1. On the Bid cum Application Form or the Revision Form, as applicable (blue in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.

2. In a single name or joint names (not more than three and in the same order as their Depositary Participant Details).

3. Bids on a repatriation basis shall be in the names of individuals, or in the name of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. Our Company and the Selling Shareholder will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

There is no reservation for Eligible NRIs and FIIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with a minimum corpus of Rs. 250 Million (subject to applicable law) and pension funds with a minimum corpus of Rs. 250 Million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

In addition to the above, certain additional documents are required to be submitted by the following entities:

(a) With respect to Bids by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.

(b) With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form.

(c) With respect to Bids made by provident funds with a minimum corpus of Rs. 250 Million (subject to applicable law) and pension funds with a minimum corpus of Rs. 250 Million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form.

Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that our Company, the BRLMs may deem fit.

PAYMENT INSTRUCTIONS

Escrow Mechanism for Bidders other than ASBA Bidders

Our Company, the Selling Shareholder and the Syndicate shall open Escrow Account(s) with one or more Escrow Collection Bank(s) in whose favour the Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Bidders would be deposited in the Escrow Account.

The Escrow Collection Banks will act in terms of the Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Banks for and on behalf of the Bidders shall maintain the monies in the Escrow Account until the Designated Date. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares (including the amount due to the Selling Shareholder and other than ASBA funds with the SCSBs) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and the Draft Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholder, the Syndicate, the Escrow Collection Banks and the Registrar to facilitate collections from the Bidders.

Payment mechanism for ASBA Bidders

The ASBA Bidders shall specify the bank account number in the ASBA Bid cum Application Form and the SCSB shall block an amount equivalent to the Bid Amount in the bank account specified in the ASBA Bid cum Application Form. The SCSB shall keep the Bid Amount in the relevant bank account blocked until withdrawal/ rejection of the ASBA Bid or receipt of instructions from the Registrar to unblock the Bid Amount. In the event of withdrawal or rejection of the ASBA Bid cum Application Form or for unsuccessful ASBA Bid cum Application Forms, the Registrar shall give instructions to the SCSB to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Bid Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Bids by ASBA Bidder, as the case may be.

Payment into Escrow Account for Bidders other than ASBA Bidders

Each Bidder shall draw a cheque or demand draft or remit the funds electronically through the RTGS mechanism for the Bid Amount payable on the Bid as per the following terms:

1. All Bidders would be required to pay the full Bid Amount at the time of the submission of the Bid cum Application Form.

2. The Bidders shall, with the submission of the Bid cum Application Form, draw a payment instrument for the Bid Amount in favour of the Escrow Account and submit the same to the Syndicate. If the payment is not made favouring the Escrow Account along with the Bid cum Application Form, the Bid of the Bidder shall be rejected.

3. The payment instruments for payment into the Escrow Account should be drawn in favour of:

   (a) In case of Resident QIB Bidders: "[●]"

   (b) In case of Non-Resident QIB Bidders: "[●]"

   (c) In case of Resident Retail and Non-Institutional Bidders: "[●]"

   (d) In case of Non-Resident Retail and Non-Institutional Bidders: "[●]"

4. Anchor Investors would be required to pay the Bid Amount at the time of submission of the Bid cum Application Form. In the event of the Issue Price being higher than the price at which allocation is made to Anchor Investors, the Anchor Investors shall be required to pay such additional amount to the extent of shortfall between the price at which allocation is made to them and the Issue Price as per the pay-in date mentioned in the revised Anchor Investor Allocation Notice. If the Issue Price is lower than the price at which allocation is made to Anchor Investors, the amount in excess of the Issue Price paid by Anchor Investors shall not be refunded to them.

5. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

   (a) In case of resident Anchor Investors: "[●]"

   (b) In case of non-resident Anchor Investors: "[●]"

6. In case of Bids by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.

7. In case of Bids by NRIs applying on non-repatriation basis, the payments must be made through Indian Rupee Drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of a Non-Resident Ordinary (NRO) Account of a Non-Resident Bidder bidding on a non-repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR or NRO Account.

8. In case of Bids by FIIs, the payment should be made out of funds held in a Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting the Special Rupee Account.

9. The monies deposited in the Escrow Account will be held for the benefit of the Bidders till the Designated Date.

10. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers to the Issue.

11. Payments should be made by cheque, or a demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/ stockinvest/money orders/postal orders will not be accepted.

OTHER INSTRUCTIONS

Joint Bids in the case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form. All communications will be addressed to the First Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Bids

A Bidder should submit only one (and not more than one) Bid

In case of a Mutual Fund, a separate Bid may be made in respect of each scheme of the Mutual Fund and such Bids in respect of over one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made. Bids by QIBs under the Anchor Investor Portion and the QIB Portion (excluding the Anchor Investor Portion) will not be treated as multiple Bids.

After submitting a bid using an ASBA Bid cum Application Form either in physical or electronic mode, where such ASBA Bid has been submitted to the SCSBs and uploaded with the Stock Exchanges, an ASBA Bidder cannot Bid, either in physical or electronic mode, whether on another ASBA Bid cum Application Form, to either the same or another Designated Branch of the SCSB, or on a non-ASBA Bid cum Application Form. Submission of a second Bid in such manner will be deemed a multiple Bid and would be rejected either Bank of India, Indian Overseas Bank, Corporation Bank, Bank of Maharashtra, before entering the Bid into the electronic Bidding system or at any point of time prior to the allocation or Allotment of Equity Shares in the Issue. However, ASBA Bidders may revise their Bids through the Revision Form, the procedure for which is described in "Build Up of the Book and Revision of Bids" below.

More than one ASBA Bidder may Bid for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five ASBA Bid cum Application Forms with respect to any single ASBA Account.

Duplicate copies of ASBA Bid cum Application Forms downloaded and printed from the website of the Stock Exchanges bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

Our Company, in consultation with the Selling Shareholder and BRLMs, reserves the right to reject, in its absolute discretion, all or all except one of such multiple Bid(s) in any or all categories. In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple Bids are provided below:

1. All Bids will be checked for common PAN as per the records of Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN will be treated as multiple Bids and will be rejected.

2. For Bids from Mutual Funds and FII sub-accounts, which were submitted under the same PAN, as well as Bids on behalf of the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, for whom the submission of PAN is not mandatory, the Bids were scrutinised for DP ID and Beneficiary Account Numbers. In case such Bids bore the same DP ID and Beneficiary Account Numbers, these were treated as multiple Bids and were rejected.

Permanent Account Number or PAN

Except for Bids on behalf of the Central or State Government and the officials appointed by the courts, the Bidders, or in the case of a Bid in joint names, each of the Bidders, should mention his/ her PAN allotted under the I.T. Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. **Any Bid cum Application Form without the PAN is liable to be rejected, except for residents in the state of Sikkim, may be exempted from specifying their PAN for transactions in the securities market. It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground**.

REJECTION OF BIDS

In case of QIB Bidders, our Company, in consultation with the Selling Shareholders and BRLMs, may reject Bids provided that the reasons for rejecting the same shall be provided to such Bidders in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company has a right to reject Bids based on technical grounds. Consequent refunds shall be made by RTGS/NEFT/NES/Direct Credit/cheque or pay order or draft and will be sent to the Bidder's address at the Bidder's risk. With respect to Bids by ASBA Bidders, the Designated Branches of the SCSBs shall have the right to reject Bids by ASBA Bidders if at the time of blocking the Bid Amount in the Bidder's bank account, the respective Designated Branch of the SCSB ascertains that sufficient funds are not available in the Bidder's bank account maintained with the SCSB. Subsequent to the acceptance of the Bid by ASBA Bidder by the SCSB, our Company would have a right to reject the ASBA Bids only on technical grounds.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected *inter alia* on the following technical grounds:

- Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for. With respect to Bids by ASBA Bidders, the amounts mentioned in the ASBA Bid cum Application Form does not tally with the amount payable for the value of the Equity Shares Bid for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Bid by persons not competent to contract under the Indian Contract Act, 1872, as amended including minors, insane persons;
- PAN not mentioned in the Bid cum Application Form;
- GIR number furnished instead of PAN;
- Bids for lower number of Equity Shares than specified for that category of investors;
- Bids at a price less than the Floor Price;
- Bids at a price more than the Cap Price;
- Signature of sole and/or joint Bidders missing;
- Submission of more than five ASBA Bid cum Application Forms per bank account;
- Submission of Bids by Anchor Investors through ASBA process
- Bids at Cut-off Price by Non-Institutional and QIB Bidders;
- Bids for number of Equity Shares which are not in multiples of [•];
- Category not indicated;
- Multiple Bids as defined in the Draft Red Herring Prospectus;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
- Bids accompanied by Stockinvest/money order/postal order/cash;
- Bid cum Application Forms does not have the stamp of the BRLMs or Syndicate Members or the SCSB;
- Bid cum Application Forms does not have Bidder's depository account details;
- Bid cum Application Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Forms, Bid/Issue Opening Date advertisement and the Draft Red Herring Prospectus and as per the instructions in the Draft Red Herring Prospectus and the Bid cum Application Forms;
- In case no corresponding record is available with the Depositories that matches the Depository Participant's identity (DP ID) and the beneficiary's account number;

- With respect to ASBA Bids, inadequate funds in the bank account to block the Bid Amount specified in the ASBA Bid cum Application Form at the time of blocking such Bid Amount in the bank account;

- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;

- Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;

- Bids by QIBs not submitted through the BRLMs or in case of ASBA Bids for QIBs not intimated to the BRLMs;

- Bids by persons in the United States excluding "qualified institutional buyers" as defined in Rule 144A of the Securities Act or other than in reliance of Regulation S under the Securities Act;

- Bids by any person outside India if not in compliance with applicable foreign and Indian Laws;

- Bids not uploaded on the terminals of the Stock Exchanges; and

- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority.

IN CASE THE DP ID, CLIENT ID AND PAN MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC BIDDING SYSTEM OF THE STOCK EXCHANGES BY THE SYNDICATE/THE SCSBs DO NOT MATCH WITH THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE RECORDS WITH THE DEPOSITARIES, THE APPLICATION IS LIABLE TO BE REJECTED.

EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL

As per the provisions of Section 68B of the Companies Act, the Allotment of Equity Shares in this Issue shall be only in a de-materialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar:

- Agreement dated November 28, 2006 among NSDL, our Company and the Registrar;

- Agreement dated [●], among CDSL, our Company and the Registrar.

All Bidders can seek Allotment only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

(a) A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.

(b) The Bidder must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Bid cum Application Form or Revision Form.

(c) Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.

(d) Names in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.

(e) If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid cum Application Form or Revision Form, it is liable to be rejected.

(f) The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid cum Application Form vis-à-vis those with his or her Depository Participant.

(g) Equity Shares in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where the Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.

(h) The trading of the Equity Shares of our Company would be in dematerialised form only for all Bidders in the demat segment of the respective Stock Exchanges.

(i) Non transferable advice or refund orders will be directly sent to the Bidders by the Registrar to the Issue.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the member of the Syndicate or the Designated Branch of the SCSBs where the Bid was submitted and cheque or draft number and issuing bank thereof or with respect to ASBA Bids, bank account number in which the amount equivalent to the Bid Amount was blocked.

Bidders can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, credit of Allotted shares in the respective beneficiary accounts, refund orders etc. In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders can contact the Designated Branches of the SCSBs.

PAYMENT OF REFUND

Bidders other than ASBA Bidders must note that on the basis of Bidder's DP ID and beneficiary account number provided by them in the Bid cum Application Form, the Registrar will obtain, from the Depositories, the Bidders' bank account details, including the nine digit Magnetic Ink Character Recognition ("**MICR**") code as appearing on a cheque leaf to make refunds.

On the Designated Date and no later than 12 Working Days from the Bid/Issue Closing Date, the Escrow Collection Bank shall despatch refund orders for all amounts payable to unsuccessful Bidders (other than ASBA Bidders) and also the excess amount paid on bidding, if any, after adjusting for allocation/Allotment to such Bidders.

