ENDURANCE TECHNOLOGIES PRIVATE LIMITED

ENDURANCE

10th

Annual Report
2008-09

CORPORATE INFORMATION

BOARD OF DIRECTORS

NARESH CHANDRA	CHAIRMAN
ANURANG JAIN	MANAGING DIRECTOR
NAINESH JAISINGH	DIRECTOR
ROBERTO TESTORE	DIRECTOR

COMPANY SECRETARY

V. M. ACHWAL

BANKERS

BANK OF INDIA
BANK OF MAHARASHTRA
CITIBANK N. A.
CORPORATION BANK
HDFC BANK LTD.
ICICI BANK LTD.
IDBI BANK LTD.
INDIAN OVERSEAS BANK
STANDARD CHARTERED BANK

AUDITORS

DELOITTE HASKINS & SELLS
CHARTERED ACCOUNTANTS

REGISTERED OFFICE

K-228, MIDC INDUSTRIAL AREA,
WALUJ,
AURANGABAD - 431 136

To,
The Members,
Endurance Technologies Private Limited

The Directors present their 10th Annual Report with the audited statements of accounts of the Company for the year ending on 31st March, 2009.

AMALGAMATION OF ENDURANCE SYSTEMS (INDIA) PRIVATE LIMITED WITH THE COMPANY

Endurance Systems (India) Private Limited, ('the Transferor Company' or 'ESIPL'), Wholly Owned Subsidiary of Endurance Technologies Private Limited has been amalgamated with Endurance Technologies Private Limited ('the Transferee Company' or 'the Company'). The Scheme of Arrangement ('the Scheme'), inter alia, involving Amalgamation of the Transferor Company with the Transferee Company was sanctioned by the Hon'ble High Court of Judicature at Bombay vide Order dated 16th October, 2009. The Scheme became effective on 1st December, 2009, the Appointed Date of the Scheme being 1st April, 2008. This Amalgamation of Companies is a part of the corporate restructuring exercise of the Endurance Group. The significant reasons, benefits and rationale that necessitated or justified the Scheme of Arrangement are summarized in th s Report under heading 'Financial Restructuring'.

FINANCIAL RESULTS

The assets and liabilities of ESIPL and its operating results have been incorporated in the Company's books with effect from 1st April, 2008 (Appointed Date). The financial performance of the Company as mentioned below , therefore, includes the financial results of ESIPL for the year ended 31st March,2009.

	2008-2009 (Rupees in Million)	2007-2008 (Rupees in Million)
Turnover (net sales & job work receipts)	**14324.20**	12546.88
Other Income	**431.86**	620.03
Gross Profit before Interest, Depreciation and Extraordinary Expenses	**1618.72**	1208.78
Interest	**672.21**	480.80
Profit before Depreciation, Amortization and Extraordinary Expenses	**946.51**	727.98
Depreciation & Amortization	**1012.67**	730.57
(Loss) before Taxation & Extraordinary Expenses	**(66.16)**	(2.59)
Extraordinary Expenses	**--**	306.23
(Loss) before Taxation	**(66.16)**	(308.82)
Provision for Taxation	**0.03**	0.21
Provision for Deferred Tax	**(358.16)**	(36.40)
Provision for Fringe Benefit Tax	**5.12**	7.50
Income Tax Provision for earlier years	**--**	0.72
Profit / (Loss) for the Year	**286.84**	(280.85)
Add : Profit brought forward from last year	**200.57**	481.42
Balance Carried Forward to Balance Sheet	**487.41**	200.57

INDIAN ECONOMY AND AUTOMOBILE INDUSTRY

The impact of recession was initially felt by the economies of Western Countries including USA, Germany, Italy, UK, France and other European countries. It was subsequently spilled over across the world during the year 2008-09. The Indian economy could manage to stand up to the vagaries of the economic slowdown due to its strong domestic demand, through stimulus package and various other steps taken by the Government of India to face challenge of recession.

India's Gross Domestic Product (GDP) grew at 6.7% in the financial year 2008-09 as compared to high GDP growth of 9% in the financial year 2007-08. The manufacturing Industrial growth had slowed down to 2.4% in the financial year 2008-09 as against 8.2 % in the year 2007-08.

In the Automobile sector, production grew at CAGR of 11.5% over last 5 years. While the industry has been witnessing impressive growth during the last two decades, the performance after 2006-07 has not been encouraging. In 2006-07,the automobile sector recorded growth of 13.6%. In 2007-08, the industry registered a negative growth rate of

(-)2.3%. However, in 2008-09, the industry has witnessed a modest growth of 3%. While the passenger vehicles, two-wheelers and three-wheelers registered a growth of 3.4%, 4.9% and 0.1% respectively, the utility vehicles and commercial vehicles segment registered negative growth of (-)11.9% and (-) 24% respectively.

The domestic turnover of the automobile sector in 2008-09 was Rs. 2,189,660 Million and exports were at Rs. 317,820 Million. The turnover and exports of the automobile vehicle industry in 2008-09 was at Rs. 1,426,460 Million and Rs. 167,820 Million .The turnover and exports of the Automobile component industry in 2008-09 was Rs. 763,200 Million and Rs. 150,000 Million respectively.

The overall vehicle sales during the financial year 2008-09 were marginally higher at 9.72 Million units as against 9.65 Million units in 2007-08. Passenger vehicle sales at 1.55 Million units registered flat growth while commercial vehicle sales were at 0.38 Million units, showing 24% drop. Due to the global economic meltdown and resulting slowdown in Indian economy, the vehicle production started reducing drastically from August, 2008 onwards. The recovery commenced from March, 2009. Consequently for the full financial year 2008-09, the automotive industry had registered only a marginal growth.

Two-wheeler sales grew 2.6% to 7.44 Million units. The market leader consolidated it's market share to 3.64 Million units making inroad on the market shares of its competitors.

The global economic slowdown has resulted reduction in the prices of basic raw materials and petroleum products. This has benefitted the domestic automobile sector.

FINANCIAL PERFORMANCE

During the year under review, the Company started supplies to some new reputed customers. This has to some extent helped to compensate against drop in production schedules from existing customer. The Company is being benefitted from easy access to new customers due to its good market reputation and international presence through the strategic investments made in the joint ventures companies in Germany and Italy, which are making supplies to reputed OEM customers of international repute. The impact of the economic slowdown was more felt in the second half of the financial year 2008-09 due to major drop in order quantity from important customer of the Company leading to lower capacity utilizations.

The margins were under tremendous pressure as negotiating price increase was constrained on account of economic slowdown. The lower cost of aluminium to some extent, benefitted the Company to keep the cost of raw materials under control. The major cost, which has adversely affected the financials of the Company was interest costs, which has substantially increased, on account of very tight liquidity position throughout the year. Major component of the Loan portfolio of the Company being ECB Loan and Foreign Currency Term Loans (which were availed at a very low rate of interest), the interest cost went up substantially due to currency fluctuation.

In view of global recession, many small, medium and even Multi-National Companies (MNC) in USA and Europe filed for bankruptcy, curtailed / closed production / plants leading to drastic drop and cancellation of orders placed on companies supplying them automotive components. Endurance Group had made substantial investment by acquisition of strategic stakes in the overseas companies in Germany and Italy, also engaged in similar line of business namely manufacturing and supplying automotive components to MNCs in Germany and Italy. Due to the severe recession in Europe and reluctance of foreign banks in Germany and Italy to provide financial support to companies engaged in automobile sector, your Company being the Parent Company, was solely responsible to provide funds to the overseas subsidiaries for funding loss suffered by them and for their re-capitalization which is mandatory for their continuous operations as per laws of the host countries.

FINANCIAL RESTRUCTURING

This global economic scenario has had an adverse impact on the operations of the Company and in order to right size Balance Sheet, the Company undertook financial restructuring exercise through the Scheme of Arrangement ('the Arrangement'), inter alia, involving Amalgamation of ESIPL with the Company. Both ESIPL and the Company were comparable in terms of nature of their business and under same management, common control and common directors. The Arrangement yielded consolidation of holdings and interest and would enable the management to utilize the resources of the companies in the best interest. This would result in optimum utilization of management and other resources, reduce the administrative costs. This Arrangement has also resulted in the larger pool of financial and other resources, to enable the Company to broaden its asset base and in long run improve financial gearing. Through this financial restructuring exercise undertaken by the Company, various assets including investments in the other subsidiaries and liabilities of the Company as well as those transferred under the Arrangement have been valued at their present fair value and the difference arising as a result of recording various assets and liabilities of the Company including investment in ESIPL and other subsidiaries at their present fair value as mentioned above have been credited / debited to Business Reconstruction Reserve, as the case may be, in the books of accounts of the Company. Similarly, Securities Premium Account to the extent of Rs. 100 Million appearing in the books of accounts of the Company as on Appointed Date was credited to Business Reconstruction Reserve. The Business Reconstruction Reserve so created was utilized for adjustments against Reconstruction Expenses.

Consequent upon the Amalgamation, ESIPL stood dissolved without winding up and from 1st December, 2009 the Authorized Capital of the Company stood enhanced by Rs. 25 Million, being an amount equivalent to the Authorized Share Capital of ESIPL. The investment of the Company in High Technology Transmission Systems (India) Private Limited (HTTS) also stood enhanced from 1st December, 2009 by Rs. 53.39 Million, being an amount equivalent to the investments made by ESIPL in the Share Capital of HTTS. With this the shareholding of the Company in HTTS has increased from 74% to 85% of Share Capital of HTTS.

In view of the Arrangement the Company had approached the Registrar of Companies, Maharashtra (ROC) for extension of time of 3 months for holding the 10th Annual General Meeting of the Company. The Registrar of Companies vide its letter dated 20th August, 2009, has granted extension of time for holding the 10th Annual General Meeting of the Company upto 30th December, 2009.

Endurance Far East Limited, Thailand, subsidiary of the Endurance Systems (India) Private Limited, was liquidated voluntarily and the liquidation has since been registered by the competent government authority in Thailand on 28th October, 2009.

MANAGEMENT'S ANALYSIS OF THE WORKING AND FINANCIAL PERFORMANCE

(i) Tight Liquidity, high interest costs etc.

The Company continues to incur high interest, debt servicing and the associated costs in view of substantial borrowing made from Banks for acquisition of controlling stakes in overseas subsidiaries, to finance expansion of projects and cash loss at certain plants of the Company . The situation was further aggravated on account of very tight liquidity position on account of recessionary conditions, the impact of which was severe since Septemebr,2008 onwards. At the request of the Company, the Banks have agreed for re-scheduling and re-structuring of credit facilities. Accordingly, a part of working capital facilities has been carved out to Working Capital Term Loans aggregating to Rs. 800 Million. This should help the Company to improve the liquidity. The Company has also negotiated better credit terms with its Vendors. The Company has approached banks to extend Bills discounting and other facilities to its Vendors.

The Company postponed all capital expenditure for expansions and investments in new projects, barring those which are already committed and necessary to comply with legal and contractual requirements, business exigency and those of strategic nature.

(ii) Steps for reduction of costs, wastage and loss - for domestic operations

The Company has taken following steps for reduction of costs and overheads

- Reduction of manpower
- Reduction of number of working hours of certain plants from 6 days week to 5 days week
- Reduction of overheads- Travelling, Telephone, electricity etc.
- Reduction in holding levels of inventory
- Consolidation of production capacities.
- Sale / transfer of un-utilized assets and office premises to subsidiary company.
- Focusing on management of receivables.

(iii) Steps for reduction of costs, wastage and loss – for operations of overseas subsidiaries

- Reduction of labour cost , close monitoring of redundancy plan
- Maintenance cost reduction
- Reduction in consumable costs, freight, external re-work cost, insurance cost, consultancy fees.
- Reduction in scrap
- Re-negotiation of payment terms for aluminium and toolings suppliers from 30 days to 90 days.
- Review of product portfolio and phasing out of items of negative gross profit

(iv) Cash loss in Alloy Wheel division

The Alloy Wheel Division continued to make loss during the year due to Chinese competitive pricing on imports. The Company has received price revision and orders from new customers such as Yamaha and Suzuki. In view of same, it is expected that in the current year the Alloy Wheel division should make cash profit.

(v) Singur Project

Tata Motors Limited (TML) has re-located its Small Car Project from Singur (West Bengal) to Sanand (Gujarat) due to local disturbance and agitations against the project at Singur. TML offered land for setting up factory at Sanand by the Company for making supplies of components to the Small Car Project. While, the Company has postponed all its new capital investments and hence exploring the viability of setting up of the new factory at Sanand will take time. In the meanwhile, the Company has offered to make supplies of components to the Small Car Project at Sanand from its existing plants at Chakan and Pantnagar. TML has agreed in principle to work out an arrangement to compensate its Vendors for the sunk costs / loss suffered on account of investments made for the Singur project. TML has also agreed in principle to provide support / comfort for providing better terms and conditions / restructuring of loans availed by the Company from Bank for financing the Singur Project.

(vi) Losses on account of foreign exchange derivative transactions

The Company has drawn up Risk management Policy in consultation with expert in this field to reduce loss on account of forex exposures and for management of risks associated therewith so that business margins of the company are protected against forex market volatility, translation risk from overseas assets are monitored and controlled and the entire risk management operations of the company are systematized so that it is largely person-independent. Management is hopeful that this will ensure close monitoring and reduce risks associated with forex market volatility.

DIVIDEND

The Directors do not recommend dividend for the year 2008-09.

PRIVATE PLACEMENT OF PREFERENCE SHARES

Standard Chartered Private Equity (Mauritius) II Limited ('the Investor') subscribed to 40,000,000 Compulsorily Convertible Preference Shares (CCPS) of Rs.10 each for Cash at par aggregating to Rs. 400 Million issued by the Company on Private Placement basis. This necessitated increase of Authorized Capital of the Company from existing Rs. 200 Million to Rs. 700 Million and consequential alterations in the Memorandum and Articles of Association of the Company for issuance of the CCPS to the Investor. The CCPS were allotted to the Investor on 10th November, 2009.

SUBSIDIARIES / JOINT VENTURES

The Company has exited from Nuova Renopress SpA due to global recession, continuous losses, phasing out of important customers. The revival of Nuova Renopress SpA was difficult as it was heavily indebted. The Company sold its minority stake of 40% in Paioli Meccanica SpA due to its lack of professional management, continuous loss, weak financial position and financial and legal risks associated therewith. With this, the Company has made provision for diminution of value of investments/written off the investment, in the said subsidiary/joint venture companies and transferred/debited to Business Reconstruction Reserve.

During the year under review the Company extended financial support to Amann Druckguss GmbH,(Amann), subsidiary of the Company in Germany, which had suffered from severe liquidity problems, due to global recession, substantial reduction orders from OEM Customers in Germany, reluctance of Foreign banks in Germany to take exposure in automotive sector. As per German law, Amann also had to write off the step up costs and provide for accelerated depreciation in its books during the year ended 31st March,2009. In order to maintain positive capital of Amann and for its continued operations the Company had to convert, as per German law, the balance Shareholder's loan into capital reserve of Amann. In view of strategic nature of this investment, erstwhile Endurance Systems (India) Private Limited had invested Euro 6 Million in the Capital / Reserves of Amann.

Endurance Overseas Srl., Subsidiary of the Company in Italy has acquired on 2nd December,2009 the residual 49% stake in Fondalmec SpA, Italy, for a total consideration of Euro 14 Million, out of which Euro 7 Million have been paid to the Transferor of shares and balance Euro 7 Million shall be paid in instalments, the last instalment being payable on 31/3/2014.

Endurance Holding GmbH, Germany a defunct non-operating Company is merged with Amann Druckguss GmbH, Germany.

