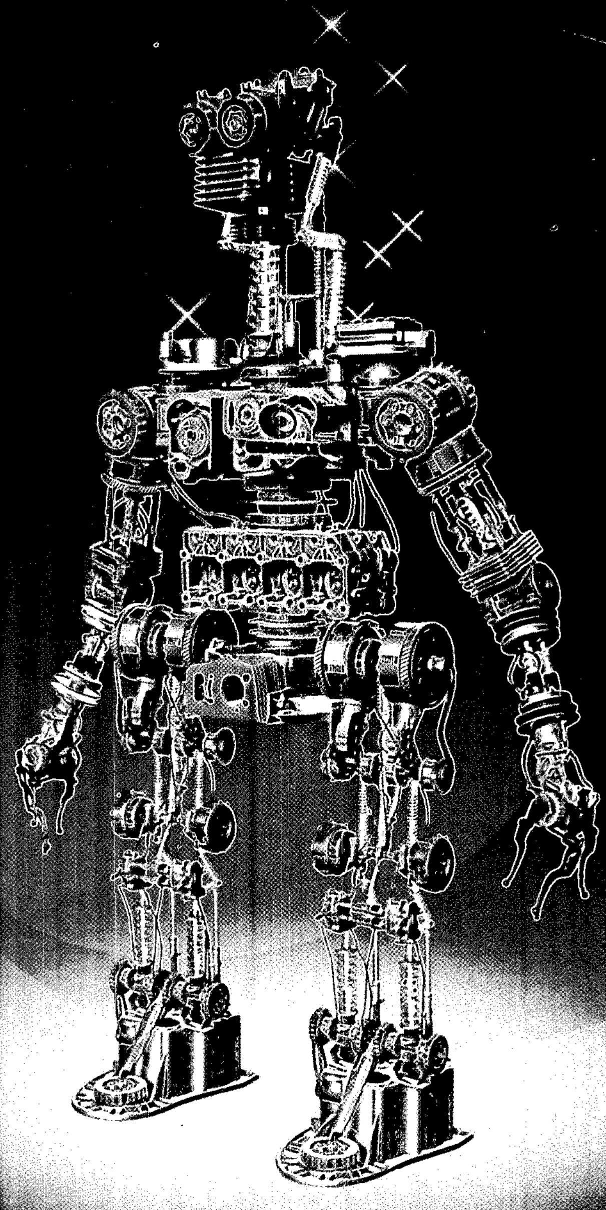
ENDURANCE TECHNOLOGIES LIMITED



11th
Annual Report
2009-10

ENDURANCE
Complete Solutions

ENDURANCE TECHNOLOGIES PRIVATE LIMITED
(Now Known as Endurance Technologies Limited)

CORPORATE INFORMATION

BOARD OF DIRECTORS

Naresh Chandra
Chairman

Anurang Jain
Managing Director

Nainesh Jaisingh
Director

Roberto Testore
Director

Soumendra Basu
Director

Partho Datta
Director

AUDIT COMMITTEE

Partho Datta

Nainesh Jaisingh

Soumendra Basu

REMUNERATION COMMITTEE

Soumendra Basu

Nainesh Jaisingh

Roberto Testore

SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

Soumendra Basu

Nainesh Jaisingh

Partho Datta

MANAGEMENT

Satrajit Ray
Group Chief Financial Officer

V. Subramanian
Sr. Vice President (Casting Division)

Ramesh Gehaney
Sr. Vice President (Proprietary Business)

Biswajit Choudhury
Vice President (After Market and Exports)

Anmoalak Singh Bhalla
Vice President
(Operations of SBU Castings Pune)

Sunil Kolhe
Vice President
(International Trade & Corporate Sources)

Yogi Krishnan
Vice President
(Marketing and Business Development
& Projects)

Mohan Godse
Vice President (Product Development)

Ramchandra Marlapalle
Vice President (Strategic HR and Admin)

COMPANY SECRETARY

Vivek Achwal
DGM (Legal) and Company Secretary

AUDITORS

Deloitte Haskins & Sells
Chartered Accountants

BANKERS

Bank of India
Bank of Maharashtra
Citibank N. A.
Corporation Bank
ICICI Bank Ltd.
IDBI Bank Ltd.
Indian Overseas Bank
Standard Chartered Bank

REGISTERED OFFICE

Plot No. K 228, MIDC Industrial Area,
Waluj, Aurangabad - 431 136

PLANTS

Aurangabad
Plot Nos. B-2, E-92, K-120,
K - 226/2, 228 and 229
L - 6/3 , MIDC Industrial Area
Waluj Aurangabad - 431 136

Pune
Plot Nos. B- 1/2 , B- 1/3 , B-20, B-22,
MIDC Area, Chakan, Village Nighoje,
Taluka Khed, Dist Pune - 410 501

Gat No. 416, Village Takve Budruk,
Taluka Vadgaon Maval, Pune - 412 106

Manesar
Plot Nos. 400,401, Sector 8, IMT,
Manesar, Dist- Gurgaon, Haryana.

Pantnagar
Plot No. 3 , Sector 10, I.I.E. Pantnagar,
Dist. Udham Singh Nagar, Uttaranchal.

Chennai
Plot No. F-82, SIPCOT Industrial Park,
Irungattukottai, Pennaur Post,
Sriperumpudur Taluka,
Dist. Chennai.

Contents	Page

To,
The Members,

The Directors present their 11th Annual Report with the audited statement of accounts of Endurance Technologies Private Limited (now known as "Endurance Technologies Limited") (hereinafter referred to as "ETPL" or "the Company") for the year ended 31st March, 2010.

CONVERSION OF COMPANY TO PUBLIC LIMITED COMPANY

The shareholders of the Company in the Extraordinary General Meeting held on 28th June, 2010 passed necessary Special Resolutions for conversion of Endurance Technologies Private Limited to a Public Limited Company, for change of name from Endurance Technologies Private Limited to Endurance Technologies Limited, by deleting the word 'Private' and for alteration of Articles of Association. Accordingly, with effect from 28th June, 2010, Endurance Technologies Private Limited ceased to be a private limited company. The Registrar of Companies, Maharashtra, Mumbai has issued a fresh certificate of incorporation dated 9th July, 2010. The change of name of the Company to Endurance Technologies Limited has become effective from 9th July, 2010.

It is pertinent to note that as the financial year of the Company ended on 31st March, 2010, the annual accounts, schedules thereto and Notes to the Accounts etc. pertained to Endurance Technologies Private Limited as a private limited company.

FINANCIAL RESULTS

	2009-2010 (Rupees in Million)	2008-2009 (Rupees in Million)
Net Sales	**15573.49**	14223.62
Total Income	**16325.49**	14756.06
Gross Profit before Interest, Depreciation and Extraordinary Expenses	**2680.86**	1618.72
Interest	**677.43**	672.21
Profit before Depreciation, Amortization and Extraordinary Expenses	**2003.43**	946.51
Depreciation & Amortization	**1107.57**	1012.67
Profit/(Loss) before Taxation & Extraordinary Expenses	**895.86**	(66.16)
Profit/(Loss) before Taxation	**839.41**	(66.16)
Provision for Taxation	**148.25**	0.03
Provision for Deferred Tax	**159.66**	(358.16)
Provision for Fringe Benefit Tax	**-**	5.12
Profit for the Year	**531.50**	286.84
Add: Profit brought forward from last year	**793.56**	200.57
Appropriation: Dividend on Preference Shares	**12.47**	-
Dividend Tax on Preference shares	**2.12**	-
Acquired under Scheme of arrangement		306.15
Balance Carried Forward to Balance Sheet	**1310.47**	793.56

DIVIDEND

The Directors recommend dividend on Preference Shares for the financial year ended 31st March, 2010 as under:

-Dividend amounting to Rs. 12,449,315 @ 8% per annum on 40,000,000 Compulsorily Convertible Preference Shares ("CCPS") of Rs. 10 each fully paid-up for the period from 10th November, 2009 to 31st March, 2010 for payment to Standard Chartered Private Equity (Mauritius) II Limited.

-Dividend amounting to Rs. 22,093, @ 8% per annum on 1,680,000 Redeemable Preference Shares ("RPS") of Rs. 10 each fully paid for the period from 26th March, 2010 to 31st March, 2010 for payment to holders of the RPS.

The Directors have decided to plough back the profits and do not recommend dividend on equity shares.

PERFORMANCE OF MARKETS

During the Financial year 2009-10, India achieved GDP growth rate between 7.2% to 7.5%.

During the said fiscal, 10,511,415 two-wheelers (Domestic + Exports) were sold as compared to 8,441,793 for the year ended 31st March, 2009. The two-wheeler market witnessed a robust growth of 24% in terms of volume. Motorcycles accounted for over 80% of total two-wheeler sales.

During the said fiscal 613,650 three-wheelers (Domestic + Exports) were sold, as compared to 497,793 three wheelers for the year ended 31st March, 2009, witnessing a growth of 23%.

During the said fiscal, 2,395,922 passenger vehicles (Domestic + Exports) were sold as compared to 1,888,432 passenger vehicle for the year ended 31st March, 2009, witnessing a growth of about 27%.

(Source: Society of Indian Automobile Manufacturers ("SIAM"); website: http://www.siamindia.com/scripts/domestic-sales-trend.aspx, http://www.siamindia.com/scripts/export-trend.aspx)

The demand for automotive components in India has outstripped supply, primarily because of revival of economy, several launches of new vehicle models and slow but steady recovery in demand from overseas.

PERFORMANCE OF THE COMPANY

During the financial year ended 31st March, 2010 (hereinafter referred to as 'the year under review') Endurance Technologies Private Limited posted Net sales of Rs.15,573.49 Million as against Rs. 14,223.62 Million in the corresponding period of the financial year ended 31st March, 2009 (hereinafter referred to as 'the previous year'), representing an increase of about 9.5%. In the year under review, the Material cost has reduced to 62.43% of Net Sales as against 68.86% in the previous year. The Employee cost has also reduced to Rs. 752.29 Million (previous year Rs. 771.24 Million).The Interest cost has virtually remained same at Rs. 677.43 Million (previous year Rs. 672.21 Million). Other expenses were higher at Rs. 3,170.29 Million (previous year Rs. 2,571.73 Million) mainly on account of higher processing charges of Rs. 434.70 Million (previous year Rs. 261.20 Million), higher Labour charges of Rs. 303.31 Million (previous year Rs. 188.18 Million), increase in power, water and fuel Rs. 912.67 Million (previous year Rs. 779.55 Million), increase in Bank charges to Rs. 82.72 Million (previous year Rs. 47.34 Million) and increase in repairs to machinery Rs. 224.16 Million (previous year Rs. 148.44 Million).

For the year under review, the Company earned Profit of Rs. 531.50 Million as against profit of Rs. 286.84 Million in the previous year.

MANAGEMENT'S ANALYSIS OF THE WORKING AND FINANCIAL PERFORMANCE

Sales

The automotive industry in India has gradually come out of recession from July, 2009. The Company's major customer has reported strong growth in the sales of two and three wheelers from existing models as also from launch of new models. This resulted in higher demand for die castings, suspension products and braking components manufactured by the Company. Sales of Die castings increased from Rs. 6,835.83 Million in the previous year to Rs. 7780.07 Million in the year under review. Shock Absorbers including Front fork sales increased from Rs. 4,259.39 Million in the previous year to Rs. 5,348.57 in the year under review and Disc brakes sales increased from Rs.799.28 Million in the previous year to Rs.1,109.77 Million in the year under review. The Aftermarket sales have increased from Rs.592 Million in the previous year to Rs. 701 Million in the year under review.

Materials cost

During the previous year, the Company's margins from assembly of alloy wheels for its major customer were lower on account of high materials cost due to alloy wheel assembly operations. In the year under review, the Company shifted to job work basis as against the Company buying the raw materials on its own for alloy wheel assembly operations. This coupled with control over rejections, improvement of production processes and change in the method of procurement of certain components has resulted into reduction of raw material cost.

Inventory

The Company maintained higher levels of inventory to ensure uninterrupted supply to the customers. The pick up in demand for motorcycles led to higher level of production. The Company's sales in the month of March, 2010 were 30% higher as compared to the sales in the month of March, 2009. This has necessitated maintenance of higher levels of inventory in the month of March, 2010. In the previous year, the economic downturn led to demand slow down and consequently lower inventory levels.

Sundry Debtors and Creditors

Increase in the Debtors was primarily on account of change in payment terms by the major customer. The higher sales during the year under review as against the previous year also resulted into increase in debtors.

Increase in creditors was primarily on account of obtaining additional credit from suppliers and substantial increase in production schedules requiring higher procurement of raw materials. In the previous year, the economic downturn led to slow down in demand and consequently lower level of suppliers' outstanding.

Other Expenses

The increase in production schedules in the year under review necessitated outsourcing of certain jobs, resulting in higher Labour and processing charges as against the previous year.

Bank charges

The Bank charges have increased on account of availing high level of utilization of non-fund based limits in the year under review on account of tight liquidity conditions and increase in procurement of materials due to higher production schedules.

ISSUE OF REDEEMABLE PREFERENCE SHARES

On 26th March, 2010 the Company issued 1,680,000 Redeemable Preference Shares ("RPS") of Rs. 10 each aggregating to Rs. 16,800,000 against conversion of unsecured loans of shareholders. The RPS carried coupon rate of 8% per annum for the year 2009-10.

PERFORMANCE OF SUBSIDIARY / JOINT VENTURE COMPANY FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2010

In Europe our step-down subsidiary, namely Endurance Fondalmec S.p.A (formerly 'Fondalmec Officine Meccaniche SpA'), posted improved performance with sales of Euro 64.95 million for the financial year ended 31st March, 2010 (previous year Euro 61.29 million). It posted a Profit After Tax (PAT) of Euro 2.11 million (previous year loss of Euro 3.52 million). This was possible due to a combination of better capacity utilization and implementation of certain cost management measures.

Our Subsidiary in Germany namely Amann Druckguss GmbH achieved its sales target for the financial year ended 31st March, 2010. It posted improved performance for the financial year ended 31st March,2010 with implementation of various cost reduction measures, resulting in marginal loss of Euro 1.57 million (previous year loss of Euro 11 million).

Our Subsidiary in India, namely High Technology Transmission Systems (India) Private Limited ("HTTS") maintained its upward trend in turnover and recorded increase of 15.82% in turnover as compared to the previous year, with total turnover of Rs. 1,659.79 million for the financial year ended 31st March, 2010 (Previous year Rs. 1,433.05 million). HTTS recorded Profit before tax of Rs. 207.08 million for the financial year ended 31st March, 2010 (previous year Rs. 146.36 million).

Endurance Magneti Marelli Shock Absorbers (India) Private Limited ("EMM"), jointly promoted by Endurance Technologies Private Limited and Magneti Marelli Holding SpA, Italy for manufacture of shock absorbers, gas springs of four and above wheeled vehicles in India started supply to Original Equipment Manufacturers ("OEM") in January, 2010. The list of customers of EMM includes prominent OEMs namely Tata Fiat (India) Private Limited, Piaggio Vehicles (India) Private Limited and Tata Motors Limited. EMM has recently added Maruti Suzuki Limited to its list of customers. The performance of EMM is expected to improve further with scaling up of production.

The Company has applied for exemption from attaching the Audited Statement of Accounts, the Reports of the Board of Directors and Auditors of the Subsidiary Companies as required under secton 212(1) of the Companies Act, 1956 and the same is awaited.

The statement relating to subsidiary companies pursuant to Section 212 of the Companies Act, 1956 is attached.

FUTURE OUTLOOK

We believe that, the automotive sector is one of the core industries of the Indian economy and its growth prospects are linked to growth of the Indian middle class, both in numbers and disposable income, along with the general growth of the national economy. These factors are attracting major global automotive manufacturers to the Indian market.

The Indian two-wheeler segment has shown strong overall growth of 60.7% from the fiscal year 2005 to the fiscal year 2010. The motorcycle segment comprises a vast majority of this segment, contributing around 80% of the total sales from the fiscal year 2005 to the fiscal year 2010. Although there was a drop in the sales of two-wheelers during the downturn in the fiscal year 2008, currently the segment has shown constant recovery for the periods following the downturn. Sales in this segment grew by 24% from the fiscal year 2009 to the fiscal year 2010, the highest rate of growth recorded since the fiscal year 2005.

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

According to the projections of Automotive Component Manufacturers Association ("ACMA"), the production capacity in the Automotive component industry is likely to go up by 20-25 per cent in the current year, at an estimated investment of nearly Rs 9,000 crore.

The Company has plans for expansion of capacities at Chakan, (Pune) and Waluj, (Aurangabad) to cater to the increasing demand from the existing customers as well as new customers. The Company will be immensely benefited from its long presence, experience and expertise in auto-component manufacturing in India and also for strategic investments in overseas subsidiary companies supplying to reputed customers in Germany and Italy.

Research and Development is another area where government incentives have enabled greater returns for automobile and automotive components manufacturers. The Union Budget for the fiscal year 2011 has raised tax deductions on in-house research and development expenses. The rationale behind such a policy is that investments in research and development will bring many benefits including the application of global norms for safety and emissions, an increase in the competitiveness of local automobile and automotive components manufacturers and furthering the stated goal of India emerging as a small car manufacturing hub. *(Source: CRISIL Research).* The Company has three R&D centres recognized by the Department of Scientific and Industrial Research ("DSIR") and additionally one such R&D centre is established by its Indian subsidiary, High Technology Transmission Systems (India) Private Limited at Waluj, Aurangabad.

DIRECTORS

The Board of directors of the Company has been broad-based with the appointment of two independent directors, namely Mr. Soumendra Basu and Mr. Partho Datta as Additional Directors on 16th June, 2010.

Mr. Basu has a distinguished track record in HR matters. He has more than 33 years of rich experience with premier domestic and international banks in functions such as strategy, process re-engineering and operations.

Mr. Datta has gained rich and long experience of more than three decades in the field of finance, strategy and corporate matters in leading business houses in India.

The Company will be immensely benefited from their experience.

The Resolutions for appointment of Mr. Basu and Mr. Datta, whose terms shall be subject to retirement by rotation, have been proposed to be passed in the ensuing Annual General Meeting of the Company.

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 of Endurance Technologies Private Limited for the year ended 31st March, 2010, the applicable Accounting Standards have been followed and that there are no material departures except on account of non-disclosure of diluted EPS;

ii. Appropriate accounting policies have been selected and applied 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 Endurance Technologies Private Limited at the end of the financial year and of the profit of Endurance Technologies Private Limited 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 Endurance Technologies Private Limited for the year ended 31st March, 2010 have been prepared on a going concern basis.

AUDITORS AND THEIR REPORT

Deloitte, Haskins & Sells, Chartered Accountants, Auditors of the company retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

The Board of Directors' clarifications on and explanations to the qualifications contained at paragraph nos. 4 and 5 of the Auditors' Report are as under:

Endurance Technologies Private Limited undertook financial restructuring exercise through the Scheme of Arrangement, (hereinafter referred to as "the Scheme") inter alia, involving amalgamation of the erstwhile Endurance Systems (India) Private Limited ("ESIPL" or the "Transferor Company") with Endurance Technologies Private Limited ("ETPL" or the "Transferee Company") under Sections 391 to 394 read with Sections 78,100 to 103 of the Companies Act, 1956. The Scheme was approved by the Hon'ble Bombay High Court vide Order dated 16th October, 2009. The Scheme became effective from 1st December, 2009, the Appointed Date of the Scheme being 1st April, 2008.

The erstwhile ESIPL was a wholly owned subsidiary of ETPL. Both ESIPL and ETPL were comparable in terms of nature of their business and under same management, common control and common directors. The significant reasons, benefits and rationale necessitating and justifying framing of the Scheme included optimum utilization of management and other resources, reducing administrative costs, right sizing of Balance Sheet of ETPL etc.

Upon the Scheme becoming effective, all the assets and liabilities and investments as appearing in the books of accounts of erstwhile ESIPL as on the Appointed Date were required to be recorded at their respective fair values by ETPL. Further, in terms of the Scheme, if it was considered necessary and appropriate by the Board of Directors of ETPL and if the fair value of any of the assets, liabilities and investments as on date of approval of the Scheme by the Board of Directors was substantially different, then the same might also be adjusted while arriving at the fair value of any such assets, liabilities and investments. In the opinion of the Board of Directors of ETPL, all the balances in assets and liabilities of ESIPL as on Appointed Date (except for the tangible fixed assets which were revalued and investments in one subsidiary which was provided for) represented the respective fair values and accordingly, these were transferred to ETPL at their respective book values.

As an integral part of the Scheme, with an intention to right size the Balance Sheet of ETPL post amalgamation, the assets including investments in other subsidiaries and liabilities of ETPL were required to be recorded at their fair values as on date of approval of the Scheme by the Board of Directors of ETPL i.e on 28th July, 2009. In the opinion of the Board of Directors of ETPL all the balances in assets, liabilities and investments (including overseas investments) as on 31st March, 2009 (except for the tangible fixed assets which were revalued and investments in certain overseas joint venture/subsidiary companies which were written off/adjusted for permanent diminution in the value of investments) represented their respective fair values and accordingly these were carried at their respective book values.

As such, the independent valuation of the current assets including the inventory, sundry debtors, loans and advances of erstwhile ESIPL (as on Appointed Date) and ETPL (as on 31st March, 2009) was not undertaken. The balances of inventory, sundry debtors, loans and advances as recorded in the books of accounts of erstwhile ESIPL as on Appointed Date were transferred to the books of accounts of ETPL as per their book values which, in the opinion of the Board of Directors, were their respective fair values.

Over the period, ETPL has consumed almost the entire quantum of such inventory in the manufacturing of finished products and/or otherwise disposed off the same, at values not less than their book values. The outstanding dues of almost all the sundry debtors have been realized for the amounts not less than their outstanding balances/amounts recorded in the books of accounts of ETPL.

During the financial year 2007-08, ETPL acquired strategic equity stakes in overseas companies also engaged in similar line of business, with the strategy of being present in European market and to facilitate easy access to European Original Equipment Manufacturers ("OEMs"). The European OEMs were setting up base in India and one of the rationales of making strategic investments in these overseas subsidiary companies was to become a preferred provider to such European OEMs. These overseas subsidiaries had reputed customer base and possessed advanced technology and skilled manpower. Acquisition of strategic stakes in these overseas companies required substantial investments. The change of management and control of these overseas companies coupled with the global recession, the impact of which was severe in European countries, required further financial support by way of re-capitalization for continued operations of these overseas subsidiary companies in compliance with requirement of the local laws.

ETPL acquired controlling stake in an Indian subsidiary Company engaged in manufacture of clutch assemblies, friction plates from its Italian JV Partner.

In the opinion of the Board of Directors of ETPL the investments made by ETPL in the overseas and the Indian subsidiary companies are long term investments of strategic importance expected to give enduring benefits to ETPL in the long run.