Mode of making refunds for Bidders other than ASBA Bidders

The payment of refund, if any, for Bidders other than ASBA Bidders would be done through various modes in the following order of preference:

1. NECS – Payment of refund would be done through NECS for applicants having an account at any of the centres where such facility has been made available. This mode of payment of refunds 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 refunds is mandatory for applicants having a bank account at any of the centres where clearing houses are managed by the RBI, except where the applicant is eligible and opts to receive refund through direct credit or RTGS.

2. Direct Credit – Applicants having bank accounts with the Refund Bank (s), as mentioned in the Bid cum Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company.

3. RTGS – Applicants having a bank account at any of the centres where clearing houses are managed by the RBI and whose refund amount exceeds Rs. 100,000 will be considered to receive refund through RTGS. For such eligible applicants, IFSC code will be derived based on the MICR code of the Bidder as per depository records/RBI master. In the event the same is not available as per depository records/RBI master, refund shall be made through NECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

4. NEFT – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a MICR, if any, available to that particular bank branch. IFSC will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants 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 of that particular bank branch and the payment of refund will be made to the applicants through this method.

5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be despatched under certificate of posting for value upto Rs. 1,500 and through Speed Post/ Registered Post for refund orders of Rs. 1,500 and above. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Mode of making refunds for ASBA Bidders

In case of ASBA Bidders, the Registrar shall instruct the SCSBs to unblock the funds in the relevant ASBA Accounts to the extent of the Bid Amount specified in the ASBA Bid cum Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days of the Bid/Issue Closing Date.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

With respect to Bidders other than ASBA Bidders, our Company and the Selling Shareholder shall ensure dispatch of Allotment advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants of the Bidders and submit the documents pertaining to the Allotment to the Stock Exchanges within 2 working days of the date of Allotment of Equity Shares.

In case of applicants who receive refunds through NECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 12 Working Days from the Bid/ Issue Closing Date. A suitable communication shall be sent to the Bidders receiving refunds through this mode within 12 Working Days of Bid/ Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

Our Company and the Selling Shareholder shall ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within 12 Working Days of the Bid/Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Regulations, our Company further undertakes that:

- Allotment of Equity Shares shall be made only in dematerialised form within 12 Working Days of the Bid/Issue Closing Date; and

- With respect to Bidders other than ASBA Bidders, dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 12 Working Days of the Bid/Issue Closing Date would be ensured. With respect to the ASBA Bidders, instructions for unblocking of the ASBA Bidder's Bank Account shall be made within 12

Working Days from the Bid/Issue Closing Date.

- Our Company and the Selling Shareholder shall pay interest at 15% p.a. for any delay beyond 15 days from the Bid/Issue Closing Date, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to investors within the 12 Working Days prescribed above. If such money is not repaid within eight days from the day our Company becomes liable to repay, our Company and every Director of our Company who is an officer in default shall, on and from expiry of eight days, be jointly and severally liable to repay the money with interest as prescribed under the applicable law.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

"*Any person who:*

(a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or

(b) otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name,

***shall be punishable with imprisonment for a term which may extend to five years.*"**

BASIS OF ALLOTMENT

A. For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

- The Issue size less Allotment to Non-Institutional and QIB Bidders will be available for Allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

- If the aggregate demand in this category is less than or equal to 4,595,780 Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

- If the aggregate demand in this category is greater than 4,595,780 Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [•] Equity Shares. For the method of proportionate Basis of Allotment, refer below.

B. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.

- The Issue size less Allotment to QIBs and Retail will be available for Allotment to Non-Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

- If the aggregate demand in this category is less than or equal to 1,969,620 Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

- In case the aggregate demand in this category is greater than 1,969,620 Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [•] Equity Shares, and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.

C. For QIBs (other than Anchor Investors)

- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all the successful QIB Bidders will be made at the Issue Price.

- The QIB Portion will be available for Allotment to QIB Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

- Allotment shall be undertaken in the following manner:

  (a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Portion (excluding Anchor Investor Portion) shall be determined as follows:

    (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Portion (excluding Anchor Investor Portion), allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion (excluding Anchor Investor Portion).

    (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion (excluding Anchor Investor Portion) then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.

    (iii) Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds will be available for Allotment to all QIB Bidders as set out in (b) below;

  (b) In the second instance Allotment to all QIBs shall be determined as follows:

    (i) In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion.

    (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders.

    (iii) Under-subscription below 5% of the QIB Portion (excluding Anchor Investor Portion), if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

- The aggregate Allotment (other than spill over in case of under-subscription in other categories) to QIB Bidders shall be up to 6,565,400 Equity Shares.

D. For Anchor Investor Portion

- Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of our Company and the Selling Shareholder, in consultation with the BRLMs, subject to compliance with the following requirements:

  (a) not more than 30% of the QIB Portion will be allocated to Anchor Investors;

  (b) one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and

  (c) allocation to Anchor Investors shall be on a discretionary basis and subject to a minimum number of two Anchor Investors for allocation upto Rs. 2,500 Million and minimum number of five Anchor Investors for allocation more than Rs. 2,500 Million.

- The number of Equity Shares allocated to Anchor Investors and the Anchor Investor Issue Price, shall be made available in the public domain by the BRLMs before the Bid/ Issue Opening Date by intimating the same to the Stock Exchanges.

Method of Proportionate Basis of Allotment in the Issue

In the event of the Issue being over-subscribed, our Company and the Selling Shareholder shall finalise the Basis of Allotment in consultation with the Designated Stock Exchange. The executive director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLMs and the Registrar shall be responsible for ensuring that the Basis of Allotment is finalised in a fair and proper manner.

The Allotment shall be made in marketable lots, on a proportionate basis as explained below:

a) Bidders will be categorised according to the number of Equity Shares applied for.

b) The total number of Equity Shares to be Allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.

c) Number of Equity Shares to be Allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.

d) In all Bids where the proportionate Allotment is less than [•] Equity Shares per Bidder, the Allotment shall be made as follows:

   - The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and

   - Each successful Bidder shall be Allotted a minimum of [•] Equity Shares.

e) If the proportionate Allotment to a Bidder is a number that is more than [•] but is not a multiple of one (which is the marketable lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it would be rounded off to the lower whole number. Allotment to all in such categories would be arrived at after such rounding off.

f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment shall be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

g) Subject to valid Bids being received, allocation of Equity Shares to Anchor Investors shall be at the sole discretion of our Company, in consultation with the BRLMs.

Letters of Allotment or Refund Orders or instructions to the SCSBs

Our Company shall credit the Allotted Equity Shares to the beneficiary account with depository participants within 12 Working Days from the Bid/Issue Closing Date. Applicants residing at the centres where clearing houses are managed by the RBI, will get refunds through NECS only except where applicant is otherwise eligible to get refunds through direct credit and RTGS. Our Company shall ensure dispatch of refund orders, if any, of value up to Rs. 1,500, by "Under Certificate of Posting", and shall dispatch refund orders equal to or above Rs. 1,500, if any, by registered post or speed post at the sole or First Bidder's sole risk within 12 Working Days of the Bid/Issue Closing Date. Bidders to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post, intimating them about the mode of credit of refund within 12 Working Days of the Bid/ Issue Closing Date. In case of ASBA Bidders, the Registrar shall instruct the relevant SCSBs to, on the receipt of such instructions from the Registrar, unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Bid cum Application Form or the relevant part thereof, for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days of the Bid/Issue Closing Date.

Interest in case of delay in despatch of Allotment Letters or Refund Orders/ instruction to the SCSBs by the Registrar.

Our Company and the Selling Shareholder agree that (i) Allotment of Equity Shares; and (ii) credit to the successful Bidders' depositary accounts will be completed within 12 Working Days of the Bid/ Issue Closing Date. Our Company and the Selling Shareholder further agree that it shall pay interest at the rate of 15% p.a. if the Allotment letters or refund orders have not been despatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given in the disclosed manner within 15 days from the Bid/ Issue Closing Date.

Our Company and the Selling Shareholder will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by our Company as a Refund Bank and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

UNDERTAKINGS BY OUR COMPANY AND THE SELLING SHAREHOLDER

Our Company undertakes the following:

- That the complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily;
- That all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within 12 Working Days of the Bid/Issue Closing Date;
- That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar by the Issuer;

- That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 12 Working Days of the Bid/ Issue Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- That the certificates of the securities/ refund orders to Eligible NRIs shall be despatched within specified time;

- That no further issue of Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.; and

- That adequate arrangement shall be made to collect all ASBA Bid cum Application Forms and to consider them similar to non-ASBA applications while finalising the Basis of Allotment.

The Selling Shareholder undertakes that:

- That the Equity Shares being sold pursuant to the Issue, have been held by them for a period of more than one year;

- The Equity Shares being sold pursuant to the Offer for Sale in the Issue are free and clear of any liens or encumbrances and shall be transferred to the eligible investors within the specified time;

- The funds required for despatch of refund orders or Allotment advice by registered post or speed post shall be made available to the Registrar to the Issue by the Selling Shareholder;

- That the complaints received in respect of this Issue shall be attended to by the Selling Shareholder expeditiously and satisfactorily. The Selling Shareholder have authorized the Compliance Officer and the Registrar to the Issue to redress complaints, if any, of the investors;

- That the refund orders or Allotment advice to the successful Bidders shall be dispatched within specified time;

- That the Selling Shareholder shall not have recourse to the proceed of the Issue until approval for trading of the Equity Shares from all Stock Exchanges where listing is sought has been received; and

- No further offer of Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.

Our Company shall transfer to the Selling Shareholder, the net proceeds from the Offer for Sale, on the same being permitted to be released in accordance with applicable laws.

Utilisation of Issue proceeds

The Board of Directors certify that:

- all monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;

- details of all monies utilised out of Issue shall be disclosed, and continue to be disclosed till the time any part of the issue proceeds remains unutilised, under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilised;

- details of all unutilised monies out of the Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested;

- the utilisation of monies received under Promoter's contribution shall be disclosed, and continue to be disclosed till the time any part of the Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and

- the details of all unutilised monies out of the funds received under Promoter's contribution shall be disclosed under a separate head in the balance sheet of the issuer indicating the form in which such unutilised monies have been invested.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Foreign investment is allowed up to 100% under automatic route in our Company.

India's current Foreign Direct Investment ("**FDI**") Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI ("**DIPP**") by circular 1 of 2010, with effect from April 1, 2010, consolidates and supercedes all previous press notes, press releases and clarifications on FDI issued by the DIPP. The DIPP currently intends to update the circular every six months and the next update is expected on October 1, 2010.

FIIs are permitted to subscribe to shares of an Indian company in a public offer without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment ("**FDI**") Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholder and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the Bids are not in violation of laws or regulations applicable to them.

SECTION VIII: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Schedule II of the Companies Act and the SEBI Regulations, the main provisions of the Articles of Association of our Company are detailed below:

The Regulations contained in Table "A" in Schedule I of the Companies Act, 1956 shall not apply to our Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles of Association by the said Act.

Shares at the Disposal of the Directors

Article 2 provides that "Subject to the provisions of Section 81 of the Act and these Articles, the Shares in the Capital of our Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of our Company in the General Meeting to give to any person or persons the option or right to call for any Shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot Shares in the Capital of our Company on payment in full or part of any property sold and transferred or for any services rendered to our Company in the conduct of its business and any Shares which may so be allotted or issued as fully paid up Shares, and if so issued, shall be deemed to be fully paid Shares. Provided that option or right to call of Shares shall not be given to any person or persons without the sanction of our Company in the General Meeting."

Consideration for Allotment

Article 3 provides that "The Board of Directors may allot and issue Shares of our Company as payment or part payment for any property purchased by our Company or in respect of goods sold or transferred or machinery or appliances supplied or for services rendered to our Company in the acquisition and/or in the conduct of its business; and any Shares which may be so allotted may be issued as fully/partly paid up Shares and if so issued shall be deemed as fully/partly paid up Shares."