A statement relating to Subsidiary Companies pursuant to Section 212 of the Companies Act, 1956 along with its annual accounts form part of this Annual Report.

OUTLOOK FOR CURRENT YEAR

During April,2009 to November,2009, the overall commercial vehicle segment registered positive growth of 12.44% vis a vis the sales in the corresponding period in the year 2008-09. Sales of passenger vehicles during the said period grew by 21.21%. The three-wheeler segment grew by 18.92% and the two-wheelers sales registered a growth of 17.63%. The Motorcycle sales grew by 17.79% during the said period. Considering the trend observed during the period from April to November, 2009, it is expected that the recovery and tempo of growth should be maintained even in the last quarter of the current year.

The Company has started receiving higher production schedules from its major customer due to new model launches and substantial growth in demand for vehicles. Some new important customers having international presence have also shown interest and placed long term orders for supply of auto components. With good signs of recovery from international market and encouraging production schedules from domestic customers, the Company is optimistic about increase in the domestic turnover as well as turnover of the Company's overseas subsidiaries in Italy and Germany. The Company's profitability was adversely affected during past 2 years on account of the effects of economic slowdown, volatile currency movements resulting into high interest cost on ECB and Foreign Currency Term Loans etc. Learning from the past experience, the Company has taken various corrective measures, formulated effective Policies for risk management and to hedge loss on account of volatile foreign currency movements and undertook financial restructuring. Barring unforeseen circumstances, the management of the Company expects that the profitable operations of the Company should be restored in the year 2009-10.

SAP

The Company has effectively implemented SAP ERP systems to cover operations of the Company at all Plant locations of the Company at Aurangabad, Chakan, Takve, Manesar, Pantnagar and Chennai.

DIRECTORS

Mr. S. Rajgopal has resigned from Directorship of the Company w.e.f. 4th February,2009. The Board of Directors has placed on record its appreciation for his valuable guidance.

Mr. Roberto Testore, Director will retire at the ensuing Annual General Meeting, and being eligible, offers himself for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors, based on the representation received from the Operating Management, confirm that:-

i. in the preparation of the annual accounts for the year ended 31st March, 2009, the applicable Accounting Standards have been followed and that there are no material departures;

ii. Appropriate accounting policies have been selected and applied them consistently and judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

iii. Proper and sufficient care has been taken, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. The annual accounts of the Company for the year ended 31stMarch, 2009 have been prepared on a going concern basis.

AUDITORS AND THEIR REPORT

Deloitte, Haskins & Sells, Chartered Accountants, Auditors retire at the ensuing Annual general meeting and being eligible, offer themselves for re-appointment.

The observations made by the Auditors in para Nos. 5 and 6 of their Report , have been suitably explained in Note Nos. 5(a) and 5(c) of Schedule 19 to the Annual Accounts for the year ended 31st March, 2009.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As required by the provisions of section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the relevant information is given in the annexure forming part of this report.

INDUSTRIAL RELATIONS

The Company has received Award for Best HR Practices from National Institute of Personnel Management, Raigad Chapter. HR Department of the Company has evolved a new management system for appraisal of employees' performance for the year 2008-09 and rewarding and motivating them for best performance. This system of appraisal has enabled the Company to assess employee performance and identify the best performers for giving them appropriate rewards by way of promotions, increments etc.

During the year under report the Industrial relations with personnel remained cordial at all plants. Your Directors wish to place on record their appreciation for the sincere support provided to the Company by its employees at all levels.

PARTICULARS OF EMPLOYEES

A statement showing the particulars of employee as required under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is annexed.

ACKNOWLEDGEMENTS

The Directors wish to convey their appreciation to all the Company's employees for their efforts. The Directors would also like to thank the shareholders, foreign and domestic business associates, private equity investor, technical /TPM advisors, customers, dealers, suppliers, bankers and all the other business associates for the continuous support given by them to the Company and their confidence in management.

On behalf of the Board of Directors
For **ENDURANCE TECHNOLOGIES PVT. LTD.**

Date : 15/12/2009
Place : Mumbai

NARESH CHANDRA
Chairman

INFORMATION AS PER SECTION 217(1)(e) READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTOR'S REPORT FOR THE YEAR ENDED 31ST MARCH 2009

I. CONSERVATION OF ENERGY

Wind Power generation

During the year under review the Wind Mills installed by the Company at Jaisalmer, Satara and Supa generated 10,863,227 Units of electricity (including 6,111,181 units captively consumed). The Company earned income of Rs. 46.64 Million (includes captively consumed Rs. 25.37 Millions) from sale of wind power generation.

Energy conservation at Plants

(a) Company's Plants took various initiatives for conservation of energy which are summarized below:

- Fitted energy savers.
- Used air pressure to reduce consumption to 4.8kg/cm2 from 6.0kg/cm2
- Provided top cover with less opening, in all melting furnaces to increase furnace oil efficiency of melting aluminum alloy.
- Provided adequate power capacitors.
- Modified PLC programme & hyd. Pump idle time set.
- Replaced CI fan by FRP fan to get Energy Saving
- Used one Hydraulic Pack for two machines instead of independent power packs. This improvement has been Horizontally deployed on 24 VMC machines
- Reduced the motor HP on ARP, Rough bore SPM ,Sedimentation Tank and Bin washing machines.
- Used Cyclic timers & Sensors for avoiding idle running of motors on 56 VMC and SPM machine.
- Used compressors instead of pumps for unloading LPG
- Provided solenoid valve on 52 VMC machines to avoid compressed air flowing continue through fixture seat check points
- Replaced in sheds 250 W light bulbs with 72 W tube light
- Replaced PDC cooling tower 30 kw motor with a 7.5 kw submersible motor.
- Blower motor run by frequency drive
- Installed Energy saver for air compressors which is a new Technology introduced by Atlas Copco.
- Installed temperature sensors to reduce consumption of electricity power for cooling tower motors.
- Installed LPG magnetic resonator on LPG line for burners.

(b) Impact of measures above for reduction of energy consumption and consequent impact on cost of production of goods -

The above measures have achieved saving of energy and cost.

(c) Total energy consumption and energy consumption per unit of production as per Form A of the Annexure to the rules in respect of industry specified in the schedule thereto -

The Company is not covered under the specified industry.

II TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT

(A) Research & Development (R&D)

DIE CASTING R & D CENTER

A new in house R&D Centre has been established at plot no B-1/3, M.I.D.C. Chakan, Dist-Pune for carrying out research

& development in Die casting components. This R&D Centre has received recognition from Department of Scientific and Industrial Research (DSIR) on 30th May, 2008.

(i) Specific areas in which R & D is carried out by the Company –

- Development of Die design & development capabilities.
- Development of casting product development capabilities.
- Value Engineering/Value analysis for casting products.
- Development of advance simulation capabilities for product engineering.
- Indigenous development of Two Wheeler Alloy Wheel test rigs to support new product design and development.
- Improving corrosion resistance of a cold forge bolt through metallurgical analysis. The research project was carried out through collaboration with Automotive Research Association of India, Pune.

(ii) Future plan of action –

- To collaborate with universities and research institutes to benchmark components, carry out detailed failure analysis and improve the metallurgical properties & product reliability.
- To develop a core team for product design and development to support product and process innovation, cost/weight reduction etc.
- To develop advance simulation capabilities and creating knowledge base in terms of engineering data base and support virtual testing of products.
- To undertake projects to improve the Die life through process improvement and alternative material.

(iii) Benefits derived as a result of above R & D activities :

- Reduction in cost of various products by value engineered designs
- Improvement in Product Quality
- Reduction in warranty and related costs
- Customer Satisfaction
- Enhancement of technology competency of the Company.
- Process improvement resulting into improvement of quality of products, costs effectiveness.
- Import substitution, indigenization.
- Edge over competitors
- Product reliability improvement using & implementing the data derived from validation & testing conducted on products.

BRAKING R & D CENTER

(i) Specific areas in which R & D is carried out by the Company and benefits derived as a result of above R & D activities –

Braking R&D center continued to work on various projects like:

- New Product design and developments
- Product Quality improvements and reduction in warranty
- Product upgradations

1. R&D Braking center continued to design and develop various models of Hydraulic

Disc Brakes. Following are various Hydraulic disc brake models designed ,developed and successfully implemented during last one year:

- Economy Disc Brake: Cost effective disc brake system, designed specifically for 100 to 135 CC vehicles, with good value for money.
- Hydraulic Disc Brake with improved brake pad life and brake disc with aesthetically good looking designer profiles .
- Hydraulic Disc Brake with single piece caliper design, and 280mm diameter brake disc 350-500 CC range vehicles.

2. R&D Braking center successfully developed and implemented asbestos free liner formulation in Brake shoes and flange mounted front drum brake assembly.
3. Considering the importance of product testing, R&D center has developed the capability to design and develop test rigs for various tests carried out on brake parts. The following are some of the test rigs designed and developed in-house:
   a. Structural durability test rig : This will enable us to simulate the vehicle mounting conditions and give us the data about the strength and fatigue resistance of a brake caliper.
   b. Mini-Dynamometer: For endurance testing of brake systems.
4. Various value engineering projects have been identified and implemented. This includes reduction of weights in castings, elimination of some parts etc.

(ii) Future plan of action:-

- To carry out product up gradation projects by adding more features in the existing products.
- To look for the feasibility to design and develop brake systems for four Wheelers
- Bench mark studies, analysis and improvements in existing products.
- To develop software for simulation of braking parameters, so as to analyse and improve the designs before actual developments.
- To develop various products for after market applications as a business development process.
- Incorporate good testing capabilities for various braking componets for measurement and analysis of data.
- Continuous improvement in cost effectiveness of the product, by identifying and implementing value analysis and value engineering.

SUSPENSION R & D CENTER

The activities of two and three Wheeler Division of Suspension R & D Center of erstwhile Endurance Systems (India) Private Limited (since merged with the Company with effect from 1/4/2008) were as follows:

(i) Specific areas in which R & D is carried out by the Company –

- Development of suspension forks design & product development capabilities.
- Development of suspension shock absorbers design & product development capabilities.
- Value Engineering/Value analysis for suspension products.
- Development of advance simulation capabilities for product engineering.
- Indigenous development of validation test rigs to support new product evaluation.
- Development of new generation inverted front forks for performance bikes.
- Development of monocross suspension shock absorbers for performance bikes for improved vehicle handling.

(ii) Future plan of action –

- To collaborate with research institutes to collect road load data for two wheeler suspensions and correlate the test rig conditions with field conditions for improving current validation and testing standards.
- To collaborate with research institutes to benchmark components, carry out detailed failure analysis and improve the metallurgical properties & product reliability.
- Apply for patents on innovative product design features which help improve product performance and durability.
- Undertake projects to establish product life manufactured with current designs and processes.
- Undertake projects to improve the suspension product life through use of alternative materials and design and manufacturing process innovation.

(iii) Benefits derived as a result of above R & D activities :

1. Patents ensure larger share of business with customers and maintain edge over competitors.
2. Reduction in cost of various products by value engineered designs
3. Improvement in Product Quality
4. Customer Satisfaction
5. Enhancement of technology competency of company.
6. Import substitution, indigenization.
7. Product reliability improvement test data derived from validation & testing.

The projects and related machinery and equipments pertaining to the Four Wheelers were transferred to and taken up by R & D center of Endurance Magneti Marelli Shock Absorbers (India) Pvt. Ltd., Subsidiary of the Company.

Expenditure on R&D:

Division wise Break up of R & D Expenditure is as under :

Particulars	Braking Division (Amount in Rs.)	Casting Division (Amount in Rs.)	Suspension Division (Amount in Rs.)	Total (Amount in Rs.)	Amount in Rs. Million
Capital Expenditure					
Land	—	—	—	—	—
Building	—	19,976,577	—	19,976,577	19.98
Plant & Machinery	52,318	2,285,237	—	2,337,555	2.34
Electrical Installation	—	421,010	—	421,010	0.42
Dies & Moulds	111,740	—	—	111,740	0.11
Factory Equipment	62,529	—	—	62,529	0.06
Computers	—	1,569,776	—	1,569,776	1.57
Office Equipment	—	2,979,545	—	2,979,545	2.98
Software	—	2,645,070	259,176	2,904,246	2.90
Electrical Fitting	—	33,304	—	33,304	0.03
Total (i)	226,587	29,910,519	259,176	30,396,282	30.40
Recurring Expenditure (ii)	7,263,906	24,743,158	10,392,177	42,399,241	42.40
Total (i) + (ii)	**7,490,493**	**54,653,677**	**10,651,353**	**72,795,523**	**72.80**
Total R&D Expenditure as a Percentage to Sales					0.511

B) Technology Absorption, Adaptation and Innovations

(i) The Company's initiative for acquiring latest and modern technology is aimed at ensuring product improvement/development, customer satisfaction and cost reduction. The details of various Technical Assistance/Collaboration agreements already entered into by the Company with various parties, year of agreement and products covered is given hereunder:

Year of agreement	Technology From	Product	Status
2004-05	Paioli Meccanica SpA, Italy	Telescopic Front Fork Assemblies	Fully Absorbed. The TCA will expire on 9/01/2010
2005-06	Zhejiang Wanfeng Motorcycle Wheel Company Ltd, China	Alloy Wheels for Two and Three Wheeler Vehicles	Under Absorption
2005-06	Nino Verlicchi & Figli S.p.A., Italy	Aluminum Chassis	Agreement Terminated by mutual consent on 12/2/2009
2006-07	Akebono Brake Industry Co. Ltd., Japan	Non-asbestos brake shoes for 2 & 3 Wheelers	Under absorption
2008-09	Teksid Aluminum Srl, Italy	Aluminum Cylinder heads for 4 Wheelers	Yet to transfer technology
2008-09	WP Suspension Austria GmbH, Austria	Inverted Front Forks and Mono Shock Absorbers for higher end motorcycles	Under absorption

ii) Benefits derived as a result of the above effort:

(1) Customer satisfaction

(2) Edge over Competitors

(3) Improving productivity and quality

(4) Improved process engineering capabilities for reducing cost

iii) Foreign Exchange Earnings and Outgo:

Particulars		Amount (Rs. in Million)
Total foreign exchange used and earned:		
Earnings in Foreign Exchange :		
FOB Value of exports		453.77
Other (Simulation Charges)		0.25
	Total	**454.02**
Total Foreign Exchange used :		
Import of Capital Goods		209.51
Import of Raw Material & Components		796.42
Stores and Spares		29.11
Foreign Travel		4.58
Technical Know-how		8.18
Professional Fee		1.82
Interest on Foreign Currency Loan		250.90
Royalty		49.17
Others		6.74
	Total	**1,356.43**

INFORMATION AS PER SECTION 217(2A) OF THE COMPANIES ACT,1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2009

Name of Employee and Age	Designation	Gross Remuneration (Rupees)	Qualifications	Experience (Yrs)	Date of Joining	Last Employment
Mr. Anurang Jain, 47	Managing Director	16,985,250	MBA (Pittsburgh)	25	01/04/2004	Anurang Engineering Pvt. Ltd
Mr. Ramesh Gehaney,49	Sr. Vice President	3,145,988	B.E	25	23/07/2004	ASK Automotive Pvt. Ltd.
Mr. Milind B. Date, 47	Chief Financial Officer	3,162,007	M.Com, AICWA, CA (Inter)	28	14/01/2008	Praj Industries Ltd.
Dr. Mohan Godse, 47	Vice President	2,683,326	BE(Civil), ME, Ph.D(Mech).	18	02/05/2007	Caparo Engineering (I) Pvt. Ltd.(CEIPL)
S. Yogi,42	Vice President	2,522,640	BE,MBA(Marketing)	22	19/07/2007	Kirloskar Oil Engines Ltd.
V.Subramanian,56	Sr. Vice President	2,449,988	BE,DBM	30	16/12/1993	Bakshi Steels Ltd.
Sunil Kolhe,47	Vice President (International Trade)	2,407,996	BE,DBM,DEIM	26	10/10/2006	TACO Group

On behalf of the Board of Directors
For **ENDURANCE TECHNOLOGIES PVT. LTD.**

Date : 15/12/2009
Place : Mumbai

NARESH CHANDRA
CHAIRMAN

To
The Members of
Endurance Technologies Private Limited

1. We have audited the attached Balance Sheet of **ENDURANCE TECHNOLOGIES PRIVATE LIMITED** ("the Company") as at 31st March, 2009, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Without qualifying our opinion, attention is drawn to the following :-

   a) As per Scheme of Arrangement ("the Scheme") u/s 391 to 394 read with sections 78, 100 to 103 of the Companies Act, 1956 approved by the Honourable High Court of Bombay vide its Order dated 16th October 2009, the Company has been allowed to create Business Reconstruction Reserve (BRR) by transferring an amount of Rs. 100 million out of the total balance standing to the credit of Securities Premium Account and the credit adjustments resulting from the increase in the value of fixed assets as a result of revaluation of tangible fixed assets of Endurance Systems (India) Private Limited (ESIPL) (as at 1st April 2008) and of the Company (as at 31st March 2009) for adjustment of certain expenses as prescribed in the Scheme.