In the light of the above, in the opinion of the Board of Directors of the Company:-

(i) the balances in all the assets and liabilities of erstwhile ESIPL (except for tangible fixed assets which have been revalued and investment in one subsidiary which was adjusted for permanent diminution in the value of investment) as on Appointed Date represented their respective fair values; and

(ii)the balances in assets, liabilities and investments (including overseas investments) as on 31st March,2009 of ETPL (except for the tangible fixed assets which have been revalued and investments in certain subsidiary companies which have been written off / adjusted for permanent diminution in the value of investments) represented their respective fair values.

The Board of Directors of the Company is of the opinion that there is no material impact on the carrying amounts of the balances in the assets and liabilities of the Company as of 31st March, 2010 and on the financial statements of the Company on that date.

The Board of Directors' clarifications on and explanations to the qualifications contained at paragraph no.6 of the Auditors' Report are as under:

On 10th November, 2009, the Company had issued 40,000,000 Compulsorily Convertible Preference Shares ("CCPS") of Rs. 10 each fully paid-up to Standard Chartered Private Equity (Mauritius) II Limited on private placement basis. As per the terms and conditions of the issue, the CCPS was to be converted into Equity shares upon finalization of the audited financial results of the Company for the financial year ending 31st March, 2010 at the Conversion Price dependent on the consolidated audited Earnings before Interest, Tax, Depreciation & Amortisation (EBITDA) of the Company for the Financial Year ended 31st March, 2010 (hereinafter referred to as "consolidated financial statements"). As informed to the Board, the management of the Company has already taken steps for preparation of the consolidated financial statements and to get the same audited. In the light of certain filing obligations and for the purpose of business exigencies and at the request of the management of the Company, the Board of Directors have considered and approved the standalone annual accounts of the Company for the financial year ended 31st March,2010 pending availability of the audited consolidated financial statements. The consolidated financial statements will be considered and approved by the Board in the separate meeting as soon as the same are ready. The disclosure of the diluted EPS shall be made separately upon completion of preparation of the consolidated financial statement and audit thereof.

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 management continued its best efforts to maintain peaceful and cordial relations with personnel at all plants.

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 employees of the Company 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

Naresh Chandra

NARESH CHANDRA
CHAIRMAN

Date : 30.07.2010
Place : Mumbai

The Company has since received from Central Government exemption under section 212 vide letter No. 47/450/2010 – CL - III dated August 12, 2010 . Accordingly, the Audited Statement of Accounts, the Reports of the Board of Directors and Auditors of the Subsidiary Companies are not annexed as required under section 212 (1) of The Companies Act 1956. As required by the said letter, the consolidated financial statements of the Company's subsidiaries, duly audited by the Statutory Auditors, are presented in this Annual Report.

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 2010

CONSERVATION OF ENERGY

(a) Energy conservation measure taken:

(i) Wind Power generation

During the year under review the wind mills installed by the Company at Jaisalmer, Satara and Supa generated 9,680,199 Units of electricity (including 5,443,516 units captively consumed). The Company earned income of Rs. 42.09 Million (includes captively consumed Rs. 22.18 Millions) from sale of wind power generation.

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

- Use of A.C variable frequency Drive for ARP Motor 125 HP instead of Star delta starter in the paint shop.
- Installation of P.T Line drying blower & heater interlocked with JIG availability for energy saving in the paint shop.
- Use of VMC 20 KW with CNC Control for CCCS Machining Instead of SPM 55 KW in the machine shop
- Reduction of motor HP on Washing machine, Air washer, ETP Pump, LPDC ETP Pump in the machine and paint shops.
- Use of cyclic timers & sensors for avoiding idle running of motors on 45 VMC and SPM machine in the machine shop CNC and SPM machines.
- Use of 125 K.V.A D.G. set instead of 750 K.V.A D.G. Set for NC Rotary Milling machine during power failure in the machine shop.
- Use of 10 H.P compressors on Friday for handle bar assembly instead of 75 H.P. in the machine shop.
- Shifting of temperature sensor in baking oven for saving in LPG in the paint shop.
- Top cover fitted to reduce heat loss in the shed of 3.75 kg and 1.4 kg melting furnaces.
- Fitting of Temperature controller with 5 degree on delay instead of earlier 1 degree on delay in the holding furnace.
- Provided timer to switch off hydraulic motor upon starting of solidification in the GDC-03 Hydraulic Motor.
- Increased heater door sealing area from 0.05 mm to 0.1 mm in the LPDC Machines.
- Software Interlocks provided in Program for Idle Time in 23 CNC machines.

(b) Additional investment proposals, if any, being implemented for reduction of consumption of energy:

The additional investment cannot be precisely ascertained and is a part of the repairs and maintenance, consumable expenditure and investment in Fixed Assets.

(c) 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.

(d) 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 -

Not applicable as the Company is not covered under the specified industry.

TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT

(A) Research & Development (R&D)

R & D CENTER (DIE CASTING) AT PLOT B1/3, CHAKAN

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

(i) The Company's R&D centre in collaboration with Automotive Research Association of India ("ARAI"), Pune, has undertaken various projects including master alloy development, defect analysis based on microstructure, failure analysis of Die casting components and benchmarking of imported casting components.

(ii) The Company continued its efforts for developing core team for product design and development to support product and process innovation, cost and weight reduction etc.

(iii) Fatigue lab was set up to do radial fatigue test, cornering fatigue test rig, and impact & compression test. This lab is fully utilized for the development of new alloy wheels.

(iv) Development of over 12 new alloy wheels was carried out meeting global standards.

(v) The company has recently purchased a new Die casting machine with 2150T capacity. High Pressure Die Casting ("HPDC") Die is developed for 2150 ton machine with 8 slides and Die trials taken in record time of 14 weeks. Also, several Value Engineering/Value Analysis projects are carried out in R & D along with the plant team to reduce the defects and improve quality.

(vi) Nonlinear simulation of an alloy wheel was done and the simulation results were correlated with the physical test. A technical paper was published in Alucast conference held in Pune on AW design and development.

(vii) PLM software technology evaluation is underway along with the selection of implementation partner. Detailed proposals for implementation of PLM technology are prepared and the Company is in the final evaluation phase.

(2) Future plan of action –

(i) To set up Metallurgical Lab. A full time metallurgist will be recruited to manage and support the metallurgical analysis.

(ii) To implement Road Load Data Acquisition (RLDA) capability: This capability will help the company to evaluate the design and provide opportunities for cost/weight reduction based on the actual field and lab measurements.

(iii) To implement PLM technology in multi CAD environment: Initially PLM Technology is proposed to be implemented in Die Casting R&D unit and implementation of same will be done in other R&D units of the Company in phase wise manner.

(iv) To improve Die life: Die life improvement will be done by thermal balancing of the Dies, avoiding soldering defects and reducing erosion of Die.

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

(i) The failure analysis and microstructure analysis capabilities developed in collaboration with ARAI has helped the company to reduce the defects, optimize the manufacturing processes, and improve product quality & reliability.

(ii) In house fatigue testing lab in casting R&D has helped to reduce the product development cycle. This has given a competitive edge to get new projects in alloy wheel division.

(iii) Value Engineering of fly wheel housing die cast component was done by converting a GDC component in PDC. This has helped to reduce the weight and cost of the component, without compromising on the functionality.

(iv) A design patent was granted for an Alloy Wheel with U shape spoke and with a sand core at the center.

(v) Standardization of design process has helped to improve the communication between the R&D, tool room, and manufacturing plants. This has helped to reduce the development time and reduce the defects.

R & D CENTER (BRAKING) AT K-226/2, WALUJ, AURANGABAD

(1) Specific areas in which R & D was carried out

(i) Development of leak detecting devices for locating leakages upto 0.02mili bar (earlier leakage detection was upto 1 mili bar).

(ii) Designing and development of Drum Brake with Integral Back Plate and Internal Parking Lever Mechanism which allows the brake shoes to float and self adjust in case of possible mis-alignments between drum and brake.

(iii) Identification and implementation of value engineering feasibility in caliper components to reduce the weight of the casting and to reduce cost.

(iv) New product design and developments including development of disc brake systems for new launch of a 150cc motorcycle.

(v) Product quality improvements and up-gradation, reduction in warranty.

(2) Future plan of action

(i) To design and develop mono block calipers for higher cc vehicles which gives better braking efficiency. To continue similar product up-gradation projects and adding more features in the existing products.

(ii) To look for the feasibility to design and develop brake systems for 4 Wheelers

(iii) To design and develop brake system for motorcycles of 500 and above cubic capacity.

(iv) To develop software for simulation of braking parameters.

(v) To develop various products for After market applications as a business development process.

(vi) To incorporate good testing capabilities like structural durability of braking components, vibration testing, testing of brake components with simulation of various environmental conditions.

(vii) To continue improvement in cost effectiveness of the product by identifying and implementing value analysis and value engineering.

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

(i) Improvement of quality of brake systems, enhancement of life of brakes by reducing the possibility of leakages in braking components

(ii) Reduction of input casting weight thereby reducing cost.

(iii) Reduction in warranty and enhancement of product reliability.

(iv) Customer satisfaction

R & D CENTER (SUSPENSION) AT PLOT NO. E-93, WALUJ, AURANGABAD.

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

i. Development of central gas filling arrangement in gas filled canister dampers for cost reduction.

ii. Applied for patents on innovative product design features which help improve product performance and durability.

iii. Development of suspension forks design & product development capabilities.

iv. Development of suspension shock absorbers design & product development capabilities.

v. Value Engineering/Value analysis for suspension products.

vi. Development of advance simulation capabilities for product engineering.

vii. Indigenous development of validation test rigs to support new product evaluation.

viii. Development of new generation inverted front forks for performance bikes.

ix. Development of motocross suspension shock absorbers for performance bikes for improved vehicle handling.

(2) Future plan of action –

i. Development of pre-load adjustment for front forks suspension for motorcycles.

ii. Development of gas filled shock absorbers with internal floating piston design and adjustable damping characteristics for better comfort.

iii. Development of cartridge type front forks for high performance motorcycles.

iv. To collaborate with research institutes to collect road load data for 2 wheeler suspensions and correlate the test rig conditions with field conditions for improving current validation and testing standards.

v. To collaborate with research institutes to benchmark components, carry out detailed failure analysis and improve the metallurgical properties & product reliability.

vi. Undertake projects to establish product life manufactured with current designs and processes.

vii. Undertake projects to improve the suspension product life through use of alternative materials and design and manufacturing process innovation.

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

i. Patents ensure larger share of business with customers and maintain edge over competitors.

ii. Reduction in cost of various products by value engineered designs

iii. Improvement in Product Quality

iv. Customer Satisfaction

v. Enhancement of technology competency of company.

vi. Import substitution, indigenization.

vii. Product reliability improvement test data derived from validation & testing.

Expenditure on R&D:

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

(Rs. in Million)

Particulars	Braking Division	Casting Division	Suspension Division	Total (Rs in Million)
(i) Capital Expenditure				
Plant & Machinery	0.46	—	—	0.46
Factory Equipment	0.05	—	—	0.05
Vehicle	—	—	0.05	0.05
Office Equipment	0.08	0.35	0.13	0.56
Total (i)	0.59	0.35	0.18	1.12
(ii) Recurring Expenditure	6.52	25.34	8.41	40.27
Total (i) + (ii)	**7.11**	**25.69**	**8.59**	**41.39**

Total R&D Expenditure as a Percentage to Sales 0.27

(B) Technology Absorption, Adaptation and Innovations

(i) The term of the Technical Collaboration Agreement dated 22nd August, 2006 with Paioli Meccanica SpA, Italy expired on 9th January, 2010 and the technology for the telescopic front fork assemblies has been fully absorbed. The Technical Collaboration Agreement dated 6th September, 2005 with Zhejiang Wanfeng Motorcycle Wheel Company Ltd, China for alloy wheels has been terminated by mutual understanding before its expiry on 6th September, 2011. The details of other Technical Assistance/Collaboration agreements already entered into by the Company are given hereunder:

Year of agreement	Technology From	Product	Status
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

FOREIGN EXCHANGE EARNINGS AND OUTGO :

Particulars		**Amount (Rs. in Million)**
Total foreign exchange earned and used		
Earnings in foreign exchange :		
FOB value of exports		**234.12**
Total Foreign exchange used :		
Import of capital goods		9.30
Import of raw material & Component		934.00
Stores and spares		29.77
Foreign Travel		4.30
Technical Know-how		8.69
Professional fees		11.99
Interest of foreign currency loans		231.73
Other matters		0.07
	Total	**1229.85**

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 2010

Name of Employee	Age (in years)	Designation	Gross Remuneration (Rupees)	Qualifications	Experi -ence	Date of Joining	Details of Last Employment
Mr. Anurang Jain*	48	Managing Director	17,033,850	MBA (Pittsburg)	26	01/04/2004	Anurang Engineering Company Private Limited, Managing Director
Mr. Ramesh Gehaney	50	Sr. Vice President	3,968,345	B.E.	26	23/07/2004	ASK Automotive Private Limited, GM (Works)
Mr. V. Subramanian	57	Sr. Vice President	3,967,992	B.E, DBM	31	16/12/1993	Bakshi Steels Limited, Deputy General Manager
Dr. Mohan Godse	48	Vice President	3,237,151	BE (Civil),ME, Ph.D (Mech).	19	02/05/2007	Caparo Engineering (I) Private Limited, Director (Operations)
Mr. S. K. Yogi	43	Vice President	3,227,093	BE MBA (Marketing)	23	19/07/2007	Kirloskar Oil Engines Limited, Head (Sales & Marketing)
Mr. Biswajit Choudhury	51	Vice President	3,206,496	B.Sc., B.E., D.M.M	28	28/03/2001	Anand Carporate Services, Delhi Sr. Manager
Mr. Sunil Kolhe	48	Vice President	3,080,421	B.E, DBM, DEIM	27	10/10/2006	TACO Group, General Manager (Sourcing)
Mr. Ramchandra Marlapalle	52	Vice President	3,037,992	LL.B., M.L.S.	28	01/01/1992	HMP Engineers Limited, Officer
Mr. Anmoalak SinghBhalla	51	Vice President	2,911,966	B.E., P.G.C.B.M..	30	25/09/2006	High Power Engg. Co. Private Limited, President

Name of Employee	Age (in years)	Designation	Gross Remuneration (Rupees)	Qualifications	Experi -ence	Date of Joining	Details of last Employment
Mr. Sanjay Sanghai	45	General Manager	2,545,992	D.M.E., G.D.M.M., D.B.M., M.M.S.	23	29/07/2000	Piaggio Greaves Veh. Limited, Assistant Manager (Purchase)
Mr. Mukund Chaphekar	54	General Manager	2,427,139	M.Com, LL. B M.P.M.	34	14/11/1998	Hitech Plast Containers (I) Limited, Manager

**Mr. Anurang Jain is relative of Mr. Naresh Chandra, Director.*

EMPLOYEES FOR THE PART OF THE YEAR WITH AN AVERAGE SALARY ABOVE RS 2 LAKHS PER MONTH

Name of Employee	Age (in years)	Designation	Gross Remuneration (Rupees)	Qualifications	Expe- rience	Date of Joining	Details of last Employment
Mr. Sanjay Gupta	40	Group CFO	5,104,795	MBA, CA, CS.	15	04/05/2009	Alliance Medical Holdings Limited, Chief Executive Officer
Mr. D. Ramesh Babu	43	General Manager	308219	B.Com,M.Com AICWA, FCA	15	15/02/2010	Ashley Alteams India Limited, Head (Finance)

On behalf of the Board of Directors

Naresh Chandra

Date : 30.07.2010
Place : Mumbai

NARESH CHANDRA
CHAIRMAN

To
The Members of
Endurance Technologies Private Limited
(Now known as Endurance Technologies Limited)

1. We have audited the attached Balance Sheet of **ENDURANCE TECHNOLOGIES PRIVATE LIMITED (Now known as Endurance Technologies Limited)** ("the Company") as at 31st March, 2010, the Profit and Loss Account and the Cash Flow Statement of the Company 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 the 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 (CARO) 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. *As stated in Note No. 5(a) of Schedule 19, in the absence of an independent assessment of the fair values of the balances in all the assets and liabilities [except for the tangible fixed assets which have been revalued and investments in one of the subsidiary which had been adjusted for permanent diminution in the value of investment] as of 1st April 2008, the impact on the financial statements could not be ascertained. This matter had been qualified in the previous year's Auditors' Report. Further, the impact of the same, if any, on the carrying amounts of the balances in the assets and liabilities as of 31st March 2010, is not determinable.*

5. *As stated in Note No. 5(c) of Schedule 19, in the absence of an independent assessment of the fair values of the balances in assets, liabilities & investments (including overseas investments) as of 31st March 2009 [except for the tangible fixed assets which have been revalued and investments in certain subsidiaries which have been written-off / adjusted for permanent diminution in the value of investments], the impact on the financial statements could not be ascertained. This matter had been qualified in the previous year's Auditors' Report. Further, the impact of the same on the carrying amounts of the balances in the assets and liabilities as of 31st March 2010, is not determinable.*

6. *As stated in Note No. 9 & 24 of Schedule 19, in terms of the agreement, the Compulsory Convertible Preference Shares will be converted to Equity shares at a conversion price which is dependent on the Consolidated audited Earnings before Interest, Tax, Depreciation & Amortisation (EBITDA) of the Company for the financial year ending March 2010. However, since the said consolidated financial statements of the Company have not yet been audited, the diluted Earnings Per Share (EPS) could not be calculated and disclosed as required by the Accounting Standard (AS) 20 "Earnings Per Share".*

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

   a) 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;

   b) 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;

c) 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;

d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 *except for the non-compliance with Accounting Standard (AS) 20 on Earnings Per Share as stated in para 6 above;*

e) in our opinion and to the best of our information and according to the explanations given to us, subject to our observations in para 6 above the said accounts give the information required by the Companies Act, 1956 in the manner so required *subject to our observations in para 4 & 5 above* and give a true and fair view in conformity with the accounting principles generally accepted in India:

   i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;

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

   iii) 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, 2010 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No.117366W)

Sd/-
Hemant M. Joshi
Partner
Membership No.: 38019

Date : 30th July 2010
Place : Pune

i) Having regard to the nature of the Company's business / activities clauses (vi), (x), (xiii), (xii), (xiv), (xix), and (xx) of CARO are not applicable.

ii) 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.

b) The fixed assets were physically verified during the year by the Management as a part of the revaluation process carried out during the previous year. The Company has a regular programme of physical verification of fixed assets, which in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. 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 a 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.

iii) In respect of its inventory:

a) As explained to us, the inventories (except for stock lying with third parties for which confirmations have been received for substantial portion of the stock) were physically verified during the year by the Management at reasonable intervals.

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.

iv) The Company has not granted any loans, secured or unsecured to companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.

v) In respect of 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) The Company had taken loans aggregating Rs.29 million from 3 parties during the previous years. At the year-end, the outstanding balance of such loans taken aggregated Rs. Nil (number of parties three) and the maximum amount involved during the year was Rs.16.80 million (number of parties three).

(b) The rate of interest and other terms and conditions of such loans are, in our opinion, *prima facie* not prejudicial to the interests of the Company.

(c) There were no stipulations for the repayment of the principal amount of the said loans. During the year, the entire principal amount of such loans was converted into Redeemable Preference Shares. The payment of interest in respect of such loans, upto date of conversion of loan into Redeemable Preference Shares, was as per stipulations.

vi) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items of inventory and fixed assets purchased and sold are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is a generally adequate control system commensurate with the size of the company and the nature of its business with regards to purchase of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.

vii) 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 referred to Section 301 that needed to be entered in the Register maintained under the said Section have been so entered

b) Where each of such transaction is in excess of Rs.5 lakhs in respect of any party, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time except in respect of certain purchases for which comparable quotations are not available and in respect of which we are unable to comment.

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

ix) 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 or complete. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records for any other product of the Company.

x) According to the information and explanations given to us in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed 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 with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2010 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) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2010 on account of disputes are given below:

Statute	Nature of dues	Forum where dispute is pending	Years / Periods to which the matter relates	Amount involved (Rs. in million)
The Central Excise Act 1944	Excise Duty (Non Maintenance of separate books for exempted goods)	Mumbai High Court	2005 - 2009	37.61
The Central Excise Act 1944	Excise Duty (Reversal for Use of Furnace Oil for Job Work)	Mumbai High Court	2001 - 2002	0.13
The Central Excise Act 1944	Excise Duty (Reversal for Use of Furnace Oil for Job Work)	Commissioner Central Excise and Customs	2002 - 2005	3.54

Statute	Nature of dues	Forum where dispute is pending	Years / Periods to which the matter relates	Amount involved (Rs. in million)
The Central Excise Act 1944	Excise Duty (Die Amortisation)	CESTAT	2003 - 2004	0.17
The Central Excise Act 1944	Excise Duty (Sales Tax Deferral Income)	Commissioner Central Excise and Customs	2006 - 2008	10.31
The Central Excise Act 1944	Interest Payable on Differential duty of Excise	Supreme Court	2005 - 2006	0.12
The Central Excise Act 1944	Interest Payable on Differential duty of Excise	CESTAT	2001 - 2009	2.18
The Central Excise Act 1944	Interest Payable on Differential duty of Excise	Commissioner Central Excise and Customs (A)	2006 - 2009	0.51
The Central Excise Act 1944	Interest Payable on Differential duty of Excise	Additional Commissioner Central Excise and Customs	2006 - 2009	0.11
The Central Excise Act 1944	Interest Payable on Differential duty of Excise	Assistant / Deputy Commissioner Central Excise and Customs	2007 - 2009	0.26
The Central Excise Act 1944	Excise Interest & Penalty (Job Work)	CESTAT	2004 - 2005	2.14
The Central Excise Act 1944	Excise Interest & Penalty (Reversal for Use of Die Casting Machine for Job Work)	CESTAT	2005 - 2006	0.20
Finance Act 1994 (Service Tax Provisions)	Service Tax credit validity on Insurance expenses	Mumbai High Court	2005 - 2006	0.01
Finance Act 1994 (Service Tax Provisions)	Service Tax credit validity on Insurance expenses	Commissioner Central Excise and Customs (Appeals)	2006 - 2007	0.02
Finance Act 1994 (Service Tax Provisions)	Validity – Service Tax GTA	Additional Commissioner Central Excise and Customs	2005 - 2008	1.16
Finance Act 1994 (Service Tax Provisions)	Validity – Service Tax GTA	Assistant / Deputy Commissioner Central Excise and Customs	2005 - 2010	0.70
Finance Act 1994 (Service Tax Provisions)	Service tax credit validity on Rent A Cab, General Insurance, Clearing & Forwarding	Assistant / Deputy Commissioner Central Excise and Customs	2008 - 2010	0.33
Finance Act 1994 (Service Tax Provisions)	Service Tax demand on Technical Knowhow	Joint Commissioner Central Excise and Customs	2003 - 2004	0.91

ANNEXURE TO THE AUDITORS' REPORT
(REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE)

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

xii) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not *prima facie* prejudicial to the interests of the Company.

xiii) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained, other than temporary deployment pending application.

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

xv) According to the information and explanations given to us, the Company has made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act 1956. However, as Section 81(1A) of the Companies Act 1956 does not apply to a private company, the question of whether the price at which shares have been issued is prejudicial to the interest of the Company does not arise.