Restriction on Allotment

Article 4 provides that

"(a) The Directors shall in making the allotments duly observe the provision of the Act;

(b) The amount payable on application on each Share shall not be less than 5% of the nominal value of the Share; and

(c) Nothing herein contained shall prevent the Directors from issuing fully paid up Shares either on payment of the entire nominal value thereof in cash or in satisfaction of any outstanding debt or obligation of our Company"

Increase of Capital

Article 5 provides that "The Company at its General Meeting may, from time to time, by an Ordinary Resolution increase the Capital by the creation of new Shares, such increase to be of such aggregate amount and to be divided into Shares of such respective amounts as the resolution shall prescribe. The new Shares shall be issued on such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe, and in particular, such Shares may be issued with a preferential or qualified right to dividends, and in the distribution of assets of our Company and with a right of voting at General Meeting of our Company in conformity with Section 87 of the Companies Act, 1956. Whenever the Capital of our Company has been increased under the provisions of the Articles, the Directors shall comply with the provisions of Section 97 of the Act."

Reduction of Capital

Article 6 provides that "The Company may, subject to the provisions of Sections 78, 80, 100 to 105 (both inclusive) and other applicable provisions of the Act from time to time, by Special Resolution reduce its Capital and any Capital Redemption Reserve Account or Share Premium Account in any manner for the time being authorized by law, and in particular, the Capital may be paid off on the footing that it may be called up again or otherwise."

Sub-division and Consolidation of Share Certificate

Article 7 provides that "Subject to the provisions of Section 94 of the Act, our Company in General Meeting, may by an ordinary resolution from time to time:

(a) Divide, sub-divide or consolidate its Shares, or any of them, and the resolution whereby any Share is sub-divided, may determine that as between the holders of the Shares resulting from such sub-division one or more of such Shares have some preference of special advantage as regards dividend Capital or otherwise as compared with the others

(b) Cancel Shares which at the date of such general meeting have not been taken or agreed to be taken by any person and diminish the amount of its Capital by the amount of the Shares so cancelled."

New Capital part of the existing Capital

Article 8 provides that "Except so far as otherwise provided by the conditions of the issue or by these presents any Capital raised by the creation of new Shares, shall be considered as part of the existing Capital and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise."

Power to issue Shares with differential voting rights

Article 9 provides that "The Company shall have the power to issue Shares with such differential rights as to dividend, voting or otherwise, subject to the compliance with requirements as provided for in the Companies (Issue of Share Capital with Differential Voting Rights) Rules, 2001, or any other law as may be applicable."

Power to issue preference shares

Article 10 provides that "Subject to the provisions of Section 80 of the Act, our Company shall have the powers to issue preference shares which are liable to be redeemed and the resolution authorizing such issue shall prescribe the manner, terms and conditions of such redemption."

Further Issue of Shares

Article 11 provides that

"(1) Where at any time after the expiry of two years from the formation of our Company or at any time after the expiry of one year from the allotment of Shares in our Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of our Company by allotment of further Shares then

a) Such further Shares shall be offered to the persons who at the date of the offer, are holders of the Shares of our Company, in proportion, as nearly as circumstances admit, to the capital paid up on those Shares at that date.

b) The offer aforesaid shall be made by a notice specifying the number of Shares offered and limiting a time not being less than fifteen days from the date of offer within which the offer, if not accepted, will be deemed to have been declined.

c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the Shares offered to him or any of them in favour of any other person and the notice referred to in sub clause (b) hereof shall contain a statement of this right.

d) After the expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the Shares offered, the Board may dispose of them in such manner as they think most beneficial to our Company.

(2) Notwithstanding anything contained in sub-clause (1) the further Shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub- clause (1) hereof) in any manner whatsoever.

(a) If a special resolution to that effect is passed by our Company in General Meeting, or

(b) Where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in the general meeting (including the casting vote, if any, of the Chairman) by the members who, being entitled to do so, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf that the proposal is most beneficial to our Company.

(3) Nothing in sub-clause I of (1) hereof shall be deemed:

(a) To extend the time within which the offer should be accepted; or

(b) To authorize any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the Shares comprised in the renunciation.

(4) Nothing in this Article shall apply to the increase of the subscribed capital of our Company caused by the exercise of an option attached to the debentures issued or loans raised by our Company:

(i) To convert such debentures or loans into Shares in our Company; or

(ii) To subscribe for Shares in our Company.

PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

(a) Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with Rules, if any, made by that Government in this behalf; and

(b) In the case of debentures or loans other than debentures issued to or loans obtained from the Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by our Company in General Meeting before the issue of the debentures or raising of the loans."

Right to convert loans into capital

Article 12 provides that "Notwithstanding anything contained in sub-clauses(s) above, but subject, however, to Section 81(3) of the Act, our Company may increase its subscribed capital on exercise of an option attached to the debentures or loans raised by our Company to convert such debentures or loans into Shares or to subscribe for

Shares in our Company.

Allotment on application to be acceptance of Shares

Article 13 provides that "Any application signed by or on behalf of an applicant for Shares in our Company followed by an allotment of any Share therein, shall be an acceptance of Shares within the meaning of these Articles, and every person who thus or otherwise accepts any Shares and whose name is on the register, shall, for the purpose of these articles, be a Member."

Returns on allotments to be made or Restrictions on Allotment

Article 14 provides that "The Board shall observe the restrictions as regards allotment of Shares to the public contained in Section 69 and 70 of the Act and as regards return on allotments, the Directors shall comply with Section 75 of the Act."

Money due on Shares to be a debt to our Company

Article 15 provides that "The money (if any) which the Board shall, on the allotment of any Shares being made by them, require or direct to be paid by way of deposit, call or otherwise in respect of any Shares allotted by them, shall immediately on the inscription of the name of allottee in the Register of Members as the name of the holder of such Shares become a debt due to and recoverable by our Company from the allottee thereof, and shall be paid by him accordingly.

Members or heirs to pay unpaid amounts

Article 16 provides that "Every Member or his heir's executors or administrators shall pay to our Company the portion of the capital represented by his Share or Shares which may, for the time being remain unpaid thereon, in such amounts, at such time or times and in such manner, as the Board shall from time to time, in accordance with our Company's regulations require or fix for the payment thereof."

Subscription and Issue of CCPS

Article 16A provides that

"(a) The Investor shall not be required to pledge its shareholding in our Company as and by way of security for any loans or Indebtedness of our Company or provide any guarantee or any other support to any third party, including to the lenders of our Company.

(b) The Investor shall not be deemed to be one of the sponsors / promoters for the purposes of an IPO / Offer for Sale or under the rules and regulations of SEBI/ Recognized Stock Exchanges and/or any other purpose."

Terms and Conditions of the Compulsorily Convertible Preference Shares

Article 16B provides that

"(a) Status: The Compulsorily Convertible Preference Shares ("**CCPS**") shall, subject to applicable laws, rank senior to all classes and series of our Company's capital stock currently existing or established hereafter with respect to dividend distributions and repayment of capital. The specific rights attached to the CCPS with regard to dividends, conversion and liquidation are as stated herein. The CCPS shall be entitled to a preferential right to be repaid the amount of the Preference Shares held by the Investor in our Company, prior to repayment of capital to the other shareholders of our Company, together with all dividends remaining unpaid on such CCPS. The Company shall ensure that the issue, allotment and conversion of the CCPS shall be done in accordance with all applicable Law. The Company shall obtain and/or file all relevant authorizations that may be required for conversion of the CCPS.

(b) Form, Title and Exchange: The par value of each CCPS will be INR 10. The total number of CCPS issued to the Investor will be the CCPS Subscription Amount divided by 10. The CCPS will be issuable in dematerialized form. The CCPS shall be issued as fully paid-up and shall be free from all Encumbrances. Transfers of the CCPS may only be made in accordance with the terms of the SSSHA.

(c) Conversion:

(i) Conversion Period and Conversion Price:

- Conversion Event. The CCPS shall automatically and compulsorily convert into Shares upon finalization of the audited financial results of our Company for the financial year ending on 31st March 2010 at such price as set out in SSSSHA.

- Shares Issuable Upon Conversion. The number of Shares to be issued upon conversion will be determined in the manner stipulated in the SSSSHA.

- The Company will bear all expenses in connection with issuance of the CCPS (including any stamp duty payable in connection therewith), as well as any stamp duty on the SSSSHA and all other expenses arising on or in connection with the conversion of any CCPS or the issuance of Shares upon conversion thereof (including all stamp, issue, registration, or similar taxes imposed pursuant to applicable Indian Law, charges of any registrar or agent and transfer costs, costs and charges relating to increase in authorized capital of our Company).

- Promptly upon receipt of the Investor's confirmation under Section 3(b)(i) of Annexure I of SSSSHA, and in any event within 3 (three) Business Days therefrom, our Company shall take such corporate actions and make such filings with the depository participants and relevant Registrar of Companies, Maharashtra and any other Person as may be necessary and required for the purposes of giving effect to the issue and allotment of the Shares to the Investor upon conversion of the CCPS and credit such Shares to the demat account of the Investor.

- The Company has, prior to the issue of the CCPS, authorized the issue of (and will at all times keep authorized for issue) the number of Shares deliverable in connection with the conversion of all outstanding CCPS.

(ii) Recapitalizations: If at any time or from time to time there shall be a recapitalization of our Company (other than a subdivision, combination or merger or sale of assets transaction provided for elsewhere in the Conditions, as stipulated in Annexure I of SSSSHA) provision shall be made so that the Investor shall thereafter be entitled to receive upon conversion of the CCPS the number of shares of stock or other securities or property of our Company or otherwise, to which a holder of Shares deliverable to such CCPS upon conversion would have been entitled on such recapitalization.

(iii) No Impairment: The Company will not, by amendment of its Memorandum or Articles or through any reorganization, recapitalization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by our Company, but will at all times in good faith assist in the carrying out of all the provisions of these Conditions, as stipulated in Annexure I of SSSSHA and in the taking of all such action as may be necessary or appropriate in order to protect the rights of the Investor against impairment.

(d) Dividends: The CCPS shall bear a cumulative coupon at the rate of 8% per annum from the date of allotment of the CCPS till the date the same are converted to Shares of our Company. It is hereby clarified that if conversion occurs in the middle of a particular calendar year, the coupon payable hereunder shall be calculated on a proportionate basis and shall be payable immediately prior to or simultaneously with conversion of the CCPS. In the event, our Company does not pay the coupon in cash prior to the conversion of the CCPS, the Conversion Price, (determined in the manner as mentioned in Annexure I of SSSSHA) shall be adjusted by an appropriate mechanism.

(e) Terms of Shares issued upon Conversion**:** All Shares issued to the Investor shall, unless otherwise expressly mentioned, at all times rank pari-passu with all other Shares with respect to all stock activities including voting rights, rights issuance, bonus and dividends. All such Shares shall form part of the Investor Shares (as defined under the SSSHA) and shall thereby carry the same rights, preferences and privileges as per the SSSHA.

(f) Cancellation: The CCPS which are converted and surrendered to our Company for cancellation will forthwith be cancelled by our Company (in accordance with the Companies Act, 1956) and may not be reissued or resold."

Terms of the Redeemable Preference Shares

Article 16C provides that

"(a) Status: The Redeemable Preference Shares ("**RPS**") shall, subject to the applicable laws, rank subservient to the CCPS with respect to dividend distributions and repayment of capital. Subject to the aforesaid, the holders of the RPS shall be entitled to a preferential right to be repaid the amount of the RPS, prior to repayment of capital to the other shareholders of our Company, together with all dividends remaining unpaid on such RPS. The Company shall ensure that the issue, allotment and redemption of the RPS shall be done in accordance with all applicable law and these Articles.

(a) Form and Title: The par value of each RPS will be INR 10 (Indian Rupees Ten). The total number of RPS issued to the Specified persons will be 1,680,000. The RPS shall be issued as fully paid-up and shall be free from all encumbrances.

(b) Dividends: The RPS shall bear a cumulative coupon at the rate of 8% per annum from the date of allotment of the RPS and the year 2010-11, which shall be increased to 8.5% per annum in the year 2011-12, 9 % per annum in the year 2012-13 and 10% per annum in the year 2013-14 and for a further period, if any, till the date the same are redeemed. It is hereby clarified that if redemption of RPS occurs in the middle of a particular calendar year, the coupon payable hereunder shall be calculated on a proportionate basis and shall be payable immediately prior to or simultaneously with redemption of the RPS. In the event, our Company does not pay the coupon in cash prior to the redemption of the RPS, the redemption amount shall be adjusted by an appropriate mechanism.