      Accordingly, as stated in Note No. 5(d)(i) of Schedule 19, during the year the Company has created a BRR by crediting Rs.71.26 million (net amount transferred from Securities Premium), Rs. 2,906 million (on account of revaluation of tangible fixed assets) and Rs. 7.24 million (write-back of net amounts payable) which has been adjusted mainly against Rs. 760.28 million (diminution in the value of investments), Rs.376.73 million (write-off of investments), Rs. 225.62 million (excess of book value of investment in ESIPL and the face value of Share Capital of ESIPL), and certain expenses amounting to Rs. 1,621.87 million (net of foreign exchange gain Rs. 192.51 million and profit on sale of assets Rs. 8.82 million).

      As stated in Note No. 5(d)(ii) of Schedule 19, had the Scheme not prescribed the above accounting treatment:

      – the loss for the year before tax would have been higher by Rs.2,778.90 million,

      – balance in Securities Premium would have been higher by Rs.71.26 million (net),

      – balance in Profit & Loss Account (under Reserves & Surplus) would have been lower by Rs. 2,778.90 million,

      – Revaluation Reserve & Goodwill would have had a balance of Rs. 2,891.21 million and Rs. 180.50 million respectively.

   b) As stated in Note No. 3 of Schedule 19, during the previous year ended 31st March 2008, the Company had 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 previous year and the term loan liabilities as at 31st March 2008 would have increased by Rs.351.6 millions and Reserves as at 31st March 2008 would have decreased by Rs. 351.6 millions. The Auditors' Report for the previous year ended 31st March 2008 had been qualified for the same.

The outstanding foreign currency denominated long term loans which are covered by foreign exchange range forward contracts (JPY-USD) have been restated using the cross currency spot exchange rates as on 31st March 2009 as required by the AS 11. As a result, the exchange gain / loss for the year as reflected in the Business Reconstruction Reserve includes the impact of the above referred qualification in the previous year ended 31st March 2008.

5. *As stated in Note No. 5(a) of Schedule 19, 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.

6. *As stated in Note No. 5(c) of Schedule 19, 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.

7. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:

   (i) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (ii) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (iii) the Balance Sheet, the Profit and Loss

Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

(iv) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Section 211(3C) of the Companies Act, 1956;

(v) in our opinion and to the best of our information and according to the explanations given to us the said accounts give the information required by the Companies Act, 1956 in the manner so required and *subject to our observations in para 5 & 6 above*, give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;

(b) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date and

(c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

8. On the basis of the written representations received from the directors as on 31st March, 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

Hemant M. Joshi
Partner
Membership No.: 38019

Date : 15th December, 2009
Place : Pune

ANNEXURE TO THE AUDITORS' REPORT

(REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE)

The nature of the Company's business / activities during the year has been such that clauses (vi), (xiii), (xiv), (xix) and (xx) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable.

i) In respect of its fixed assets:

a) The Company has maintained proper records showing full particulars including quantitative details and situation of the fixed assets. According to the information and explanations given to us the said records are in the process of being updated.

b) As explained to us, though none of the fixed assets have been physically verified during the year by the Management in accordance with a programme for verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals, some of the fixed assets have been physically verified subsequent to the year-end as a part of the revaluation process. According to the information and explanations given to us no material discrepancies were noticed on such verification.

c) The fixed assets disposed off during the year, in our opinion, do not constitute substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

ii) In respect of its inventories:

a) As explained to us, the inventories except for goods in transit and stock lying with third parties have been physically verified by the Management at reasonable intervals. In our opinion, having regard to the nature and location of stocks, the frequency of verification is reasonable. In respect of materials lying with third parties, certificates confirming stocks have been received in respect of substantial portion of stocks held at the year end.

b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.

c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, clauses (iii)(a) to (iii)(d) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable.

iv) In respect of the loans, secured and unsecured, taken by the Company from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:

(a) Anurang Engineering Company Pvt. Ltd. now amalgamated with the Company w.e.f 1st January 2006 had taken loans from three parties covered in the register maintained under Section 301 of the Companies Act, 1956. On amalgamation, loans from these three parties amounting to Rs. 29 million were taken over by the Company in the year 2005-06 as unsecured loans. The maximum amount involved during the year was Rs. 16.80 millions and the year-end balance of the loan taken from such parties was Rs.16.80 millions.

(b) The rate of interest and other terms and conditions on which loans have been taken, are in our opinion *prima facie* not prejudicial to the interest of the Company.

(c) There are no stipulations for the repayment of the principal amount of the said loans. The Company was regular in the payment of interest as per the agreed terms.

v) In our opinion and according to the information and explanations given to us, having regard to the explanations that the items of inventory and fixed assets purchased and sold are of special nature and that suitable alternative sources do not exist for obtaining comparable quotations, during the year the Company has implemented an ERP system to further strengthen the internal controls over purchase of inventory and fixed assets and for the sale of goods and services to make them commensurate with the size of the Company and the nature of its business. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal control system.

vi) In respect of contracts or arrangements entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:

a) The particulars of contracts or arrangements that need to be entered into the register maintained under Section 301 of the Companies Act, 1956, have been so entered.

b) Having regard to the explanation in para (v) above, the transactions for purchase and sale of inventory and fixed assets (excluding loans reported under para (iv) above) in excess of Rs. 5 lakhs in respect of each party, made in pursuance of such contracts or arrangements, are of a special nature for which comparable quotations are not available in the absence of similar transactions with other parties. Accordingly, we are unable to comment whether the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.

vii) In our opinion, the internal audit functions carried out during the year by an independent Company appointed by the Management have been commensurate with the size of the Company and the nature of its business.

viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 in respect of manufacture of automotive products & generation of electricity from wind power and are of the opinion that *prima facie* the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate and complete.

ix) In respect of Statutory Dues:

a) According to the information and explanations given to us, during the year the Company has been generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, wealth-tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it, except to the extent indicated in (b) below. As explained to us, the Company was not required to deposit any amounts with the Investor Education and Protection Fund and the provisions of the Employees State Insurance Act, 1948 are applicable only to certain locations of the Company.

b) According to the information and explanations given to us, no undisputed amounts payable including provident fund, employees' state insurance, income tax, sales-tax, wealth-tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to the Company were in arrears, as at 31st March, 2009 for a period of more than six months from the date they became payable except for works contract tax amounting to Rs. 0.01 million.

c) According to the information and explanations given to us, details of dues of income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess which have not been deposited on account of any dispute are given below:

Nature of dues	Years/Periods to which the matter pertains	Forum where dispute is pending	Amount (Rs.in million)
Excise Duty	2002-03	Mumbai High Court	0.13
Excise Duty, Interest and Penalty thereon	September 2002 to December 2004, March 2005 to May 2005	Demand notice received from Commissioner. However Appeal not filed	3.54
Interest Payable on Differential duty of Excise	2003-04 to 2006-07	Commissioner Central Excise and Customs	0.14
Interest Payable on Differential duty of Excise	January 2005 to January 2008	Joint Commissioner Central Excise and Customs	0.11
Interest Payable on Differential duty of Excise	February 2006 to March 2008	Commissioner Central Excise and Customs	0.17
Validity – Service Tax GTA	January 2005 to August 2007	Assistant Commissioner Central Excise and Customs	0.19
Interest Payable on Differential duty of Excise	April 2007 to January 2008	Assistant Commissioner Central Excise and Customs	0.02
Interest Payable on Differential duty of Excise	April 2005 to May 2006	Assistant Commissioner Central Excise and Customs	0.01
Interest Payable on Differential duty of Excise	January 2008 to August 2008	Assistant Commissioner Central Excise and Customs	0.01
Interest Payable on Differential duty of Excise	March 2006 to June 2007	Commissioner Central Excise and Customs	0.25
Interest Payable on Differential duty of Excise and Penalty thereon	August, 2007 to April, 2008	Commissioner (Appeal) Central Excise and Customs	0.01
Service Tax Credit - Windmill maintenance	1st April, 2005 to 1st September, 2006	Assistant Commissioner Central Excise and Customs	0.18
Interest Payable on Differential duty of Excise	April 2008 to December 2008	Joint Commissioner Central Excise and Customs	0.02
Interest Payable on Differential duty of Excise	March 2007 to March 2008	Additional Commissioner Central Excise and Customs	0.11
Interest Payable on Differential duty of Excise	October, 2006 to July, 2007	Commissioner Central Excise and Customs	0.08

Nature of dues	Years/Periods to which the matter pertains	Forum where dispute is pending	Amount (Rs.in million)
In respect of erstwhile Endurance Systems (India) Private Limited (ESIPL) which has been merged with the Company:			
Penalty under Central Excise Act	2003-04	CESTAT	0.17
Service Tax on GTA	January 2005 to March 2007	CESTAT	* 0.19
Interest and Penalty on Service Tax	September 2004 to February 2005	Commissioner (Appeals) of Central Excise and Customs	2.14
Interest on Differential Duty of excise	December 2006 to November 2007	Assistant Commissioner of Excise and Customs	0.19
Interest on Differential Duty of excise	April 2002 to December 2006	Assistant Commissioner of Excise and Customs	0.016
Service Tax on GTA	April 2007 to August 2007	Assistant Commissioner of Excise and Customs	0.04
Service Tax on Consulting Engineers	October 2003 to August 2004	Joint Commissioner of Excise and Customs	0.91
Interest on Differential Duty of excise	December 2007 to October 2008	Additional Commissioner of Excise and Customs	0.31
Service Tax credit validity on GTA, General Insurance, Rent-a-cab, Car Servicing, Exports Clearing & Forwarding service	April 2005 to March 2008	Additional Commissioner of Excise and Customs	1.16
Cenvat reversal for debit notes issued to supplier	February 2006	Assistant Commissioner of Excise and Customs	0.01

* excluding penalty and interest, if any

x) The Company does not have accumulated losses at the end of the financial year and has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.

xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks.

xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii) In our opinion and according to the information and explanations given to us, the terms and conditions on which the Company has given guarantee for loans taken by others from banks are not *prima-facie* prejudicial to the interest of the Company.

xiv) To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, the term loans availed by the Company were, *prima facie,* applied by the Company during the year for the purposes for which they were obtained, other than temporary deployment pending application.

xv) According to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been used during the year for long-term investment.

xvi) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.

xvii) To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

Hemant M. Joshi
Partner
Membership No.: 38019

Date : 15th December, 2009
Place : Pune

BALANCE SHEET AS AT 31ST MARCH, 2009

	Schedule	As at 31st Mar., 2009 (Rs. in Million)	As at 31st Mar., 2008 (Rs. in Million)
I. SOURCES OF FUNDS :			
1. Shareholders' Funds :			
a) Share Capital	1	**169.97**	169.97
b) Reserves & Surplus	2	**3,213.05**	2,631.82
		3,383.02	2,801.79
2. Loan Funds :			
a) Secured Loans	3	**7,195.35**	5,957.30
b) Unsecured Loans	4	**1,359.63**	1,627.47
		8,554.98	7,584.77
3. Deferred Tax Liability (net) (Refer Note 31 of Schedule 19)		**—**	271.25
4. Deferred Payment : (Refer Note 6 of Schedule 19)	5	**15.29**	229.88
Total		**11,953.29**	10,887.69
II. APPLICATION OF FUNDS :			
1. Fixed Assets :			
a) Gross Block		**12,830.99**	7,686.81
b) Less : Depreciation & Amortisation		**3,478.80**	2,039.30
c) Net Block		**9,352.19**	5,647.51
d) Capital Work-in-Progress (including Capital advances)		**210.48**	368.64
	6	**9,562.67**	6,016.15
2. Investments :	7	**2,372.24**	2,804.17
3. Current Assets, Loans & Advances :			
a) Inventories	8	**762.79**	863.10
b) Sundry Debtors	9	**1,256.56**	1,564.71
c) Cash & Bank Balances	10	**423.05**	516.03
d) Other Current Assets (Interest accrued on Fixed Deposits)		**7.68**	6.93
e) Loans & Advances	11	**592.43**	797.17
		3,042.51	3,747.94
Less : Current Liabilities & Provisions :			
a) Current Liabilities	12	**2,816.74**	1,402.44
b) Provisions	13	**207.39**	278.13
		3,024.13	1,680.57
Net Current Assets		**18.38**	2,067.37
Total		**11,953.29**	10,887.69
Notes forming part of the Accounts	19		
Schedules 1 to 13 and 19 form part of this Balance Sheet			

As per our report of even date attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

For and on behalf of the Board

HEMANT JOSHI
Partner
Membership No. 38019
Date : 15/12/2009
Place : Pune

NARESH CHANDRA
Chairman

ANURANG JAIN
Managing Director

V. M. ACHWAL
DGM (CS & Legal)

Date : 15/12/2009
Place : Mumbai

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	Schedule	For the Year ended 31st March, 2009 (Rs. in Million)	For the Year ended 31st March, 2008 (Rs. in Million)
INCOME :			
Gross Sales		**15,913.73**	14,214.41
Less : Excise Duty		**1,690.11**	1,802.18
Net Sales		**14,223.62**	12,412.23
Job Work Receipts		**100.58**	134.65
Wind Power Generated - Captively Consumed		**25.37**	11.57
Wind Power Generated - Sales		**21.27**	18.64
Other Income	14	**385.22**	589.82
		14,756.06	13,166.91
EXPENDITURE :			
Material Cost	15	**9,775.98**	8,928.04
Employee Cost	16	**771.24**	621.12
Other Expenses	17	**2,590.12**	2,408.97
Interest	18	**672.21**	480.80
Depreciation & Amortisation [Net of Rs 0.04 Million (Previous Year Rs 7.71 Million) capitalised] (Refer note (e) to Schedule 6)	6	**1,012.67**	730.57
		14,822.22	13,169.50
Profit / (Loss) before Extra ordinary Items		**(66.16)**	(2.59)
Extra Ordinary Expenses (Refer Note 4 of Schedule 19)		—	306.23
Profit / (Loss) before Tax after extra ordinary expenses		**(66.16)**	(308.82)
Profit / (Loss) before Tax		**(66.16)**	(308.82)
Provision for Taxation :			
Current Tax		—	—
Wealth Tax		**0.03**	0.21
Deferred Tax		**(358.16)**	(36.40)
Fringe Benefit Tax		**5.12**	7.50
Income Tax Provision for earlier years		—	0.72
Profit / (Loss) for the year		**286.85**	(280.85)
		286.84	(280.85)
Add : Balance brought forward from last year		**200.57**	481.42
Balance carried to Balance Sheet		**487.41**	200.57
Earnings per Share - Basic and Diluted (Refer Note 26 of Schedule 19)		**16.88**	(16.52)
Notes forming part of the Accounts	19		
Schedules 6 and 14 to 19 form part of this Profit and Loss Account			