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

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No.117366W)

Sd/-
Hemant M. Joshi
Partner
Membership No.: 38019

Date : 30th July 2010
Place : Pune

BALANCE SHEET AS AT 31ST MARCH, 2010

	Schedule	As at 31st March, 2010 (Rs. in Million)	As at 31st March, 2009 (Rs. in Million)
I. SOURCES OF FUNDS :			
1. Shareholders' Funds :			
a) Share Capital	1	**586.77**	169.97
b) Reserves & Surplus	2	**3,729.96**	3,213.05
		4,316.73	3,383.02
2. Loan Funds :			
a) Secured Loans	3	**6,017.66**	7,236.76
b) Unsecured Loans	4	**2,087.51**	1,351.68
		8,105.17	8,588.44
3. Deferred Tax Liability (net) (Refer Note 29 of Schedule 19)		**159.67**	--
4. Deferred Payment : (Refer Note 6 of Schedule 19)	5	**13.55**	15.29
Total		**12,595.12**	11,986.75
II. APPLICATION OF FUNDS :			
1. Fixed Assets :			
a) Gross Block		**12,942.05**	12,830.99
b) Less : Depreciation & Amortisation		**4,410.04**	3,478.80
c) Net Block		**8,532.01**	9,352.19
d) Capital Work- in -Progress		**259.25**	210.48
	6	**8,791.26**	9,562.67
2. Investments :	7	**2,823.36**	2,372.24
3. Current Assets, Loans & Advances :			
a) Inventories	8	**1,035.60**	762.79
b) Sundry Debtors	9	**2,443.62**	1,256.56
c) Cash & Bank Balances	10	**433.27**	423.05
d) Other Current Assets (Interest accrued on Fixed Deposits)		**5.90**	7.68
e) Loans & Advances	11	**804.05**	592.43
		4,722.44	3,042.51
Less : Current Liabilities & Provisions :			
a) Current Liabilities	12	**3,498.41**	2,783.28
b) Provisions	13	**243.53**	207.39
		3,741.94	2,990.67
Net Current Assets		**980.50**	51.84
Total		**12,595.12**	11,986.75
Notes on the Balance Sheet and Profit and Loss Account	19		
Schedules 1 to 13 and 19 form part of this Balance Sheet			

In terms of our report attached
For **DELOITTE HASKINS & SELLS**
Chartered Accountants

HEMANT M. JOSHI
Partner
Membership No. 38019
Date : 30.07.2010
Place : Pune

For and on behalf of the Board

NARESH CHANDRA
Chairman

ANURANG JAIN
Managing Director

SATRAJIT RAY
Group CFO

V. M. ACHWAL
DGM (CS & Legal)

Date : 30.07.2010
Place : Mumbai

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedule	For the Year ended 31st March, 2010 (Rs. in Million)	For the Year ended 31st March, 2009 (Rs. in Million)
INCOME :			
Gross Sales		**16,759.24**	15,913.73
Less : Excise Duty		**1,185.75**	1,690.11
Net Sales		**15,573.49**	14,223.62
Job Work Receipts		**169.00**	100.58
Wind Power Generated - Captively Consumed		**22.18**	25.37
Wind Power Generated - Sales		**19.91**	21.27
Other Income	14	**540.91**	385.22
		16,325.49	14,756.06
EXPENDITURE :			
Material Cost	15	**9,722.05**	9,794.38
Employee Cost	16	**752.29**	771.24
Other Expenses	17	**3,170.29**	2,571.73
Interest	18	**677.43**	672.21
Depreciation & Amortisation	6	**1,107.57**	1,012.67
[Net of Rs Nil (Previous Year Rs 0.04 Million)capitalised] (Refer note (e) to Schedule 6)		**15,429.63**	14,822.23
Profit / (Loss) before Extraordinary Items		**895.86**	(66.17)
Extraordinary Expenses (Refer Note No 4 of Schedule 19)		**56.45**	—
Profit / (Loss) before Tax after Extra-ordinary expenses		**839.41**	(66.17)
Provision for Taxation			
Current Tax		**174.15**	—
Minimum Alternate Tax Credit Eligible for Set Off		**(28.95)**	—
Wealth Tax		**0.13**	0.03
Deferred Tax		**159.66**	(358.16)
Fringe Benefit Tax		**—**	5.12
Income Tax Provision for earlier years (Net of Provision Writen Back)		**2.92**	—
Profit / (Loss) for the year		**531.50**	286.84
Add : Balance brought forward from last year		**793.56**	200.57
Add : Acquired under the scheme of arrangement (Refer Note No 5(b) of Schedule 19)		**—**	306.15
		1,325.06	793.56
APPROPRIATIONS :			
Dividend on Preference Shares		**12.47**	—
Dividend Tax on Preference Shares		**2.12**	—
Balance carried to Balance Sheet		**1,310.47**	793.56
		1,325.06	793.56
Earnings per Share - Basic		**30.41**	16.88
Earnings per Share - Diluted			16.88
(Refer Note No 24 of Schedule 19)			
Notes on the Balance Sheet and Profit and Loss Account	19		
Schedules 6 and 14 to 19 form part of this Profit and Loss Account			

In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

HEMANT M. JOSHI
Partner
Membership No. 38019

Date : 30.07.2010
Place : Pune

For and on behalf of the Board

NARESH CHANDRA
Chairman

ANURANG JAIN
Managing Director

SATRAJIT RAY
Group CFO

V. M. ACHWAL
DGM (CS & Legal)

Date : 30.07.2010
Place : Mumbai

	As at 31st March, 2010 (Rs. in Million)	As at 31st March, 2009 (Rs. in Million)
SCHEDULE : 1		
SHARE CAPITAL :		
Authorised :		
(Refer Note No 11 of Schedule 19)		
22,500,000 (Previous Year 20,000,000) Equity Shares of Rs 10 each	**225.00**	200.00
48,000,000 (Previous Year Nil)Compulsorily Convertible Preference Shares of Rs 10 each	**480.00**	—
2,000,000 (Previous Year Nil) Redeemable Preference Shares of Rs 10 each	**20.00**	—
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 in the year 2007-08.		
40,000,000 (Previous Year Nil) Compulsorily Convertible Preference Shares of Rs 10 each (Refer Note No 9 of Schedule 19)	**400.00**	—
1,680,000 (Previous Year Nil) Redeemable Preference Share of Rs 10 each (Refer Note No 10 of Schedule 19)	**16.80**	—
Total	**586.77**	169.97
SCHEDULE : 2		
RESERVES & SURPLUS :		
Capital Redemption Reserve	**0.64**	0.64
Securities Premium		
Balance Brought Forward	**1,392.13**	1,463.39
Less : Transferred to Business Reconstruction Reserve	—	100.00
Add : Transferred back from Business Reconstruction Reserve	—	28.74
(Refer Note No 5(d)(1) of Schedule 19)	**1,392.13**	1,392.13
Capital Subsidy		
Balance Brought Forward	**11.50**	9.50
Add Acquired under the Scheme of Arrangement	—	2.00
	11.50	11.50
Business Reconstruction Reserve		
(Refer Note No 5(d) of Schedule 19)		
Balance Brought Forward	—	—
Additions during the year	—	3,013.23
Adjustments during the year	—	3,013.23
	—	—
General Reserve :		
Balance Brought Forward	**1,015.22**	957.72
Add : Transferred from Profit & Loss Account	—	—
Add Acquired under the Scheme of Arrangement	—	57.50
(Refer Note No 5(b) of Schedule 19)	**1,015.22**	1,015.22
Profit & Loss Account	**1,310.47**	793.56
Total	**3,729.96**	3,213.05

	As at 31st March, 2010 (Rs. in Million)	As at 31st March, 2009 (Rs. in Million)
SCHEDULE : 3		
SECURED LOANS :		
Loans and Advances from Banks		
Term Loans (Refer Note No 2(a) of Schedule 19) (Including Foreign Currency Term Loans)	**5,313.22**	6,538.90
Cash Credits, Working Capital Demand Loans and Buyers Credit (Refer Note No 2(c) of Schedule 19) (Including Foreign Currency Demand Loans)	**659.19**	636.28
Interest Accrued and due on Term Loans	**4.87**	11.77
Other Loans and Advances		
Term Loan : from Indian Renewable Energy Development Agency Limited (Refer Note No 2(b) of Schedule 19)	**14.03**	23.46
Term Loan : against Keyman Insurance Policy (Refer Note No 2(e) of Schedule 19)	**18.40**	18.40
Interest free Loan from Customer (Refer Note No 2(g) of Schedule 19)	**7.95**	7.95
Total	**6,017.66**	7,236.76
SCHEDULE : 4		
UNSECURED LOANS :		
Loans from Directors / Shareholders	—	16.80
Short Term Loans and Advances		
From Banks		
Bills Discounted with Banks	**878.20**	299.21
Overdraft in Current account	—	0.62
Other Loans and Advances		
Loan from Public Limited Company (Refer Note No 2(f) of Schedule 19)	**387.64**	200.00
Interest free Loan under Sales Tax Deferral Scheme	**821.67**	835.05
Total	**2,087.51**	1,351.68
SCHEDULE : 5		
DEFERRED PAYMENT :		
Liability towards Technical Know How (Refer Note No 6 of Schedule 19)	**13.55**	15.29
Total	**13.55**	15.29

SCHEDULE : 6

FIXED ASSETS AS AT 31ST MARCH, 2010

(Rs. Millions)

PARTICULARS	Gross Block						Depreciation / Amortisation					Net Block	
	As on 01-04-2009	Additions on account of Amalgamation	Add Revaluation	Additions during the year	Deductions during the year	**As on 31-03-2010**	Upto 31-03-2009	Additions on account of Amalgamation	For the Year / Adjustment	Deductions during the year	**Upto 31-03-2010**	**As on 31-03-2010**	As on 31-03-2009
A) Tangible Assets													
Lease Hold Land	1,506.26	--	--	64.01	22.57	**1,547.70**	11.39	--	17.81	0.12	**29.08**	**1,518.62**	1,494.87
Free Hold Land	555.89	--	--	--	--	**555.89**	--	--	--	--	**--**	**555.89**	555.89
Buildings	1,979.39	--	--	80.43	125.47	**1,934.35**	151.35	--	61.04	5.20	**207.19**	**1,727.16**	1,828.04
Plant & Machinery	6,153.06	--	--	107.56	59.11	**6,201.51**	2,034.47	--	635.93	25.99	**2,644.41**	**3,557.10**	4,118.59
Wind Energy Generators	474.64	--	--	--	--	**474.64**	242.08	--	24.00	--	**266.08**	**208.56**	232.56
Factory Equipments	492.21	--	--	29.76	6.35	**515.62**	140.89	--	50.70	2.08	**189.51**	**326.11**	351.32
Electrical Installations	198.60	--	--	1.72	5.57	**194.75**	45.00	--	20.09	0.98	**64.11**	**130.64**	153.60
Computers	115.96	--	--	0.72	1.22	**115.47**	57.07	--	15.81	0.81	**72.07**	**43.40**	58.89
Dies	750.65	--	--	200.01	148.71	**801.95**	534.71	--	207.46	136.02	**606.15**	**195.80**	215.94
Electrical Fittings	60.72	--	--	0.97	4.20	**57.49**	14.04	--	3.58	1.09	**16.53**	**40.96**	46.68
Vehicles	40.84	--	--	0.30	8.07	**33.07**	12.70	--	3.55	3.43	**12.82**	**20.25**	28.14
Furniture & Fixtures	111.34	--	--	1.19	1.22	**111.31**	29.03	--	6.42	0.41	**35.04**	**76.27**	82.31
Office Equipments	59.48	--	--	2.12	0.89	**60.71**	15.72	--	3.47	0.20	**18.99**	**41.72**	43.76
Total - A	12,499.04			488.80	383.37	**12,604.47**	3,288.45	--	1,049.86	176.33	**4,161.98**	**8,442.49**	9,210.59
B) Intangible Assets													
Technical Knowhow	173.64			--	--	**173.64**	120.85	--	18.23	--	**139.08**	**34.55**	52.78
Software	158.32			5.63	--	**163.95**	69.50	--	39.48	--	**108.98**	**54.97**	88.82
Total - B	331.95			5.63	--	**337.58**	190.35	--	57.71	--	**248.06**	**89.52**	141.60
Total - A+B	12,830.99			494.43	383.37	**12,942.05**	3,478.80	--	1,107.57	176.33	**4,410.04**	**8,532.01**	9,352.19
Previous Year as at 31-03-2009	7,686.81	1,768.48	2,481.28	1,081.50	187.08	12,830.99	2,039.30	509.01	1,027.50	97.02	3,478.80		
Capital Work in Progress (at cost) Including Capital advances Rs. 67.14 Million, (Previous Year Rs. 36.31 Million) (Refer note 17 & 21 of Schedule 19)												**259.25**	210.48
Total												**8,791.26**	9,562.67

a) Building includes premises on Joint ownership basis in cooperative society Rs 3.25 Millions including cost of shares therein Rs 63/-

b) Amortisation of dies for the year includes Rs Nil (Previous Year Rs. 26.11 Million) accelerated amortisation over & above the amortisation policy of the company on account of the dies being no longer usable.

c) Amounts reflected under previous years figure in the "Additions on Amalgamation " column represents the gross block & 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 1 st April, 2008 before being transferred to the company. The additions to gross block reflected in additions on amalgamation for th previous year includes Rs 424.71 Million being the amount added on revaluation.

d) Amounts reflected under previous year figures in the "Add Revaluation" colums represents revaluation of all Tangible Fixed Assets as at 31-March-2009. In case of the assets included in Electrical Installations, Computers, Dies, Electrical fittings, Vehicle, 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, during the previous year no adjustments have been made to these class of assets on account of revaluation.

e) Depreciation /amortisation for the year includes Rs 112.29 Millions on account of additional depreciation due to the revaluation of fixed assets which has been charged to Profit & Loss Account. During the previous year additional depreciation on revaluation of fixed assets amounting to Rs. 14.79 Million was transferred to Business Reconstruction Reserve as per the Scheme of Arrangement.

f) Additions to Gross Block includes addition for In-House R&D Units recognized by Department of Scientific and Industrial Reasearch (DSIR) (hereinafter refered to as "R&D Centre") as follows. For R&D Center at Plot No B-1/3, Chakan-Building Rs Nil (Previous Year 19.97 Million), Plant and Machinery Nil (Previous Year 2.28 Million), Furniture & Fixture Rs Nil (Previous Year Rs 2.33 Million) Office Equipment Rs 0.35 Million (Previous Year Rs 0.65 Million), Electrical Installation Rs Nil (Previous Year Rs 0.42 Million), Computer Rs Nil (Previous Year Rs 1.56 Million), Electrical feetings Rs Nil (Previous Year Rs 0.03 Million) and Software Rs Nil (Previous Year Rs 2.65 Million).
For R&D Center at Plot No K-226/2, Waluj-Plant and Machinery 0.46 Million (Previous Year 0.05 Million), Factory Equipment Rs 0.04 Million (Previous Year Rs 0.06 Million), Office Equipment Rs 0.08 Million (Previous Year Rs Nil), and Dies Rs Nil (Previous Year Rs 0.11 Million). For R&D Center at Plot No E–93, Waluj- Office Equipment Rs 0.12 Million (Previous Year Rs Nil), Vehicle Rs 0.05 Million (Previous Year Rs Nil) and Software Rs Nil (Previous Year Rs 0.26 Million).

		As at 31st March, 2010 (Rs. in Million)	As at 31st March, 2009 (Rs. in Million)
SCHEDULE : 7			
INVESTMENTS :			
Long Term Investments (at Cost)			
(A) Trade Investments	Note		
(1) Investment in Subsidiary Companies (Unquoted)			
Fully Paid Equity Shares			
High Technology Transmission Systems I Pvt Ltd [13,080,194 (Previous Year 10,060,208) Equity Shares of Rs 10 each]	a	**230.66**	140.19
Amann Druckguss GmbH (Earlier known as Endurance Holding GmbH) (Refer Note No 7(c) of Schedule 19)	b	**1,930.74**	1,929.20
Nuova Renopress S.p.A. (Refer Note No 7(a) of Schedule 19) [Nil (Previous Year 58800) Equity Shares of Euro 1 each]		—	243.07
Endurance Overseas s.r.l (Refer Note No 7(d) of Schedule 19)		**1,016.68**	681.03
Endurance Holding GmbH (Earlier known as V Mainsee 493,V V GmbH)	b	—	1.54
Endurance Far East Ltd (Refer Note No 7(e) of Schedule 19) [Nil (Previous Year 250000) Equity Shares of THB 100 each]		—	77.19
		3,178.08	3,072.22
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**	440.01
(Refer Note 7(d) of Schedule 19)		**2,738.07**	2,311.95
(2) Investment in Others			
(a) Fully paid Equity Shares (Unquoted)			
Deogiri Nagari Sahakari Bank Ltd [10,000 (Previous Year 10,000) Equity Shares of Rs 10 each]		**0.10**	0.10
Saraswat Co-op Bank Ltd [3,500 (Previous Year 3,500) Equity Shares of Rs 10 each]		**0.04**	0.04
Endurance Magneti Marelli Shock Absorbers (I) Pvt Ltd [8,500,001 (Previous Year 6,000,001) Equity Shares of Rs 10 each] (Refer Note No 8 of Schedule 19)	c	**85.00**	60.00
		85.14	60.14
(b) Fully paid Equity shares (Quoted)			
Indian Overseas Bank [2,300 (Previous Year 2,300) Equity Shares of Rs 10 each]		**0.06**	0.06
(B) Other Investments (Unquoted)			
National Saving Certificates (Lodged with Government Authorities)		**0.09**	0.09
Total		**2,823.36**	2,372.24
Face Value per unit in Rupees unless stated otherwise			
Book Value of quoted investment		**0.06**	0.06
Market Value of quoted investments		**0.21**	0.10

Notes

The following are the movement in shares during the year

a) 3,019,986 shares of Rs 10/- each were acquired during the year.

b) Increase in Investment of Rs 1542750 due to amalgamation of Endurance Holding GmbH into Amann Druckguss GmbH.

c) 2,500,000 shares of Rs 10/- each acquired during the year.

	As at 31st March, 2010 (Rs. in Million)	As at 31st March, 2009 (Rs. in Million)
SCHEDULE : 8		
INVENTORIES :		
Raw Materials and Components	**331.52**	179.34
Stores, Spares and Packing Materials	**127.18**	96.07
Tools and Instruments	**74.94**	61.45
Work in Process	**270.81**	193.26
Trading Goods	**20.97**	23.47
Finished Goods	**150.43**	95.10
Goods In Transit (Raw Material Rs 55.86 Million [Previous Year Rs 68.03 Million], Finished Goods Rs 3.89 Million [Previous Year Rs 46.07 Million])	**59.75**	114.10
Total	**1,035.60**	762.79
SCHEDULE : 9		
SUNDRY DEBTORS : (Refer Note No 12 of Schedule 19)		
(Unsecured, Considered Good unless otherwise stated)		
Debtors outstanding for a period exceeding six months		
Considered good	**108.58**	68.97
Considered doubtful	**8.32**	3.47
	116.90	72.44
Other Debtors		
Considered good	**2,335.04**	1,187.59
Considered doubtful	--	--
	2,335.04	1,187.59
	2,451.94	1,260.03
Less : Provision for doubtful debts	**8.32**	3.47
Total	**2,443.62**	1,256.56
SCHEDULE : 10		
CASH & BANK BALANCES :		
Cash on Hand	**2.11**	2.02
Cheques on Hand	**3.50**	2.00
Balance with Scheduled Banks :		
- in Current Accounts	**204.77**	223.53
- in Deposit Accounts	**222.89**	195.50
[Including Margin Money Deposits / Lien with Banks Rs 222.89 Million (Previous Year 195.50 Million)]		
Total	**433.27**	423.05

	As at 31st March, 2010 (Rs. in Million)	As at 31st March, 2009 (Rs. in Million)
SCHEDULE : 11		
LOANS & ADVANCES :		
(Unsecured, Considered Good, unless otherwise stated)		
Loan to Subsidiary (Refer Note No 7(d) of Schedule 19)		
Considered Good	**176.14**	--
Considered Doubtful	**207.70**	207.70
	383.84	207.70
Less Provision for doubtful Loans	**207.70**	207.70
	176.14	--
Amount receivable from subsidiary (Refer Note No 7(d) of Schedule 19)		
Considered Good	--	14.14
Considered Doubtful (Including Interest Rs 0.48 Million [Previous Year Rs 0.48 Million])	**46.04**	46.04
	46.04	60.18
Less Provision for doubtful receivable	**46.04**	46.04
	--	14.14
Advances Recoverable in Cash or Kind or for Value to be Received	**491.44**	337.86
Balance with Central Excise, Customs, Port Trusts etc	**79.78**	112.69
Minimum Alternate Tax Credit Entitlement	**28.95**	--
Taxes paid in Advance- Current tax (Net of Provisions Rs Nil Million [Previous Year Rs 260.40 Million])	**25.73**	125.73
Taxes paid in Advance- FBT (Net of Provisions Rs 19.17 Million [Previous Year Rs 19.17 Million])	**2.01**	2.01
Total	**804.05**	592.43
SCHEDULE : 12		
CURRENT LIABILITIES :		
Acceptances	**505.24**	540.08
Sundry Creditors (Refer Note No 13 & 14 of Schedule 19)		
- Total outstanding dues of Micro, Small and Medium Enterprises	**459.08**	93.87
- Total outstanding dues of creditors other than Micro, Small and Medium Enterprises	**2,303.96**	2,032.71
	2,763.04	2,126.58
Other Liabilities	**121.43**	6.57
Advances from Customers	**69.12**	39.00
Interest Accrued but not due on Loans	**39.58**	71.05
Total	**3,498.41**	2,783.28
SCHEDULE : 13		
PROVISIONS :		
Provision for Current Tax (Net of TDS and Advance Tax Rs 110.81 Million)	**42.14**	--
Provision for Wealth Tax/FBT	**0.13**	0.03
Provision for Gratuity (Refer Note No 15 of Schedule 19)	**31.71**	17.79
Provision for Leave Encashment	**19.23**	15.85
Provision for Warranty Claims (Refer Note No 16 of Schedule 19)	**10.03**	10.67
Provision for Fair value of foreign exchange forward & currency option contracts (Refer Note No 4 of Schedule 19)	**125.70**	163.05
Dividend on Preference Shares	**12.47**	--
Dividend Tax on Preference Shares	**2.12**	--
Total	**243.53**	207.39