(c) Redemption: Subject to clause (c) above, the RPS shall be redeemed for cash at par on the date of adoption of the Annual Accounts for the financial year ended 31st March, 2014 by Shareholders in the Annual general Meeting or the date of repayment of the restructured loan of the Banks from whom our Company has availed the working capital limits aggregating to Rs. 23,830 lakhs, whichever is later.

(d) Cancellation: The RPS which are surrendered to our Company for redemption in full will forthwith be cancelled by our Company (in accordance with the Companies Act, 1956) and may not be reissued or resold.

(e) Notices: All notices to the holders of RPS required to be given by these conditions shall be served in the manner authorised by sub-sections (1) to (4) of Section 53 of the Act."

Commission for placing Shares, debentures, etc

Article 22 provides that

"(a) Subject to the provisions of the Act, our Company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any Shares, debentures, or debenture-stock of our Company or underwriting or procuring or agreeing to procure subscriptions (whether absolute or conditional) for Shares, debentures or debenture-stock or other securities of our Company.

(b) The Company may also, in any issue, pay such brokerage as may be lawful."

Company's lien on Shares /debentures

Article 23 provides that "The Company shall have a first and paramount lien upon all the Shares /debentures (other than fully paid up Shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at fixed time in respect of such Shares/debentures, and no equitable interest in any Shares shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such Shares/debentures. Unless otherwise agreed, the registration of a transfer of Shares/debentures shall operate as a waiver of our Company's lien if any, on such Shares/debentures. The Directors may at any time declare any Shares/debentures wholly or in part to be exempt from provisions of this clause. The fully paid up Shares shall be free from all lien and that in the case of partly paid Shares the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such Shares."

Enforcing lien by sale

Article 24 provides that "For the purpose of enforcing such lien, the Board may sell the Shares subject thereto in such manner as they think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such Shares and may authorize one of their members to execute a transfer thereof on behalf of and in the name of such member. No sale shall be made until such period as aforesaid shall have elapsed and until notice in writing of the intention to sell have been served on such member or his representative and default shall have been made by him or them in payment, fulfillment or discharge of such debts, liabilities or engagements for fourteen days after such notice."

Application of sale proceeds

Article 25 provides that "The net proceeds of any such sale shall be received by our Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a lien for sums not presently payable as existed upon the Shares before the sale) be paid to the person entitled to the Shares at the date of the sale."

Board to have right to make calls on Shares

Article 26 provides that "The Board may, from time to time, subject to the terms on which any Shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution), make such call as it thinks fit upon the members in respect of all moneys unpaid on the Shares held by them respectively and each member shall pay the amount of every call so made on him to the person or persons and the member(s) and place(s) appointed by the Board. A call may be made payable by installments.

Provided that the Board shall not give the option or right to call on Shares to any person except with the sanction of our Company in General Meeting."

Notice for call

Article 27 provides that "Fourteen days notice in writing of any call shall be given by our Company specifying the date, time and places of payment and the person or persons to who such call be paid."

Call when made

Article 28 provides that “The Board of Directors may, when making a call by resolution, determine the date on which such call shall be deemed to have been made, not being earlier than the date of resolution making such call, and thereupon the call shall be deemed to have been made on the date so determined and if no such date is so determined a call shall be deemed to have been made at the date when the resolution authorizing such call was passed at the meeting of the Board.”

Liability of joint holders for a call

Article 29 provides that “The joint-holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.”

Board to extend time to pay call

Article 30 provides that “The Board may, from time to time, at its discretion extend the time fixed for the payment of any call and may extend such time to all or any of the members. The Board may be fairly entitled to grant such extension, but no member shall be entitled to such extension, save as a matter of grace and favour.”

Calls to carry Interest

Article 31 provides that “If a member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at 15% per annum or such lower rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.”

Dues deemed to be calls

Article 32 provides that “Any sum, which as per the terms of issue of a Share becomes payable on allotment or at a fixed date whether on account of the nominal value of the Share or by way of premium, shall for the purposes of the Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same may become payable and in case of non payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.”

Proof of dues in respect of share

Article 33 provides that “On any trial or hearing of any action or suit brought by our Company against any member or his representatives for the recovery of any money claimed to be due to our Company in respect of his Shares it shall be sufficient to prove (i) that the name of the members in respect of whose Shares the money is sought to be recovered appears entered in the Register of Members as the holder, at or subsequent to the date on which the money sought to be recovered is alleged to have become due on the Shares, (ii) that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the member or his representatives pursuance of these Articles, and (iii) it shall not be necessary to prove the appointment of the Directors who made such call, nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive of the debt.”

Partial payment not to preclude forfeiture

Article 34 provides that “Neither a judgment nor a decree in favour of our Company, for call or other moneys due in respect of any Share nor any part payment or satisfaction there under, nor the receipt by our Company of a portion of any money which shall, from time to time be due from any member to our Company in respect of his Shares either by way of principal or interest, nor any indulgence granted by our Company in respect of the payment of any such money shall preclude our Company from thereafter proceeding to enforce forfeiture of such Shares as hereinafter provided.”

Payment in anticipation of call may carry interest

Article 35 provides that

“(a) The Directors may, if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any member willing to advance the same, whole or any part of the moneys due upon the Shares held by him beyond the sums actually called for and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the Shares in respect of which such advance has been made, our Company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon, provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.

(b) The member shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable.

(c) The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of our Company.”

Board to have right to forfeit Shares

Article 36 provides that “If any member fails to pay any call or installment of a call or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may at any time thereafter during such time as the call or installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by our Company by reason of such non-payment.”

Notice for forfeiture of Shares

Article 37 provides that

“(a) The notice shall name a further day (not earlier than the expiration of fourteen days from the date of notice) and place or places on which such call or installment and such interest thereon (at such rate as the Directors shall determine from the day on which such call or installment ought to have been paid) and expenses as aforesaid, are to be paid.

(b) The notice shall also state that in the event of the non-payment at or before the time the call was made or installment is payable the Shares will be liable for forfeiture.”

Forfeited Share to be the property of our Company

Article 40 provides that “Any Share so forfeited shall be deemed to be the property of our Company and may be sold, re-allocated or otherwise disposed of either to the original holder thereof or to any other person upon such terms and in such manner as the Board shall think fit.”

Member to be liable even after forfeiture

Article 41 provides that “Any member whose Shares have been forfeited shall, notwithstanding the forfeiture be liable to pay and shall forthwith pay to our Company on demand all calls, installments, interest and expenses owing upon or in respect of such Shares at the time of the forfeiture together with the interest thereon from time to time of the forfeiture until payment at such rates as the Board may determine and the Board may enforce the payment thereof, if it thinks fit.”

Claims against our Company to extinguish on forfeiture

Article 42 provides that “The forfeiture of a Share involves extinction, at the time of the forfeiture of all interest in and all claims and demands against our Company, in respect of the Shares and all other rights incidental to the

Share, except only such of those rights as by these Articles expressly saved."

Board entitled to cancel forfeiture

Article 46 provides that "The Board may at any time before any share so forfeited shall have them sold, re-allotted or otherwise disposed of, cancel the forfeiture thereof upon such conditions at it thinks fit."

Register of Transfers

Article 47 provides that "The Company shall keep a "Register of Transfers" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any Shares"

Endorsement of Transfer

Article 48 provides that "In respect of any transfer of Shares registered in accordance with the provisions of these Articles, the Board may, at their discretion, direct an endorsement of the transfer and the name of the transferee and other particulars on the existing share certificate and authorize any Director or officer of our Company to authenticate such endorsement on behalf of our Company or direct the issue of a fresh share certificate, in lieu of and in cancellation of the existing certificate in the name of the transferee."

Instrument of Transfer

Article 49 provides that "The instrument of transfer of any Share shall be in writing and all the provisions of Section 108 of the Act, and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfer of Shares and registration thereof. The Company shall use a common form of transfer in all cases."

Directors may refuse to register transfer

Article 52 provides that "Subject to the provisions of Section 111A of the Act, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of our Company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any Shares or interest of a Member in or debentures of our Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transfer, as the case may be, was delivered with our Company, send notice of refusal to the transferee and transferor or to the person giving notice of such transmission, as the case may be, giving reasons for such refusal. Provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to our Company on any account whatsoever except where our Company has a lien on Shares."

Transfer of partly paid Shares

Article 53 provides that "Where in the case of partly paid Shares, an application for registration is to be made by the transferor, our Company shall give notice of the application to the transferee in accordance with the provisions of Section 110 of the Act."

Survivor of joint holders recognized

Article 54 provides that "In case of the death of any one or more persons named in the Register of Members as the joint-holders of any Shares, the survivors shall be the only person recognized by our Company as having any title to or interest in such Share but nothing therein contained shall be taken to release the estate of a deceased joint-holder from any liability on Shares held by him jointly with any other person."

Title to Shares of deceased members

Article 55 provides that "The executors or administrators or holders of a Succession Certificate or the legal representatives of a deceased member (not being one or two joint holders) shall be the only person recognized by our Company as having any title to the Shares registered in the name of such member, and our Company shall be bound to recognize such executors or administrators or holders of a Succession Certificate or the legal representatives shall have first obtained Probate holders or Letter of Administration or Succession Certificate as the case may be, from a duly constituted Court in the Union of India. Provided that in any case where the Board in its absolute discretion, thinks fit, the Board may dispense with the production of Probate or Letter of Administration or Succession Certificate, upon such terms as to indemnity or otherwise as the Board in its absolute discretion may think necessary and register the name of any person who claims to be absolutely entitled to the Shares standing in the name of a deceased member as a member."

Transfers not permitted

Article 56 provides that "No Share shall in any circumstances be transferred to any infant, insolvent or person of unsound mind, except fully paid Shares through a legal guardian."

Transmission of Shares

Article 57 provides that "Subject to the provisions of these presents, any person becoming entitled to Shares in consequence of the death, lunacy, bankruptcy or insolvency of any members, or by any lawful means other than by a transfer in accordance with these Articles may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence as the Board thinks sufficient, that he sustains the character in respect of which he proposes to act under this Articles, or of his title, either be registering himself as the holder of the Shares or elect to have some person nominated by him and approved by the Board, registered as such holder, provided, nevertheless, if such person shall elect to have his nominee registered, he shall testify that election by executing in favour of his nominee an instrument of transfer in accordance with the provision herein contained and until he does so he shall not be freed from any liability in respect of the Shares."

Rights on Transmission

Article 58 provides that "A person entitled to a Share by transmission shall, subject to the Directors right to retain such dividends or money as hereinafter provided, be entitled to receive and may give discharge for any dividends or other moneys payable in respect of the Share."

Instrument of transfer to be stamped

Article 59 provides that "Every instrument of transfer shall be presented to our Company duly stamped for registration, accompanied by such evidence as the Board may require to prove the title of the transferor his right to transfer the Shares and every registered instrument of transfer shall remain in the custody of our Company until destroyed by order of the Board."

Share Certificates to be surrendered

Article 60 provides that "Before the registration of a transfer, the certificate or certificates of the Share or Shares to be transferred must be delivered to our Company along with (save as provided in Section 108) properly stamped and executed instrument of transfer."

No fee on Transfer or Transmission

Article 61 provides that "No fee shall be charged for registration of transfers, transmission, probate, succession certificate and Letters of administration, Certificate of Death or Marriage, Power of Attorney or similar other document."

Company not liable to notice of equitable rights

Article 62 provides that "The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of Shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the register of members) to the prejudice of persons having or claiming any equitable rights, title or interest in the said Shares, notwithstanding that our Company may have had notice of such equitable rights referred thereto in any books of our Company and our Company shall not be bound by or required to regard or attend to or give effect to any notice which may be given to it of any equitable rights, title or interest or be under any liability whatsoever for refusing or neglecting to do so, though it may have been entered or referred to in some book of our Company but our Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the board shall so think fit."

Dematerialisation of Securities

Article 63 provides that

"(ii) Company to Recognize Interest in Dematerialized Securities under the Depositories Act, 1996.

Either our Company or the investor may exercise an option to issue, de-link, hold the securities (including Shares) with a depository in Electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time or any statutory modification(s) thereto or re-enactment thereof.