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

HEMANT JOSHI
Partner
Membership No. 38019
Date : 15/12/2009
Place : Pune

For and on behalf of the Board

NARESH CHANDRA
Chairman

ANURANG JAIN
Managing Director

V. M. ACHWAL
DGM (CS & Legal)

Date : 15/12/2009
Place : Mumbai

	As at 31st March, 2009 (Rs. in Million)	As at 31st March, 08 (Rs. in Million)
SCHEDULE : 1		
SHARE CAPITAL :		
Authorised :		
20,000,000 (Previous Year 20,000,000) Equity Shares of Rs.10 each (Refer note 10 of Schedule 19)	**200.00**	200.00
Issued, Subscribed and Paid Up :		
16,996,760 (Previous Year 16,996,760) Equity Shares of Rs.10 each fully paid,	**169.97**	169.97
Note 1 - The above shares include 15,297,084 (Previous Year 15,297,084) Equity Shares of Rs 10 each allotted as fully paid up bonus shares issued in the ratio of 9:1 by way of capitalisation of Securities premium.		
Total	**169.97**	169.97
SCHEDULE : 2		
RESERVES & SURPLUS		
Capital Redemption Reserve	**0.64**	0.64
Securities Premium		
Balance Brought Forward	**1,463.39**	1,616.36
Less : Utilised for issue of bonus equity shares	—	152.97
Less : Transferred to Business Reconstruction Reserve	**100.00**	—
Add : Transferred back from Business Reconstruction Reserve	**28.74**	—
(Refer Note 5 (d) of Schedule 19)	**1,392.13**	1,463.39
Capital Subsidy		
Balance Brought Forward	**9.50**	9.50
Add Acquired under the Scheme of Arrangement	**2.00**	—
	11.50	9.50
Business Reconstruction Reserve		
(Refer Note 5(d) of Schedule 19)		
Balance Brought Forward	—	—
Additions during the year	**3,013.23**	—
Less : Adjustments during the year	**3,013.23**	—
	—	—
General Reserve :		
Balance Brought Forward	**957.72**	957.72
Add : Acquired under the Scheme of Arrangement	**57.50**	—
(Refer Note 5 (b) of Schedule 19)	**1,015.22**	957.72
Profit & Loss Account		
Balance	**487.41**	200.57
Add Acquired under the Scheme of Arrangement	**306.15**	—
(Refer Note 5 (b) of Schedule 19)	**793.56**	200.57
Total	**3,213.05**	2,631.82

	As at 31st March, 2009 (Rs. in Million)	As at 31st March, 08 (Rs. in Million)
SCHEDULE : 3		
SECURED LOANS :		
Loans and Advances from Banks		
Term Loans (Refer Note 2(a) & 2(g) of Schedule 19) (Including Foreign Currency Term Loans)	**6,538.90**	5,090.00
Loans against Fixed Deposits	—	30.63
Cash Credits, Working Capital Demand Loans and Buyers Credit (Refer Note 2(c) & 2(d) of Schedule 19)	**602.82**	790.81
(Including Foreign Currency Demand Loans)		
Interest Accrued and due on Term Loans	**11.77**	12.96
Other Loans and Advances		
Term Loan : from IREDA (Refer Note 2(b) of Schedule 19)	**23.46**	32.90
Term Loan : from Bajaj Allianz (Refer Note 2(e) of Schedule 19)	**18.40**	—
Total	**7,195.35**	5,957.30
SCHEDULE : 4		
UNSECURED LOANS :		
Loans from Directors / Shareholders	**16.80**	16.80
Short Term Loans and Advances		
a) **From Banks**		
Bills Discounted with Banks	**299.21**	979.05
Overdraft in Current account	**0.62**	—
b) **From Others**		
Loan from Public Limited Company (Refer Note 2(f) of Schedule 19)	**200.00**	—
Interest free Loan from Customer	**7.95**	—
Interest free Loan under Sales Tax Deferral Scheme	**835.05**	631.62
Total	**1,359.63**	1,627.47
SCHEDULE : 5		
DEFERRED PAYMENT		
Technical Know How (Refer Note 6(a) of Schedule 19)	**15.29**	20.00
Payable towards investment (Refer Note 6(b) of Schedule 19)	—	209.88
Total	**15.29**	229.88

SCHEDULE : 6

FIXED ASSETS AS AT 31ST MARCH, 2009

(Rupees in Millions)

PARTICULARS	Gross Block						Depreciation / Amortisation					Net Block	
	As on 01-04-2008	Additions on account of Amalgamation	Add Revaluation	Additions	Deductions	**As on 31-03-2009**	As on 01-04-2008	Additions on account of Amalgamation	For the Year / Adjustment	Deductions	**Upto 31-03-2009**	**As on 31-03-2009**	As on 31-03-2008
A) Tangible Assets													
Lease Hold Land	165.08	172.03	1,122.73	50.72	4.30	**1,506.26**	5.28	1.92	4.19	--	**11.39**	**1,494.87**	159.80
Free Hold Land	95.23	36.15	423.57	0.95	--	**555.90**	--	--	--	--	--	**555.90**	95.23
Buildings	1,126.98	280.25	545.00	27.31	0.14	**1,979.40**	82.55	23.04	45.77	--	**151.36**	**1,828.04**	1,044.43
Plant & Machinery	4,512.87	805.70	270.02	645.63	81.19	**6,153.03**	1,216.18	270.97	577.54	30.22	**2,034.47**	**4,118.56**	3,296.69
Wind Energy Generators	227.46	144.91	102.26	--	--	**474.63**	140.85	70.19	31.02	--	**242.06**	**232.57**	86.61
Factory Equipments	300.80	130.84	17.70	65.34	22.43	**492.25**	60.19	40.35	47.50	7.16	**140.88**	**351.37**	240.61
Electrical Installations	169.93	23.95	--	13.22	8.51	**198.59**	18.76	6.92	20.37	1.04	**45.01**	**153.58**	151.17
Computers	71.41	24.16	--	21.15	0.76	**115.96**	26.04	16.14	15.65	0.76	**57.07**	**58.89**	45.37
Dies	637.40	15.76	--	157.54	60.05	**750.65**	354.53	10.03	224.57	54.41	**534.72**	**215.93**	282.87
Electrical Fittings	51.70	8.25	--	0.78	--	**60.73**	7.96	2.25	3.83	--	**14.04**	**46.69**	43.74
Vehicles	36.72	11.70	--	2.01	9.59	**40.84**	8.11	3.53	4.39	3.32	**12.71**	**28.13**	28.61
Furniture & Fixtures	83.37	21.62	--	6.41	0.07	**111.33**	16.08	6.71	6.30	0.07	**29.02**	**82.31**	67.29
Office Equipments	42.00	15.05	--	2.43	0.01	**59.47**	8.66	3.63	3.43	--	**15.72**	**43.75**	33.34
Total - A	7,520.95	1,690.37	2,481.28	993.49	187.05	**12,499.04**	1,945.19	455.68	984.56	96.98	**3,288.45**	**9,210.59**	5,575.76
B) Intangible Assets (other than internally generated)													
Technical Knowhow	106.60	66.70	--	0.34	--	**173.64**	56.89	42.35	21.61	--	**120.85**	**52.79**	49.71
Software	59.26	11.41	--	87.68	0.04	**158.31**	37.22	10.99	21.33	0.04	**69.50**	**88.81**	22.04
Total - B	165.86	78.11	--	88.02	0.04	**331.95**	94.11	53.34	42.94	0.04	**190.35**	**141.60**	71.75
Total - A+B	**7,686.81**	**1,768.48**	**2,481.28**	**1,081.51**	**187.09**	**12,830.99**	**2,039.30**	**509.02**	**1,027.50**	**97.02**	**3,478.80**	**9,352.19**	**5,647.51**
Previous Year as at 31-03-2008	5,573.52	--	--	2,163.02	49.73	7,686.81	1,328.80	--	738.28	27.76	2,039.30	--	--
Capital Work in Progress (at cost) Including Capital advances Rs. 36.31 Million, (Previous Year Rs. 78.96 Million) (Refer note 17 & 21 of Schedule 19)												**210.48**	368.64
Total												**9,562.67**	6,016.15

a) Building includes premises on joint ownership basis in a Co-operative Society Rs. 3.25 Million including cost of shares therein Rs.63/-.

b) Amortisation of Dies for the year includes Rs. 26.11 Million representing accelerated amortisation over & above the amortisation policy of the Company on account of the dies being no longer usable.

c) Amounts reflected under the 'Additions on Amalgamation' columns above represent the gross block and the accumulated depreciation of assets acquired by the Company from ESIPL (the erstwhile subsidiary company) as a part of the Scheme of Arrangement. The tangible assets included therein have been revalued as at 1st April, 2008 before being transferred to the Company. The additions to Gross block reflected in additions on amalgamation includes Rs. 424.71 Million being the amount added on revaluation. (Refer note 5(a) & 5(d)(i) of Schedule 19)

d) During the year the Company has revalued all the Tangible Fixed Assets as at 31st March, 2009 and the net additions on revaluation have been disclosed above. In case of the assets included in Electrical Installations, Computers, Dies, Electrical Fittings, Vehicles, Furniture & Fixtures and Office Equipments, 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. Accordingly, no adjustments have been made to these class of assets on account of revaluation. (Refer note 5(c) of Schedule 19)

e) Depreciation/amortisation for the year 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 5(d) of Schedule 19)

Number	Face Value Per Unit		As at 31st March, 2009 (Rs. in Million)	As at 31st March, 2008 (Rs. in Million)
		SCHEDULE : 7		
		INVESTMENTS :		
		I. Long Term Investments (at Cost)		
		(A) Trade Investments		
		(1) Investment in Subsidiary Companies (Unquoted)		
		Fully Paid Equity Shares		
		Endurance Systems (I) Pvt. Ltd. (Refer Note 5(d) of Schedule 19)	--	247.62
10060208	10	High Technology Transmission Systems (I) Pvt Ltd	**140.19**	78.48
		Amann Druckguss GmbH (Earlier known as Endurance Holding GmbH) (Refer Note 7(c) of Schedule 19)	**1,929.20**	1,149.56
58800	Euro-1	Nuova Renopress S.p.A. (Refer Note 7(a) of Schedule 19)	**243.08**	264.07
		Endurance Overseas S.r.l (Refer Note 7(d) of Schedule 19)	**681.03**	341.06
		Endurance Holding GmbH (Earlier known as Mainsee 493 V. V. GmbH)	**1.54**	1.54
6000001	10	Endurance Magneti Marelli Shock Absorbers (I) Pvt Ltd (Refer Note 8 of Schedule 19)	**60.00**	--
250000	THB 100	Endurance Far East Ltd. (Refer Note 7(e) of Schedule 19)	**77.19**	--
			3,132.23	2,082.33
		Less : Provision for dimunition in value of investment		
		Endurance Far East Ltd.	**77.19**	--
		Nuova Renopress S.p.A.	**243.07**	--
		Endurance Overseas S.r.l	**440.01**	--
		(Refer Note 5(d) of Schedule 19)	**2,371.96**	2,082.33
		(2) Investment in Others		
		(a) Fully paid Equity Shares (Unquoted)		
10000	10	Deogiri Nagari Sahakari Bank Ltd.	**0.10**	0.10
1000	10	Saraswat Co-op Bank Ltd.	**0.04**	0.01
1248000	Euro-0.52	Paioli Meccanica S.p.A (Refer Note 7(b) of Schedule 19)	--	376.73
			0.14	376.84
		(b) Fully paid Equity shares (Quoted)		
2300	10	Indian Overseas Bank	**0.06**	0.06
		(B) Other Investments (Unquoted)		
		National Saving Certificates (Lodged with Government Authorities)	**0.09**	0.04
		Total - Long Term Investments	**2,372.24**	2,459.27
		II. Current Investments - others		
		(at Cost or Fair value whichever is lower)		
		Investments in Mutual Fund (Unquoted)		
		DSP Merrill Lynch Liquid Fund Daily Dividend	--	30.87
		DSP Merrill Lynch Liquid Plus - Weekly Div Option	--	57.74
		Prudential ICICI Liquid Daily Dividend	--	0.11
		HSBC Cash Fund- Inst. Plus Daily Dividend	--	6.18
		Prudential ICICI FMP-Series 35	--	250.00
		Total - Current Investments	--	344.90
		Total	**2,372.24**	2,804.17
		Note :		
		Face Value per unit in Rupees unless stated otherwise		
		1. Book Value of quoted investment	**0.06**	0.06
		2. Market Value of quoted investments	**0.10**	0.31
		3. Market Value of unquoted investments in Mutual Funds	--	371.88
		4. Book value of unquoted investments	--	2,804.12
		Details of Current Investments acquired and sold during the year :	Nil	

	As at 31st March, 2009 (Rs. in Million)	As at 31st March, 08 (Rs. in Million)
SCHEDULE : 8		
INVENTORIES :		
Raw Materials and Components	**179.34**	199.05
Stores, Spares and Packing Materials	**96.07**	99.57
Tools and Instruments	**61.45**	50.37
Work in Process	**193.26**	376.89
Trading Goods	**23.47**	—
Finished Goods	**95.10**	31.56
Goods In Transit (Raw Material Rs 58.03 Million [Previous Year Rs 105.66 Million], Finished Goods Rs 56.07 Million [Previous Year Rs Nil])	**114.10**	105.66
Total	**762.79**	863.10
SCHEDULE : 9		
SUNDRY DEBTORS : (Refer Note 11 of Schedule 19)		
(Unsecured, Considered Good unless otherwise stated)		
Over Six Months		
Considered good	**68.97**	22.39
Considered doubtful	**3.47**	—
	72.44	22.39
Others		
Considered good	**1,187.59**	1,542.32
	1,260.03	1,564.71
Less : Provision for doubtful debts acquired under the scheme of Arrangement	**3.47**	—
Total	**1,256.56**	1,564.71
SCHEDULE : 10		
CASH & BANK BALANCES :		
Cash on Hand	**2.02**	1.69
Cheques on Hand	**2.00**	—
Balance with Scheduled Banks :		
- in Current Accounts	**223.53**	301.69
- in Deposit Accounts	**195.50**	212.65
(Including Margin Money Deposits / Lien with Banks Rs 195.50 Million (Previous Year Rs. 212.65 Million)		
Total	**423.05**	516.03