	For the Year Ended 31st March, 2010 (Rs. in Million)	For the Year Eneded 31st March, 2009 (Rs. in Million)
SCHEDULE : 14		
OTHER INCOME :		
Interest - Gross (TDS Rs.1.06 Million (Previous Year Rs.3.73 Million))		
Fixed Deposits	**9.17**	13.44
Others	**6.92**	28.93
Dividend Income from Current Investment	**0.05**	4.29
Dividend Income from Investment in Subsidiary	**—**	7.55
Discount Received	**32.29**	20.55
Export Incentives	**7.30**	15.36
Duty Drawback	**0.89**	5.06
Scrap Sales	**275.82**	242.39
Foreign Exchange Fluctuation Gain (Net of Loss)	**131.85**	—
Miscellaneous Receipts (Refer Note No 26 of Schedule 19)	**76.62**	47.65
Total	**540.91**	385.22
SCHEDULE : 15		
MATERIAL COST :		
A) **Raw Materials & Components Consumed** (Refer note 25)	**9,295.91**	9,346.32
B) **(Increase)/Decrease in Stocks**		
Closing Stock:		
Work in Process	**270.81**	193.27
Finished Goods	**150.43**	95.10
	421.24	288.37
Opening Stock:		
Work in Process	**193.27**	376.89
Finished Goods	**95.10**	31.56
Add Stock of Work in Process taken over on amalgamation	**—**	38.30
Add Stock of Finished Goods taken over on amalgamation	**—**	119.06
	288.37	565.81
	(132.87)	277.44
C) **Excise duty on Change in Finished Goods**	**8.04**	(6.18)
D) **Cost of Materials & Components Sold**	**611.48**	227.05
E) **Less : Cost of Materials Capitalised**	**60.51**	50.25
Total	**9,722.05**	9,794.38
SCHEDULE : 16		
EMPLOYEE COST :		
Salary, Wages & Bonus	**658.24**	675.82
Managing Director's Remuneration (Refer Note No 17 of Schedule 19)	**15.50**	15.50
Gratuity-Provision & Contribution to Fund (Refer Note No 15 of Schedule 19)	**14.22**	12.18
Contribution to Provident & Other Funds	**35.61**	38.38
Staff Welfare Expenses	**28.72**	29.36
Total	**752.29**	771.24

	For the Year Ended 31st March, 2010 (Rs. in Million)	For the Year Eneded 31st March, 2009 (Rs. in Million)
SCHEDULE : 17		
OTHER EXPENSES :		
Stores & Spares Consumed	**406.51**	377.36
Packing Material Consumed	**66.71**	58.48
Tools & Instruments Consumed	**179.62**	189.05
Processing Charges	**434.70**	261.20
Labour Charges	**303.31**	188.18
Power, Water & Fuel	**912.67**	779.55
Freight	**154.27**	121.20
Cash Discount	**13.29**	6.47
Repairs :		
a) Machinery	**224.16**	148.44
b) Building	**28.07**	19.33
c) General	**87.47**	67.20
Insurance	**10.34**	18.69
Advertisement	**2.28**	2.71
Donation	**0.10**	1.06
Directors Fees & Traveling Expenses	**3.95**	4.76
Payment to Auditors (Refer Note No 18 of Schedule 19)	**4.03**	3.58
Royalty	**41.12**	54.28
Rent	**5.46**	2.98
Rates & Taxes	**11.75**	13.84
Traveling and Conveyance	**69.59**	83.04
Bank Charges	**82.72**	47.34
Excise Duty Paid - Others	**1.51**	15.55
Provision for Doubtful Debts	**4.85**	—
Loss on Sale of Fixed Assets (Net)	**15.04**	—
Commission on Sale	**12.43**	9.94
Warranty Claims	**7.20**	7.27
Provision for Slow Moving Inventory	**4.73**	4.04
Miscellaneous Expenses (Refer Note No 19 of Schedule 19)	**157.49**	132.87
	3,245.37	2,618.41
Less : Expenses Capitalised on Dies Manufactured	**75.08**	46.68
Total	**3,170.29**	2,571.73
SCHEDULE : 18		
INTEREST ON :		
Fixed Period Term Loans	**460.25**	396.07
Working Capital Loans	**98.13**	251.70
Others	**119.05**	24.44
Total	**677.43**	672.21

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 compensated absences with pay subject to certain rules. The employees are entitled to accumulate compensated absences subject to certain limits, for future encashment. The liability being long term in the nature is provided based on the number of days of unutilised compensated absences at each balance sheet date on the basis of an independent actuarial valuation. The Company has taken a policy with LIC of India for future payment of compensated absences encashment to its employees. The premium thereof is paid periodically in terms of the said policy.

j) Investments

Long term investments are valued at cost less diminution in value, if any, other than of temporary nature. Current investments are valued at lower of cost and fair value.

k) Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income - Tax Act, 1961.

Deferred tax is recognised, for all timing differences, subject to the consideration of prudence, applying the tax rates that have been substantively enacted by the Balance Sheet date.

Deferred tax assets in respect of unabsorbed depreciation and carry forward of tax losses are recognised if there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

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 Indian Renewable Energy Development Agency (IREDA) 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 a guarantee given by a customer of the company.

g) Interest free loan from customer is secured by way of bank guarantee.

h) Amounts due within one year

	Rupees (in Million) 2009-10	Rupees (in Million) 2008-09
1. Term Loans from Banks:		
Indian Overseas Bank	**96.42**	23.10
Standard Chartered Bank	**67.70**	99.22
Bank of India	**195.10**	111.50
Citibank	**484.27**	519.20
Corporation Bank	**138.12**	152.96
ICICI Bank	**232.96**	39.32
Bank of Maharashtra	**6.62**	—
Indian Renewable Energy Development Agency	**9.44**	9.80
Bajaj Auto Finance Ltd	**196.00**	147.36
2. Sales Tax Deferred Liability	**30.92**	6.94
3. Short Term Loan from HDFC Bank	—	184.76

3. During the year the Company has restated the outstanding foreign currency denominated long term loans which are covered by foreign exchange range forward contracts (JPY-USD) using the cross currency spot exchange rates as on 31st March 2010 as required by the Accounting Standard (AS)11 "The Effects Of Changes In Foreign Exchange Rates". The resultant exchange gain/loss for the year has been charged to the Profit and Loss Account. However in the previous year the corresponding exchange gain / loss was adjusted against the Business Reconstruction Reserve (Refer Note No 5(d)(1) of this Schedule). The exchange gain / loss for the year ended 31st March 2009 which was adjusted against the Business Reconstruction Reserve also included the impact of the exchange gain / loss amounting to Rs.351.60 million relating to the year ended 31st March 2008 wherein 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 year ended 31st March 2008 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.

4. Extraordinary expenses

The Company has provided for mark to market loss of Rs. 56.45 Million (Previous Year Rs 64.38 million) on account of Derivative instruments which are not covered by Accounting Standard (AS)11 "The Effects Of Changes In Foreign Exchange Rates". The loss for the current year has been adjusted to Profit & Loss Account whereas in previous year the loss of Rs. 64.38 million was adjusted against the Business Reconstruction Reserve (Refer Note No. 5(d)(i) of this Schedule).

5. Scheme of Arrangement

During the previous year 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 were required to be recorded at their respective fair values by the Company. Further, in terms of the scheme, if it is considered necessary and appropriate by the Board of Directors of the Company and if the fair value of any of the assets, liabilities and investments including overseas investments as on the date of approval of the Scheme by the Board of Directors (i.e. 28th July 2009) is substantially different, then the same may also be adjusted while arriving at the fair value for any such assets, liabilities and investments including overseas investments. However, in the opinion of Board of Directors all the balances in assets and liabilities as of 1st April 2008 [except for the tangible fixed assets which have been revalued (Refer Note No. 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 had been transferred to the Company at their respective book value.

(b) In the previous year 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 from previous year, 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 have been prepared including the transactions, assets and liabilities of ESIPL.

(c) Restructuring of assets and liabilities of the Company:

In the previous year, 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 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 had been carried at their respective book values.

(d) Business Reconstruction Reserve:

(i) In the previous year, as per the Scheme, a separate reserve account titled as Business Reconstruction Reserve ("BRR") was created by transferring Rs 100 Million (excluding the unutilised balance of Rs 28.74 Million transferred back to Securities Premium account) out of Securities Premium Account of the Company and the increase in the value of fixed assets as a result of revaluation of tangible fixed assets of ESIPL (as at 1st April 2008) and of the Company (as at 31st March 2009) for adjustment of certain expenses as prescribed therein.

Following are the details of the amounts that had been transferred to BRR and the expenses that had been adjusted against the same in the previous year as per the Scheme:

	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	Refer Note 7 of this Schedule.
e)	Investment in Paioli Meccanica Written off		*376.73	
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 extraordinary 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 in the previous year 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)
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:**

Technical Know-how fees payable: Rs.13.55 million (Previous year Rs 15.29 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. 13.55 million (USD 0.3 million) (net of Tax deducted at Source) has been reflected as deferred payments / liabilities.

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 EURO3.5 Million on 3rd August,2006. Out of the total purchase consideration of EURO 3.5 million, the Company had paid EURO 3.15 Million and balance EURO 0.35 Million (Rs.22.18 million) was payable on contingencies as specified in the SSPA. During the previous year, 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 5thDecember,2007 by EnduranceOverseas Srl (EOSRL), a 100% subsidiary of the Company for Euro 2.30 million.The Company had remitted Euro 0.92Million (Rs.54million) as a contribution to Equity capital of Nuova Renopress on 29th November 2007. The said amount was appropriated towards Recapitalisation of losses (Euro 0.86 Million) and Share Capital (Euro0.06 Million). In the process of recapitalization of losses and acquisition of the said balance stake of 49%, the Company's holding in Nuova Renopress had become 49% and EOSRL held 51%.

At the end of the previous year the company held 49% stake in the Nuova Renopress S.p.A, Italy (Nuova Renopress) and the balance 51% was held by EOSRL (100% Subsidiary of the Company). Nuova Renopress 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.

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 the provisions of the Italian law. Awaiting clarification from the Authorised Dealer, the Management has in the previous year provided for the diminution to the extent of Rs. 243.08 million in value of investment & transferred the same to the BRR. During the year, the disinvestment of stake in Nuova Renopress has been taken on record by the Reserve Bank of India (RBI) and accordingly the investment in Nuova Renopress, which was already provided for in the year 2008-09, has been written off in the year 2009-10.

b) Paioli Meccanica S.p.A., Italy (Paioli)

During the year 2006-07, the Company acquired 40% shares for Euro 6.12 million by paying an upfront amount of EURO 2.42 Million (Rs. 142.57 Million) and provided a Bank Guarantee for balance amount of EURO 3.70 Million (Rs. 215.93 Million) payable in 5 annual equal installment commencing from 29th September 2007. During the year 2007-08, the Company had paid the 1st installment of Euro 0.74 Million (Rs. 43.18 Million) against the said bank guarantee & has also recapitalized loss of Paioli by remitting Euro 0.28 Million (Rs. 16.02 Million).

In the previous year, the Company held 40% stake in Paioli. However, due to the continuous losses incurred by Paioli, lack of professional management, weak financial position and financial & legal risks associated therewith, in the previous year 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. In view of the above developments, the Company had written off the total investment amount of Rs. 376.73 Million in Paioli as at the end of previous year by debiting the BRR Account.

c) Amann Druckguss GmbH.-Germany -

The total investment of the Company in Amann Druckguss (a wholly owned subsidiary of the Company) as at the end of the year amounted to Euro 30.94 million (Previous Year 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 previous year, the Company had invested an amount of Euro 6 Million (Rs 420.77 Million) in Amann and had converted shareholder's loan of Euro 5 Million & interest on shareholder's loan of Euro 0.7 million into equity (by adding them to capital reserve) in Amann Druckguss to maintain positive share capital as required under German Laws.

Further, the Company has provided two Corporate Guarantees for Euro 17 Million and a lien on shares of Amann Druckguss held by the Company in favour of Bank of India, London for the credit facilities provided to Amann Druckguss.

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 had floated Endurance Overseas S.r.l. on 14th May, 2007 which had acquired stake in following companies:-

51% stake in Fondalmec S.p.A. Italy in May 2007.

51% stake and recapitalization in Nuova Renopress S.p.A. Italy

The total investment of the Company in EOSRL (a wholly owned subsidiary of the Company) as at end of the year amounts to Euro 15.74 million (Rs. 1,016.68 million) (previous year Euro 10.95 million (Rs. 681.03 million)) which includes the following:

- Euro 1.05 million (Rs. 72.21 million) invested during the previous year,

- Euro 4.58 million (Rs. 321.51 million) from loan and Euro 0.22 million (Rs 14.14 million) from amount receivable from subsidiary are converted to equity during the current year

- Euro 4 million (Rs. 267.76 million) invested in current year in the equity of EOSRL as approved by the Board. Though this investment has been made in current year, the same had been accounted for in the books of account of the Company in the previous year 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 7.50 million (Rs. 524.98 million) [previous year Euro 2.6 million (Rs. 175.82 million)]. The interest accrued as at 31st March 2010 amounts to Euro 0.09 million (Rs. 5.23 million) [previous year Euro 0.51 million (Rs. 31.87 million)]. Out of the said loan given in the current year, the Company has converted an amount of Euro 4.58 million (Rs. 321.51 million) to equity. In the opinion of the Management the balance in the loan and the interest thereon as at 31st March, 2010 amounting to Euro 2.94 million (Rs. 176.14 million) is considered to be good. However the balance outstanding as of 31st March 2009 was considered doubtful and hence had been provided for in full in the previous year continues to be provided for.

(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 in the previous year, 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) In the current year, 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 Million shall be paid in installments, the last installment being payable by 31st March 2014.

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

During the year ended 2007-08, the erstwhile ESIPL (which has now been merged with the Company) had incorporated a new subsidiary in Thailand, named EFEL.

The total investment in the shares of the EFEL as on 31st March 2009 was THB 28.89 million i.e. Rs.77.45 million including Rs 38.97 million (USD 805,000) on account of conversion of Share Holder's loan into equity and an additional investment of Rs. 5 million (equivalent USD 116,727) made during the previous year.

In view of continued losses, EFEL was voluntarily dissolved on 12th May 2009 and the liquidation has since been registered by the competent government authority in Thailand on 28th October, 2009. Accordingly, during the previous year, the Company had made a provision amounting to Rs. 77.19 Million against the investment by debiting the BRR. Subsequently, the Company has received a letter from RBI dated 28th May 2010 confirming that the volunary liquidation of this subsidiary has been taken on record by them based on which, the Company has written off the investment made in EFEL during the current year.

Further, in view of the above, during the previous year, the Company had also written back Rs. 7.24 million representing the amounts payable to Endurance Far East Ltd. (net of amounts receivable Rs. 13.11 million) by adjusting the same in the BRR.

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

During the previous 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. The total investment made by the Company in EMM as at 31st March 2010 amounts to Rs. 85 million (previous year Rs. 60 million) for cash at par representing shareholding of 50% + 1 share in the paid up Share Capital of EMM.

The erstwhile ESIPL (since amalgamated with the Company) had given a Corporate Guarantee of Rs. 110 Million to Andhra Bank in respect of the credit facilities to be availed by EMM. As a result of the amalgamation of ESIPL with ETPL, the same has been tranferred in the name of ETPL.

9. Private Placement of Preference Shares

During the year Standard Chartered Private Equity (Mauritius) II Limited ('the Investor') subscribed to 40 million Compulsorily Convertible Preference Shares (CCPS) of Rs.10 each with coupon rate of 8% p.a. for Cash at par aggregating to Rs. 400 Million issued by the Company on Private Placement basis in the manner stipulated in the Supplementary Share Subscription and Share Holder's Agreement (SSSSHA). The CCPS were allotted to the Investor on 10th November, 2009. The CCPS subscription amount shall be utilized towards general business purposes, recurring capital expenditure requirements and towards completion of acquisition of existing overseas subsidiary company.The CCPS shall automatically and compulsorily convert into Equity Shares, on occurrence of the 'Conversion Event' i.e. upon finalization of the audited financial results of the Company for the financial year ending on 31st March 2010. The terms and conditions and manner of computation of the conversion price and number of equity shares issuable on conversion and occurrence of the conversion event have been stipulated in Annexure 1 to the SSSSHA. The conversion price would be determined as below:

$$\text{Conversion Price} = \frac{\text{Equity Value (-) CCPS Subscription Amount}}{\text{Total Number of shares issued and paid just before conversion}}$$

'Equity Value' shall be 6 times the Consolidated Audited EBITDA for the financial year ending March 2010 less Net Debt as on 31.03.2010.

10. During the year, the Company has converted the loan taken from Director / Share holders amounting to Rs. 16.8 Million into Redeemable Preference Shares (RPS) of Rs. 10/- each (as per stipulation from Bankers) with coupon rate of 8% p.a. from the date of allotment of the RPS and the year 2010-11. In accordance with the terms of allotment, the coupon rate shall be increased to 8.5% p.a. in the year 2011-12, 9% p.a. in the year 2012-13 and 10% p.a. in the year 2013-14 and for a further period till the date the same are redeemed. The Shares will be redeemed for cash at par on the date of adoption of the Annual Accounts for the financial year ended 31st March 2014 by shareholders in the Annual General Meeting or the date of repayment of the restructured loan of the banks from whom the Company has availed the working capital limit aggregating to Rs. 2,383 million, whichever is later.

11. Increase of Authorized Capital of the Company

On 5th November, 2009, the Authorized Capital of the Company was increased from Rs. 200 million to Rs. 700 million by way of issue of 50,000,000 Compulsorily Convertible Preference Shares(CCPS) of Rs. 10 each aggregating to Rs. 500,000,000 to enable allotment of 40,000,000 CCPS to Standard Chartered Private Equity (Mauritius) II Limited.Further, consequent to the Amalgamation of ESIPL with the Company, in terms of the High Court order, ESIPL stands dissolved without winding up and the Authorized Capital of the Company stands enhanced from Rs. 700 million to Rs. 725 Million with effect from 1st December 2009 (increased by an amount equivalent to the Authorized Share Capital of ESIPL).

The Company, at its EGM dated 26th March, 2010, reclassified the authorised share capital of 2,000,000 CCPS of Rs.10/- each to 2,000,000 Redeemable Preference Shares (RPS) of Rs. 10 each to enable the issuance of 1,680,000 RPS of Rs. 10/- each to Directors/ Share Holders.

12. Sundry debtors, Loans & Advances includes:

	Rupees (in Million) 2009-10	Rupees (in Million) 2008-09
Amounts due from Subsidiary Companies		
1. High Technology Transmission Systems (I) Pvt Ltd (Maximum Balance outstanding during the year Rs. NIL, PY Rs 121.44 Million)	—	5.48
2. Amann Druckguss GmbH.-Germany. (Maximum Balance outstanding during the year Rs. 4.73 Million, PY Rs 312.95 Million)	**0.70**	—
3. Endurance Overseas Srl (Maximum Balance outstanding during the year Rs. 539.12 Million, PY Rs 207.69 Million)	**176.14**	221.83
4. Fondalmec Officine Meccaniche S.p.A (Maximum Balance outstanding during the year Rs. 20.23 Million, PY Rs 15.90 Million)	**15.22**	12.64
	192.06	239.96
Amount due from Joint Venture Company		
5. Endurance Magnetti Marelli Shock Absorbers Pvt Ltd (Maximum Balance outstanding during the year Rs. 100.81 Million, PY Rs 107.21 Million)	**22.76**	85.89
	22.76	85.89

Note:- Amann Druckguss GmbH. - Germany is shown net of advances fully provided for Rs. 46.03 Million (PY Rs. 46.03 Million) and Endurance Overseas Srl is shown net of advance provided for to the extent of Rs. 207.70 Million (PY 207.70 Million).

13. 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. 11.84 Million, PY Rs 4.86 Million)	**5.10**	10.09
2. High Technology Transmission Systems (I) Pvt Ltd (Maximum Balance outstanding during the year Rs. 344.68 Million, PY Rs NIL)	**144.85**	—
	149.95	10.09

14. 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, 2010 is Rs 459.08 Million (Previous year Rs. 93.87 Million). In the opinion of the Management, the unpaid amount outstanding for more than 45 days as of 31st March, 2010 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 be 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.

15. 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 35.61 Million (Previous year Rs 38.38 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.

Principal actuarial assumptions:	**Gratuity**	
Particulars	**2009-10**	2008-09
Discount rate	**8.00%**	7.25%
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**	
	2009-10 (Rs. in Million)	2008-09 (Rs. in Million)
Liability at the beginning of the year	**36.03**	28.26
Interest Cost	**2.53**	2.69
Current Service Cost	**7.45**	6.60
Benefit Paid	**(17.13)**	(2.46)
Actuarial (Gain) / Loss on Obligations	**19.96**	0.94
Liability at the end of the year	**48.84**	36.03

Reconciliation of Fair value of Plan Assets:

Particulars	Gratuity	
	2009-10 (Rs. in Million)	2008-09 (Rs. in Million)
Fair Value of Plan Assets at the beginning of the year	**18.24**	19.55
Expected Return on Plan Assets	**0.77**	1.47
Contributions	**—**	0.10
Benefit Paid	**(17.13)**	(2.46)
Actuarial (Gain) / Loss on Obligations	**15.24**	(0.42)
Fair Value of Plan Assets at the end of the year	**17.13**	18.24
Total actuarial gain / (loss) to be recognized.	**(4.73)**	(1.31)

Amount to be recognised in Balance Sheet

Particulars	Gratuity	
	2009-10 (Rs. in Million)	2008-09 (Rs. in Million)
Liability at the end of the year	**48.84**	36.03
Fair Value of Plan Assets at the end of the year	**17.13**	18.24
Amount to be recognised in Balance Sheet	**31.71**	17.79

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

Particulars	Gratuity	
	2009-10 (Rs. in Million)	2008-09 (Rs. in Million)
Current Service Cost	**7.45**	6.60
Interest Cost	**2.53**	2.69
Expected Return on Plan Assets	**(0.77)**	(1.47)
Net Actuarial (Gain) / Loss recognized	**4.73**	1.31
Expenses recognized in Profit and Loss Account*	**13.94**	9.12

* Expenses recognized in the Profit and Loss account excludes, additional gratuity paid by the Company to the left employees amounting to Rs 0.28 Million (Previous Year 3.06 Million).

** Liability and Fair value of Plan Assets of the beginning of the year 2008-09 included Liability of Rs 8.08 Million and Fair value of Plan Assets of Rs 6.71 Million taken over on amalgmation.

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

16. 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	
	2009-10	2008-09
Carrying amount as at 1st April	**10.67**	3.37
Add: On amalgamation during the year	—	6.99
Additional Provision made during the year	**7.29**	6.88
Less : Amount paid/utilized during the year	**7.93**	6.58
Carrying amount as at 31st March	**10.03**	10.67

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.