(iii) Dematerialisation/Re-Materialisation of Securities:

Notwithstanding anything to the contrary or inconsistent contained in these Articles, our Company shall be entitled to dematerialize its existing securities, re-materialize its securities held in Depositories and/or offer its fresh securities in the de-materialized form pursuant to the Depositories Act, 1996 and the rules framed there under, if any.

(vi) Beneficial Owner Deemed As Absolute Owner:

Except as ordered by the Court of competent jurisdiction or by law required, our Company shall be entitled to treat the person whose name appears on the register of members as the holders of any Share or whose name appears as the beneficial owner of the Shares in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami, Trust Equity, equitable contingent, future, partial interest, other claim to or interest in respect of such Shares or (except only as by these Articles otherwise expressly provided) any right in respect of a Share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any share in the joint names of any two or more persons or the survivor or survivors of them.

(vii) Rights of Depositories and Beneficial Owners:

Notwithstanding anything to the contrary contained in the Act, or these Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.

Save as otherwise provided above, the Depository is the registered owner of the securities, and shall not have any voting rights or any other rights in respect of the securities held by it.

Every person holding securities of our Company and whose name is entered as a beneficial owner in the records of the Depository shall be deemed to be a member of our Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a Depository

(viii) Register and Index of Beneficial Owners:

The Company shall cause to be kept a Register and Index of members with details of Shares and debentures held in materialized and dematerialized forms in any media as may be permitted by law including any form of electronic media.

The Register and Index of beneficial owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be a Register and Index of members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India a Branch register of Members resident in that State or Country.

(ix) Cancellation of Certificates upon Surrender by Person:

Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a participant, our Company shall cancel such certificates and shall substitute in its record, the name of the depository as the Registered Owner in respect of the said securities and shall also inform the Depository accordingly.

(x) Service of Documents:

Notwithstanding anything contained in the Act, or these Articles, to the contrary, where securities are held in a depository, the record of the beneficial ownership may be served by such depository on our Company by means of hard copies or through electronic mode or by delivery of floppies or discs.

(xi) Allotment of Securities:

Where the securities are dealt within a Depository, our Company shall intimate the details of allotment of relevant securities to the Depository on allotment of such securities.

(xii) Transfer of Securities:

The Company shall keep a Register of Transfers and shall have recorded therein fairly and distinctly, particulars of every transfer or transmission of any share held in material form. Nothing contained in these Articles shall apply to transfer of securities held in depository."

Nomination Facility

Article 64 provides that

"(I) Every holder of Shares, or holder of debentures of our Company may at any time, nominate, in the prescribed manner a person to whom his Shares in or debentures of our Company shall rest in the event of his death.

(II) Where the Shares in or debentures of our Company or held by more than one person jointly, the joint holders may together nominate in the prescribed manner, a person to whom all the rights in the Shares or debentures of our Company shall rest in the event of death of all the joint holders.

(III) Notwithstanding any thing contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise in respect of such Shares in or debentures of our Company where a nomination made in the prescribed manner purports to confer on any person the right to vest the Shares in or debentures of our Company, the nominee shall, on the death of the shareholder or debentures holder of our Company or as the case may be on the death of the joint holders become entitled to all the rights in the Shares or debentures of our Company or as the case may be all the joint holders in relation to such Shares in or debenture of our Company to the exclusion of all the other persons, unless the nomination is varied or cancelled in the prescribed manner.

(IV) Where the nominee is a minor it shall be lawful for the holder of Shares or debentures, to make the nomination and to appoint in the prescribed manner any person to become entitled to Shares in or debentures of our Company in the event of his death in the event of minority of the nominee.

Any person who becomes a nominee by virtue of the provisions of Section 109 A upon the production of such evidence as may be required by the Board and subject as hereinafter provided elect either

a) To be registered himself as holder of the Shares or debentures as the case may be, or

b) To make such transfer of the Share or debenture as the case may be, as the deceased shareholder or debenture holder, as the case may be could have made.

If the person being a nominee, so becoming entitled, elects to be registered himself as a holder of the Share or debenture as the case may be, he shall deliver or send to our Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with a Death Certificate of the deceased shareholder or debenture holder as the case may be.

All the limitations, restrictions and provisions of this Act, relating to the right to transfer and registration of transfer of Shares or debentures shall be applicable to any such notice or transfer as aforesaid as if the death of the member had not occurred and the notice or transfer where a transfer is signed by that shareholder or debenture holder, as the case may be.

A person being a nominee, becoming entitled to a Share or debenture by reason of the death of the holder shall be entitled to same dividends and other advantages to which he would be entitled if he were the registered holder of the Share or debenture, except that he shall not, before being registered a member in respect of his Share of debenture, be entitled in respect of it to exercise any right conferred by membership in relation to the meetings of our Company.

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the Share or debenture and if the notice is not complied with within 90 days, the Board may thereafter withhold payments of all dividends, bonus, or other monies payable in respect of the Share or debenture, until the requirements of the notice have been complied with.

A Depository may in terms of Section 58 A at any time, make a nomination and above provisions shall as far as may be, apply to such nomination."

Buy Back of Shares

Article 65 provides that "The Company shall be entitled to purchase its own Shares or other securities, subject to such limits, upon such terms and conditions and subject to such approvals as required under Section 77 A and other applicable provisions of the Act, The Securities and Exchange Board of India Act, 1992 and the Securities and Exchange Board of India (Buy Back of Securities) Regulations 1998 and any amendments, modification(s), repromulgation (s) or re- enactment(s) thereof."

Rights to issue Share Warrants

Article 67 provides that

"(a) The Company may issue Share Warrants subject to, and in accordance with provisions of Section 114 and 115 of the Act.

(b) The Board may, in its discretion, with respect to any Share which is fully paid up on application in writing signed by the person registered as holder of the Share, and authenticated by such evidence (if any) as the Board may from time to time require as to the identity of the person signing the application, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require having been paid, issue a warrant."

Rights of warrant holders

Article 68 provides that

“(a) The bearer of the Share Warrant may at any time deposit the warrant at the office of our Company, and so long as the warrant remains so deposited, the depositor shall have the same right to signing a requisition, for calling a meeting of our Company, and of attending, and voting and exercising other privileges of a member at any meeting held after the expiry of two clear days from time of the deposit, as if his name were inserted in the Register or Members as the holder of the Shares included in the deposited warrant.

(b) Not more than one person shall be recognized as the depositor of the Share Warrant.

(c) The Company shall, on two days written notice, return the deposited Share Warrant to the depositor.”

Article 69 provides that

“(a) Subject as herein otherwise expressly provided, no person shall, as bearer of a Share Warrant, sign a requisition for calling a meeting of our Company, or attend, or vote or exercise any other privileges of a member at a meeting of our Company, or be entitled to receive any notice from our Company.

(b) The bearer of a Share Warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the Shares included in the warrant, and he shall be member of our Company.”

Board to make rules

Article 70 provides that “The Board may, from time to time, make rules as to the terms on which it shall think fit, a new Share Warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.”

Rights to convert Shares into stock & vice-versa

Article 71 provides that “The Company in General Meeting may, by an Ordinary Resolution, convert any fully paid-up Shares into stock and when any Shares shall have been converted into stock the several holders of such stock, may henceforth transfer their respective interest therein, or any part of such interest in the same manner and subject to the same Regulations as, and subject to which Shares from which the stock arise might have been transferred, if no such conversion had taken place. The Company may, by an Ordinary Resolution reconvert any stock into fully paid up Shares of any denomination. Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so however such minimum shall not exceed the nominal amount of Shares from which the stock arose.”

Rights of stock holders

Article 72 provides that “The holders of stock shall according to the amount of stock held by them have the same rights, privileges and advantages as regards dividends, voting at meetings of our Company and other matters as if they held the Shares from which the stock arose; but no such privileges or advantages (except participation in the dividends and profits of our Company and in the assets on winding-up) shall be conferred by an amount of stock which would not, if existing in Shares, have conferred those privileges or advantages.”

Annual General Meetings

Article 73 provides that “The Company shall, in addition to any other meetings hold a General Meeting which shall be called as its Annual General Meeting, at the intervals and in accordance with the provisions of the Act.”

Extraordinary General Meetings

Article 74 provides that "The Board may, whenever it thinks fit, convene an Extraordinary General Meeting at such date, time and at such place as it deems fit, subject to such directions if any, given by the Board."

Extraordinary Meetings on requisition

Article 75 provides that "The Board shall on, the requisition of members convene an Extraordinary General Meeting of our Company in the circumstances and in the manner provided under Section 169 of the Act."

Notice for General Meetings

Article 76 provides that "All General Meetings shall be convened by giving not less than twenty-one days notice excluding the day on which the notice is served or deemed to be served (i.e. on expiry of 48 hours after the letter containing the same is posted) and the date of the meeting, specifying the place and hour of the meeting and in case of any special business proposed to be transacted, the nature of that business shall be given in the manner mentioned in Section 173 of the Act. Notice shall be given to all the shareholders and to such persons as are under Act and/or these Articles entitled to receive such notice from our Company but any accidental omission to give notice to or non-receipt of the notice by any member shall not invalidate the proceedings of any General Meeting."

Quorum for General Meeting

Article 79 provides that "Five members or such other number of members as the law for the time being in force prescribes, shall be entitled to be personally present shall be quorum for a General Meeting and no business shall be transacted at any General Meeting unless the requisite quorum is present at the commencement of the meeting."

Chairman of General Meeting

Article 81 provides that "The Chairman, if any, of the Board of Directors shall preside as Chairman at every General Meeting of our Company."

Election of Chairman

Article 82 provides that "If there is no such Chairman or if at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as Chairman, the members present shall choose another Director as Chairman and if no Director be present or if all the Directors decline to take the chair then the members present shall choose someone of their number to be the Chairman."

Voting at Meeting

Article 84 provides that "At any General Meeting, a resolution put to the vote at the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) is demanded in accordance with the provisions of Section 179 of the Act. Unless a poll is so demanded, a declaration by the Chairman that the resolution had, on a show of hands been carried unanimously or by a particular majority or lost and an entry to that effect in the book of the proceedings of our Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against that resolution."

Decision by poll

Article 85 provides that "If a poll is duly demanded, it shall be taken in such manner as the Chairman directs and the results of the poll shall be deemed to be the decision of the meeting on the resolution in respect of which the poll was demanded."

Casting vote of Chairman

Article 86 provides that "In case of equal votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or a casting vote in addition to the vote or votes to which he may be entitled to as a member."

Poll to be immediate

Article 87 provides that

"(a) A poll demanded on the election of Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time not later than forty eight hours from the time of demand as the Chairman of the meeting directs.

(b) A demand for a poll shall not prevent the continuance of a Meeting of the transaction of any business other than that on which a poll has been demanded. The demand for a poll may be withdrawn."

Passing resolutions by Postal Ballot

Article 88 provides that

"(a) Notwithstanding any of the provisions of these Articles our Company may, and in the case of resolutions relating to such business as notified under the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the general meeting of our Company.

(b) Where our Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under section 192A of the Act and the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, as amended from time."

Voting rights of Members

Article 89 provides that

"a) On a show of hands every member holding Shares and present in person shall have one vote.

b) On a poll, every member holding Shares therein shall have voting rights in proportion to his Shares of the paid up equity share capital.

c) On a poll, a member having more than one vote, or his proxy or other persons entitled to vote for him need not use all his votes in the same way."

Voting by joint-holders

Article 90 provides that "In the case of joint-holders the vote of the first named of such joint holders who tender a vote whether in person or by proxy shall be accepted to the exclusion of the votes of other joint holders."

No right to vote unless calls are paid

Article 91 provides that "No member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by him have been paid, or in regard to which our Company has lien and has exercised any right of lien."

Proxy

Article 92 provides that "On a poll, votes may be given either personally or by proxy."

Instrument of proxy

Article 93 provides that "The instrument appointing a proxy shall be in writing under the hand of appointer or of his attorney duly authorized in writing or if appointed by a Corporation either under its common seal or under the hand of its attorney duly authorized in writing. Any person whether or not he is a member of our Company may be appointed as a proxy.