	As at 31st March, 2009 (Rs. in Million)	As at 31st March, 08 (Rs. in Million)
SCHEDULE : 11		
LOANS & ADVANCES :		
(Unsecured, Considered Good, unless otherwise stated)		
Loan to Subsidiary (Refer note 5(d) & 7(d) of Schedule 19)		
Considered Good	—	312.95
Considered Doubtful	**207.70**	—
	207.70	312.95
Less Provision for doubtful Loans	**207.70**	—
	—	312.95
Advances Recoverable in Cash or Kind or for Value to be Received	**320.86**	299.81
Amount receivable from subsidiary (Refer Note 11 of Schedule 19)		
Considered Good	**14.14**	14.14
Considered Doubtful (Including Interest Rs 0.48 Million [Previous Year Rs 0.48 Million])	**46.04**	46.04
	60.18	60.18
Less Provision for doubtful receivable	**46.04**	46.04
	14.14	14.14
Balance with Central Excise, Customs, Port Trusts etc	**129.69**	102.69
Taxes paid in Advance- Current tax	**125.73**	66.69
(Net of Provisions Rs 260.40 Million [Previous Year Rs 260.40 Million])		
Taxes paid in Advance- FBT	**2.01**	0.89
(Net of Provisions Rs 19.17 Million [Previous Year Rs 14.05 Million])		
Total	**592.43**	797.17
SCHEDULE : 12		
CURRENT LIABILITIES :		
Acceptances	**573.54**	181.40
Sundry Creditors (Refer Note 12 & 13 of Schedule 19)		
- Total outstanding dues of Micro, Small and Medium Enterprises	**93.87**	45.00
- Total outstanding dues other than Micro, Small and Medium Enterprises	**2,035.90**	1,015.32
	2,703.31	1,241.72
Other Liabilities	**3.37**	32.89
Advances from Customers	**39.00**	93.47
Interest Accrued but not due on Loans	**71.05**	34.36
Total	**2,816.74**	1,402.44
SCHEDULE : 13		
PROVISIONS		
Provision for Wealth Tax	**0.03**	0.21
Provision for Gratuity (Refer Note 14 of Schedule 19)	**17.79**	7.35
Provision for Leave Encashment	**15.85**	7.01
Provision for Warranty Claims (Refer Note 15 of Schedule 19)	**10.67**	3.37
Provision for Fair value of foreign exchange forward & currency option contracts (Refer Note 4(a) of Schedule 19)	**163.05**	260.19
Total	**207.39**	278.13

	For the Year Ended 31st March, 2009 (Rs. in Million)	For the Year Eneded 31st March, 08 (Rs. in Million)
SCHEDULE : 14		
OTHER INCOME :		
Interest - Gross (TDS Rs.3.73 Million (Previous Year Rs.2.36 Million)		
Fixed Deposits	**13.44**	18.14
Others	**28.93**	51.47
Profit on Sale of Current Investment	**—**	1.19
Dividend Received from Current Investment	**4.29**	43.12
Dividend Received from Investment in Subsidiary	**7.55**	5.89
Discount Received	**20.55**	3.20
Export Incentives	**15.36**	2.72
Duty Drawback	**5.06**	—
Scrap Sales	**242.39**	380.41
Withdrawal of Key man Insurance premium	**—**	47.03
Profit on Sale of Fixed Assets (Net) (Refer Note 5(d) of Schedule 19)	**—**	4.61
Surplus on Premature repayment of Sales Tax Liability (Refer Note16 of Schedule 19)	**—**	21.28
Miscellaneous Receipts (Refer Note 28 of Schedule 19)	**47.65**	10.76
Total	**385.22**	589.82
SCHEDULE : 15		
MATERIAL COST :		
A) Raw Materials & Components Consumed (Refer note 27)		
Opening Stocks	**304.71**	159.84
Add Stock taken over on amalgamation	**16.97**	—
Add : Purchases	**9,185.60**	9,161.01
	9,507.28	9,320.85
Less : Closing Stocks	**179.34**	304.71
(A)	**9,327.94**	9,016.14
B) Increase/Decrease in Stocks		
Closing Stock:		
Work in Process	**193.27**	376.89
Finished Goods	**95.10**	31.56
	288.37	408.45
Less : Opening Stock:		
Work in Process	**376.89**	318.18
Finished Goods	**31.56**	42.55
Add Stock of Work in Process taken over on amalgamation	**38.30**	—
Add Stock of Finished Goods taken over on amalgamation	**119.06**	—
	565.81	360.73
(B)	**(277.44)**	47.72
C) Excise duty on Finished Goods		
- Opening Stock	**(2.91)**	(5.80)
- Opening Stock taken over on amalgamation	**(5.67)**	—
- Closing Stock	**2.40**	2.91
Net (C)	**(6.18)**	(2.89)
D) Cost of Materials & Components Sold (D)	**227.03**	52.99
E) Cost of Materials Capitalised (E)	**50.25**	90.48
Total (A-B+C+D-E)	**9,775.98**	8,928.04

	For the Year Ended 31st March, 2009 (Rs. in Million)	For the Year Eneded 31st March, 08 (Rs. in Million)
SCHEDULE : 16		
EMPLOYEE COST :		
Salary, Wages & Bonus	**675.82**	537.00
Managing Director's Remuneration (Refer note 18 of Schedule 19)	**15.50**	11.00
Gratuity-Provision & Contribution to Fund (Refer Note 14 of Schedule 19)	**12.18**	11.56
Contribution to Provident Fund & Other Funds	**38.38**	28.84
Staff Welfare	**29.36**	32.72
Total	**771.24**	621.12
SCHEDULE : 17		
OTHER EXPENSES :		
Stores & Spares Consumed	**377.36**	325.19
Tools & Instruments Consumed	**189.05**	135.62
Labour Charges	**449.38**	511.47
Power, Water & Fuel	**779.55**	663.44
Freight	**139.59**	59.95
Packing & Forwarding Expenses	**58.48**	42.10
Cash Discount	**6.47**	0.67
Repairs :		
a) Plant and Machinery	**148.44**	149.91
b) Building	**19.33**	13.79
c) General	**67.20**	55.07
Insurance	**18.69**	22.12
Advertisement	**2.71**	2.73
Donation	**1.06**	0.60
Directors Fees & Traveling Expenses	**4.76**	4.98
Payment to Auditors (Refer Note 19 of Schedule 19)	**3.58**	2.80
Royalty	**54.28**	60.73
Rent	**2.98**	1.03
Rates & Taxes	**13.84**	6.87
Traveling and Conveyance	**83.04**	81.74
Bank Charges	**47.34**	79.27
Excise Duty Paid	**15.55**	7.98
Provision for Doubtful Debts	—	0.04
Loss on Sale of Fixed Assets (Net) (Refer Note5(d) of Schedule 19)	—	—
Loss on Foreign Exchange Fluctuation (Net of Gain) (Refer Note 5(d) of Schedule 19)	—	77.76
Commission on Sale	**9.94**	—
Rejection / Claims	—	4.93
Warranty Claims	**7.27**	0.55
Premium for Sales Tax benefit acquired (Refer Note 16 of Schedule 19)	—	19.45
Provision for Slow Moving Inventory	**4.04**	—
Miscellaneous Expenses (Refer Note 20 of Schedule 19)	**132.87**	147.85
	2,636.80	2,478.64
Less : Expenses Capitalised on Dies Manufactured	**46.68**	69.67
Total	**2,590.12**	2,408.97
SCHEDULE : 18		
INTEREST ON :		
Fixed Period Term Loans (Refer Note21 of Schedule 19)	**396.07**	319.94
Working Capital Loans	**251.70**	150.82
Others	**24.44**	10.04
Total	**672.21**	480.80

NOTES TO ACCOUNTS

SCHEDULE: 19

1. 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. Also Refer Note No.4 of this Schedule.

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 leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave 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 leave 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 leave 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. Current tax includes Fringe benefit tax.

Deferred tax is recognised, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

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.

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 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.

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.

2 a) Term Loans from Banks including foreign currency term loans are secured by equitable mortgage / additional charge / hypothecation of specified immovable / movable properties, both present and/or future, located at various locations either on pari passu basis or by way of first charge subject to prior charges in favour of banks financing for working capital.

b) Term Loan from IREDA (Indian Renewable Energy Development Agency) is secured by equitable mortgage of all immovable properties both present & future and hypothecation of specified movables including Plant & Machinery of Wind Power Generation Units at Vankushwade site, Village Bhambe, Tq. Patan, Dist. Satara and at Gut no. 341, Pimpalgaon, Tq. Parner, Dist. Ahmednagar

c) Cash Credits, Overdrafts and bills discounting from banks are secured by hypothecation of both present and future stock of inventory and book debts on pari passu basis by way of first charge

d) Working Capital Term loan and facilities under (C) are further secured by second charge on current and fixed assets

e) Loan from Bajaj Allianz Insurance Co Ltd is secured against hypothecation of a Keyman Insurance Policy.

f) Loan from a public limited company is secured by way of a guarantee given by a customer of the company.

	Rupees (In Million) 2008-09	Rupees (In Million) 2007-08
g) Amounts due within one year		
1. Term Loans from Banks:		
Indian Overseas Bank	**23.10**	120.86
Standard Chartered Bank	**99.22**	63.03
Bank of India	**111.50**	124.99
Citibank	**519.20**	314.56
Corporation Bank	**152.96**	137.87
ICICI Bank	**39.32**	57.67
Indian Renewable Energy Development Agency	**9.80**	9.44
Bajaj Auto Finance Ltd	**147.36**	—
2. Sales Tax Deferred Liability	**6.94**	4.61
3. Short Term Loan from HDFC Bank	**184.76**	220.12

The formalities for creation / registration of charge in favour of Banks has not been completed as on March 31, 2009 for the following credit facilities (Secured loans, Working Capital Term Loan & Working capital facilities).

Name of Bank	Amount of Loan Sanctioned (Rs in Million)	Balance as at 31.03.09 (Rs in Million)
Secured Loan		
- Term Loan from Bank of India	529.24	**515.14**
- Term Loan from Corporation Bank	130.00	**130.00**
Working Capital Term Loan	800.00	**800.00**
Working Capital Facilities	1,583.00	**704.94**
TOTAL	3,042.24	**2,150.08**

3 During the previous year the Company had restated the outstanding foreign currency denominated long term loans which are covered by foreign exchange range forward contracts (JPY-USD) (which provide for the cross currency covers at various knock-in-knock-out levels) 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 previous year and the balance in term loan liabilities as at 31st March 2008 would have increased by Rs. 351.60 million and the carry forward balance in Profit and Loss account as at 31st March 2008 would have decreased by Rs.351.60 millions.

However, during the year the Company has restated the above outstanding foreign currency denominated long term loans which are covered by foreign exchange range forward contracts (JPY-USD) using the cross currency spot exchange rates as on 31st March 2009 as required by the AS 11. As a result, the exchange gain/loss for the year adjusted against the Business Reconstruction Reserve (Refer Note No. 5(d)(1) of this Schedule) includes the impact of the above referred accounting treatment in the previous year ended 31st March 2008.

4 **Extraordinary expenses include the following**

(Also refer note no 5(d) (i) below)

a) The Company has provided for mark to market loss of Rs.64.28 Million (Previous Year Rs 260.19 million debited to the Profit and Loss Account) on account of Derivative instruments which are not covered by AS 11 & the same has been adjusted against the Business Reconstruction Reserve (Refer Note No. 5(d)(i) of this Schedule)

b) Provision for amount receivable from subsidiaries Rs.Nil (Previous year Rs 46.04 Million) as reflected under Schedule 11 -Loans and Advances.

5 **Scheme of Arrangement**

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) 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 are 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 as of 1st April 2008 [except for the tangible fixed assets which have been revalued (Refer Note No. 5(d) (i) of this Schedule) and investments in Endurance Far East Limited which has been provided for (Refer Note No. 5(d) (i) & 7(e) of this Schedule)] represent the respective fair values and accordingly these have been transferred to the Company at their respective book values.

(b) Pursuant to the terms of the scheme the reserves of ESIPL as at 31st March, 2008 have been merged with those of the company in the same form as they appear in the financial statements of ESIPL.Further, 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) shall be deemed to have been carried out on account of the Company. Accordingly, the financial statements of the Company including the notes in this Schedule for the year 2008-09 have been prepared including the transactions (during the year 2008-09), assets and liabilities (as at 31st March 2009) of ESIPL.

(c) Restructuring of assets and liabilities of the Company: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. 5(d)(i) of this Schedule) and investments in Paioli Meccanica, Endurance Overseas S.r.l & Nuova Renopress which have been written-off / adjusted for permanent diminution in the value of investments (Refer Note Nos. 5(d)(i) & 7 of this Schedule)] represent the respective fair values and accordingly these have been carried at their respective book values.

(d) Business Reconstruction Reserve:

(i) As per the Scheme, a separate reserve account titled as Business Reconstruction Reserve ("BRR") has been 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 have been transferred to BRR and the expenses that have been adjusted against the same as per the Scheme:

	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)	2,481.28	*2,906.00	
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 7(e) of this Schedule.
	Sub Total (A)		3,013.24	
d)	Provision for diminution in the value of Long Term Investments:			Refer Note 7 of this Schedule.
	- Investment in Endurance Far East Ltd	77.19		
	- Investment in Nuova Renopress	243.08		
	- Investment in Endurance Overseas S.r.L	440.01	*760.28	
e)	Investment in Paioli Meccanica Written off		*376.73	Refer Note 7 of this Schedule.
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	1,429.42		
	- Gain	**192.51	1,236.91	
h)	Provision for Doubtful Loans givento Endurance Overseas Srl.		*207.70	Refer Note 7(d) of this Schedule
i)	Interest for breach of Covenant of loan agreements with Bank		77.34	Treated as extra ordinary 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	Refer Note below.
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)	2,683.04	2,984.50	
	Net Balance (A-B) transferred back to Securities Premium		28.74	

* 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. Refer Note 5(c)(ii) below for the impact had the said profit and exchange gain been accounted for in the Profit & Loss Account (P&L).

(ii) Had the Scheme not prescribed aforesaid treatment, the impact 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)	**1,236.91**	
- 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**	**1,475.40**
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**	**1,201.39**
Loss for the year		**2,778.90**

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	**2,906.00**	
- Less: Amount transferred to P&L to the extent of additional depreciation	**(14.79)**	**2,891.21**
Profit & Loss Account		**(2,778.90)**
Goodwill*	**225.62**	
Less Amortisation for the year	**(45.12)**	**180.50**

* as per Purchase Method prescribed by AS 14 on "Accounting for Amalgamation"

6 Deferred Payments:

a) Technical Know-how fees payable: Rs. 15.29 million (Previous year Rs 19.99 Million) - The Company had entered into a Technical Collaboration Agreement with Wanfeng, China for grant of license for technical information in respect of proprietary technical information pertaining to manufacture of the specified products for an amount of Rs. 43.73 Million (USD 1 million). The total amount of fees to be paid are payable in 10 equal half yearly installments. The agreement has been entered for the period of 5 years. The company has paid 7 installment amounting to Rs. 25.76 million (USD 0.7 million) prior to March 2009 and the balance 3 installments amounting to Rs. 15.29 million (USD 0.3 million) (net of Tax deducted at Source) has been reflected as deferred payments / liabilities.

b) Liability towards cost of Investments: Rs. Nil million (Previous Year Rs 209.88 Million) - This includes the following:

i) Rs. Nil (Previous Year Rs 22.18 Million) payable against investment in Nuova Renopress S.p.A., Italy. The outstanding amount of Rs. 22.18 Million as at the beginning of the year has been reversed during the year as the same is not payable as per the contingencies specified in Shares sale and purchase agreement.

ii) Rs. Nil million (Previous Year Rs 187.7 Million) payable against investment in Paioli Meccanica S.p.A. – Italy. The liability outstanding as at 31st March 2009 aggregating to Rs. 150.60 million was payable in 3 (previous year 4) annual equal installments. As the entire liability of Rs. 150.60 million has been subsequently paid by the Company in the F.Y 2009-10, the said liability outstanding as at 31st March 2009 has been classified as a Current Liability and included in Sundry Creditors under Schedule 12.

7 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 year 2008-09, the said liability of EURO 0.35 Million (Rs.22.18 million) has 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 5th December, 2007 by Endurance Overseas Srl (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% .

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.

Subsequently, 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 has provided for the diminution to the extent of Rs. 243.08 million in value of investment & transferred the same to the BRR.

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 & has also recapitalized loss of Paioli by remitting Euro 0.28 Million (Rs. 16.02 Million).