17. 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) 2009-10	Rupees (in Million) 2008-09
Salary	**15.50**	15.50
Other Perquisites*	**0.42**	0.37
Contribution to Provident Fund	**1.12**	1.12
	17.04	16.99

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

18. Payments to Auditors (excluding service tax):

	(Rs. in Million) 2009-10	(Rs. in Million) 2008-09
Audit Fees	**2.80**	3.00
Certification	**0.33**	0.42
Other Matters	**0.90**	—
Reimbursement of Out of Pocket Expenses	**0.19**	0.12
	4.22	3.54

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

20. Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of Advance Rs 67.13 Million (Previous Year Rs 36.31 Million))

	(Rs. in Million) 2009-10	(Rs. in Million) 2008-09
a) Tangible Assets	**249.04**	60.37

21. Contingent Liabilities not provided for in respect of :

		(Rs. in Million) 2009-10	(Rs. in Million) 2008-09
a)	Outstanding Letters of Credit	**582.52**	607.04
b)	Guarantees Given By Company's Bankers	**101.59**	587.52
c)	SBLC Given to ICICI Bank for EOSRL	**402.31**	582.99
d)	Corporate Guarantee given to Bank of India, London for the loan taken by Amann Druckguss GMBH.	**601.03**	671.12
e)	Corporate Guarantee given to Andhra Bank, for loan taken by EMM	**110.00**	—
f)	SBLC given to Bank of India, London for the working capital loan taken by Amann Druckguss GMBH.	—	67.79
g)	Disputed Excise Demand	**57.28**	5.31
h)	Claims by suppliers under dispute	**0.45**	0.45
i)	Service Tax Matters	**3.13**	4.76
j)	Sales Tax Matters	**0.04**	0.32

22. 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$ 53.36 Million (Previous Year US$ 49.63 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 2010 the Company is not in default under the scheme.

23. 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**	**2009-10**		2008-09	
			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	**6.77**	**305.92**	24.78	1,263.47
	Forward Contract - USD-JPY	JPY	**102.75**	**49.85**	—	—
	Forward Contract - JPY -INR	JPY	**276.12**	**133.98**	362.34	188.49
	Currency Swap Option - JPY-USD	JPY	**2,362.26**	**1,146.17**	4,057.01	2,110.46
	Options -USD-INR Contracts on JPY -USD Currency Swap Options	USD	**12.52**	**565.58**		
	Fixed Currency Swap Euro-INR	Euro	**21.15**	**1,282.99**		
	Fixed Currency Swap JPY-INR	JPY	**857.66**	**416.14**		
	Currency Swap Option - EURO-USD	EURO	—	—	13.73	930.93
	Option's - USD-CHF	USD	—	—	1.00	50.98
	Option's - USD-INR	USD	**18.00**	**813.24**	18.45	940.58
	Options -USD-JPY	USD	**10.00**	**451.80**	10.00	509.80
	On JPY-USD Currency Swap -USD-INR	JPY	**7.85**	**3.81**	13.76	7.16
	On EURO-USD Currency Swap -USD-INR	USD	—	—	3.57	182.04

	Currency	2009-10 Foreign Currency (in Million)	2009-10 Rupees (in Million)	2008-09 Foreign Currency (in Million)	2008-09 Rupees (in Million
b) Foreign exchange currency exposures not covered by derivative instruments outstanding .					
I Term Loan	EURO	**1.34**	**81.48**	11.87	804.67
	USD	**13.28**	**599.99**	0.62	31.62
	JPY	—	—	696.77*	362.46
			681.47		1,198.75
*Excludes loans amounting to JPY 2474.87 Million which have been covered under JPY-USD Cross Currency Contract with the corresponding USD-INR exposure not being covered as of 31st March 2009.					
II Sundry Debtors :	USD	**0.46**	**20.46**	0.93	47.13
	EURO	**1.61**	**96.20**	1.99	133.12
	GBP	**0.00**	**0.18**	0.00	0.13
			116.84		180.38
III Sundry Creditors :	USD	**3.71**	**167.80**	1.09	55.52
	EURO	**0.05**	**2.84**	0.30	20.30
	JPY	**0.02**	**0.01**	33.00	17.17
			170.65		92.99
IV Advances paid	EURO	**0.04**	**2.57**	1.36	92.49
	JPY	**7.97**	**3.87**	1.97	1.02
	USD	**1.22**	**55.02**	0.28	14.18
	GBP	—	—	0.00	0.01
			61.46		107.70
V Advances received	USD	**0.51**	**22.98**	0.02	0.76
	EURO	**0.14**	**8.57**	0.03	1.94
			31.55		2.70
VI Fixed Deposit with bank	USD	**1.07**	**47.71**	1.06	53.67
			47.71		53.67
VII Loans to Subsidiaries	EURO	**2.94**	**176.14**		
			176.14		—

24. Earnings Per Share (EPS):

		Shares in Nos	
		31-03-2010	31-03-2009
a)	Earnings for the purpose of basic earnings per share [Profit / (Loss) for the period attributable to equity holders of the company] (Rs. In Million)	**516.91**	286.84
b)	Effect of dilutive potential ordinary shares	—	16,996,760
c)	Earnings for the purpose of diluted earnings per share (Rs. In Million)	**516.91**	—
d)	Weighted number of ordinary shares for the purpose of basic earnings per share	**16,996,760**	16,996,760
e)	Effect of dilutive potential ordinary sharesCCPS automatically & compulsorily convertible into equity shares	*	—
f)	Weighted number of ordinary shares for the purpose of diluted earnings per share	**16,996,760**	16,996,760
g)	Nominal Value of Equity Shares Rs.	**10**	10
h)	Basic & Diluted earnings per share Rs.	**30.41**	16.88

* Since the consolidated financials are not yet audited, calculation of dilutive EPS cannot be done and hence not disclosed.

25. 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	2009-10 Installed Capacity Refer Note (C)	2009-10 Actual Production
1	Shock Absorbers (Including Front Fork Assembly)	Nos	**10,773,000** (9,333,000)	**8,261,951** (6,724,638)
2	Disc Brake Assembly (Including Rotary Disc)	Nos	**2,400,000** (2,400,000)	**2,143,199** (1,708,582)
3	Alloy Wheels (Including Assembly)	Nos	**3,240,000** (3,240,000)	**1,608,253** (1,437,598)
4	Aluminum Pressure Die Casting Parts *	M.T.	**51,447** (47,334)	**42,087** (32,426)
5	Dies	Nos	**Note b**	**192** (147)

* Includes 1337.28 MT on Job work basis (Previous year 2278.02 MT)

II) Wind Power Generation

		2009-10	2008-09
a) Installed Capacity (Refer Note c)#	MW	**7.10**	(7.10)
b) Generation **	Units	**9,680,199**	(10,863,227)

** Net of Wheeling & Transmission Loss wherever applicable & Includes captively consumed 54,43,516 units (Previous Year 61,11,181 Units).

Previous year figures 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

		2009-10	2008-09
i) Aluminium Pressure Die Casting parts	MT	**2,403.44**	2,278.02
ii) Dies	Nos	**9**	13
e) Dies capitalized	Nos	**129**	75

B. Sales

		Unit of Measurement	Qty	Rupees (in Million) 2009-10	Qty	Rupees (in Million) 2008-09
	(Including Excise Duty)					
1	Shock Absorbers (Including Front Fork Assembly)	Nos	**8,211,397**	**5,348.57**	6,772,014	4,259.39
2	Disc Brake Assembly (Including Rotary Disc)	Nos	**2,143,827**	**1,109.77**	1,704,546	799.28
3	Alloy Wheels (Including Assembly)	Nos	**1,579,835**	**1,325.41**	1,437,598	2,719.25
4	Al Pressure Die Casting parts	MT	**42,038**	**7,780.07**	32,319	6,835.83
5	Dies	Nos	**63**	**96.03**	72	175.24
6	Traded Items sold		**Refer Note (J)**	**398.99**		281.01
7	Raw Materials & Components*			**700.39**		843.73
				16,759.23		15,913.73
*	It is not possible to furnish quantitative information in respect of raw material & components in view of considerable number of items diverse in size and nature.					
8	Sale of Wind Power Generated	Unit	**4,236,683**	**19.91**	4,752,046	21.27

C. Stock of Finished Goods

	Unit of Measurement	Qty	Rupees (in Million) 2009-10	Qty	Rupees (in Million) 2007-08
a) Opening Stock					
1 Shock Absorbers**	Nos	**145,683**	**34.92**	193,059	54.55
2 Disc Brake Assembly (Including Rotary Disc)	Nos	**7,447**	**3.42**	*3411	5.01
3 Aluminum Die Casting Parts	MT	**139**	**33.66**	32	4.24
4 Components and Spares**			**69.17**		86.82
			141.17		150.62

** Previous years stock includes stock taken over on amalgamation with ESIPL (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) 2009-10	Qty	Rupees (in Million) 2007-08
b) Closing Stock					
1 Shock Absorbers	Nos	**196,237**	**48.25**	145,683	34.92
2 Disc Brake Assembly (Including Rotary Disc)	Nos	**6,819**	**3.34**	7,447	3.42
3 Aluminum Die Casting Parts	MT	**188**	**41.31**	139	33.66
4 Alloy Wheels	Nos	**28,418**	**19.78**		
5 Components and Spares Includes Finished Goods in Transit Rs 3.89 Million (Previous Year Rs 46.07 Million)			**41.64**		69.17
			154.32		141.17

D. Raw Material & Components Consumed

	Unit of Measurement	Qty	Rupees (in Million) 2009-10	Qty	Rupees (in Million) 2007-08
1 Aluminum Alloy	MT	**46,334**	**4,317.46**	38,565	4,099.75
2 Other Components			**4,978.45**		5,246.56
			9,295.91		9,346.31

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) 2009-10	Rupees (in Million) 2008-09
Capital Goods	**9.30**	209.51
Raw Material & Components	**934.00**	796.42
Stores & spares	**29.77**	29.11
	973.07	1,035.04

F. Expenditure in Foreign Currency (on payment basis)

	Rupees (in Million) 2009-10	Rupees (in Million) 2008-09
Foreign Travel	**4.30**	4.58
Technical know-how	**8.69**	8.18
Professional Fees	**11.99**	1.82
Interest on Foreign Currency Loan	**231.73**	250.90
Royalty	**—**	49.17
Other Matters	**0.07**	6.74
	256.78	321.39

G. Earnings in Foreign Exchange

	Rupees (in Million) 2009-10	Rupees (in Million) 2008-09
FOB value of Export	**234.12**	453.77
Other (Simulation Chgs)	**—**	0.25

H. Value of Imported & Indigenous Raw Material & components consumed

	2009-10		2008-09	
	Amount (Rs. in Million)	**% of Total Consumption**	Amount (Rs. in Million)	% of Total Consumption
Imported	**968.73**	**10.42**	796.42	8.52
Indigenous	**8,327.18**	**89.58**	8,549.89	91.48
	9,295.91	**100.00**	9,346.31	100.00

I. Value of Imported & Indigenous Stores & Spares Consumed

	2009-10		2008-09	
	(Amount Rs. in Million)	% of Total Consumption	(Amount Rs. in Million)	% of Total Consumption
Imported	34.48	8.48	26.44	7.01
Indigenous	372.03	91.52	350.91	92.99
	406.51	100.00	377.36	100.00

J. Details of Opening Stock, Purchases, Sales & Closing Stock of Trading Items.(Figures in bracket are for previous year)

Product	Op stock	Purchases	Sales	Cl stock
Quantity				
Clutch	651	160,611	157,840	3,422
	(8,479)	(220,079)	(227,907)	(651)
Other Components	—	—	—	—
	651	160,611	157,840	3,422
Value				
Clutch	0.05	5.49	5.40	0.13
	(0.32)	(6.62)	(6.89)	(0.05)
Other Components	21.69	392.73	393.59	20.83
	(41.24)	(155.56)	(274.12)	(21.69)
	21.74	398.22	398.99	20.97
	(41.56)	(162.18)	(281.01)	(21.74)

26. Miscellaneous Receipts in Schedule 14 includes Rs. 10.29 Million (Previous Year Rs. 7.71 Million) representing liabilities no longer payable written back.

27. 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.

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

29. 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 31-03-2009 (Rs. Million)	Balance taken over on amalgamation (Rs. Million)	Arising during the year (Rs. Million)	Balance as at 31-03-2010 (Rs. Million)
Deferred Tax Liabilities				
On account of timing differences in				
Depreciation & Amortisation	218.89	—	(30.47)	**188.42**
Deferred Tax Assets				
On account of timing differences in				
Brought forward losses/Unabsorbed depreciation*	196.00	—	(196.00)	—
Disallowances u/s Sec.40 (a) (ia)	0.64	—	(0.64)	—
Disallowances u/s Sec.43B	13.47	—	11.21	**24.68**
Disallowances u/s Sec.35DD & 35DDA	8.78	—	(4.71)	**4.07**
Net	—	—	159.67	**159.67**

* 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.

30. In accordance with the Scheme of Arrangement :

In the previous year 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.

31. The shareholders of the Company in the Extraordinary General Meeting held on 28th June, 2010 passed necessary Special Resolutions for conversion of Endurance Technologies Private Limited to Public Limited Company. Accordingly name of the company is changed from Endurance Technologies Private Limited to Endurance Technologies Limited, by deleting the word 'Private' and for alteration of Articles of Association. Hence w. e. f. 28th June, 2010, Endurance Technologies Private Limited ceased to be a private limited company. The Registrar of Companies, Maharashtra, Mumbai has issued a fresh certificate of incorporation dated 9 th July,2010. The change of name of the company to Endurance Technologies Limited has become effective from 9 th July, 2010.

32. The Capital and Revenue expenditure incurred by the In-House R&D Units (hereinafter refered to as "R&D Centre") recognized by Department of Scientific and Industrial Research (DSIR), as accounted for in the books of account, is as under:

(Rs. in Million)

	R&D Centre at		
	B-1/3	K-226/2	E-93
Capital Expenditure (Excluding Advances)			
2009-10	0.35	0.59	0.18
2008-09	29.91	0.23	0.26
2007-08	24.35	1.26	9.73
Revenue Expenditure			
2009-10			
Salaries/wages	19.57	3.98	5.77
Materials/consumables/spares /tools	0.30	0.53	0.21
Utilities	0.79	0.76	0.35
Any other expenditure directly relating to R & D	4.68	1.25	2.08
Total	**25.34**	**6.52**	**8.41**
2008-09			
Salaries/wages	18.36	4.07	7.97
Materials/consumables/spares /tools	—	1.08	0.12
Utilities	0.01	0.65	0.60
Any other expenditure directly relating to R & D	6.37	1.47	1.70
Total	**24.74**	**7.27**	**10.39**
2007-08			
Salaries/wages	7.27	2.81	11.98
Materials/consumables/spares /tools		0.43	0.24
Utilities		0.52	0.84
Any other expenditure directly relating to R & D	2.95	2.35	3.37
Total	**10.22**	**6.11**	**16.44**

33. Previous year figures have been regrouped/reclassified wherever necessary to conform with this year's classification.

(Signatures to Schedule 1 To 19)

For and on behalf of the Board

NARESH CHANDRA
Chairman

ANURANG JAIN
Managing Director

SATRAJIT RAY
Group CFO

V. M. ACHWAL
DGM (CS & Legal)

Date : 30.07.2010
Place : Mumbai

RELATED PARTY DISCLOSURES
(REFER NOTE 28 OF SCHEDULE 19)
FOR THE YEAR ENDED ON 31/03/2010

(a) List of Related Parties & Relationship:

S.No	Description of Relationship	Name of Related Party/Persons
1.	Holding Company	None
2.	Subsidiaries Direct / Indirect	High Technology Transmission Systems (India) Pvt. Ltd (Direct Subsidiary) Amann Druckguss GmbH, Germany (Direct Subsidiary) Endurance Overseas Srl, Italy (Direct Subsidiary) Endurance Holding GmbH, Germany (formerly Mainsee 493 V.V.GmbH) Germany (Direct Subsidiary) Nouva Renopress S.p.A, Italy (Indirect Subsidiary, in the Previous year ended 31st March 2009) Endurance Fondalmec S.p.A, Italy (Indirect Subsidiary) Endurance Far East Ltd., Thailand (Direct Subsidiary)
3.	Joint Venture	Endurance Magneti Marelli Shock Absorbers (I) Pvt Ltd
4.	Fellow Subsidiaries	None
5.	Associate	Paioli Meccania S.p.A (In the Previous Year ended 31st March 2009)
6.	Key Management Personnel	Mr. Anurang Jain, Managing Director
7.	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
8.	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	2009-10						
	Subsidiary	Joint Venture	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	Rs. in Million
Purchases							
Goods & Materials	**133.89**	**59.33**	—	—	—	**28.33**	**221.55**
	(146.51)	(3.70)	(0.61)	(—)	(—)	(24.76)	(175.58)
Fixed Assets	**107.82**	—	—	—	--	--	**107.82**
	(27.52)	(—)	(—)	(—)	(—)	(—)	(27.52)
Sales							
Goods & Materials	**287.84**	**16.42**	—	—	—	--	**304.26**
	(376.08)	(14.84)	(354.16)	(—)	(—)	(—)	(745.08)
Fixed Assets	**181.22**	**5.67**	—	**12.50**	—	--	**199.39**
	(3.06)	(67.22)	(—)	(—)	(—)	(—)	(70.28)
Job work Received	—	—	—	—	—	--	--
	(0.13)	(—)	(—)	(—)	(—)	(—)	(0.13)
Expenses							
Rent	—	**2.95**	—	—	—	—	**2.95**
	(—)	(—)	(—)	(—)	(—)	(—)	(—)
Remuneration	—	—	—	**17.04**	—	—	**17.04**
	(—)	(—)	(—)	(16.99)	(—)	(—)	(16.99)
Interest Paid	**11.41**	—	—	—	**1.36**	—	**12.77**
	(—)	(—)	(—)	(—)	(1.51)	(—)	(1.51)
Directors Fees	—	—	—	—	**0.08**	—	**0.08**
	(—)	(—)	(—)	(—)	(0.05)	(—)	(0.05)
Staff Deputation	—	—	—	—	—	—	--
	(—)	(—)	(—)	(—)	(—)	(—)	(—)
Professional Charges	—	—	—	—	**1.11**	—	**1.11**
	(—)	(—)	(—)	(—)	(1.18)	(—)	(1.18)
Labour Charges Paid	—	—	—	—	—	—	--
	(0.01)	(—)	(—)	(—)	(—)	(—)	(0.01)
Expenses Reimbursed	—	**0.80**	—	—	—	--	**0.80**
	(0.24)	(0.27)	(—)	(—)	(—)	(0.31)	(0.81)
Excise Duty reimbursed	—	**0.57**	—	—	—	--	**0.57**
	(—)	(—)	(—)	(—)	(—)	(—)	(—)
Royalty	—	—	—	—	—	--	--
	(—)	(—)	(69.41)	(—)	(—)	(—)	(69.41)
Income							
Rent/Intrest Receipts	**6.41**	**22.31**	—	—	—	--	**28.72**
	(27.11)	(17.56)	(—)	(—)	(—)	(—)	(44.67)
Expenses Recovered	**6.69**	**1.11**	—	—	—	--	**7.80**
	(6.59)	(10.64)	(—)	(—)	(—)	(—)	(17.23)
Excise Duty Recovered	—	—	—	—	—	--	—
	(—)	(7.38)	(—)	(—)	(—)	(—)	(7.38)
Dividend Received	—	—	—	—	—	--	--
	(7.55)	(—)	(—)	(—)	(—)	(—)	(7.55)
Other Income	**4.22**	**2.50**	—	--	--	--	**6.72**
	(—)	(—)	(—)	(—)	(—)	(—)	(—)

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

Nature of Transctions	2009-10						
	Subsidiary	Joint Venture	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	Rs. in Million
Finance							
Loans / Advances Given	**199.29**	—	—	—	—	—	**199.29**
	(168.58)	(—)	(—)	(—)	(—)	(—)	(168.58)
Buy back of Shares	**90.47**	—	—	—	—	—	**90.47**
	(—)	(—)	(—)	(—)	(—)	(—)	(—)
Share Investments	**335.65**	**25.00**	—	—	**16.80***	—	**377.45**
	(471.80)	(60.00)	(—)	(—)	(—)	(—)	(531.80)
Loan repaid	**335.65**	—	—	—	**16.80***	—	**352.45**
	(358.87)	(—)	(—)	(—)	(—)	(—)	(358.87)
Balance outstanding on 31-03-2010							
i) Receivables	**192.06**	**22.76**	—	—	—	—	**214.82**
(Refer Note -1 Below)	(239.96)	(85.89)	(88.33)	(—)	(—)	(—)	(414.17)
ii) Payables	**144.85**	—	—	—	—	**5.10**	**149.95**
	(—)	(—)	(10.09)	(—)	(—)	(10.09)	(20.18)
iii) Loan Taken	—	—	—	—	—	—	--
	(—)	(—)	(—)	(—)	(16.80)	(—)	(16.80)
iv) Loan Given	—	—	—	—	—	—	—
	(—)	(—)	(—)	(—)	(—)	(—)	--
v) Share Investment	**2,738.08**	**85.00**	—	—	—	—	**2,823.08**
(Refer Note -2 Below)	(2,311.96)	(60.00)	(—)	(—)	(—)	(—)	(2,371.96)

* Rs. 16.80 Mn represents Shareholder / Directors loan taken by the company converted into Redeemable Preference Shares during the year.

Note:- 1) Amann Druckguss GmbH. - Germany is shown net of advances fully provided for Rs. 46.03 Million (PY Rs. 46.03 Million) and Endurance Overseas Srl is shown net of advance provided for to the extent of Rs. 207.70 Million (PY 207.70 Million).

2) Amount of Rs. 2,823.08 million (PY 2,371.96 million) is net of provision for diminution in value of investment of Rs. 440.01 million (PY Rs. 760.27 million).