The instrument appointing a proxy and Power of Attorney or other authority (if any) under which it is signed must be deposited at the registered office of our Company not less than forty eight hours prior to the time fixed for holding the meeting at which the person named in the instrument proposed to vote, or, in case of a poll, not less than twenty four hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid."

Article 94 provides that "The form of proxy shall be two way proxies as given in Schedule IX of the Act enabling the shareholder to vote for/against any resolution."

Validity of proxy

Article 95 provides that "A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death of or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed or the Shares in respect of revocation or transfer shall have been received by our Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used."

Corporate Members

Article 96 provides that "Any corporation which is a member of our Company may, by resolution of its Board of Director or other governing body, authorize such person as it thinks fit to act as its representative at any meeting of our Company and the said person so authorized shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could have exercised if it were an individual member of our Company."

Number of Directors

Article 97 provides that "Unless otherwise determined by General Meeting, the number of Directors shall not be less than three and not more than twelve, including all kinds of Directors."

Share qualification not necessary

Article 98 provides that "Any person whether a member of our Company or not may be appointed as Director and no qualification by way of holding Shares shall be required of any Director."

Director's power to fill-up casual vacancy

Article 99 provides that "Any casual vacancy occurring in the Board of Directors may be filled up by the Directors, and the person so appointed shall hold office up to the date, up to which Director in whose place he is appointed would have office if it has not been vacated as aforesaid"

Additional Directors

Article 100 provides that "The Board of Directors shall have power at any time and from time to time to appoint one or more persons as Additional Directors provided that the number of Directors and Additional Directors together shall not exceed the maximum number fixed. An additional Director so appointed shall hold office up to the date of the next Annual general Meeting of our Company and shall be eligible for re-election by our Company at that Meeting."

Alternate Directors

Article 101 provides that "The Board of Directors may appoint an Alternate Director to act for a Director (hereinafter called the original Director) during the absence of the original Director for a period of not less than 3 months form the state in which the meetings of the Board are ordinarily held. An Alternate Director so appointed shall vacate office if and when the original Director return to the state in which the meetings of the Board are ordinarily held. If the terms of the office of the original Director are determined before he so returns to the state aforesaid any provision for the automatic reappointment of retiring Director in default of another appointment shall apply to the original and not to the Alternate Director."

Remuneration of Directors

Article 102 provides that "Every Director other than the Managing Director and the Whole-time Director shall be paid a sitting fee not exceeding such sum as may be prescribed by the Act or the Central Government from time to time for each meeting of the Board of Directors or any Committee thereof attended by him and shall be paid in addition thereto all traveling, hotel and other expenses properly incurred by him in attending and returning from the meetings of the Board of Directors or any committee thereof or General Meeting of our Company or in connection with business of our Company to and from any place."

Remuneration for extra services

Article 103 provides that "If any Director, being willing, shall be called upon to perform extra services or to make any special exertions, then subject to the provisions of the Act the Board may remunerate the Director so doing either by a fixed sum, or by a percentage of profits or otherwise and such remuneration, may be either in addition to our in substitution for any other remuneration to which he may be entitled. The Directors shall be paid such further remuneration other than as mentioned in this Article 104, as our Company shall from time to time determine in General Meeting, and such further remuneration shall be paid to or divided among the Directors or some or any of them in such proportion and manner as the Directors from time to time determine."

Powers and Rights of Directors

Article 104A provides that "Subject to the provisions of the Act and theses Articles, the Board of Directors of our Company shall be entitled to exercise all such powers, and to do all such acts and things, as our Company is authorised to exercise and do, provided that the Board shall not exercise any power or do any act or thing which is directed or required, whether by the Act or any other Act or by the Memorandum or these Articles or otherwise, to be exercised or done by our Company in General Meeting, provided further that in exercising any such power or doing any such act or thing the Board shall be subject to the provisions contained in that behalf in the Act or in the Memorandum or in these Articles or any regulations not inconsistent therewith duly made thereunder including regulations made by our Company in General Meeting."

No regulations made by our Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulations had not been made.

Article 104B provides that "Subject to the provisions of the Act and these Articles but without prejudice of the general powers conferred by the last preceding Article and so as not in any way to limit or restrict these powers, the Directors shall have following powers:-

(a) To pay and charge to the capital account of our Company any commission or interest lawfully payable thereout under the provisions of Section 76 and 208 of the Act.

(b) To purchase or otherwise acquire for the company any property rights, privileges, which the company is authorised to acquire, at or for privileges or consideration and generally on such terms and conditions as they may think fit, and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.

(c) At their discretion and subject the provisions of the Act, to pay for any property, rights or privileges acquired by or services rendered to our Company either wholly or partially in cash or in share, bonds, debentures, mortgages, or other securities of the company and any such bonds, debentures, mortgages or other securities may be either specifically charged upon all or any part of the property of our Company and its uncalled capital or not so charged.

(d) To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods stores, produce and other movable property of our Company either separately or conjointly, also to insure all or any portion of the goods produce, machinery and other articles imported or exported by our Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.

(e) To open accounts with any bank or bankers or with any Company, firm or individual and to pay money into, and draw money from any such account from time to time as the Directors may think fit.

(f) To appoint person or persons (whether incorporated or not) to accept and hold in trust for the company any property belonging to the company, or in which it is interested or for any other purposes, and to execute and do all such acts and things as may required in relation to any such trust and to provide for the remuneration of such trustee or trustees.

(g) To institute, conduct, defend, compound or abandon any legal proceedings by or against our Company or its officers or otherwise concerning the affairs of our Company, and also to compound and allow time for payment or satisfaction or any debts due or of any claims or demands by or against our Company, and to refer any claims or demands by or against our Company or any differences to arbitration, and observe and perform any awards made thereon.

(h) To act on behalf of our Company in all matters relating his bankrupts and insolvents.

(i) To make and give receipts, releases, and other discharges for moneys payable to our Company and for the claims and demand of our Company.

(j) To invest and deal with any moneys of our Company not immediately required for the purposes thereof, upon such security (not being shares of this Company) or without security and in such manner as they may think fit and from time to time to vary or realize such investments.

(k) To execute in the name and on behalf of our Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surely for the benefit of our Company, such as mortgages of the company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreement as shall be agreed upon.

(l) To determine from time to time who shall be entitled to sign, on our Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases contracts and documents, and to give the necessary authority for such purpose.

(m) To distribute by way of bonus amongst the staff of our Company a share or shares in the general profits of our Company and to give to any officer or other person employed by our Company a commission on the profits of any particular business or transaction, and to charge such bonus or commission as part of the working expenses of our Company.

(n) To provide for the welfare of employees or ex-employees of the company or its predecessors in business and the wives, widows and families or the dependents or connections of such persons by building or quarters, or by grant of money, pensions, allowance, bonus, profit sharing bonuses, payments toward insurance or other payments, or by creating and from time to time subscribing or contributing to aiding or supporting provident and other associations, or profit sharing schemes and by providing or subscribing or contributing towards places of instructions and recreations, hospitals and dispensaries, medical and other attendance and other assistance as our Company shall think fit.

(o) To subscribe or contribute or otherwise to assist or to guarantee money to charitable benevolent religious, scientific, national, or any other institutions, objects or purposes or for any exhibition or for any public general or useful object or Corporate Social Reposnsibility.

(p) To appoint, at their discretion, remove or suspend such managers, secretaries, officers assistants, supervisors, clerks, agents and servants for permanent, temporary or special services, as they may from time to time think fit, and to determine their powers and duties and fix their salaries emolument or remuneration and to require security in such instances and to such amount as they may think fit.

(q) At any time and from time to time, by Power of Attorney under the Seal of our Company, or the letter of authority without the seal of Company to appoint any person or persons to be Attorney or Attorneys of our Company, for such purposes and with such powers, authorities and discretions and for such period and subject to such conditions as the Board of Directors or Managing Director may from time to time think fit.

(r) Generally subject to the provisions of the Act and these Articles to delegate the powers, authorities and discretions vested in the Directors to any person, firm, Company, or fluctuating body or persons as aforesaid.

(s) From time to time, to make, vary and repeal bye-laws for the regulation of the business of our Company, its officers and servants.

(t) From time to time at its discretion, subject to Section 292 of the Act, to raise or borrow any sums of money for and on behalf of our Company with or without interest from the members or other persons, Companies or banks or Directors themselves advance money to our Company on such terms and conditions as may be approved by the Directors.

(u) From time to time secure the payment of such money in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of the debenture or bonds of our Company or by mortgage, exchange or charge of all or any part of the undertaking, property and rights of our Company both present or future and of its uncalled capital for the time being.

(v) Subject to the provisions of the Act to purchase, or take on lease for any term of terms of years, or otherwise acquire any factories or any land or lands, with or without buildings and out-houses, thereon, situate in any part of India, at such price or rent, and under and subject to such terms and conditions as the Directors may think fit, and in any such purchase, lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.

(w) To erect and construct, on the said land or lands, buildings, houses, warehouse, and, sheds and to alter, extend and improve the same, to let or lease the property of our Company, in part or in whole, for such rent, and subject to such conditions, as may be thought advisable, to sell such portions of the land or buildings of our Company as may not be required for the purposes of our Company, to mortgage the whole or any portion of the property of our Company for the purpose of our Company, to sell all or any portion of the machinery or stores belonging to our Company.

(x) To secure the fulfillment of any contracts or any engagements entered in to by our Company by mortgage or charge of all or any of the property of our Company and its unpaid capital for the time being, or in such other manner as they may think fit.

(y) To establish or maintain or procure the establishment and maintenance of any contributory or noncontributory pension or superannuation fund for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances or emoluments to any persons who are or were at any time in the employment or service of our Company, or of any company which is subsidiary of our Company or with any such subsidiary company or who are or were at any time Directors or officers of our Company or of any such other company as aforesaid, and also establish and subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of, or to advance and well-being of our Company or any such other company as aforesaid, and make payments to or towards the insurance of any such person as aforesaid and do any of the matters aforesaid, either alone or in conjunction with any such other company as aforesaid.

(z) Before recommending any dividend to set aside, out of the profits of our Company such sums as they think proper for Depreciation or to a Depreciation Fund, Insurance Fund, General Reserve, Reserve Fund or Sinking Fund or any special Fund or Account to meet contingencies or to repay redeemable preference shares, debentures, or debenture stock or for special dividends or for equalizing dividend or for repairing, improving, extending and maintaining any of the property of our Company, and for such other purposes as the Directors may, in their absolute discretion think conducive to the interests of our Company, with power from time to time to transfer moneys standing to the credit of one Fund or any part thereof to the credit of any other Fund and to invest the several sums so set aside or so much thereof as required to be invested, upon such investments (other than shares of our Company) as they may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of our Company in such manner and for such purposes as the Directors, in their absolute discretion think conducive to the interests of our Company, notwithstanding that the matters to which the Directors apply upon or expend, the same, o any part thereof, may be matters to or upon which the capital money of our Company rightly be applied or expended and to divide the Reserve Fund into such special funds as the Directors think fit, and to employ the assets constituting all or any of the above funds including the Depreciation Fund, in the business of our Company or in the purchase or repayment of redeemable preference shares, debentures or debenture stock, and that without being bond to keep the same separate from the other assets. If the assets constituting any of the above funds are employed on the business of our Company the Directors may if they think fit but not otherwise pay or allow to the credit of such funds interest at such rate as the Directors may think proper.

(aa) Subject to provisions of the Act, for or in relation to any of the matters aforesaid or otherwise for the purposes of our Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of our Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purpose of our Company."

Equal power to Director

Article 106 provides that "Except as otherwise provided in these Articles all the Directors of our Company shall have in all matters equal rights and privileges and be subject to equal obligations and duties in respect of the affairs of our Company."

One-third of Directors to retire every year

Article 107 provides that "At the Annual General Meeting of our Company to be held in every year, one third of such of the Directors as are liable to retire by rotation for time being, or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office, and they will be eligible for re-election. Provided nevertheless that the Managing Director or Whole Time Director, appointed or the Directors appointed as a Debenture Director and Special Director under Articles hereto shall not retire by rotation under this Article nor shall they be included in calculating the total number of Directors of who one third shall retire from office under this Article."