However, due to the continuous losses incurred by Paioli, lack of professional management, weak financial position and financial & legal risks associated therewith, in the month of November 2009 the Company has 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. Accordingly, in view of the above developments subsequent to 31st March 2009, the Company has written off the total investment amount of Rs. 376.73 Million in Paioli as at 31st March 2009 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 31st March 2009 amounts to Euro 30.91 million [including an amount of Euro 8.7 million (Rs. 546.64 million) representing loans & interest thereon converted to capital reserve].

The Company has extended financial support to Amann Druckguss, which had suffered severe liquidity problems due to global recession. During the current year, the Company has invested an amount of Euro 6 Million (Rs 420.77 Million) in Amann and has converted shareholder's loan of Euro 5 Million (Previous year Euro 3 million) & interest on shareholder's loan of Euro 0.7 million (Previous year Euro Nil) 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.

The Equity of Amann Druckguss GmbH Germany amounting to Euro 3.25 million is represented by stock.

d) Endurance Overseas S.r.l (EOSRL) - During the year 2007-08, the Company has floated Endurance Overseas S.r.l. on 14th May, 2007 which has 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 31st March 2009 amounts to Euro 10.95 million (Rs. 681.03 million) which includes the following:

- Euro 1.05 million (Rs. 72.21 million) invested during the year and
- Euro 4 million (Rs. 267.76 million) invested subsequent to the year-end in the equity of EOSRL as approved by the Board. Though this investment has been made subsequent to the year end, the same has been accounted for in the books of account of the Company as of

31st March 2009 as in the opinion of the Management, the commitment to pay the said amount has been given before 31st March 2009.

Further, during the year the Company has given shareholders' loan to EOSRL of Euro 2.6 million (Rs. 175.82 million). The interest accrued as at 31st March 2009 amounts to Euro 0.51 million (Rs. 31.87 million). The said balance in the loan and the interest thereon has been fully provided for as at 31st March, 2009 subsequent to which the same has been converted to equity.

(i) As stated in Note 7(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 the Company has 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) Subsequent to the year end, on 2nd December, 2009 EOSRL has 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 shall be paid in installments, the last installment being payable by 31st March 2014.

e) Endurance Far East Limited, Thailand (EFEL) -

During the previous year 2007-08, the erstwhile ESIPL (which has now been merged with the Company) had incorporated a new subsidiary in Thailand with a capital of THB 24.99 million namely Endurance Far East Ltd, Thailand.

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 Share Holder's loan into equity and an additional investment of Rs. 5 million (equivalent USD 116,727) made during the current year.

In view of continued losses, it was decided to voluntarily liquidate EFEL. Accordingly, EFEL was dissolved on 12th May 2009 and the liquidation has since been registered by the competent government authority in Thailand on 28th October, 2009. Consequently, as EFEL is voluntary liquidated, the Company has made a provision amounting to Rs. 77.19 Million against the investment as at 31st March 2009 by debiting the BRR.

Further, in view of the above, the Company has 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

8 Endurance Magneti Marelli Shock Absorbers (I) Pvt Ltd -

During the year 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. During the year, the Company has invested Rs. 60 million for cash at par representing shareholding of 50% + 1 share in the Paid up Share Capital of EMM. Subsequently in the month of July 2009, the Company made a further investment Rs. 15 million in the Share capital of EMM resulting in an aggregate investment in EMM of Rs. 75 million.

The erstwhile ESIPL (since amalgamated with the Company) has given a Corporate Guarantee of Rs. 110 Million to Andhra Bank in respect of the credit facilities to be availed by EMM.

9 Private Placement of Preference Shares

Subsequent to the year-end, 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. The CCPS were allotted to the Investor on 10th November, 2009.

10 Increase of Authorized Capital of the Company post merger

Consequent upon the Amalgamation of ESIPL with the Company, ESIPL stands dissolved without winding up and the Authorized Capital of the Company stands enhanced by Rs. 25 Million with effect from 1st December 2009, being an amount equivalent to the Authorized Share Capital of ESIPL.

11 Sundry debtors, Loans & Advances includes:

	Rupees (In Million) 2008-09	Rupees (In Million) 2007-08
Amounts due from Subsidiary Companies		
1. Endurance Systems (I) Pvt. Ltd. (Since merged in the Company) (Maximum Balance outstanding - Previous year Rs 377.47 Million)	—	223.95
2. High Technology Transmission Systems (I) Pvt Ltd (Maximum Balance outstanding during the year Rs. 121.44 Million, PY Rs 46.11 Million)	**5.48**	33.77
3. Amann Druckguss GmbH.-Germany. (Maximum Balance outstanding during the year Rs. 312.95 Million, PY Rs 546.27 Million)	—	312.95
4. Endurance Far East Ltd (Maximum Balance outstanding during the year Rs. 14.06 Million, PY Rs 14.06 Million)	—	14.06
5. Endurance Overseas Srl (Maximum Balance outstanding during the year Rs. 207.69 Million, PY Rs 14.14 Million)	**221.83**	14.14
6. Endurance Magnetti Marelli Shock Absorbers (I) Pvt. Ltd. (Maximum Balance outstanding during the year Rs. 107.21 Million, PY Rs Nil)	**85.89**	—
	313.20	598.87
12 a) Sundry Creditors includes amounts due to Companies under the same Management as under:		
1. Varroc Elastomers Pvt. Ltd. (Maximum Balance outstanding during the year Rs. 10.09 Million, PY Rs 4.86 Million)	**10.09**	1.74
2. Varroc Engineering Pvt. Ltd. (Maximum Balance outstanding during the year Rs. 0.31 Million, PY Rs 0.31 Million)	—	0.31
	10.09	2.05

13 Micro, Small and Medium Enterprise Development Act, 2006:

a) Principal amount payable to Micro, Small and Medium Enterprises (to the extent identified by the Company from the available information and relied upon by the auditors) as at 31st March, 2009 is Rs 93.87 Million (Previous year Rs. 45 Million). In the opinion of the Management, the unpaid amount outstanding for more than 45 days as of 31st March, 2009 was not readily ascertainable.

b) In the opinion of the Management, though the amount of payment made to suppliers beyond 45 days during the year has not been ascertained, the same is not expected to material. Accordingly, interest thereon is also not expected to be material.

c) Interest paid in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006 is Rs Nil (Previous year Rs Nil). Amount of interest accrued and remaining unpaid as at the end of the year is Rs Nil (Previous year Rs Nil)

This has been relied upon by the auditors.

14 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 recognised as an expense in the Profit and Loss Account in respect of Defined Contribution Plans is Rs 38.38 Million (Previous year Rs 28.84 Million)

Defined Benefit Plan :

i) Actuarial gains and losses in respect of defined benefit plans are recognised in the Profit and Loss Account.

ii) The defined benefit plans comprises of gratuity.

1) Principal actuarial assumptions:

Particulars	Gratuity	
	2008-09	2007-08
Discount rate	**7.25%**	8.00%
Rate of Return on Plan Assets	**8.00%**	8.00%
Salary Escalation	**6.00%**	6.00%
Attrition Rate	**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:

Particulars	Gratuity	
	2008-09 (Rs in Million)	2007-08 (Rs in Million)
Liability at the beginning of the year**	**28.26**	9.30
Interest Cost	**2.69**	0.91
Current Service Cost	**6.60**	2.77
Benefit Paid	**(2.46)**	(1.46)
Actuarial (Gain) / Loss on Obligations	**0.94**	8.67
Liability at the end of the year	**36.03**	20.18

Reconciliation of Fair value of Plan Assets:

Particulars	Gratuity	
	2008-09 (Rs in Million)	2007-08 (Rs in Million)
Fair Value of Plan Assets at the beginning of the year**	**19.55**	9.71
Expected Return on Plan Assets	**1.47**	1.01
Contributions	**0.10**	3.62
Benefit Paid	**(2.46)**	(1.46)
Actuarial (Gain) / Loss on Obligations	**(0.42)**	(0.05)
Fair Value of Plan Assets at the end of the year	**18.24**	12.84
Total actuarial gain / (loss) to be recognized.	**(1.31)**	(8.72)

Amount to be recognised in Balance Sheet

Particulars	Gratuity	
	2008-09 (Rs in Million)	2007-08 (Rs in Million)
Liability at the end of the year	**36.03**	20.18
Fair Value of Plan Assets at the end of the year	**18.24**	12.84
Amount to be recognised in Balance Sheet	**17.79**	7.35

Expenses recognized in the Profit and Loss Account under the head Employee Cost:

Particulars	Gratuity	
	2008-09 (Rs in Million)	2007-08 (Rs in Million)
Current Service Cost	**6.60**	2.77
Interest Cost	**2.69**	0.91
Expected Return on Plan Assets	**(1.47)**	(1.01)
Net Actuarial (Gain) / Loss recognized	**1.31**	8.72
Expenses recognized in Profit and Loss Account*	**9.12**	11.39

* Expenses recognized in the Profit and Loss account excludes, additional gratuity paid by the Company to the left employees amounting to Rs 3.06 Million.

** Liability and Fair value of Plan Assets at the beginning of the year included Liability of Rs 8.08 Million and Fair value of Plan Assets of Rs 6.71 Million taken over on amalgmation.

In respect of Funded benefits with respect to gratuity, the fair value of plan assets represents the amounts invested through "Insurer Managed Funds"

15 Details of provision and movement in each class of provision as required by Accounting Standard 29 on Provisions, Contingent Liabilities and Contingent Assets:

Rupees (In Million)

	Warranty	
	2008-09	2007-08
Carrying amount as at 1st April	**3.37**	4.87
Add: On amalgamation during the year	**6.99**	
Additional Provision made during the year	**6.88**	0.19
Less : Amount paid/utilized during the year	**6.58**	1.69
Carrying amount as at 31st March	**10.67**	3.37

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 the contracts with buyers. Provision for warranty claims arising out of such obligation is made based on such warranty period.

16 Other income includes an amount of Rs Nil (previous year Rs. 21.28 million) being surplus arising from premature repayment amounting to Rs. Nil (previous year Rs. 7.85 million) against Sales Tax deferred liability in the form of deferment benefit of Rs. Nil (previous year Rs. 29.13 million) in accordance with the scheme formulated by the Government of Maharashtra. For acquiring the said Sales Tax deferment benefit, a premium of Rs. Nil (previous year Rs. 19.45 million) was paid to the assigner/transferor of the liability.

17 The Company has 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.

18 Schedule 16 to the Profit & Loss Account includes payments to Managing Director (excluding provision for encashable leave and gratuity as separate actuarial valuation is not available) as under :

	Rupees (In Million) 2008-09	Rupees (In Million) 2007-08
Salary	**15.50**	11.00
Other Perquisites*	**0.37**	0.37
Contribution to Provident Fund	**1.12**	0.79
	16.99	12.16

* The perquisites are calculated as per the provisions of Income Tax Act, 1961

19 Payments to Auditors (excluding service tax):

	Rupees (In Million) 2008-09	Rupees (In Million) 2007-08
Audit Fees	**3.00**	2.40
Certification	**0.42**	0.40
Reimbursement of Out of Pocket Expenses	**0.12**	—
	3.54	2.80

20 Miscellaneous expenses in Schedule 17 to Profit & Loss Account include payments to a Director as Advisor Rs 0.57 Million (Previous Year Rs 0.50 Million)

21 During the previous year Company has started commercial production at Pantnagar & Chennai, newly set up unit and preoperative expenses aggregating Rs. 24.91 Million have been capitalized to various assets of the concerned unit in previous year :.

Preoperative Expenditure:'

A Movement during the year:

	Rupees (In Million) 2008-09	Rupees (In Million) 2007-08
Opening Balance	**5.19**	24.92
Incurred during the year (Net)	—	5.19
Total	**5.19**	30.11
Capitalized during the year (Net)	—	24.92
Closing balance	**5.19**	5.19
Note : Expenses reported in the profit & loss account in the previous year are net of the preoperative expenses incurred.		

B Details of Preoperative Expenditure:

	Rs in Million 2008-09	Rs in Million 2007-08
Salary, Wages & Bonus	—	0.66
Insurance	—	0.37
Rent	—	0.02
Rates & Taxes	—	0.36
Bank Charges	—	3.72
Miscellaneous Expenses	—	0.02
Interest on Term Loan	—	0.04
	—	5.19
Amount of Income / Expenses in profit & loss account in the previous year is net of the above pre-operative expenses.		

C Singur Project:Leasehold Land and Capital work in progress as at 31st March 2009 as reflected in Schedule 6 include an amount of Rs. 11.88 million (written down value) & Rs. 47.96 million (including the pre-operative expenditure of Rs. 5.19 million as reflected in Note No. 21(A) & (B) above) respectively representing the investment made by the Company in the new plant at Singur for auto component supplies to a customer at Singur. However, consequent to the customer deciding to shift its plant from Singur, the Company has withdrawn its activities from Singur. The Company is presently under negotiations with the customer for appropriate compensation in respect of its investment in Singur.

The customer has agreed in principle to work out an arrangement to compensate its Vendors for the sunk costs / loss suffered on account of investments made for the Singur project . The customer has also agreed in principle to provide support / comfort for providing better terms and conditions / restructuring of loans availed by the Company from Bank for financing the Singur Project. The Company is confident that there is no possibility of any loss that will arise on this account and accordingly, no provision is considered necessary.

22 Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of Advance Rs 36.31 Million (Previous Year Rs 78.96 Million)

		Rs in Million 2008-09	Rs in Million 2007-08
a)	Tangible Assets	**60.37**	136.27
b)	Intangible Assets	—	26.21
	Total	**60.37**	162.48

23 Contingent Liabilities not provided for in respect of :

		Rs in Million **2008-09**	Rs in Million 2007-08
a)	Outstanding Letters of Credit	607.04	548.79
b)	Guarantees given by Company's Bankers	587.52	230.28
c)	SBLC given to ICICI Bank for EOSRL	582.99	544.98
d)	Corporate Guarantee given to Bank of India, London for the loan taken by Amann Druckguss GmbH.	671.12	994.91
e)	SBLC given to Bank of India, London for the working capital loan taken by Aman Druckguss GmbH	67.79	—
f)	Claims towards Workmen Compensation	0.00	0.44
g)	Disputed Excise Demand	5.31	3.84
h)	Claims by suppliers under dispute	0.45	0.45
i)	Service Tax Matters	4.76	—
j)	Sales Tax Matters	0.32	—

24 The Company has imported Capital Goods under the Export Promotion Capital Goods Scheme (EPCG) of Government of India, at concessional rates of duty on an undertaking to fulfill quantified future Export obligations aggregating to US$ 49.63 Million (Previous Year US$ 60.37 Million) Non fulfillment of such future obligations, entails options/rights to the Government to confiscate the capital goods imported under the said licenses and other penalties under the above referred scheme. As at 31st March 2009 the Company is not in default under the scheme.

25 Derivative transactions

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.