(c) Disclosure in respect of material Transations with related party

Particulars	High Technology Transmission Systems (India) Pvt. Ltd	Endurance Far East Ltd	Endurance Magnetti Marelli Shock Absorbers (I) Pvt. Ltd.	Amann Druckguss GmbH	Nouva Renopress S.p.A	Endurance Fondalmec S.p.A, Italy (Indirect Subsidiary)	Endurance Overseas S.r.l	Endurance Holding GmbH (V Mainsee 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	**127.65**	—	**59.33**	—	—	**6.24**	—	—	**193.22**
	(131.34)	(13.70)	(3.70)	(—)	(—)	(1.47)	(—)	(—)	(150.21)
Fixed Assets	**107.82**	—	—	—	—	—	—	—	**107.82**
	(5.58)	(21.94)	(—)	(—)	(—)	(—)	(—)	(—)	(27.52)
Sales									
Goods & Materials	**260.51**	—	**16.42**	—	—	**27.33**	—	—	**304.26**
	(351.53)	(4.71)	(14.84)	(—)	(—)	(19.83)	(—)	(—)	(390.91)
Fixed Assets	**181.22**	—	**5.67**	—	—	—	—	—	**186.89**
	(2.00)	(1.05)	(67.22)	(—)	(—)	(—)	(—)	(—)	(70.27)
Job work Received	—	—	—	—	—	—	—	—	—
	(—)	(—)	(—)	(0.13)	(—)	(—)	(—)	(—)	(0.13)
Expenses									
Rent	—	—	**2.95**	—	—	—	—	—	**2.95**
	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	
Interest Paid	**11.41**	—	—	—	—	—	—	—	**11.41**
	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)
Labour Charges Paid	—	—	—	—	—	—	—	—	—
	(0.01)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(0.01)
Expenses Reimbursed	—	—	**0.80**	—	—	—	—	—	**0.80**
	(0.16)	(—)	(0.27)	(0.07)	(—)	(—)	(—)	(—)	(0.50)
Excise Duty reimbursed	—	—	**0.57**	—	—	—	—	—	**0.57**
Income									
Rent/Interest Receipt	—	—	**22.31**	—	—	—	**6.41**	—	**28.72**
	(—)	(—)	(17.56)	(24.79)	(—)	(—)	(2.32)	(—)	(44.67)
Expenses Recovered	**9.16**	—	**1.11**	**1.74**	—	—	—	—	**12.01**
	(4.71)	(—)	(10.64)	(1.89)	(—)	(—)	(—)	(—)	(17.23)
Excise Duty Recovered	—	—	—	—	—	—	—	—	—
	(—)	(—)	(7.38)	(—)	(—)	(—)	(—)	(—)	(7.38)
Dividend Received	—	—	—	—	—	—	—	—	—
	(7.55)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(7.55)
Other Income	**4.22**	—	**2.50**	—	—	—	—	—	**6.72**
Finance									
Loans / Advances Given	—	—	—	—	—	—	**199.29**	—	**199.29**
	(—)	(—)	(—)	(—)	(—)	(—)	(168.58)	(—)	(168.58)
Share Investments	**90.47**	—	**25.00**	—	—		**335.65**	—	**451.12**
	(61.71)	(—)	(60.00)	(358.87)	20.99	(—)	(72.21)	(—)	(531.80)
Buy back of Shares	—	—	—	—	—	—	—	—	—
	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)
Loan Repaid	—	—	—	—	—	—	**335.65**	—	**335.65**

For and on behalf of the Board

NARESH CHANDRA
Chairman

ANURANG JAIN
Managing Director

SATRAJIT RAY
Group CFO

V. M. ACHWAL
DGM (CS & Legal)

Date : 30.07.2010
Place : Mumbai

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31/03/2010

(Rs. in Million)

Sr. No.	Particulars	2009-10 Amount	2008-09 Amount
A	**Cash Flow from Operating Activities**		
	i) Net Profit / (Loss) before Tax and after Extra ordinary Expenses	**839.41**	(66.17)
	ii) Adjustments for:		
	Depreciation & Amortisation	**1,107.57**	1,012.67
	Provision for Slow Moving Inventory	**4.73**	4.04
	Provision for Doubtful Debts	**4.85**	—
	Extra ordinary Expenses	**(37.36)**	—
	Provision for Employee Benefit	**17.31**	15.77
	Provision / (Written Back) for Warranty Claims	**(0.64)**	0.31
	Interest Expense	**677.43**	672.21
	(Profit) / Loss on Sale of Assets	**15.04**	—
	Excess Provision/Credit balances writen back	**(10.29)**	(7.71)
	Dividend Income	**(0.05)**	(11.83)
	Unrealised Forex Fluctuation (Gain)/ Loss (Net)	**(85.37)**	—
	Interest Income	**(16.09)**	(42.38)
	iii) Operating Profit before Working Capital Changes	**2,516.54**	1,576.92
	iv) Adjustments for:		
	Increase / (Decrease) in Trade payables, Other Liabilities & Provisions	**795.21**	397.44
	(Increase) /Decrease in Inventories	**(277.54)**	347.26
	(Increase) /Decrease in Trade and other receivables	**(1,323.37)**	703.79
	v) Cash Generated from operations	**1,710.84**	3,025.41
	Wealth Tax Paid	**(0.03)**	(0.25)
	Direct Taxes Paid	**(34.91)**	(23.39)
	Net Cash generated from Operating Activities	**1,675.90**	3,001.77
B	**Cash Flow from Investing Activities**		
	Acquisition of Fixed Assets	**(574.94)**	(966.08)
	Proceeds on Sale of Fixed Assets	**192.01**	76.50
	Investment in Subsidiaries	**(436.98)**	(662.04)
	Payment for Deferred Liability	—	(46.93)
	Proceeds on Sale of Investments	—	361.94
	Loan to Subsidiaries (given) / repaid	**(205.13)**	(166.58)
	Dividend Received	**0.05**	11.83
	Interest Received	**17.86**	8.96
	Net Cash used in Investing Activities	**(1,007.13)**	(1,382.40)

(Rs. in Million)

Sr. No.	Particulars	2009-10 Rupees	2008-09 Rupees
C	**Cash Flow from Financing Activities**		
	Proceeds from Issue of Compulsorily Convertible Preference Shares	**400.00**	—
	Proceeds from Borrowings	**1,926.34**	1,045.76
	Repayment of Borrowings	**(2,262.99)**	(2,195.62)
	Interest Paid	**(715.79)**	(714.06)
	Net Cash used in Financing Activities	**(652.44)**	(1,863.91)
	Net Increase in Cash & Cash Equivalents	**16.32**	(244.55)
	Opening Cash & Cash Equivalents as at 01st April (Opening Balance)	**423.05**	516.03
	Add:Cash & Bank Balance taken over on amalgamation	—	151.57
		423.05	667.60
	Closing Cash & Cash Equivalents as at 31st March (Closing Balance)	**439.37**	423.05
		16.32	(244.55)

Notes :

1 Previous year figures have been regrouped/reclassified wherever necessary to confirm with this year's classification.

2 Figures in brackets represents outflows.

3 The Cash Flows disclosed above exclude an amount of Rs 16.8 Million representing Share Holders / Director Loan taken by the Company converted during the year into Redeemable Preference Share.

4 Cash & cash equivalents includes

	2009-10	2008-09
Cash & Bank balances (as per Schedule 10)	**433.27**	423.05
Unrealise (Gain) / Loss on Fixed Deposit in Foreign Currency	**6.10**	—
	439.37	423.05

In terms of our report attached
For **DELOITTE HASKINS & SELLS**
Chartered Accountants

HEMANT M. JOSHI
Partner
Membership No. 38019
Date : 30.07.2010
Place : Pune

For and on behalf of the Board

NARESH CHANDRA
Chairman

ANURANG JAIN
Managing Director

SATRAJIT RAY
Group CFO

V. M. ACHWAL
DGM (CS & Legal)

Date : 30.07.2010
Place : Mumbai

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE - 2009-2010

(Rs. in Million)

1 Registration Details :

Registration No.	:	11-123296	State Code	:	11
Balance Sheet Date	:	31-03-10			

2 Capital raised during the year

Public Issue	:	Nil	Rights Issue	:	Nil
Bonus Issue	:	Nil	Private Placement	:	416.80

3 Position of Mobilisation and Deployment of funds

Total Liabilities	:	12,595.12	Total Assets	:	12,595.12
Sources of Funds			**Application of Funds**		
Paid-up Capital	:	586.77	Net Fixed Assets	:	8,791.26
Reserve & Surplus	:	3,729.96	Investments	:	2,823.36
Deferred Tax Liability (Net)	:	159.67	Net Current Assets	:	980.50
Secured Loans	:	6,017.66			
Unsecured Loans	:	2,087.51			
Deferred Payment	:	13.55			

4 Performance of Company

Turnover (including Wind power generated & Other income Rs.483.00 Mn)	:	16,325.49	Total Expenditure	:	15,429.63
Profit / (Loss) before Tax	:	839.41	Profit after Tax	:	531.50
Earning per Share (in Rs.) Annualised	:	30.41	Dividend Rate (%)		
			(i) Equity Shares	:	Nil
			(ii) Compulsorily Convertible Preference Shares	:	8% p.a.
			(iii) Redeemable Preference Shares	:	8% p.a.

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

Item Code No.	:	870897
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

NARESH CHANDRA
Chairman

ANURANG JAIN
Managing Director

SATRAJIT RAY
Group CFO

V. M. ACHWAL
DGM (CS & Legal)

Date : 30.07.2010
Place : Mumbai

1	Name of the Subsidiary	**High Technology Transmission Systems (I) Pvt. Ltd.**	**Endurance Magneti Marelli Shock Absorbers (India) Pvt. Ltd. (EMM)***	**Endurance Overseas S.r.L, Italy (EOS)**	**Endurance Fondalmec SpA [Formerly known as Fondalmec Officine Meccaniche S.p.A., Italy (Subsidiary of EOS)]**	**Amann Druckguss GmbH, Germany**
2.	Financial Year Ended on	31.03.10	31.03.10	31.03.10	31.03.10	31.03.10
3.	Holding Company's Interest, Number of shares/ amount of stock held by the Company	13,080,194	85,000,001	Euro 7,787,954	2,700,000	Euro 3,250,000
	Per Share Value	Rs.10/-	Rs.10/-	(stock)	Euro 1/-	(Stock)
	Extent of Holding	85%	50%+1 Share	100%	100%	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, 2010 (Rs. In Million)	130.07	**(44.53)	(105.96)	126.45	(94.09)
	(ii) For the Previous Financial Years of the Subsidiary (Rs. In Million)	307.61	**(9.30)	(379.96)	(179.95)	(986.87)
	(b) Dealt with in the accounts of the company for year ended 31st March, 2010					
	(i) For the Subsidiary's Financial Year ended 31st March, 2010 (Rs. in Million)	NIL	NIL	NIL	NIL	NIL
	(ii) For the Previous Financial Years of the Subsidiary (Rs. in Million)	19.32	NIL	NIL	NIL	NIL
5.	Changes in the Interest of the Company between the end of the Subsidiary's Financial Year and 31st March, 2010	N/A	N/A	N/A	N/A	N/A
6.	Material Changes between end of the Subsidiary's Financial Year and 31st March, 2010	N/A	N/A	N/A	N/A	N/A
	(i) Fixed Assets					
	(ii) Investments					
	(iii) Moneys lent by the Subsidiary					
	(iv) Moneys borrowed by the Subsidiary other than for meeting Current Liabilities.					

Euro = 59.83 as on 31.03.2010
Euro = 66.85 as on 31.03.2009

* EMM is a jointly controlled entity. The Joint Ventures Partners, namely Endurance Technologies Private Limited (now known as "Endurance Technologies Limited") and Magneti Marelli Holding S.p.A. (now known as "Margneti Marelli S.P.A.") have equal control over the management of affairs of EMM.

** Based on Unaudited Statements for the Financial year ended 31.03.2010 subject to approval of the Board of Directors of EMM.

For and on behalf of the Board

NARESH CHANDRA
Chairman

ANURANG JAIN
Managing Director

SATRAJIT RAY
Group CFO

V. M. ACHWAL
DGM (CS & Legal)

Date : 30.07.2010
Place : Mumbai

CONSOLIDATED FINANCIAL STATEMENTS & NOTES

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To
The Board of Directors of
Endurance Technologies Limited
(Formerly known as Endurance Technologies Private Ltd.)

1. We have audited the attached Consolidated Balance Sheet of **ENDURANCE TECHNOLOGIES LIMITED** (formerly known as Endurance Technologies Private. Ltd.) ("the Company"), its subsidiaries and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities constitute "the Group") as at 31st March, 2010 the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. The Consolidated Financial Statements include investments in jointly controlled entities accounted in accordance with Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated 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 the 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. We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets of Rs. 2,665.96 million as at 31st March, 2010, total revenues of Rs. 6,372.93 million and net cash inflows amounting to Rs. 157.09 million for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of these subsidiaries is based solely on the reports of the other auditors.

4. *As stated in Note No. 9(a) of Schedule 19, in the absence of an independent assessment of the fair values of the balances in all the assets and liabilities [except for the tangible fixed assets which have been revalued and investments in one of the subsidiary which had been adjusted for permanent diminution in the value of investment] as of 1st April 2008, the impact on the financial statements could not be ascertained. This matter had been qualified in the previous year's Auditors' Report. Further, the impact of the same, if any, on the carrying amounts of the balances in the assets and liabilities as of 31st March 2010, is not determinable.*

5. *As stated in Note No. 9(c) of Schedule 19 in the absence of an independent assessment of the fair values of the balances in assets, liabilities & investments (including overseas investments) as of 31st March 2009 [except for the tangible fixed assets which have been revalued and investments in certain subsidiaries which have been written-off / adjusted for permanent diminution in the value of investments], the impact on the financial statements could not be ascertained. This matter had been qualified in the previous year's Auditors' Report. Further, the impact of the same on the carrying amounts of the balances in the assets and liabilities as of 31st March 2010 is not determinable.*

6. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements), and Accounting

Standard 27 (Financial Reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006.

7. Based on our audit and on consideration of the separate audit reports on individual financial statements of the Company, its aforesaid subsidiaries and a joint venture and to the best of our information and according to the explanations given to us, subject to the matters referred to in paragraph 4 and 5 above in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2010;

   (ii) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date and

   (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Registration No. 117366W)

Hemant M. Joshi
Partner
(Membership No. 38019)

Date : 27.09.2010
Place : Mumbai

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

	Schedule	As at 31st Mar., 2010 (Rs. in Million)	As at 31st Mar., 2009 (Rs. in Million)
I. SOURCES OF FUNDS :			
1. Shareholders' Funds :			
a) Share Capital	1	**586.77**	169.97
b) Reserves & Surplus	2	**2,628.93**	2,758.40
		3,215.70	2,928.37
2. Minority Interest :		**99.87**	516.42
3. Loan Funds :			
a) Secured Loans	3	**7,265.39**	8,778.95
b) Unsecured Loans	4	**3,229.07**	3,314.63
		10,494.46	12,093.58
4. Deferred Tax Liability (Refer Note 27 of Schedule 19)		**193.60**	38.21
5. Deferred Payment : (Refer Note 10 of Schedule 19)	5	**13.55**	15.29
Total		**14,017.18**	15,591.88
II. APPLICATION OF FUNDS :			
1. Fixed Assets :			
a) Gross Block		**18,206.89**	20,549.87
b) Less : Depreciation & Amortization		**7,976.80**	8,259.99
c) Net Block		**10,230.09**	12,289.88
d) Capital Work-in-Progress		**319.03**	279.20
	6	**10,549.12**	12,569.08
2. Goodwill on Consolidation (Refer Note No. 7 of Schedule 19)		**1,022.20**	565.47
3. Investments :	7	**0.40**	1.92
4. Deferred Tax Assets		**47.38**	53.89
5. Current Assets, Loans & Advances :			
a) Inventories	8	**1,768.44**	1,701.10
b) Sundry Debtors	9	**4,582.33**	3,513.68
c) Cash & Bank Balances	10	**880.12**	897.17
d) Other Current Assets (Interest accrued on Fixed Deposits)		**6.19**	7.93
e) Loans & Advances	11	**833.81**	833.41
		8,070.89	6,953.29
Less : Current Liabilities & Provisions :			
a) Current Liabilities	12	**5,632.52**	4,374.73
b) Provisions	13	**318.92**	472.95
		5,951.44	4,847.68
Net Current Assets		**2,119.45**	2,105.61
6. Debit Balance in Profit and Loss Account	2a	**278.62**	295.89
Total		**14,017.18**	15,591.88
Notes on the Balance Sheet and Profit & Loss Account	19		
Schedules 1 to 13 and 19 form part of this Balance Sheet			

In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

HEMANT M. JOSHI
Partner
Membership No. 38019

Date : 27.09.2010
Place : Mumbai

For and on behalf of the Board

ANURANG JAIN
Managing Director

P. S. DATTA
Director

SATRAJIT RAY
Group CFO

V. M. ACHWAL
DGM (CS & Legal)

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedule	For the Year ended 31st March, 2010 (Rs. in Million)	For the Year ended 31st March, 2009 (Rs. in Million)
INCOME :			
Gross Sales		**24,509.66**	24,063.51
Less : Excise Duty		**1,298.80**	1,853.63
Net Sales		**23,210.86**	22,209.88
Trading Sales		**23.88**	546.41
Job Work Receipts		**181.99**	122.85
Wind Power Generated - Captively Consumed		**22.18**	25.38
Wind Power Generated - Sales		**19.91**	21.27
Other Income	14	**633.71**	532.66
		24,092.53	23,458.45
EXPENDITURE :			
Material Cost	15	**13,282.05**	13,264.81
Employee Cost	16	**2,242.09**	2,653.27
Other Expenses	17	**5,146.96**	5,361.59
Interest	18	**790.04**	909.91
Depreciation & Amortization	6	**2,017.66**	1,882.38
Provision for Assets Impairment		**195.55**	53.35
Provision for Impairment of Goodwill on Consolidation (Refer Note no. 7 of Schedule 19)		**--**	431.29
		23,674.35	24,556.60
Profit / (Loss) before Extra Ordinary Items, Tax and Minority Interest		**418.18**	(1,098.14)
Extra Ordinary Expenses (Refer Note No 28 of Schedule 19)		**(147.49)**	
Extra Ordinary Income (Refer Note No 28 of Schedule 19)		**226.43**	--
Profit / (Loss) before Tax and Minority Interest		**497.12**	(1,098.14)
Provision for Taxation			
Current Tax		**258.75**	96.15
Minimum Alternate Tax Credit Eligible for Set off		**(28.95)**	--
Wealth Tax		**0.13**	0.03
Deferred Tax		**177.39**	(352.89)
Fringe Benefit Tax		**--**	5.66
Income Tax Provision for earlier years		**24.57**	--
Profit / (Loss) for the year		**65.24**	(847.09)
Share of Minority Interest		**29.55**	(97.17)
		35.69	(749.93)
Add : Balance brought forward from last year		**(295.89)**	(389.81)
		(260.20)	(1,139.74)
APPROPRIATIONS :			
Proposed Preference dividend on Preference Shares		**12.47**	--
Tax on Proposed dividend (including share of parent)		**2.12**	1.27
Transferred to General Reserve		**3.83**	--
Balance carried to Balance Sheet		**(278.62)**	(1,141.02)
		(260.20)	(1,139.74)
Earnings per Share - Basic			
Before Extraordinary Item		**(3.40)**	(44.12)
After Extraordinary Item		**1.24**	(44.12)
Earnings per Share - Diluted			
Before Extraordinary Item (Refer Note 25 of Schedule 19)		**(3.40)**	(44.12)
After Extraordinary Item (Refer Note 25 of Schedule 19)		**1.24**	(44.12)
Notes on the Balance Sheet and Profit and Loss Account	19		
Schedules 6 and 14 to 19 form part of this Profit and Loss Account			

In terms of our report attached
For **DELOITTE HASKINS & SELLS**
Chartered Accountants

HEMANT M. JOSHI
Partner
Membership No. 38019

Date : 27.09.2010
Place : Mumbai

For and on behalf of the Board

ANURANG JAIN
Managing Director

P. S. DATTA
Director

SATRAJIT RAY
Group CFO

V. M. ACHWAL
DGM (CS & Legal)

	As at 31st March, 2010 (Rs. in Million)	As at 31st March, 2009 (Rs. in Million)
SCHEDULE : 1		
SHARE CAPITAL :		
Authorized :		
(Refer Note No 16 of Schedule 19)		
22,500,000 (Previous Year 20,000,000 Equity Shares of Rs 10 each	**225.00**	200.00
48,000,000 (Previous Year Nil) Compulsorily Convertible Preference Shares of Rs 10 each	**480.00**	--
2,000,000 (Previous Year Nil) Redeemable Preference Shares of Rs 10 each	**20.00**	--
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 capitalization of Securities premium in the year 2007-08.		
40,000,000 (Previous Year Nil) Compulsorily Convertible Preference Shares of Rs 10 each (Refer Note No 16 of Schedule 19)	**400.00**	--
1,680,000 (Previous Year Nil) Redeemable Preference Share of Rs 10 each (Refer Note No 15 of Schedule 19)	**16.80**	--
Total	**586.77**	169.97
SCHEDULE : 2		
RESERVES & SURPLUS :		
Securities Premium		
Balance Brought Forward	**1,392.12**	1,463.38
Less : Transferred to Business Reconstruction Reserve	--	(100.00)
Add : Transferred back from Business Reconstruction Reserve	--	28.74
(Refer Note No 9(d)(1) of Schedule 19)	**1,392.12**	1,392.12
Capital Redemption Reserve	**0.64**	0.64
Capital Reserve	--	--
Balance Brought Forward	**207.70**	--
Add : Additions on Account of merger	**1.61**	207.70
(Refer Note No 6 of Schedule 19)	**209.31**	207.70
Capital Reserve (on consolidation)		
Balance Brought Forward	**5.10**	145.67
Add : Additions / (Deductions) during the year	**15.53**	(140.57)
	20.63	5.10
Business Reconstruction Reserve		
(Refer Note No 9(d) of Schedule 19)		
Balance Brought Forward	--	--
Additions during the year	--	3,013.23
Adjustments during the year	--	3,013.23
	--	--

	As at 31st March, 2010 (Rs. in Million)	As at 31st March, 2009 (Rs. in Million)
Foreign Currency Translation Reserve	**(24.32)**	126.10
Capital Subsidy		
Balance Brought Forward	**11.50**	11.50
General Reserve :		
Balance Brought Forward	**1,015.22**	957.73
Add : Transferred from Profit & Loss Account	**3.83**	57.50
	1,019.05	1,015.23
Total	**2,628.93**	2,758.40
SCHEDULE : 2A		
Debit Balance in Profit and Loss Account		
As per Profit & Loss Account	**(278.62)**	(1,141.02)
Add Acquired under the Scheme of Arrangement	--	313.76
	--	531.37
	(278.62)	(295.89)
SCHEDULE : 3		
SECURED LOANS :		
Loans and Advances from Banks		
Term Loans (Refer Note No 4(a) of Schedule 19) (Including Foreign Currency Term Loans)	**6,518.10**	8,025.44
Cash Credits, Working Capital Demand Loans and Buyers Credit (Refer Note No 4(c) of Schedule 19)	**687.69**	668.03
Other Loans and Advances		
Term Loan : from Indian Renewable Energy Development Agency Limited (Refer Note No 4(b) of Schedule 19)	**14.03**	23.46
Term Loan : against Keyman Insurance Policy (Refer Note No 4(f) of Schedule 19)	**18.40**	18.40
Interest free Loan from Customer (Refer Note No 4(h) of Schedule 19)	**7.95**	7.95
Interest Accrued and due on Term Loans	**19.22**	35.67
Total	**7,265.39**	8,778.95
SCHEDULE : 4		
UNSECURED LOANS :		
Loans from Directors / Shareholders	--	16.80
Short Term Loans and Advances		
From Banks		1,803.21
Bills Discounted with Banks	**1,902.95**	299.21
Overdraft in Current account	--	16.02
Other Loans and Advances		
Loan from Public Limited Company (Refer Note No 4(g) of Schedule 19)	**387.64**	200.00
Assets under Lease	**116.81**	144.33
Interest free Loan under Sales Tax Deferral Scheme	**821.67**	835.06
Total	**3,229.07**	3,314.63
SCHEDULE : 5		
DEFERRED PAYMENT :		
Liability towards Technical Know How (Refer Note No 10 of Schedule 19)	**13.55**	15.29
Total	**13.55**	15.29

SCHEDULE : 6

FIXED ASSETS

(Rs. Mn)