Retiring Directors eligible for re-election

Article 108 provides that "A retiring Director shall be eligible for re-election and our Company, at the Annual General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing a person thereto."

Meetings of the Board

Article 117 provides that

“(a) The Board of Directors shall meet at least once in every three calendar months for the dispatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit provided that at least four such meetings shall be held in every year.

(b) The Managing Director may, at any time summon a meeting of the Board and the Managing Director or a Secretary or a person authorised in this behalf on the requisition of Director shall at any time summon a meeting of the Board. Notice in writing of every meeting of the Board shall be given to every Director for the time being in India, and at his usual address in India to every other Director.”

Quorum

Article 118 provides that “The quorum for a meeting of the Board shall be one-third of its total strength (any fraction contained in that one-third being rounded off as one) or two Directors whichever is higher, provided that where at any time the number of interested Directors is equal to or exceeds two-thirds of total strength, the number of remaining Directors, that is to say the number of Directors who are not interested, present at the meeting being not less than two, shall be the quorum during such time, The total strength of the Board shall mean the number of Directors actually holding office as Directors on the date of the resolution or meeting, that is to say, the total strength of Board after deducting there from the number of Directors, if any, whose places are vacant at the time.”

Questions how decided

Article 119 provides that

“(a) Save as otherwise expressly provided in the Act, a meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the Regulations of our Company for the time being vested in or exercisable by the Directors generally and all questions arising at any meeting of the Board shall be decided by a majority of the Board.

(b) In case of an equality of votes, the Chairman shall have second or casting vote in addition to his vote as Director.”

Resolution by Circulation

Article 126 provides that “Save as otherwise expressly provided in the Act, a resolution in writing circulated in draft together with the necessary papers, if any, to all the Directors or to all the members of the committee then in India, not being less in number than the quorum fixed of the meeting of the Board or the Committee, as the case may be and to all other Directors or members at their usual address in India and approved by such of the Directors as are then in India or by a majority of such of them as are entitled to vote at the resolution shall be valid and effectual as it had been a resolution duly passed at a meeting of the Board or committee duly convened and held.”

Article 127 provides that

“a) The Board of Directors may from time to time but with such consent of our Company in General Meeting as may be required under the Act raise any moneys or sums of money for the purpose of our Company provided that the moneys to be borrowed by our Company apart from temporary loans obtained from our Company’s bankers in the ordinary course of business shall not, without the sanction of our Company at a General Meeting, exceed the aggregate of the paid up capital of our Company and its free reserves, that is to say, reserves not set apart for any specifies purpose and in particular, but subject to the provisions of Section 292 of the Act, the Board may from time to time at their discretion raise or borrow or secure the payment of any such sum of money for the purpose of our Company, by the issue of debentures, perpetual or otherwise, including debenture convertible into Shares of this or any other Company or perpetual annuities and to secure any such money so borrowed, raised or received mortgage, pledge or charge the whole or any part of the property, assets or revenue of our Company present or future, including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders powers of sale and other powers as may be expedient and to purchase, redeem or pay off any such securities.

Provided that every resolution passed by our Company in General Meeting in relation to the exercise of the power to borrow as stated shall specify the total amount up to which moneys may be borrowed by the Board Directors.

b) The Directors may by resolution at a meeting of the Board delegate the above power to borrow money otherwise than on debentures to a committee of Directors or the Managing Director, if any, within the limits prescribed.

b) Subject to provisions of the above sub-clause, the Directors may, from time to time, at their discretion, raise or borrow or secure the repayment of any sum or sums of money for the purposes of our Company, at such time and in such manner and upon such terms and conditions in all respects as they think, fit and in particular, by promissory notes or by receiving deposits and advances with or without security or by the issue of bonds, perpetual or redeemable debentures (both present and future) including its uncalled capital for the time being or by mortgaging or charging or pledging any lands, buildings, goods or other property and securities of our Company, or by such other means as they may seem expedient.

c) To the extent permitted under the applicable law and subject to compliance with the requirements thereof, the Directors shall be empowered to grant loans to such entities at such terms as they may deem to be appropriate and the same shall be in the interests of our Company."

Assignment of debentures

Article 128 provides that "Such debentures, debenture-stock, bonds or other securities may be assignable free from any equities between our Company and the person to whom the same may be issued."

Term of Issue of Debentures

Article 129 provides that "Any debentures, debenture stock, or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into Shares of any denomination and with any privileges and conditions as to redemption, surrender, drawings, allotment of Shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise, Debentures with a right of conversion into or allotment of Shares shall be issued only with the consent of our Company in a General Meeting by a Special Resolution."

Debenture Directors

Article 130 provides that "Any Trust Deed for securing debentures or debenture stock may if so arranged provide for the appointment from time to time by the trustee thereof or by the holders of debentures or debenture stock of some person to be a Director of our Company and may empower such trustee or holders of debentures or debenture stock from time to time to remove any Directors so appointed. A Director appointed under this Article is herein referred to as a "Debenture Director" and the Debenture Director means a Director for the time being in office under this Article. A Debenture Director shall not be bound to hold any qualification shares, not be liable to retire by rotation or be removed by our Company. The Trust Deed may contain such ancillary provisions as may be arranged between our Company and the Trustees and all such provision shall have effect notwithstanding any of the other provisions herein contained."

Nominee Directors

Article 131 provides that

“(a) So long as any moneys remain owing by our Company to any All India Financial Institutions, State Financial Corporation or any financial institution owned or controlled by the Central Government or State Government or any Non Banking Financial Company controlled by the Reserve Bank of India or any such Company from whom our Company has borrowed for the purpose of carrying on its objects or each of the above has granted any loans / or subscribes to the Debentures of our Company or so long as any of the aforementioned companies of financial institutions holds or continues to hold debentures /Shares in our Company as a result of underwriting or by direct subscription or private placement or so long as any liability of our Company arising out of any guarantee furnished on behalf of our Company remains outstanding, and if the loan or other agreement with such corporation so provides, the corporation shall have a right to appoint from time to time any person or persons as a Director or Directors Whole-Time or non Whole-Time (which Director or Director/s is/are hereinafter referred to as “Nominee Directors/s) on the Board of our Company and to remove from such office any person or person so appointed and to appoint any person or persons in his /their place(s).

(b) The Board of Directors of our Company shall have no power to remove from office the Nominee Director/s. At the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of our Company.

The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by our Company to the Corporation or so long as they holds or continues to hold Debentures/Shares in our Company as result of underwriting or by direct subscription or private placement or the liability of our Company arising out of the Guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall vacate such office immediately on the moneys owing by our Company to the Corporation are paid off or they ceasing to hold Debentures/Shares in our Company or on the satisfaction of the liability of our Company arising out of the guarantee furnished.

(c) The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and of the Meetings of the Committee of which Nominee Director/s is//are member/s as also the minutes of such Meetings. The Corporation shall also be entitled to receive all such notices and minutes.

(d) The Company shall pay the Nominee Director/s sitting fees and expenses to which the other Directors of our Company are entitled, but if any other fees commission, monies or remuneration in any form is payable to the Directors of our Company the fees, commission, monies and remuneration in relation to such Nominee Director/s shall accrue to the nominee appointer and same shall accordingly be paid by our Company directly to the Corporation.

(e) Provided that the sitting fees, in relation to such Nominee Director/s shall also accrue to the appointer and same shall accordingly be paid by our Company directly to the appointer.”

Investor Director

Article 131A provides that

“(a) The Investor shall be entitled to appoint 1 (one) non-retiring Director (the “**Investor Director**”) on the Board. Such Investor Director shall be an employee of the Investor or its Affiliates. Each Shareholder shall exercise the votes attached to its Shares at any shareholder’s meeting called for the purpose of filling the positions on the Board and take all other actions necessary to ensure the election to the Board of the individual nominated by the Investor.

(b) The Company shall, and each Shareholder shall cause the Board to, cause each key committee of the Board to include the Investor Director. The compensation committee and audit committee of the Board shall include the Investor Director and shall be constituted so as to ensure that the majority of its members shall not be any of the Promoter, Promoter Group, Relatives of the Promoter, Promoter Group, appointees of the Promoter, Promoter Group or any Relative of a person appointed by any of the Promoter, Promoter Group.

(c) The Investor shall also be entitled to nominate an alternate Director to the Investor Director, in accordance with the Act and such alternate Director may attend all meetings and exercise all voting rights of the Investor Director when such Investor Director is not in attendance.

(c) The Investor's right to appoint a Director as aforesaid shall not lapse as long as it holds not less than 50% of its Shares or March 31, 2011, whichever is earlier.

(d) In the event that Investor desires that the Director / alternate Director nominated by them should cease to be a Director / alternate Director, the shareholders shall exercise their voting rights in relation to the Shares held by them in such manner so as to ensure such removal as soon as may be practicable. The Investor shall have a right to recommend any other person to be a Director / alternate Director / in place of the original Director / alternate Director, as the case may be. The shareholders shall take all reasonable actions, including the exercise of the votes attached to their Shares, to ensure that the Board appoints only such person to be the Investor Director / alternate Director in place of the original Investor Director / alternate Director, as is recommended by the Investor. All nominations for replacement made by the Investor shall be in writing and shall take effect on its receipt at the office of our Company.

(e) The Investor Director shall be non-retiring, non executive, independent Director and shall have no responsibility for the day-to-day management of our Company and shall not be liable for any failure by our Company to comply with applicable Laws and shall not be an "officer in default" (under the Act) or "occupier" (of our Company's premises) under applicable Laws.

(f) The Investor Director (or his/her alternate) shall not be required to hold any qualification shares."

Register of Charges

Article 132 provides that "The Directors shall cause a proper register to be kept, in accordance with the Act, of all mortgages and charges specifically affecting the property of our Company and shall duly comply with the requirements of the Act in regard to the registration of mortgages and charges therein specified."

Subsequent assigns of uncalled capital

Article 133 provides that "Where any uncalled capital of our Company is charged, all persons taking any subsequent charge thereon shall take the same subject to such prior charges and shall not be entitled to obtain priority over such prior charge."

Charge in favour of Director for Indemnity

Article 134 provides that "If the Director or any person, shall become personally liable for the payment of any sum primarily due from our Company, the Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or part of the assets of our Company by way of indemnity to secure the Directors or other persons so becoming liable as aforesaid from any loss in respect of such liability."

Powers to be exercised by Board only by Meeting

Article 135 provides that

"(a) The Board of Directors shall exercise the following powers on behalf of our Company and the said powers shall be exercised only by resolution passed at the meeting of the Board:

(i) Power to make calls on shareholders in respect of moneys unpaid on their Shares;

(ii) Power to issue debentures;

(iii) Power to borrow money otherwise than on debentures:

(iv) Power to invest the funds of our Company;

(v) Power to make loans.

b) The Board of Directors may by a meeting delegate to any committee or the Directors or to the Managing Director the powers specified in sub clauses (iii), (iv) and (v) above.

c) Every resolution delegating the power set out in sub clause (iii) above shall specify the total amount up to which moneys may be borrowed by the said delegate.

d) Every resolution delegating the power referred to in sub-clause (iv) above shall specify the total amount, up to which the fund may invested and the nature of the investments which may be made by the delegate.

e) Every resolution delegating the power referred to in sub-clause (v) above shall specify the total amount up to which the loans may be made by the delegate, the purposes for which the loans may be made and the maximum amount of loans which may be made for each such purpose in individual cases."

Managing Director(s)/ Whole-Time Director(s)

Article 136 provides that

"a) The Board may from time to time and with such sanction of the Central Government as may be required by the Act, appoint one or more of the Directors to the office of the Managing Director or whole-time Directors.

b) The Directors may from time to time resolve that there shall be either one or more Managing Directors or Whole time Directors.

c) In the event of any vacancy arising in the office of a Managing Director or Whole-time Director, the vacancy shall be filled by the Board of Directors subject to the approval of the members.

d) If a Managing Director or whole time Director ceases to hold office as Director, he shall ipso facto and immediately cease to be Managing Director/Whole Time Director.

e) The Managing Director or whole time Director shall not be liable to retirement by rotation as long as he holds office as Managing Director or whole-time Director."