Particulars	Currency	2008-09		2007-08	
		Foreign Currency (In Million)	**Rupees (In Million)**	Foreign Currency (In Million)	Rupees (In Million)
a Details of Forward Exchange Contract, Currency swaps, Currency options :					
Forward Contract - USD-INR	USD	**24.78**	**1,263.47**	13.72	548.54
Forward Contract - USD-JPY	USD	**—**	**—**	0.20	7.86
Forward Contract - JPY -INR	JPY	**362.34**	**188.49**	—	—
Currency SWAP OPTION - JPY-USD	JPY	**4,057.01**	**2,110.46**	5,285.19	2,127.29
Currency SWAP OPTION - EURO-USD	EURO	**13.73**	**930.93**	—	—
Option's - USD-CHF	USD	**1.00**	**50.98**	9.00	359.91
Option's - GBP-USD	GBP	**—**		1.00	80.00
Option's - USD-INR	USD	**18.45**	**940.58**	20.50	819.80
OPTIONS -USD-JPY	USD	**10.00**	**509.80**	10.00	399.90
On JPY-USD Currency Swap -USD-INR	JPY	**13.76**	**7.16**	19.10	7.69
On EURO -USD Currency Swap -USD-INR	USD	**3.57**	**182.04**	8.33	333.12
b) Foreign exchange currency exposures not covered by derivative instruments outstanding .					
I Term Loan	EURO	**11.87**	**804.67**	53.95	2,157.59
	USD	**0.62**	**31.62**	23.76	1,505.62
	JPY	*** 696.77**	**362.46**		
			1,198.75		3,663.21
* Note - Excludes loans amounting to JPY 2474.87 Million which have been covered under JPY-USD Cross Currency Contract with the corresponding UDS-INR exposure not being covered as of 31st March 2009.					
II Sundry Debtors :	USD	**0.93**	**47.13**	0.61	24.49
	EURO	**1.99**	**133.12**	0.02	1.52
	GBP	**0.00**	**0.13**	—	—
			180.38		26.02
III Sundry Creditors :	USD	**1.09**	**55.52**	2.09	85.83
	EURO	**0.30**	**20.30**	0.02	1.35
	JPY	**33.00**	**17.17**	0.91	0.36
	CHF	**—**	**—**	0.00	0.09
			92.99		87.63

IV	Advances paid	EURO	**1.36**	**92.49**	0.16	10.12
		JPY	**1.97**	**1.02**	6.13	10.37
		USD	**0.28**	**14.18**	2.62	5.43
		GBP	**0.00**	**0.01**		
				107.70		25.92
V	Advances received	USD	**0.02**	**0.76**	0.05	3.02
		EUR	**0.03**	**1.94**	—	—
				2.70		3.02

26 Earnings Per Share (EPS):

		Shares in Nos	
		31-03-2009	31-03-2008
a)	Net Profit / (Loss) available for Equity Shareholders (Rs. In Million)	**286.84**	(280.85)
b)	Equity Shares outstanding at the beginning of the year	**16,996,760**	1,699,676
c)	Add Bonus Shares issued on 23-11-07	—	15,297,084
d)	Weighted average number of Equity Shares	**16,996,760**	16,996,760
e)	Nominal Value of Equity Shares Rs.	**10**	10
f)	Basic & diluted earnings per share Rs.	**16.88**	-16.52

27 Information pursuant to the provisions of paragraph 3,4C, 4D of Part II of schedule VI to Companies Act, 1956 (Figures in bracket are for previous year)

A Quantitative Details:

I) Manufacturing Activity

	Class of Goods	**Unit of Measurement**	**2008-09**	
			Installed Capacity	**Actual Production**
1	Shock Absorbers (Including Front Fork Assembly)	Nos	**#9,333,000** (5,175,153)	**6,724,638** (2,725,225)
2	Disc Brake Assembly (Including Rotary Disc)	Nos	**2,400,000** (900,000)	**1,708,582** (497,543)
3	Alloy Wheels (Including Assembly)	Nos	**3,240,000** (3,240,000)	**1,437,598** (1,778,365)
4	Aluminum Pressure Die Casting Parts *	M.T.	**47,334** (41,623)	**32,426** (32,512)
5	Dies	Nos	**Note b**	**147** (168)

* Includes 2,278.02 MT on Job work basis (Previous year 1,730.79 MT)

II) Wind Power Generation

		2008-09	2007-08
a) Installed Capacity (Refer Note c)	MW	**# 7.10**	(5.05)
b) Generation **	Units	**10,863,227**	(7,085,906)

** Net of Wheeling & Transmission Loss wherever applicable & Includes captively consumed 61,11,181 units (Previous Year 27,14,793 Units).

\# Includes the installed capacity / wind power generation of ESIPL - the Company taken over on amalgamation

Notes:

a) The Company's products are exempt from licensing requirement under new Industrial Policy in terms of notification No. S.O.477(E) dated 25th July, 1991, hence licensed capacity not given.

b) It is not possible to ascertain installed capacity of dies as it depends upon the design and type of dies ordered by the customer.

c) Installed capacity as certified by the Management and accepted by Auditors without verification, being a technical matter.

d) Actual production includes production by outside parties

		2008-09	2007-08
i) Aluminium Pressure Die Casting parts	MT	**2,278.02**	1,198.20
ii) Dies	MT	**13**	9
e) Dies capitalized	Nos	**75**	100

B Sales

	Unit of Measurement	**Qty.**	**Rupees (In Million) 2008-09**	Qty.	Rupees (In Million) 2007-08
(Including Excise Duty)					
1 Shock Absorbers (Including Front Fork Assembly)	No	**6,772,014**	**4,259.39**	2,730,028	3,907.37
2 Disc Brake Assembly (Including Rotary Disc)	No	**1,704,546**	**799.28**	498,788	485.84
3 Alloy Wheels (Including Assembly)	No	**1,437,598**	**2,719.25**	1,778,365	3,206.61
4 Al. Pressure die casting parts	MT	**32,319**	**6,835.83**	30,809	6,119.62
5 Dies	No	**72**	**175.24**	68	106.14
6 Raw Materials & Components			**1,124.74**		388.83
			15,913.73		14,214.41
7 Sale of Wind Power Generated	Unit	**4,752,046**	**21.27**	4,371,112	18.64

C Stock of Finished Goods

	Unit of Measurement	Qty.	Rupees (In Million) 2008-09	Qty.	Rupees (In Million) 2007-08
a) Opening Stock					
1 Shock Absorbers	No	**193,059**	*** 54.55**	20,048	21.87
2 Disc Brake Assembly (Including Rotary Disc)	No	**# 3,411**	**5.01**	3,327	3.38
3 Aluminum Die Casting Parts	MT	**32**	**4.24**	59	13.78
4 Components and Spares			*** 86.82**		3.52
			150.62		42.55

* Includes stock taken over on amalgamation of ESIPL with the Company (Shock Absorbers Qty - 177814, Value Rs 37.91 Million & Components & Spares Rs 81.15 Million)

Includes quantity of two items which were not included in closing stock of previous year.

	Unit of Measurement	Qty.	Rupees (In Million) 2008-09	Qty.	Rupees (In Million) 2007-08
b) Closing Stock					
1 Shock Absorbers	No	**145,683**	**34.92**	15,245	16.64
2 Disc Brake Assembly (Including Rotary Disc)	No	**7,447**	**3.41**	2,082	5.01
3 Aluminum Die Casting Parts	MT	**139**	**33.66**	32	4.24
4 Components and Spares			**69.17**		5.67
			✧ 141.17		31.56

✧ Includes Finished Goods in Transit Rs 46.07 Million

D Raw Material & Components Consumed

	Unit of Measurement	Qty.	Rupees (In Million) 2008-09	Qty.	Rupees (In Million) 2007-08
1 Outer Tube Casting	No	**8,330,253**	**565.49**	2,952,326	285.41
2 Fork Pipe	No	**3,267,507**	**324.63**	3,104,558	347.63
3 Under Bracket Sub Assly.	No	**2,070,443**	**431.44**	2,030,287	334.19
4 Tyres & Tube Assembly	No	**179,277**	**63.98**	1,772,340	768.00
5 Aluminum Alloy	MT	**38,565**	**4,099.75**	38,317	4,290.53
6 Other Components			**4,023.25**		2,990.38
			9,508.54		9,016.14

Note : The Consumption figures shown above are after adjusting excesses and shortages ascertained on physical count, unserviceable items, etc. The figures of other components is a balancing figure based on the total consumption shown in the profit and loss account.

E CIF Value of Imports (on accrual basis)

	Rupees (In Million) 2008-09	Rupees (In Million) 2007-08
Capital Goods	**209.51**	446.67
Raw Material & Components	**796.42**	1,178.66
Stores & spares	**29.11**	22.33
	1,035.04	1,647.66

F Expenditure in Foreign Currency (on payment basis)

	Rupees (In Million) 2008-09	Rupees (In Million) 2007-08
Foreign Travel	**4.58**	5.38
Technical know-how	**8.18**	11.30
Professional Fees	**1.82**	16.15
Interest on Foreign Currency Loan	**250.90**	204.74
Royalty	**49.17**	54.70
Other Matters	**6.74**	36.42
	321.39	328.69

G Earnings in Foreign Exchange

	Rupees (In Million) 2008-09	Rupees (In Million) 2007-08
FOB value of Export	**453.77**	98.53
Other (Simulation Chgs)	**0.25**	—

H Value of Imported & Indigenous Raw Material & components consumed

	2008-09		2007-08	
	(Amount Rs. In Million)	% of Total Consumption	(Amount Rs. In Million)	% of Total Consumption
Imported	**796.42**	**8.38**	1,135.30	12.59
Indigenous	**8,712.12**	**91.62**	7,880.84	87.41
	9,508.54	**100.00**	9,016.14	100.00

I Value of Imported & Indigenous Stores & Spares Consumed

	2008-09		2007-08	
	(Amount Rs. In Million)	**% of Total Consumption**	(Amount Rs. In Million)	% of Total Consumption
Imported	**26.44**	**7.01**	22.68	6.97
Indigenous	**350.91**	**92.99**	302.51	93.03
	377.36	**100.00**	325.19	100.00

J Trading Activity during 2008-09

Product	**Op stock***	**Purchases**	**Sales**	**Cl stock**
Quantity				
Clutch	8,479	220,079	227,907	651
Other Components	—	—	—	—
	8,479	220,079	227,907	651
Value				
Clutch	318,868	6,621,823	6,892,436	48,255
Other Components	41,242,363	155,566,922	274,117,137	21,690,156
	41,561,231	162,188,745	281,009,573	21,738,411

* Opening Stock taken over on amalgamation of ESIPL with the Company

28 Miscellaneous Receipts in Schedule 14 includes Rs. 7.71 Million (Previous Year Rs. 0.25 Million) representing liabilities no longer payable written back.

29 In the opinion of Board of Directors the Current Assets, Loans and Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated and provisions for liabilities are adequate and not in excess of the amount considered necessary.

30 Related Party Disclosures as required by Accounting Standard 18 is annexed.

31 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 :

Particulars	Balance as at 31-03-2008 Rs. (Million)	Balance taken over on amalgamation Rs. (Million)	Arising during the year Rs. (Million)	Balance as at 31-03-2009 Rs. (Million)
Deferred Tax Liabilities				
On account of timing differences in Depreciation & Amortisation	377.07	93.69	(251.87)	218.89
Deferred Tax Assets				
On account of timing differences in				
Brought forward losses/Unabsorbed depreciation	84.56	3.93	107.51	*196.00
Disallowances u/s Sec.40 (a) (ia)			0.64	0.64
Disallowances u/s Sec.43B	5.32	1.20	6.95	13.47
Disallowances u/s Sec.35DD & 35DDA	14.08		(5.30)	8.78
Other	1.86	1.65	(3.51)	—
Net	271.25	86.91	(358.16)	—

* Deferred tax asset in respect of unabsorbed depreciation and carry forward of tax losses is recognised 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 realised.

32 In accordance with the Scheme of Arrangement :There has been a reduction in the Share Capital to the extent of credit to the BRR out of Securities Premium and its subsequent utilisation as per note no 5(d) above. The provisions of section 101 of the Companies Act, 1956 are not applicable and the Order of the High Court sanctioning the Scheme shall be deemed to be also the order under section 102 of the Companies Act, 1956 confirming such reduction and utilisation of Securities Premium account. The Company is not required to add "AND REDUCED" as a suffix to its name.

33 The expenditure incurred on research and development, as accounted for in the books of account, is as under:

Rs in Million

Particulars	**2008-09**	2007-08
Capital Expenditure (Excluding Advances)	**30.40**	25.61
Revenue Expenditure	**42.40**	16.33

34 Previous year figures have been regrouped/reclassified wherever necessary to conform with this year's classification and are not comparable with that of the current year on account of the effects of the Scheme of Arrangement

(Signatures to Schedule 1 To 19)

For and on behalf of the Board

Date : 15/12/2009
Place : Mumbai

NARESH CHANDRA
Chairman

ANURANG JAIN
Managing Director

V. M. ACHWAL
DGM (CS & Legal)

RELATED PARTY DISCLOSURES
(REFER NOTE 30 OF SCHEDULE 19)
FOR THE YEAR ENDED ON 31/03/2009

(a) List of Related Parties & Relationship:

S.No	Description of Relationship	Name of Related Party/Persons
1	Holding Company	None.
2	Subsidiaries Direct / Indirect	Endurance Systems (India) Private Limited (Direct Subsidiary, in the Previous year ended 31st March, 2008) High Technology Transmission Systems (India) Pvt. Ltd (Direct Subsidiary) Amann Druckguss GmbH (earlier Endurance Holding GmbH) (Direct Subsidiary) Endurance Overseas Srl, Italy (Direct Subsidiary) Endurance Holding GmbH (formerly Mainsee 493 V.V.GmbH) (Direct Subsidiary) Nuova Renopress S.p.A., Italy (Indirect Subsidiary) Fondalmec Officine Meccaniche S.p.A, Italy (Indirect Subsidiary) Endurance Magneti Marelli Shock Absorbers (I) Pvt Ltd (Direct Subsidiary) Endurance Far East Ltd., Thailand (Direct Subsidiary of erstwhile Endurance Systems (I) Pvt. Ltd.)
3	Fellow Subsidiaries	None
4	Associates	Paioli Meccanica S.p.A
5	Key Management Personnel	Mr. Anurang Jain, Managing Director
6	Relatives of Key Management Personnel with whom transactions have taken place	Mr. Naresh Chandra - Father Mrs. Suman Jain - Mother Mrs. Varsha Jain - Wife Naresh Chandra HUF
7	Enterprises Owned or Controlled by Key Management Personnel and/or their Relatives	Varroc Engineering Pvt. Ltd. Varroc Trading Pvt. Ltd. Varroc Exhaust Systems Pvt. Ltd. Durovalves India Pvt. Ltd. Varroc Elastomers Pvt. Ltd. Varroc Polymers Pvt. Ltd.

Note: Related party relationship is as identified by the Company and relied upon by the Auditors.