ASSET	GROSS BLOCK						DEPRECIATION / AMORTISATION						NET BLOCK	
	As on 01-Apr-09	Additions	Deductions / Adjustments	Deletion on Disposal of Subsidiary	Translation Adjustment	**As on 31-Mar-10**	Upto 31-Mar-09	For the Year	On Deductions / Adjustments	On deletions on Disposal of Subsidiary	Translation Adjustment	**Upto 31-Mar-10**	**As on 31-Mar-10**	As on 31-Mar-09
Tangible Assets:														
Freehold Land	603.44	—	41.81	—	(5.74)	**555.89**	—	—	—	—	—	—	**555.89**	603.44
Leasehold Land	1,535.28	89.66	84.14	—	—	**1,540.80**	12.81	17.82	0.52	—	—	**30.12**	**1,510.68**	1,522.47
Buildings	2,111.13	203.52	162.11	—	3.03	**2,155.58**	167.25	67.50	10.13	—	(0.21)	**224.40**	**1,931.17**	1,943.89
Plant and Machinery	12,515.34	449.05	179.54	(1,781.52)	(580.11)	**10,423.22**	5,864.86	1,271.90	111.24	(1,335.28)	(440.84)	**5,249.40**	**5,173.82**	6,650.47
Furniture, Fixtures and Fittings	413.96	7.44	17.10	(18.70)	(22.67)	**362.93**	181.67	49.10	10.91	(16.33)	(20.14)	**183.39**	**179.55**	232.29
Office Equipment	69.24	3.76	1.80	—	0.00	**71.20**	18.99	4.16	0.41	—	(0.21)	**22.53**	**48.67**	50.25
Computers	170.23	1.88	1.86	(14.45)	(6.65)	**149.16**	93.71	21.31	1.22	(10.55)	(4.49)	**98.76**	**50.40**	76.52
Dies	790.51	206.25	155.18	—	—	**841.58**	557.65	224.32	153.93	—	—	**628.04**	**213.54**	232.86
Vehicles	118.07	5.55	9.11	(13.16)	(8.92)	**92.44**	58.91	13.89	4.11	(11.86)	(6.45)	**50.38**	**42.07**	59.17
Intangibles:														
(Other than internally generated)														
Computer Software	175.76	11.74	3.20	(3.04)	(1.52)	**179.74**	82.02	41.92	3.20	(0.94)	(1.18)	**118.61**	**61.13**	93.75
Technical Know how	221.48	7.53	—	—	—	**229.02**	168.70	18.41	—	—	—	**187.11**	**41.91**	52.78
Goodwill	1,375.19	—	—	—	(166.04)	**1,209.15**	825.55	269.29	—	—	(127.13)	**967.71**	**241.43**	549.63
Assets Under Finance Lease:														
Land & Building	450.25	—	—	—	(54.06)	**396.19**	227.88	18.04	—	—	(29.56)	**216.36**	**179.83**	222.37
TOTAL	20,549.87	986.38	655.83	(1,830.86)	(842.67)	**18,206.89**	8,259.99	2,017.66	295.68	(1,374.96)	(630.21)	**7,976.80**	**10,230.09**	12,289.88
Previous Year	15,927.93	4,526.34	498.04		593.65	20,549.87	6,139.57	1,882.38	136.40	—	359.61	8,259.99	10,230.09	12,289.88
Capital Work-in-Progress including Capital Advances of Rs. 107.35 million													**319.03**	279.20
TOTAL													**10,549.12**	12,569.08

Notes:

a) Building includes premises on Joint ownership basis in cooperative society Rs 3.25 Millions including cost of shares therein Rs 63/-

b) Amortization of dies for the year includes Rs Nil (Previous Year Rs. 26.11 Million) accelerated amortization over & above the amortization policy of the company on account of the dies being no longer usable.

c) Depreciation /amortization for the year includes Rs 112.29 Millions on account of additional depreciation due to the revaluation of fixed assets which has been charged to Profit & Loss Account. During the previous year additional depreciation on revaluation of fixed assets amounting to Rs. 14.79 Million was transferred to Business Reconstruction Reserve as per the Scheme of Arrangement.

d) Additions to Gross Block includes addition for In-House R&D Units recognized by Department of Scientific and Industrial Research (DSIR) (hereinafter referred to as "R&D Centre) as follows: For R&D Center at Plot No B-1/3, Chakan - Building Rs Nil (Previous Year 19.97 Million), Plant and Machinery Nil (Previous Year 2.28 Million), Furniture & Fixture Rs Nil (Previous Year Rs 2.33 Million) Office Equipment Rs 0.35 Million (Previous Year Rs 0.65 Million), Electrical Installation Rs Nil (Previous Year Rs 0.42 Million), Computer Rs Nil (Previous Year Rs 1.56 Million), Electrical fittings Rs Nil (Previous Year Rs 0.03 Million) and Software Rs Nil (Previous Year Rs 2.65 Million). For R&D Center at Plot No K-226/2, Waluj - Plant and Machinery 0.46 Million (Previous Year 0.05 Million), Factory Equipment Rs 0.04 Million (Previous Year Rs 0.06 Million), Office Equipment Rs 0.08 Million (Previous Year Rs Nil), and Dies Rs Nil (Previous Year Rs 0.11 Million). For R&D Center at Plot No E-93, Waluj- Office Equipment Rs 0.12 Million (Previous Year Rs Nil), Vehicle Rs 0.05 Million (Previous Year Rs Nil) and Software Rs Nil (Previous Year Rs 0.26 Million).

e) During the year the management has retired certain plant and machinery having gross block of Rs. 3.21 million (PY Rs. 3.21 million) which are physically available but which are not usable and hence have no future economic benefits.

f) Additions of previous year include the revaluation of assets.

	As at 31st March, 2010 (Rs. in Million)	As at 31st March, 2009 (Rs. in Million)
SCHEDULE : 7		
INVESTMENTS :		
I. Long Term Investments (at Cost)		
(A) Trade Investments		
(1) Investment in Others		
(a) Fully paid Equity Shares (Unquoted)		
Deogiri Nagari Sahakari Bank Ltd [10,000 (Previous Year 10,000) Equity Shares of Rs 10 each]	**0.10**	0.10
Saraswat Co-op Bank Ltd [3,500 (Previous Year 3,500) Equity Shares of Rs 10 each]	**0.04**	0.04
Paioli Meccanica S.p.A (Refer Note 11(b) of Schedule 19)	--	--
	0.13	0.14
(b) Fully paid Equity shares (Quoted)		
Indian Overseas Bank [2,300 (Previous Year 2,300) Equity Shares of Rs 10 each]	**0.06**	0.06
(B) Other Investments (Unquoted)		
National Saving Certificates (Lodged with Government Authorities)	**0.14**	0.15
Bonds - SIDBI Capital Gain	--	--
Other Investments	**0.07**	1.57
Total - Long Term Investments	**0.40**	1.92
Total	**0.40**	1.92
SCHEDULE : 8		
INVENTORIES :		
Raw Materials and Components	**414.01**	276.82
Stores, Spares and Packing Materials	**216.46**	223.44
Tools and Instruments	**76.36**	65.55
Work in Process	**650.00**	685.16
Trading Goods	**20.97**	23.47
Finished Goods	**330.81**	310.79
Goods In Transit	**59.83**	115.87
Total	**1,768.44**	1,701.10

	As at 31st March, 2010 (Rs. in Million)	As at 31st March, 2009 (Rs. in Million)
SCHEDULE : 9		
SUNDRY DEBTORS :		
(Unsecured, Considered Good unless otherwise stated)		
Debtors outstanding for a period exceeding six months		
Considered good	**180.65**	123.66
Considered doubtful	**13.87**	4.93
	194.52	128.59
Other Debtors		
Considered good	**4,401.68**	3,390.03
Considered doubtful	**64.60**	79.32
	4,466.28	3,469.35
	4,660.80	3,597.94
Less : Provision for doubtful debts	**78.47**	84.26
Total	**4,582.33**	3,513.68
SCHEDULE : 10		
CASH & BANK BALANCES :		
Cash on Hand	**2.95**	2.70
Cheques on Hand	**3.53**	2.17
Balance with Banks :		
- in Current Accounts	**643.87**	541.87
- in Deposit Accounts	**229.77**	350.43
Total	**880.12**	897.17
SCHEDULE : 11		
LOANS & ADVANCES :		
(Unsecured, Considered Good, unless otherwise stated)		
Advances Recoverable in Cash or Kind or for Value to be Received		
Considered Good	**679.91**	578.78
Considered Doubtful	**0.09**	0.09
	680.00	578.87
Less: Provision for doubtful advance	**0.09**	0.09
	679.92	578.78
Balance with Central Excise, Customs, Port Trusts etc	**95.69**	119.42
Minimum Alternate Tax Credit Entitlement	**28.95**	—
Advance Tax, Tax Deducted at Source and Fringe Benefit Tax (net of provisions)	**29.25**	135.21
Total	**833.81**	833.41

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET : AS AT 31ST MARCH, 2010

		As at 31st March, 2010 (Rs. in Million)	As at 31st March, 2009 (Rs. in Million)
SCHEDULE : 12			
CURRENT LIABILITIES :			
Acceptances		**505.24**	540.08
Sundry Creditors		**4,718.48**	3,493.51
Other Liabilities		**221.16**	161.03
Advances from Customers		**148.06**	108.98
Interest Accrued but not due on Loans		**39.58**	71.13
	Total	**5,632.52**	4,374.73
SCHEDULE : 13			
PROVISIONS :			
Provision for Current Tax (net of advance taxes)		**71.22**	39.27
Provision for Wealth Tax and Fringe Benefit Tax		**0.13**	0.11
Provision for Gratuity (Refer Note No 18 of Schedule 19)		**32.23**	18.10
Provision for Leave Encashment		**20.22**	15.99
Provision for Employee Benefits		**41.56**	189.38
Provision for Warranty Claims (Refer Note No 19 of Schedule 19)		**13.28**	13.52
Provision for Fair value of foreign exchange forward & currency option contracts		**125.69**	163.05
Dividend on Preference Shares		**12.47**	--
Dividend Tax on Preference Shares		**2.12**	--
Provision for Contingencies		--	33.52
	Total	**318.92**	472.95
SCHEDULE : 14			
OTHER INCOME :			
Interest			
Fixed Deposits		**14.05**	38.78
Others		--	0.26
Dividend Income from Current Investment		**0.05**	4.29
Discount Received		**37.82**	26.02
Export Incentives		**9.18**	17.70
Duty Drawback		**0.89**	5.06
Scrap Sales		**330.94**	339.40
Profit on Sale of Fixed Assets (Net)		**20.49**	19.74
Foreign Exchange Fluctuation Gain (Net of Loss)		**118.06**	--
Miscellaneous Receipts (Refer Note No 17 of Schedule 19)		**102.23**	81.41
	Total	**633.71**	532.66

	For the Year Ended 31st March, 2010 (Rs. in Million)	For the Year Eneded 31st March, 2009 (Rs. in Million)
SCHEDULE : 15		
MATERIAL COST :		
A) Raw Materials & Components Consumed	**12,616.15**	12,785.03
B) (Increase)/Decrease in Stocks		
Closing Stock:		
Work in Process	**650.00**	685.16
Finished Goods	**330.81**	310.79
	980.81	995.95
Opening Stock:		
Work in Process	**685.16**	836.28
Finished Goods	**310.79**	453.00
	995.95	1,289.28
	15.14	293.33
C) Excise duty on Change in Finished Goods	**8.08**	(5.86)
D) Cost of Materials & Components Sold	**703.19**	243.74
E) Less : Cost of Materials Capitalized	**60.51**	51.43
Total	**13,282.05**	13,264.81
SCHEDULE : 16		
EMPLOYEE COST :		
Salary, Wages & Bonus	**1,932.58**	2,289.01
Managing Director's Remuneration	**15.50**	15.50
Contribution to Provident & Other Funds	**244.90**	293.14
Staff Welfare Expenses	**49.11**	55.62
Total	**2,242.09**	2,653.27

	For the Year Ended 31st March, 2010 (Rs. in Million)	For the Year Eneded 31st March, 2009 (Rs. in Million)
SCHEDULE : 17		
OTHER EXPENSES :		
Stores & Spares Consumed	**547.04**	583.60
Packing Material Consumed	**88.16**	85.48
Tools & Instruments Consumed	**287.11**	587.63
Labour Charges	**1,177.28**	982.23
Power, Water & Fuel	**1,180.27**	1,135.93
Freight	**198.10**	197.01
Cash Discount	**13.29**	6.47
Repairs :		
a) Machinery	**418.52**	401.96
b) Building	**35.02**	26.16
c) General	**106.16**	104.95
Insurance	**60.93**	74.48
Advertisement	**9.86**	10.01
Donation	**1.89**	1.10
Directors Fees & Traveling Expenses	**5.12**	7.57
Payment to Auditors (Refer Note No 13 of Schedule 19)	**4.48**	3.69
Royalty	**41.30**	54.84
Rent	**315.95**	322.74
Rates & Taxes	**18.80**	20.64
Traveling and Conveyance	**97.57**	127.09
Bank Charges	**93.29**	54.10
Excise Duty Paid - Others	**1.68**	15.28
Bad Debts Written off	**0.20**	—
Provision for Doubtful Debts	**20.36**	7.59
Loss on Sale of Fixed Assets (Net)	**0.62**	—
Loss on Foreign Exchange Fluctuation (Net of Gain)	—	23.08
Commission on Sale	**14.65**	14.00
Warranty Claims	**14.48**	26.75
Provision For Future Risks	—	31.98
Provision for Slow Moving Inventory	**10.51**	96.16
Miscellaneous Expenses	**459.39**	413.09
	5,222.03	5,415.61
Less : Expenses Capitalized on Dies Manufactured	**(75.07)**	(54.02)
Total	**5,146.96**	5,361.59
SCHEDULE : 18		
INTEREST ON :		
Fixed Period Term Loans	**488.27**	520.78
Working Capital Loans	**192.60**	359.22
Others	**109.17**	29.91
Total	**790.04**	909.91

NOTES TO ACCOUNTS

SCHEDULE 19 :

(1) Basis of Consolidation:

The consolidated financial statements relate to Endurance Technologies Limited (the Company), its subsidiary companies, a joint venture and an associate. The Company and its subsidiaries constitute the Group.

(a) Basis of accounting:

I. The financial statements of the subsidiary companies / joint venture used in the consolidation are drawn upto the same reporting date as of the Company i.e. year ended March 31, 2010.

II. The financial statements of the Group have been prepared in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India / notified under the Companies (Accounting Standards) Rules, 2006 and other generally accepted accounting principles in India.

(b) Basis of preparation:

The financial statements are prepared under the historical cost convention on an accrual basis of accounting in accordance with the generally accepted accounting principles, Accounting Standards notified under Section 211 (3C) of the Companies Act, 1956 and the relevant provisions thereof.

(c) Use of estimates:

The preparation of financial statements requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and future years affected.

(d) Principles of consolidation:

The consolidated financial statements have been prepared on the following basis:

I. The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions and unrealised profits or losses have been fully eliminated.

II. The consolidated financial statements include the share of profit / loss of the associate companies which has been accounted as per the 'Equity method', and accordingly, the share of profit / loss of each of the associate companies (the loss being restricted to the cost of investment) has been added to / deducted from the cost of investments.

An associate is an enterprise in which the investor has significant influence and which is neither a Subsidiary nor a joint venture of the investor.

III. The financial statements of the joint venture company has been combined by using proportionate consolidation method and accordingly, venturer's share of each of the assets, liabilities, income and expenses of jointly controlled entity is reported as separate line items in the Consolidated Financial Statements.

IV. The excess of cost to the Company of its investments in the subsidiary companies / joint venture over its share of equity of the subsidiary companies / joint venture, at the dates on which the investments in the subsidiary companies / joint venture are made, is recognised as 'Goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary companies / joint venture as on the date of investment is in excess of cost of investment of the Company, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements.

V. Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments as stated above.

(e) (i) The following subsidiary companies are considered in the consolidated financial statements:

Name	Country of Incorporation or Residence	Proportion of Ownership Interest
Direct Subsidiaries		
High Technology Transmission Systems (India) Private Limited	India	85%
Endurance Overseas S.r.l (EO S.r.l)	Italy	100%
Amann Druckguss GmbH	Germany	93.84%
Endurance Holding GmbH (formerly Mainsee 493VV)	Germany	100%
Endurance Far East Limited, Thailand (Liquidated on 12th May, 2010)	Thailand	100%
Indirect Subsidiaries		
Nuova Renopress S.p.A.	Italy	100%
Endurance Fondalmec S.p.A. (Formerly known as Fondalmec Officine Meccaniche S.p.A)*	Italy	100%
Fondpress S.r.l (Transferred on 25th September 2009)	Italy	51%
Will Foundry S.r.l (Formed on 23th April 2009 and transferred on 25th September 2009)	Italy	100%
* From 51% to 100% with acquisition in December 09		

(ii) The following Joint Venture Company is considered in the consolidated financial statements:

Name	Country of Incorporation or Residence	Proportion of Ownership Interest
Endurance Magnetti Marelli Shock Absorber's (I) P. Ltd.	India	50% + 1 Share

2. SUMMARY OF GROUP'S SIGNIFICANT ACCOUNTING POLICIES

a) Revenue Recognition

i) Sale of goods is recognized, net of returns and trade discounts, when the risk and rewards of ownership are passed on to the customers, which is generally on dispatch of goods. Sales include Excise Duty but exclude Sales Tax and Value Added Tax.

ii) Job-work receipts are accounted as and when the services are rendered.

iii) Benefit on account of entitlement of import of goods free of duty under the "Duty Entitlement Pass Book under Duty exemption Scheme" (DEPB Scheme) is accounted in the year of export.

b) Fixed Assets

Fixed Assets are stated at cost of acquisition or construction and include amount added/deducted on revaluation less accumulated depreciation / amortization and impairment loss, if any. Pre-operation expenses including trial run expenses (net of revenue) are capitalised. All costs relating to the acquisition and installation of fixed assets are capitalised and include borrowing costs relating to funds attributable to construction or acquisition of qualifying assets, up to the date the asset / plant is ready for intended use.

c) Depreciation and Amortisation

Depreciation on fixed assets is provided at the rates determined on straight line method over the useful life estimated by the Management or on the basis of depreciation rates prescribed under respective domestic laws, whichever is higher.

Leasehold land is amortised over the duration of the lease.

In respect of assets whose useful life has been revised, the unamortized depreciable amount has been charged over the revised remaining useful life.

d) Foreign Currency Transactions

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities are translated at the year-end exchange rates. Exchange difference arising on settlement of transactions and translation of monetary items are recognised as income or expense in the year in which they arise.

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. 5 of this Schedule.

On consolidation, the assets, liabilities and goodwill or capital reserve arising on the acquisition, of the Group's overseas operations are translated at exchange rates prevailing on the balance sheet date. Income and expenditure items are translated at the average exchange rates for the year. Exchange differences arising in case of Non integral Foreign Operations are recognised in the Group's Translation Reserve classified under Reserves and Surplus.

e) Leases:

(i) Finance Lease

Assets acquired under finance leases are recognised at the lower of the fair value of the leased assets at inception and the present value of minimum lease payments. Lease payments are apportioned between the finance charge and the outstanding liability. The finance charge is allocated to periods during the lease term at a constant periodic rate of interest on the remaining balance of the liability. Assets given under finance leases are recognised as receivables at an amount equal to the net investment in the lease and the finance income is based on a constant rate of return on the outstanding net investment.

(ii) Operating Lease

Leases other than finance lease, are operating leases, and the leased assets are not recognised on the Company's balance sheet. Payments under operating leases are recognised in Profit and Loss Account on a straight-line basis over the term of the lease.

f) 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.

g) 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.

h) 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.

In respect of one of its subsidiary, the employees are eligible for benefit as termination of employment (called as Retirement Indemnity – TFR Fund), which falls within the defined benefit plan.

Compensated absences

The Company provides for the encashment of compensated absences with pay subject to certain rules. The employees are entitled to accumulate compensated absences subject to certain limits, for future encashment. The liability being long term in the nature is provided based on the number of days of unutilised compensated absences at each balance sheet date on the basis of an independent actuarial valuation. The Company has taken a policy with LIC of India for future payment of compensated absences encashment to its employees. The premium thereof is paid periodically in terms of the said policy.

i) 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.

j) Taxes on Income

Current tax expense is calculated in accordance with the applicable Income Tax Act, 1961, except for the overseas subsidiaries and joint venture where current tax provision is determined based on the local tax laws.

Deferred tax is recognised, for all timing differences, subject to the consideration of prudence, applying the tax rates that have been substantively enacted by the Balance Sheet date. Deferred tax assets in respect of unabsorbed depreciation and carry forward of tax losses are recognised if there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

k) 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.

l) Borrowing Cost:

Interest and other costs incurred in connection with the borrowing of the funds are charged to revenue on accrual basis except those borrowing costs which are directly attributable to the acquisition or construction of those fixed assets, which necessarily take a substantial period of time to get ready for their intended use. Such costs are capitalised with the fixed assets.

m) Goodwill on Consolidation

Goodwill on Consolidation represents the difference between the Group's share in the net worth of the investee company at the time of acquisition and the cost of investment made.The said goodwill is not amortised; however, it is tested for impairment at each Balance Sheet date and impairment loss, if any, is provided for.

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. The company has disclosed geographical market as its secondary segment.

3. Conversion of the company to public limited company

The shareholders of the Endurance Technologies Private Limited in the Extraordinary General Meeting held on June 28, 2010 passed necessary Special Resolutions for conversion of Endurance Technologies Private Limited to a Public Limited Company, for change of name from Endurance Technologies Private Limited to Endurance Technologies Limited, by deleting the word 'Private' and for alteration of Articles of Association. Accordingly, with effect from June 28, 2010, Endurance Technologies Private Limited ceased to be a private limited company. The Registrar of Companies, Maharashtra, Mumbai has issued a Fresh Certificate of Incorporation dated July 9, 2010. The change of name of the Company to Endurance Technologies Limited has become effective from 9th July, 2010.

It is pertinent to note that as the financial year of the Company ended on 31st March, 2010, the annual accounts, schedules thereto and Notes to the Accounts etc. pertained to Endurance Technologies Private Limited as a private limited company.

4. **Term Loans**

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 Indian Renewable Energy Development Agency (IREDA) 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 and collateral charge on residual value of plant and machinery and land & building after adjusting for proceeds relating to term loans.

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

e) External Commercial Borrowings are secured by first charge on all assets including land and building, plant and machinery, etc., erected / installed in Chakan, Pantnagar (Uttarakhand) and assets to be created at Waluj.

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

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

h) Interest free loan from customer is secured by way of bank guarantee.

i) Amounts repayable within one year for Secured and Unsecured Loans and External Commercial Borrowing Loans is Rs. 2,610.97 million (previous year Rs. 3,226.77 million).

5. During the current year 2009-10, the Company has restated the outstanding foreign currency denominated long term loans which are covered by foreign exchange range forward contracts (JPY-USD) using the cross currency spot exchange rates as on 31st March 2010 as required by the Accounting Standard (AS)11 "The Effects Of Changes In Foreign Exchange Rates". The resultant exchange gain/loss for the year has been charged to the Profit and Loss Account.

However, in the previous year the corresponding exchange gain / loss was adjusted against the Business Reconstruction Reserve (BRR). Refer Note No 9(d)(i) of this Schedule. The exchange gain / loss for the year ended 31st March 2009 which was adjusted against the BRR also included the impact of the exchange gain / loss amounting to Rs.351.60 million relating to the year ended 31st March 2008 wherein 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 year ended 31st March 2008 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.