Powers and duties of Managing Director or Whole-Time Director

Article 137 provides that "The Managing Director/Whole Time Director shall subject to the supervision, control and direction of the Board and subject to the provisions of the Act, exercise such powers as are exercisable under these presents by the Board of Directors, as they may think fit and confer such power for such time and to be exercised as they may think expedient and they may confer such power either collaterally with or to the exclusion of any such substitution for all or any of the powers of the Board of Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any such powers. The Managing Directors/ Whole Time Directors may exercise all the powers entrusted to them by the Board of Directors in accordance with the Board's direction."

Remuneration of Managing Directors/Whole Time Directors

Article 138 provides that "Subject to the provisions of the Act, the Managing Directors/Whole-Time Directors shall receive such remuneration (whether by way of salary commission or participation in profits or partly in one way and partly in another) as our Company in General Meeting may from time to time determine."

Custody of Common Seal

Article 141 provides that "The Board shall provide for the safe custody of the Common Seal for our Company and they shall have power from time to time to destroy the same and substitute a new seal in lieu thereof; and the Common Seal shall be kept at the Registered Office of our Company and committed to the custody of the Managing Director or the Secretary if there is one."

Right to dividend

Article 143 provides that

"(a) The profits of our Company, subject to any special rights, relating thereto created or authorized to be created by these presents and subject to the provisions of the presents as to the Reserve Fund, shall be divisible among the members in proportion to the amount of capital paid up on the Shares held by them respectively and the last day of the year of account in respect of which such dividend is declared and in the case of interim dividends on the close of the last day of the period in respect of which such interim dividend is paid.

(b) Where capital is paid in advance of calls, such capital shall not, confer a right to participate in the profits."

Declaration of Dividends

Article 144 provides that "The Company in General Meeting may declare dividends but no dividend shall exceed the amount recommended by the Board."

Capitalisation of Profits

Article 155 provides that

"(a) The Company in General Meeting, may, on recommendation of the Board resolve:

  (i) That it is desirable to capitalise any part of the amount for the time being standing to the credit of our Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution; and

  (ii) That such sum be accordingly set free for distribution in the manner specified in the sub-clause (b) amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportion.

(b) The sum aforesaid shall not be paid in cash but shall be applied, either in or towards:

  (i) Paying up any amounts for the time being unpaid on Shares held by such members respectively

  (ii) Paying up in full, unissued Share of our Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or

  (iii) Partly in the way specified in sub-clause (i) and partly that specified in sub clause (ii).

(c) The Board shall give effect to the resolution passed by our Company in pursuance of this regulation.

(d) A share premium account and a capital redemption reserve account may, only be applied in the paying up of unissued Shares to be issued to members of our Company as fully paid bonus shares."

Power of Directors for declaration of bonus issue

Article 156 provides that

"(a) Whenever such a resolution as aforesaid shall have been passed, the Board shall:

(i) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid Shares, if any, and

(ii) generally do all acts and things required to give effect thereto.

(b) The Board shall have full power:

(i) to make such provisions, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit, in the case of Shares or debentures becoming distributable in fraction; and also

(ii) to authorize any person, on behalf of all the members entitled thereto, to enter into an agreement with our Company providing for the allotment to such members, credited as fully paid up, of any further Shares or debentures to which they may be entitled upon such capitalization or (as the case may require) for the payment of by our Company on their behalf, by the application thereto of their respective proportions of the profits resolved to the capitalised of the amounts or any parts of the amounts remaining unpaid on the Shares.

Any agreement made under such authority shall be effective and binding on all such members."

Winding Up

Application of assets

Article 174 provides that "Subject to the provisions of the Act as to preferential payment the assets of our Company shall, on its winding up, be applied in satisfaction of its liabilities pari passu and, subject to such application shall be distributed among the members according to their rights and interests in our Company."

Division of assets of our Company in specie among members

Article 175 provides that "If our Company shall be wound up whether voluntarily or otherwise, the liquidators may with sanction of a special resolution divide among the contributories in specie or kind any part of the assets of our Company and any with like sanction vest any part of the assets of our Company in trustees upon such trusts for the benefit of the contributories of any of them, as the liquidators with the like sanction shall think fit, in case any Share to be divided as aforesaid involve as liability to calls or otherwise any persons entitled under such division to any of the said Shares may within ten days after the passing of the special resolution by notice in writing, direct the liquidators to sell his proportion and pay them the net proceeds, and the liquidators shall, if practicable, act accordingly."

Director's and others' right to indemnity

Article 176 provides that

"(a) Subject to the provisions of the Act, the Managing Director and every Director, Manager, Secretary and other Officer or Employee of our Company shall be indemnified by our Company against any liability and it shall be the duty of Directors, out of the funds of our Company to pay, all costs and losses and expenses (including traveling expenses), which any such Director, Officer or Employee may incur or become liable to by reason of any contract entered into or act or deed done by him as such Managing Director, Director, Officer or Employee or in any way in the discharge of his duties.

(b) Subject as aforesaid the Managing Director and every Director, Manager, Secretary or other Officer or Employee of our Company shall be indemnified against any liability incurred by them or in defending any proceeding whether civil or criminal in which judgment is given in their or his favour or in which he is acquitted or discharged or in connection with any application under Sec. 633 of the Act in which relief is given to him by the Court."

Not responsible for acts of others

Article 177 provides that

"(a) Subject to the provisions of Sec. 201 of the Act no Director or other Officer of our Company shall be liable for the acts, receipt, neglects or defaults of any other Director or Officer, or for joining in any receipt or other act for conformity or for any loss or expenses happening to our Company through insufficiency or deficiency of title to any property acquired by order of the Director for or on behalf of our Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of our Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency, or tortuous act of any person, Company or Corporation, with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgment or over sight in his part or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office of in relation thereto, unless the same happens through his own willful act or default.

(b) Without prejudice to the generality foregoing it is hereby expressly declared that any filing fee payable or any document required to be filed with Register of Companies in respect of any act done or required to be done by any Director or other Officer by reason of his holding the said office, shall be paid and borne by our Company."

Secrecy

Article 178 provides that "No member shall be entitled to inspect our Company's works without the permission of the Managing Director or to require discovery of any information respectively any detail of our Company's trading or any matter which is or may be in the nature of a trade secret, history of trade or secret process which may be related to the conduct of the business of our Company and which in the opinion of the Managing Director it will be inexpedient in the interest of the members of our Company to communicate to the public."

Duties of Officers to observe secrecy:

Article 179 provides that "Every Director, Managing Directors, Manager, Secretary, Auditor, Trustee, Members of Committee, Officer, Servant, Agent, Accountant or other persons employed in the business of our Company shall, if so required by the Director before entering upon his duties, or any time during his term of office, sign a declaration pledging himself to observe secrecy relating to all transactions of our Company and the state of accounts and in matters relating thereto and shall by such declaration pledge himself not to reveal any of such matters which may come to his knowledge in the discharge of his official duties except which are required so to do by the Directors or any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provision of these Articles or law."

Social and Economic Development

Article 180 provides that "The Company shall endeavor to promote the objectives of social and economic development consistent with the needs of efficiency and productivity harmonizing the interest of the consumers, shareholders, employees and management. It shall also try to remove the hardships and promote the welfare of the community, specially in areas where it is carrying on its activities."

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material have been attached to the copy of this Red Herring Prospectus delivered to the RoC for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all working days from the Bid/Issue Opening Date to the Bid/Issue Closing Date.

A. Material Contracts for the Issue

1. Engagement Letter dated September 15, 2010 between our Company, the Selling Shareholder and the BRLMs.

2. Issue Agreement dated September 27, 2010 between our Company, the Selling Shareholder and the BRLMs.

3. Memorandum of Understanding dated September 20, 2010 between our Company, the Selling Shareholder and the Registrar to the Issue.

4. Escrow Agreement dated [●] between our Company, the Selling Shareholder, the BRLMs, Escrow Collection Bank and the Registrar to the Issue.

5. Syndicate Agreement dated [●] between our Company, the Selling Shareholder, BRLMs and the Syndicate Members.

6. Underwriting Agreement dated [●] between our Company, the Selling Shareholder, the BRLMs and the Syndicate Members.

B. Material Documents

1. Certified copies of the updated Memorandum and Articles of Association of our Company as amended from time to time.

2. Certificate of Incorporation dated December 27, 1999.

3. Resolutions of the Board of Directors dated September 27, 2010 in relation to this Issue and other related matters.

4. Shareholders' resolution dated September 27, 2010 in relation to this Issue and other related matters.

5. The Selling Shareholder's board resolution dated September 16, 2010 approving the Offer for Sale.

6. Consent from Selling Shareholder dated September 27, 2010 in relation to the Offer for Sale.

7. The examination reports of the statutory auditor Deloitte Haskins & Sells, on our restated financial information, included in this Draft Red Herring Prospectus.

8. Scheme of Arrangement between Anurang Engineering Company Private Limited and our Company.

9. Scheme of Arrangement between ESIPL, our Company and their respective shareholders.

10. Share Subscription and Shareholders' Agreement amongst our Company, Standard Chartered Private Equity (Mauritius II) Limited, Anurang Jain, Naresh Chandra, Suman Jain, Varsha Jain, the Naresh Chandra HUF and the Anurang Jain HUF dated July 25, 2006 and the Supplemental Share Subscription and Shareholders' Agreement dated October 30, 2009.

11. Joint Venture Agreement between our Company and Magneti Marelli S.p.A. dated June 11, 2008.

12. Share Subscription and Shareholders Agreement amongst our Company, Adler S.p.A. and Anurang Jain and Naresh Chandra December 21, 2001 and the supplemental agreement dated March 29, 2004.

13. Copies of the annual reports of our Company for the last five financial years.

14. Consent from the Auditors for inclusion of their names as the statutory auditors and of their reports on consolidated restated accounts in the form and context in which they appear in this Draft Red Herring Prospectus.

15. The Statement of Tax Benefits dated September 27, 2010 from our Statutory Auditors.

16. Consent of our Directors, BRLMs, the Syndicate Members, Domestic Legal Counsel to our Company, Domestic Legal Counsel to the Underwriters, International Legal Counsel to the Underwriters, Registrars to the Issue, Escrow Collection Banker, Banker to the Issue, Bankers to our Company, Company Secretary and Compliance Officer as referred to in their specific capacities.

17. Certificate dated September 24, 2010 issued by C.V. Chitale & Co., Chartered Accountant in relation to the Objects of the Issue.

18. Due Diligence Certificate dated September 29, 2010 addressed to SEBI from the BRLMs.

19. In-principle listing approvals dated [●] and [●] issued by BSE and NSE respectively.

20. Tripartite Agreement dated [●] between our Company, NSDL and the Registrar to the Issue.

21. Tripartite Agreement dated [●] between our Company, CDSL and the Registrar to the Issue.

22. IPO Grading Report dated [●], 2010 by [●].

23. Application by our Company dated [●] to the RBI in respect of the transfer of the Equity Shares by the Selling Shareholder in the Offer for Sale.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

The Selling Shareholder, hereby certifies that all statements made in this Draft Red Herring Prospectus are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements made by the Company in this Draft Red Herring Prospectus, except statements made by the Selling Shareholder in relation to itself as a Selling Shareholder.

Signed by the Selling Shareholder

Sd/-
For Standard Chartered Private Equity (Mauritius) II Limited

DECLARATION

We, hereby declare and certify that all relevant provisions of the Companies Act and the guidelines and regulations issued by the Government or the regulations or guidelines issued by SEBI established under Section 3 of the SEBI Act as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act or the SEBI Act or rules or regulations or guidelines, as the case may be. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/-	**Naresh Chandra** (*Non- executive Chairman*)
Sd/-	**Anurang Jain** (*Managing Director*)
Sd/-	**Nainesh Jaisingh** (*Non-executive, Non-Independent Director*)
Sd/-	**Roberto Testore** (*Independent Director*)
Sd/-	**Soumendra Basu** (*Independent Director*)
Sd/-	**Partho Datta** (*Independent Director*)

Date: September 29, 2010

Place: Aurangabad

Sd/-

Satrajit Ray
(Group Chief Financial Officer)