(b) Transactions carried out with the Related Parties in ordinary course of business (Previous Year Figures are in Brackets) :

Nature of Transctions	2008-09					
	Subsidiaries	Associates	Key Management Personnel	Relatives of Key Management Personnel	Enterprises Owned or Controlled by Key Management Personnel or their Relatives	Total
	Rs. in Million	Rs. in Million	Rs. in Million	Rs. in Million	Rs. in Million	Rs. in Million
Purchases						
Goods & Materials	**148.74**	**0.61**	—	—	**24.76**	**174.10**
	(99.42)	(—)	(—)	(—)	(13.29)	(112.70)
Fixed Assets	**27.52**	—	—	—	—	**27.52**
	(67.33)	(—)	(—)	(—)	(—)	(67.33)
Sales						
Goods & Materials	**371.08**	**354.16**	—	—	—	**725.24**
	(2,644.18)	(0.76)	(—)	(—)	(—)	(2,644.94)
Fixed Assets	**70.28**	—	—	—	—	**70.28**
	(23.31)	(—)	(—)	(—)	(—)	(23.31)
Job work Received	**0.13**	—	—	—	—	**0.13**
	(0.47)	(—)	(—)	(—)	(—)	(0.47)
Expenses						
Rent	—	—	—	—	—	—
	(—)	(—)	(—)	(—)	(—)	(—)
Remuneration	—	—	**16.99**	—	—	**16.99**
	(—)	(—)	(12.16)	(—)	(—)	(12.16)
Interest Paid	—	—	—	**1.51**	—	**1.51**
	(—)	(—)	(—)	(1.52)	(—)	(1.52)
Directors Fees	—	—	—	**0.05**	—	**0.05**
	(—)	(—)	(—)	(0.02)	(—)	(0.02)
Staff Deputation	—	—	—	—	—	—
	(—)	(—)	(—)	(—)	(—)	(—)
Professional Charges	—	—	—	**1.18**	—	**1.18**
	(—)	(—)	(—)	(1.10)	(—)	(1.10)
Labour Charges Paid	**0.01**	—	—	—	—	**0.01**
	(38.53)	(—)	(—)	(—)	(—)	(38.53)
Expenses Reimbursed	**0.50**	—	—	—	**0.31**	**0.81**
	(3.39)	(8.26)	(—)	(—)	(0.31)	(11.97)
Excise Duty reimbursed	—	—	—	—	—	—
	(8.77)	(—)	(—)	(—)	(—)	(8.77)
Royalty	—	**69.41**	—	—	—	**69.41**
	(—)	(51.73)	(—)	(—)	(—)	(51.73)
DEPB purchase	—	—	—	—	—	—
	(10.57)	(—)	(—)	(—)	(—)	(10.57)

(b) Transactions carried out with the Related Parties in ordinary course of business (Previous Year Figures are in Brackets) :

Nature of Transctions	2008-09					
	Subsidiaries	Associates	Key Management Personnel	Relatives of Key Management Personnel	Enterprises Owned or Controlled by Key Management Personnel or their Relatives	Total
	Rs. in Million	Rs. in Million	Rs. in Million	Rs. in Million	Rs. in Million	Rs. in Million
Income						
Rent/Interest Receipts	**44.67**	—	—	—	—	**44.67**
	(50.59)	(—)	(—)	(—)	(—)	(50.59)
Expenses Recovered	**17.23**	—	—	—	—	**17.23**
	(3.14)	(—)	(—)	(—)	(0.01)	(3.15)
Excise Duty Recovered	**7.38**	—	—	—	—	**7.38**
	(0.03)	(—)	(—)	(—)	(—)	(0.03)
Dividend Received	**7.55**	—	—	—	—	**7.55**
	(5.89)	(—)	(—)	(—)	(—)	(5.89)
Finance						
Loans / Advances Given	**168.58**	—	—	—	—	**168.58**
	(953.14)	(—)	(—)	(—)	(—)	(953.14)
Buy back of Shares	—	—	—	—	—	—
	(—)	(—)	(—)	(—)	(—)	(—)
Share Investments	**531.80**	—	—	—	—	**531.80**
	(644.51)	(16.02)	(—)	(—)	(—)	(660.53)
Loan repaid	**358.87**	—	—	—	—	**358.87**
	(652.64)	(—)	(—)	(—)	(—)	(652.64)
Balance outstanding on 31-03-2009						
i) Receivables	**313.20**	**88.33**	—	—	—	**401.52**
	(598.88)	(—)	(—)	(—)	(—)	(598.88)
ii) Payables	—	**10.09**	—	—	**10.09**	**20.18**
	(—)	(—)	(—)	(—)	(2.05)	(2.05)
iii) Loan Taken	—	—	—	**16.80**	—	**16.80**
	(—)	(—)	(—)	(16.80)	(—)	(16.80)
iv) Loan Given	—	—	—	—	—	—
	(—)	(—)	(—)	(—)	(—)	(—)
v) Share Investment	**2,371.96**	—	—	—	—	**2,371.96**
	(2,082.34)	(376.73)	(—)	(—)	(—)	(2,459.07)

RELATED PARTY DISCLOSURES
(REFER NOTE 30 OF SCHEDULE 19)
FOR THE YEAR ENDED ON 31/03/2009

(c) Disclosure in respect of Material Transactions with Related Parties.(Previous Year Figures are in Bracket)

Particulars	Endurance Systems (I) Pvt.Ltd.	High Technology Transmission Systems (India) Pvt. Ltd	Endurance Far East Ltd.	Endurance Magneti Marelli Shock Absorbers (I) Pvt. Ltd.	Amann Druckguss GmbH	Nouva Renopress S.p.A	Endurance Overseas S.r.l	Endurance Holding GmbH (Mainsee 493 V.V. GmbH)	Total
	Rs. in Mn.	Rs. in Mn.	Rs. in Mn.	Rs. in Mn.	Rs. in Mn.	Rs. in Mn.	Rs. in Mn.	Rs. in Mn.	Rs. in Mn.
Purchases									
Goods & Materials	—	131.34	13.70	3.70	—	—	—	—	148.74
	(97.58)	(1.84)	(—)	(—)	(—)	(—)			(99.42)
Fixed Assets	—	5.58	21.94	—	—	—	—		27.52
	(65.40)	(1.93)	(—)	(—)	(—)	(—)			(67.33)
Sales									
Goods & Materials	—	351.53	4.71	14.84	—	—	—		371.08
	(2,289.00)	(353.07)	(—)	(—)	(—)	(—)			(2,642.07)
Fixed Assets	—	2.00	1.05	67.22	—	—	—		70.28
	(7.56)	(2.39)	(—)	(—)	(—)	(—)			(9.95)
Job work Received	—	—	—	—	0.13	—	—		0.13
	(0.47)	(—)	(—)	(—)	(—)	(—)			(0.47)
Expenses									
Labour Charges Paid	—	0.01	—	—	—	—	—		0.01
	(38.53)	(—)		(—)	(—)	(—)			(38.53)
Expenses Reimbursed	—	0.16	—	0.27	0.07	—	—		0.50
	(3.36)	(0.03)		(—)	(—)		(—)		(3.39)
Excise Duty reimbursed	—	—	—	—	—		—		—
	(8.77)								(8.77)
DEPB purchase	—	—	—	—	—	—	—		—
	(9.75)	(0.82)							(10.57)
Income									
Rent/Interest Receipt		—	—	17.56	24.79		2.32	—	44.67
				(—)	(21.03)		(29.56)		(50.59)
Expenses Recovered	—	4.71	—	10.64	1.89	—			17.23
	(2.54)	(0.60)		(—)	(—)	(—)			(3.14)
Excise Duty Recovered	—	—	—	7.38	—				7.38
	(0.03)								(0.03)
Dividend Received	—	7.55	—	—	—	—			7.55
		(5.89)							(5.89)
Finance	—								
Loans / Advances Given	—	—		—	—	—	168.58	—	168.58
	(—)	(—)		(—)	(488.20)	(—)	(464.94)		(953.14)
Share Investments	—	61.71		60.00	358.87	-20.99	72.21	—	531.80
	(60.00)	(—)		(—)	(187.77)	(54.14)	(341.06)	(1.54)	(644.51)

For and on behalf of the Board

Date : 15/12/2009
Place : Mumbai

NARESH CHANDRA
Chairman

ANURANG JAIN
Managing Director

V. M. ACHWAL
DGM (CS & Legal)

Rs. in Million

Sr. No.	Particulars	2008-09 Rupees	2007-08 Rupees
A	**Cash Flow from Operating Activities**		
	i) Net Profit / (Loss) before Tax and after Extra ordinary Expenses	**(66.17)**	(308.82)
	ii) Adjustments for:		
	Depreciation & Amortisation	**1,012.67**	730.57
	Extra ordinary Expenses	—	306.23
	Provision for Slow Moving Inventory	**4.04**	—
	Provision for Leave Encashment	**6.70**	5.22
	Provision for Gratuity	**9.07**	7.24
	Provision for Warranty Claims / (Write Back)	**0.31**	(1.50)
	Interest Expense	**672.21**	480.80
	(Profit) / Loss on Sale of Assets	—	(4.61)
	Excess Provision/Credit balances written back	**(7.71)**	—
	Dividend Income	**(11.83)**	(49.00)
	Unrealised Forex Fluctuation Gain (Net of Loss)	—	35.24
	Interest Income	**(42.38)**	(69.62)
	iii) Operating Profits before Working Capital Changes	**1,576.92**	1,131.75
	iv) Adjustments for:		
	Increase / (Decrease) in Trade payables, Other Liabilities & Provisions	**363.97**	(196.04)
	(Increase) /Decrease in Inventories	**347.26**	(209.31)
	(Increase) /Decrease in Trade and other receivables	**703.78**	45.00
	v) Cash Generated from operations	**2,991.93**	771.40
	Wealth Tax Paid	**(0.25)**	(0.43)
	Income Tax and Fringe Benefit Tax Paid	**(23.39)**	(52.29)
	Net Cash generated from Operating Activities	**2,968.29**	718.68
B	**Cash Flow from Investing Activities**		
	Purchase of Fixed Assets	**(966.08)**	(1,885.97)
	Proceeds on Sale of Fixed Assets	**76.50**	25.21
	Investments in Subsidiaries	**(662.03)**	(658.43)
	Payment for Deferred Liability (Refer Note 7(b) of Schedule 19)	**(46.93)**	(43.19)
	Proceeds from Sale of Investments	**361.94**	432.82
	Loans to subsidiaries	**(166.58)**	(301.29)
	Dividend Received	**11.83**	49.00
	Interest Received	**8.96**	94.84
	Net Cash used in Investing Activities	**(1,382.39)**	(2,287.01)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31/03/2009

Rs. in Million

Sr. No.	Particulars	2008-09 Rupees	2007-08 Rupees
C	**Cash Flow from Financing Activities**		
	Proceeds from Borrowings	**1,079.22**	3,307.54
	Repayment of Borrowings (Term Loans)	**(2,195.62)**	(1,334.61)
	Interest Paid	**(714.05)**	(479.95)
	Net Cash (used in)/ generated from Financing Activities	**(1,830.45)**	1,492.98
	Net Increase / (Decrease) in Cash & Cash Equivalents	**(244.55)**	(75.35)
	Opening Cash & Cash Equivalents on 01st April	**516.03**	591.38
	Add:Cash & Bank Balance taken over on amalgamation	**151.57**	—
		667.60	591.38
	Closing Cash & Cash Equivalents on 31st March(as per Schedule 10)	**423.05**	516.03
		(244.55)	(75.35)

Note : Previous year figures have been regrouped/reclassified wherever necessary to conform with this year's classification and are not comparable with that of the current year on account of the effects of the Scheme of Arrangement. (Refer Note no. 5 (d) (i) & 7 of Schedule 19.)

As per our report of even date attached
For **DELOITTE HASKINS & SELLS**
Chartered Accountants

For and on behalf of the Board

HEMANT JOSHI
Partner
Membership No 38019

NARESH CHANDRA
Chairman

ANURANG JAIN
Managing Director

V. M. ACHWAL
DGM (CS & Legal)

Date : 15/12/2009
Place : Pune

Date : 15/12/2009
Place : Mumbai

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE - 2008-09

(Rs.in Million)

1 Registration Details :

Registration No.	:	11-123296	State Code	:	11
Balance Sheet Date	:	31-03-09			

2 Capital raised during the year

Public Issue	:	Nil	Rights Issue	:	Nil
Bonus Issue	:	Nil	Private Placement	:	Nil

3 Position of Mobilisation and Deployment of funds

Total Liabilities	:	11,953.29	Total Assets	:	11,953.29
Sources of Funds			**Application of Funds**		
Paid-up Capital	:	169.97	Net Fixed Assets	:	9,562.67
Reserve & Surplus	:	3,213.05	Investments	:	2,372.24
Deferred Tax Liability (Net)	:	—	Net Current Assets	:	18.38
Secured Loans	:	7,195.35			
Unsecured Loans	:	1,359.63			
Deferred Payment	:	15.29			

4 Performance of Company

Turnover (including Wind power generated & Other income Rs.431.86 Mn)	:	14,756.06	Total Expenditure	:	14,822.22
Profit / (Loss) before Tax	:	(66.16)	Profit after Tax	:	(286.85)
Earning per Share (in Rs.) Annualised	:	16.88	Proposed Dividend Per Share	:	—

5 Generic Names of Three Principal Products/Services of the Company (as per Monetary terms)

Item Code No.	:	870899
Product Description	:	Aluminium Die Casting Parts
Item Code No.	:	870800, 870880
Product Description	:	Shock Absorbers
Item Code No.	:	871400
Product Description	:	Disc Brake, Auto Components Parts

For and on behalf of the Board

Date : 15/12/2009
Place : Mumbai

NARESH CHANDRA
Chairman

ANURANG JAIN
Managing Director

V. M. ACHWAL
DGM (CS & Legal)

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT 1956, OF SUBSIDIARY COMPANIES 2008-09

1	Name of the Subsidiary	High Technology Transmission Systems (I) Pvt. Ltd.	Endurance Magneti Marelli Shock Absorbers (India) Pvt. Ltd.	Endurance Overseas S.r.L, Italy (EOS)	Nuova Renopress S.p.A.,Italy (Subsidiary of EOS)	Fondalmec Officine Meccaniche S.p.A, Italy (Subsidiary of EOS)	Amann Druckguss GmbH, Germany	Endurance Far East Ltd. Thailand (EFEL)	Endurance Holding GmbH (Formerly Known as Mainsee 493 V. V. GmbH)
2.	Financial Year Ended on	31.03.09	31.03.09	31.03.09	31.03.09	31.03.09	31.03.09	31.12.08	31.03.09
3.	Holding Company's Interest Number of shares/ amount of stock held by the Company Per Share Value Extent of Holding	10,060,208 Rs.10/- 65.38%	6,000,001 Rs.10/- 50% +1 Share	Euro 6,234,954 (stock) 100%	120,000 Euro 1/- 100%	1,377,000 Euro 1/- 51%	Euro 3,250,000 (stock) 100%	250,000 THB 100/- 100%	Euro 25,000 (Stock) 100%
4.	The net aggregate amount of Profits\(Loss) of the Subsidiary Company so far as it concerns the members of the Holding Company. (a) Not dealt with in the accounts of the company (i) For the Subsidiary's Financial Year ending 31st March, 09 / 31st December, 08 (Rs. In Million)	51.05	(9.30)	(379.72)	(261.66)	(120.14)	(675.69)	(57.16)	(0.23)
	(ii) For the Previous Financial Years of the Subsidiary (Rs. In Million)	183.57	N/A	(0.22)	(139.41)	85.07	(294.99)	(17.48)	(0.17)
	(b) Dealt with in the accounts of the company for year ended 31st March, 2009 (i) For the Subsidiary's Financial Year ended 31st March, 2009 (Rs. in Million)	7.55							
	(ii) For the Previous Financial Years of the Subsidiary (Rs. in Million)	11.78							
5.	Changes in the Interest of the Company between the end of the Subsidiary's Financial Year and 31st March, 2009	N/A	N/A	N/A	N/A	N/A	N/A	No Change	N/A
6.	Material Changes between end of the Subsidiary's Financial Year and 31st March, 2009	N/A	N/A	N/A	N/A	N/A	N/A		N/A
	(i) Fixed Assets							*(See note below)	
	(ii) Investments							NIL	
	(iii) Moneys lent by the Subsidiary							NIL	
	(iv) Moneys borrowed by the Subsidiary other than for meeting Current Liabilities.							**(See note below)	
	1 Euro = INR 66.85 as on 31-03-09 1 THB = INR 1.427 as on 31-03-09								

* The entire fixed assets of EFEL were disposed off/ transferred in view of its dissolution on 12th May, 2009

** The erstwhile Endurance Systems (I) Pvt. Ltd., the Indian parent of EFEL has given shareholders' loan amouting to THB 28.32 million to EFEL which was later on converted into share capital of EFEL.

For and on behalf of the Board

Date : 15/12/2009
Place : Mumbai

NARESH CHANDRA	ANURANG JAIN	V. M. ACHWAL
Chairman	Managing Director	DGM (CS & Legal)