6. During the financial year, Endurance Holding GmbH a 100% subsidiary of the company merged with the Amann Druckguss GmbH. This merger resulted in a Capital Reserve of Rs. 1.61 million on merger.

7. **Disclosure of Goodwill (on Consolidation)**

(Rs. in Millions)

Particulars	As at 31st March	
	2010	2009
Opening Balance	**565.47**	1,151.83
Add:		
Goodwill on acquisition of balance 49% stake in Fondalmec Officine Meccaniche S.p.A	**525.01**	
Provision for Impairment	—	(431.29)
Impact of Foreign Currency Translation	**(68.27)**	88.11
Adjustment of Investments against BRR	—	(243.08)
Total	**1,022.20**	565.47

During the year the Company has acquired balance 49% stake in Fondalmec Officine Meccaniche, which has resulted in a Goodwill of. Rs. 525.01 Million on acquisition.

During the previous year, in respect of group's subsidiary company namely Nuova Renopress which had continually incurred losses as a result of the global recession, phasing out of important customers etc resulting in the erosion of its share capital. As required by the Italian Civil Code, the Company was required to make fresh contributions to raise and maintain minimum required positive Share Capital of Nuova Renopress. However, the revival of Nuova Renopress was difficult which was heavily indebted.

Hence, the Group has made a provision for Impairment of Goodwill in the previous year arising on consolidation in respect of Nuova Renopress amounting to Rs. 431.29 Million

8. **Disclosure of Capital Reserve (on Consolidation):**

(Rs. in Millions)

Particulars	(As at 31st March	
	2010	2009
Opening Balance at the beginning of the year	**5.10**	145.67
Add:		
Capital Reserve on further stake in HTTS	**15.53**	5.10
Reversal of Capital Reserve on merger of ES(I)PL	—	(145.67)
Closing Balance at the end of the year	**20.63**	5.10

During the year the Company purchased additional 19.68% stake in HTTS, which has resulted in a capital reserve of Rs. 15.53 million.

9. Scheme of Arrangement

During the previous year 2008-09, pursuant to the Scheme of Arrangement ("the Scheme") under Sections 391 to 394 read with sections 78, 100 to 103 of the Companies Act, 1956 sanctioned by the Hon'ble High Court of Bombay vide Order dated 16th October, 2009 (a certified true copy of which was received by the Company on 24th November , 2009) and filed with the Registrar of Companies on 1st December 2009 (the 'effective date'), Endurance Systems (India) Private Limited ("ESIPL"), a wholly owned subsidiary of the Company, 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 were required to be recorded at their respective fair values by the Company. Further, in terms of the scheme, if it is considered necessary and appropriate by the Board of Directors of the Company and if the fair value of any of the assets, liabilities and investments including overseas investments as on the date of approval of the Scheme by the Board of Directors (i.e. 28th July 2009) is substantially different, then the same may also be adjusted while arriving at the fair value for any such assets, liabilities and investments including overseas investments. However, in the opinion of Board of Directors all the balances in assets and liabilities as of 1st April 2008 [except for the tangible fixed assets which have been revalued (Refer Note No. 9 (d) (i) of this Schedule) and investments in Endurance Far East Limited which has been provided for (Refer Note No. 9(d) (i) & 11 (v) of this Schedule)] represent the respective fair values and accordingly these had 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 have been prepared including the transactions, assets and liabilities 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. 9(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. 9(d)(i) & 11 of this Schedule)] represent the respective fair values and accordingly these had 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") was created by transferring Rs 100 Million (excluding the unutilised balance of Rs 28.74 Million transferred back to Securities Premium account) out of Securities Premium Account of the Company and the increase in the value of fixed assets as a result of revaluation of tangible fixed assets of ESIPL (as at 1st April 2008) and of the Company (as at 31st March 2009) for adjustment of certain expenses as prescribed therein.

Following are the details of the amounts that had been transferred to BRR and the expenses that had been adjusted against the same in the previous year as per the Scheme:

(Rs. in Millions)

Sr. No	Particulars	Amount	Amount	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 11 (v) of this schedule
	Sub Total (A)		**3,013.24**	
d)	Provision for diminution in the value of Long Term Investments:			Refer Note 11 of this schedule
	- Investment in Endurance Far East Ltd	77.19		
	- Investment in Nuova Renopress	243.08		
	- Investment in Endurance Overseas Srl	440.01	*760.28	
e)	Investment in Paioli Meccanica Written off		*376.73	Refer Note 11 (ii) 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 given to Endurance Overseas Srl		* 207.70	Refer Note 11 (iv) of this schedule

Sr.	Particulars	Amount	Amount	Remarks
i)	Interest for breach of Covenant of loan agreements with Bank		77.34	Treated as an 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 the approved scheme.
	Sub Total (B)		**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.

Had the Scheme not prescribed aforesaid treatment, the impact in the previous year would have been as under:

a) In the Profit and Loss Account of Endurance Technologies Limited (Standalone)

(Rs. in Millions)

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

Impact on EPS of Endurance Technologies Limited (Standalone)

Particulars	For the year ended 31st March, 2009 Increase / (Decrease) (Rs.)
Basic EPS	(163.49)
Diluted EPS	(163.49)

b) In the Balance Sheet of Endurance Technologies Limited (Standalone):

(Rs.in Millions)

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".

10. Deferred Payments:

Technical Know-how fees payable: Rs.13.55 million (Previous year Rs 15.29 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. 13.55 million (USD 0.3 million) (net of Tax deducted at Source) has been reflected as deferred payments / liabilities.

11. Investment in Overseas Companies

a. Nuova Renopress S.p.A., Italy (Nuova Renopress)

During the year 2006-07, Endurance Technologies Limited (Formerly known as Endurance Technologies Pvt Ltd) ('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 0.92Million (Rs.54million) as a contribution to Equity capital of Nuova Renopress on 29th November 2007. The said amount was appropriated towards Recapitalisation of losses (Euro 0.86 Million) and Share Capital (Euro 0.06 Million). In the process of recapitalization of losses and acquisition of the said balance stake of 49%, the Company's holding in Nuova Renopress had become 49% and EOSRL held 51% .

At the end of year 2008-09, the company held 49% stake in the Nuova Renopress S.p.A, Italy (Nuova Renopress) and the balance 51% was held by EOSRL (100% Subsidiary of the Company). Nuova Renopress continually incurred losses as a result of the global recession, phasing out of important customers etc resulting in the erosion of its share capital.

As required by the Italian Civil Code, the Company was required to make fresh contributions to raise and maintain minimum required positive Share Capital of Nuova Renopress. However, the revival of Nuova Renopress was difficult which was heavily indebted.

The Company ceased to be the shareholder of Nuova Renopress w.e.f. 23rd July 2009 as the Capital of Nuova Renopress had eroded completely and the Company did not participate in the further re-capitalization of Nuova Renopress in order to re-instate its capital to the statutory minimum level as the provisions of the Italian law. Awaiting clarification from the Authorised Dealer, the Management has in the previous year provided for the diminution to the extent of Rs. 243.08 million in value of investment & transferred the same to the BRR. During the year, the disinvestment of stake in Nuova Renopress has been taken on record by the Reserve Bank of India (RBI) and accordingly the investment in Nuova Renopress, which was already provided for in the year 2008-09, has been written off in the year 2009-10.

b. Paioli Meccanica S.p.A., Italy (Paioli)

During the year 2006-07, the Company acquired 40% shares for Euro 6.12 million by paying an upfront amount of EURO 2.42 Million (Rs. 142.57 Million) and provided a Bank Guarantee for balance amount of EURO 3.70 Million (Rs. 215.93 Million) payable in 5 annual equal installment commencing from 29th September 2007. During the year 2007-08, the Company had paid the 1st installment of Euro 0.74 Million (Rs. 43.18 Million) against the said bank guarantee & has also recapitalized loss of Paioli by remitting Euro 0.28 Million (Rs. 16.02 Million).

In the previous year 2008-09, the Company held 40% stake in Paioli. However, due to the continuous losses incurred by Paioli, lack of professional management, weak financial position and financial & legal risks associated therewith, in the previous year 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.

In view of the above developments, the Company had written off the total investment amount of Rs. 376.73 Million in Paioli as at the end of previous year by debiting the BRR Account.

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. Refer Note 9 (d) above. Hence Group's share of profit / (loss) for the year 2008-09 has not been accounted in the consolidated profit and loss account.

For the purpose of consolidated financial statements, during the previous years, Group's share in losses upto 31st March 2008 amounting to Rs. 20.09 million has been adjusted against Reserves.

c. Amann Druckguss GmbH., Germany (Amann Druckguss)

The total investment of the Company in Amann Druckguss (a wholly owned subsidiary of the Company) as at the end of the year amounted to Euro 30.94 million (Previous Year 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 previous year, the Company had invested an amount of Euro 6 Million (Rs 420.77 Million) in Amann and had converted shareholder's loan of Euro 5 Million & interest on shareholder's loan of Euro 0.7 million into equity (by adding them to capital reserve) in Amann Druckguss to maintain positive share capital as required under German Laws.

Further, the Company has provided two Corporate Guarantees for Euro 17 Million and a lien on shares of Amann Druckguss held by the Company in favour of Bank of India, London for the credit facilities provided to Amann Druckguss.

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

d. Endurance Overseas S.r.l, Italy, (EOSRL)

During the year 2007-08, the Company had floated Endurance Overseas S.r.l. on 14th May, 2007 which had acquired stake in following companies:

- 51% stake in Fondalmec S.p.A. Italy in May 2007
- 51% stake and recapitalization in Nuova Renopress S.p.A. Italy

The total investment of the Company in EOSRL (a wholly owned subsidiary of the Company) as at end of the year amounts to Euro 15.74 million (Rs. 1,016.68 million) (previous year Euro 10.95 million (Rs. 681.03 million)) which includes the following:

- Euro 1.05 million (Rs. 72.21 million) invested during the previous year,

- Euro 4.58 million (Rs. 321.51 million) from loan and Euro 0.22 million (Rs 14.14 million) from amount receivable from subsidiary are converted to equity during the current year.

- Euro 4 million (Rs. 267.76 million) invested in current year in the equity of EOSRL as approved by the Board. Though this investment has been made in current year, the same had been accounted for in the books of account of the Company in the previous year 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 2009-10, the Company has given shareholders' loan to EOSRL of Euro 7.50 million (Rs. 524.98 million) [previous year Euro 2.6 million (Rs. 175.82 million)]. The interest accrued as at 31st March 2010 amounts to Euro 0.09 million (Rs. 5.23 million) [previous year Euro 0.51 million (Rs. 31.87 million)]. Out of the said loan given in the current year, the Company has converted an amount of Euro 4.58 million (Rs. 321.51 million) to equity. In the opinion of the Management the balance in the loan and the interest thereon as at 31st March, 2010 amounting to Euro 2.94 (Rs. 176.14 million) is considered to be good. However the balance outstanding as of 31st March 2009 was considered doubtful and hence had been provided for in full in the previous year continues to be provided for.

(i) As stated in Note 11 (i) above, the Company has ceased to be the shareholder of Nuova Renopress w.e.f. 23rd July 2009. EOSRL which contributed for recapitalization, remained the sole shareholder of Nuova Renopress. As a part of restructuring, EOSRL has since exited from Nuova Renopress by transferring its entire shareholding to a third party.

In view of the above, the Management believes that there is a permanent diminution in the value of the investment in EOSRL. Accordingly in the previous year, the Company had made a provision amounting to Rs. 647.71 Million [Rs. 440.01 million against the investment and Rs. 207.70 million against the outstanding shareholders' loan] as at 31st March 2009 by debiting the BRR.

For the purpose of consolidated financial statements, during the previous year ended 2008-09, the balance in the provision for diminution in the value of investments amounting to Rs.440.01 million in the books of ETL (after knocking off the balance in investment in the books of ETL and equity in the books of EOSRL) had been adjusted to reserves as the losses incurred by EOSRL have been absorbed in the consolidated financial statements through the Profit & Loss Accounts of previous years.

Further, for the purpose of consolidated financial statements, the balance in the provision for doubtful loans amounting to Rs. 207.69 million (after knocking off the balance in the loan recoverable in the books of ETL and loan payable in the books of EOSRL) had been transferred to Capital Reserve.

(ii) In the current year ended 2009-10, on 2nd December, 2009 EOSRL has executed necessary agreement for acquisition of the residual 49% stake in Fondalmec for a total consideration 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 Million shall be paid in installments, the last installment being payable by 31st March 2014.

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

During the year ended 2007-08, the erstwhile ESIPL (which has now been merged with the Company) had incorporated a new subsidiary in Thailand, named EFEL.

The total investment in the shares of the EFEL as on 31st March 2009 was THB 28.89 million i.e. Rs.77.45 million including Rs 38.97 million (USD 805,000) on account of conversion of Share Holder's loan into equity and an additional investment of Rs. 5 million (equivalent USD 116,727) made during the previous year.

In view of continued losses, EFEL was voluntarily dissolved on 12th May 2009 and the liquidation has since been registered by the competent government authority in Thailand on 28th October, 2009. Accordingly, during the previous year, the Company had made a provision amounting to Rs. 77.19 Million against the investment by debiting the BRR. Subsequently, the Company has received a letter from RBI dated 28th May 2010 confirming that the voluntary liquidation of this subsidiary has been taken on record by them based on which, the Company has written off the investment made in EFEL during the current year.

Further, in view of the above, during the previous year, the Company had also written back Rs. 7.24 million representing the amounts payable to Endurance Far East Ltd. (net of amounts receivable Rs. 13.11 million) by adjusting the same in the BRR.

For the purpose of consolidated financial statements, during the previous year, the net amount payable (Rs. 7.24 million) had been re-instated by debiting an equivalent amount to the Reserves.

12. Endurance Magneti Marelli Shock Absorbers (I) Pvt Ltd

During the previous year 2008-09, Endurance Magneti Marelli Shock Absorbers (India) Private Limited (EMM) was promoted jointly by the Company and Magneti Marelli Holding S pA, Italy (now known as Magneti Marelli S pA) for manufacture of shock absorbers, semi-corner modules, gas springs of four and above wheeled vehicles. The total investment made by the Company in EMM as at 31st March 2010 amounts to Rs. 85 million (previous year Rs. 60 million) for cash at par representing shareholding of 50% + 1 share in the paid up Share Capital of EMM.

The erstwhile ESIPL (since amalgamated with the Company) had given a Corporate Guarantee of Rs. 110 Million to Andhra Bank in respect of the credit facilities to be availed by EMM. As a result of the amalgamation of ESIPL with ETPL, the same has been transferred in the name of ETPL.

13. Payment to Auditors (excluding Service Tax)

(Rs.in Million)

Particulars	For the year ended 31st March	
	2010	2009
Statutory Auditors		
Audit Fees	**3.06**	3.15
Certification	**0.33**	0.42
Other Matters	**0.90**	—
Expenses reimbursed	**0.19**	0.12
Total	**4.48**	3.69

14. Private Placement of Preference Shares

During the year 2009-10, Standard Chartered Private Equity (Mauritius) II Limited ('the Investor') subscribed to 40 million Compulsorily Convertible Preference Shares (CCPS) of Rs.10 each with coupon rate of 8% p.a. for Cash at par aggregating to Rs. 400 Million issued by the Company on Private Placement basis in the manner stipulated in the Supplementary Share Subscription and Share Holder's Agreement (SSSSHA). The CCPS were allotted to the Investor on 10th November, 2009. The CCPS subscription amount shall be utilized towards general business purposes, recurring capital expenditure requirements and towards completion of acquisition of existing overseas subsidiary company.

The CCPS shall automatically and compulsorily convert into Equity Shares, on occurrence of the 'Conversion Event' i.e. upon finalization of the audited financial results of the Company for the financial year ending on 31st March 2010.

The terms and conditions and manner of computation of the conversion price and number of equity shares issuable on conversion and occurrence of the conversion event have been stipulated in Annexure 1 to the SSSSHA. The conversion price would be determined as below:

$$\text{Conversion Price} = \frac{\text{Equity Value (-) CCPS Subscription Amount}}{\text{Total Number of shares issued and paid just before conversion}}$$

'Equity Value' shall be 6 times the Consolidated Audited EBITDA for the financial year ending March 2010 less Net Debt as on 31.03.2010.

15. During the year 2009-10, the Company has converted the loan taken from Directors / Share holders amounting to Rs. 16.80 Million into Redeemable Preference Shares (RPS) of Rs. 10/- each (as per stipulation from Bankers) with coupon rate of 8% p.a. from the date of allotment of the RPS and the year 2010-11. In accordance with the terms of allotment, the coupon rate shall be increased to 8.5% p.a. in the year 2011-12, 9% p.a. in the year 2012-13 and 10% p.a. in the year 2013-14 and for a further period till the date the same are redeemed. The Shares will be redeemed for cash at par on the date of adoption of the Annual Accounts for the financial year ended 31st March 2014 by shareholders in the Annual General Meeting or the date of repayment of the restructured loan of the banks from whom the Company has availed the working capital limit aggregating to Rs. 2,383 million, whichever is later.

16. Increase of Authorized Capital of the Company

On 5th November, 2009, the Authorized Capital of the Company was increased from Rs. 200 million to Rs. 700 million by way of issue of 50,000,000 Compulsorily Convertible Preference Shares (CCPS) of Rs. 10 each aggregating to Rs. 500,000,000 to enable allotment of 40,000,000 CCPS to Standard Chartered Private Equity (Mauritius) II Limited.

Further, consequent to the Amalgamation of ESIPL with the Company, in terms of the High Court order, ESIPL stands dissolved without winding up and the Authorized Capital of the Company stands enhanced from Rs. 700 million to Rs. 725 Million with effect from 1st December 2009 (increased by an amount equivalent to the Authorized Share Capital of ESIPL).

The Company, at its EGM dated 26th March, 2010, reclassified the authorised share capital of 2,000,000 CCPS of Rs.10 each to 2,000,000 Redeemable Preference Shares (RPS) of Rs. 10 each to enable the issuance of 1,680,000 RPS of Rs. 10 each to Directors/ Share Holders.

17. Miscellaneous Receipts in Schedule 14 includes Rs. 10.29 million (Previous Year Rs. 7.71 Million) representing liabilities no longer payable written back.

18. Employee Benefits

Liability for Employee Benefits has been determined by an actuary, appointed for the purpose, in conformity with the principles set out in the Accounting Standard-15 (Revised), the details of which are as hereunder :

Defined Contribution Plan:

Amount recognised as an expense in the Profit and Loss Account in respect of Defined Contribution Plans is Rs 38.89 Million (Previous year Rs 41.21 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.

Gratuity:

Principal actuarial assumptions	**Gratuity**	
	2009-2010	2008-2009
Discount rate	**7.25% to 8.25%**	7% to 7.25%
Rate of Return on Plan Assets	**8.00%**	8.00%
Salary Escalation	**6.00%**	4.50%- 6.00%

a) The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated terms of the obligations.

b) Expected Rate of Return of Plan Assets: This is based on the expectation of the average long term rate of return expected on investments of the Fund during the estimated term of obligations.

c) Salary Escalation Rate: The estimates of future salary increases considered taking into the account the inflation, seniority, promotion and other relevant factors.

Reconciliation of Benefit Obligation:

(Rs. in Million)

Particulars	**As at 31st March**	
	2010	2009
Liability at the beginning of the year	**36.34**	28.26
Interest Cost	**2.55**	2.69
Current Service Cost	**7.61**	6.91
Benefit Paid	**(17.13)**	(2.46)
Actuarial (Gain) / Loss on Obligations	**19.98**	0.94
Liability at the end of the year	**49.35**	36.34

Reconciliation of Fair value of Plan Assets:

(Rs. in Million)

Particulars	For the year ended 31st March	
	2010	2009
Fair Value of Plan Assets at the beginning of the year**	**18.24**	19.55
Expected Return on Plan Assets	**0.77**	1.47
Contributions	—	0.10
Benefit Paid	**(17.13)**	(2.46)
Actuarial (Gain) / Loss on Obligations	**15.24**	(0.42)
Fair Value of Plan Assets at the end of the year	**17.12**	18.24

Amount to be recognised in Balance Sheet :

(Rs. in Million)

Particulars	For the year ended 31st March	
	2010	2009
Liability at the end of the year	**49.35**	36.34
Fair Value of Plan Assets at the end of the year	**17.12**	18.24
Amount to be recognised in Balance Sheet	**32.23**	18.10

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

(Rs. In Million)

Particulars	For the year ended 31st March	
	2010	2009
Current Service Cost	**7.61**	6.91
Interest Cost	**2.55**	3.58
Expected Return on Plan Assets	**(0.77)**	(1.47)
Net Actuarial (Gain) / Loss recognized	**4.73**	1.31
Expenses recognized in Profit and Loss Account*	**14.12**	10.33

* Expenses recognized in the Profit and Loss account excludes, additional gratuity paid by the Company to the left employees amounting to Rs 0.28 Million (Previous Year 3.06 Million).

** Liability and Fair value of Plan Assets of the beginning of the year 2008-09 included Liability of Rs 8.08 Million and Fair value of Plan Assets of Rs 6.71 Million taken over on amalgamation.

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

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

(Rs. in Million)

Particulars	For the year ended 31st March			
	2010	**2010**	2009	2009
	Warranty	**Contingencies**	Warranty	Contingencies
Carrying amount as at 1st April	**13.52**	**33.52**	13.14	—
Add: On amalgamation during the year	—	—	8.47	31.98
Additional Provision made during the year	**9.57**	—	8.09	—
Less : Amount paid/utilized during the year	**9.80**	**33.52**	—	1.54
Carrying amount as at 31st March	**13.28**	—	13.52	33.52

Provision for Warranties: The Company gives warranties on certain products from the date of sale, for their satisfactory performance during the warranty period as per the contracts with buyers. Provision for warranty claims arising out of such obligation is made based on such warranty period.

Provision for contingencies: In case of Group companies,

- Nuova Renopress Spa - appropriation of Euros 100.000 against the alleged charge in the case of loss if sued for wrongful (or unfair) dismissal.
- Fondpress Srl. - appropriation of Euros 386.500 against the alleged charge for implementing the mobility procedure and for trade penalties.

20. Consolidated Segment Information for the year ended 31st March, 2010

The Company is mainly engaged in the business of Automobile components. This is in the context of AS-17 'Segment Reporting', considered to constitute one single reportable primary segment.

Secondary Segment (Geographical Segment)

(Rs. in Million)

Particulars	For the year ended 31st March	
	2010	2009
Revenue		
India	**17,338.89**	15,194.97
European Countries	**6,674.97**	8,185.72
Others	**64.77**	34.39
Total	**24,078.63**	23,415.08
Segment Assets		
India	**13,975.19**	12,717.85
European Countries	**5,352.23**	6,797.55
Others	—	73.82
Total	**19,327.42**	19,589.22
Capital Expenditure		
India	**816.78**	972.22
European Countries	**209.42**	507.11
Others	—	15.35
Total	**1,026.20**	1,494.78

21. Estimated amount of contracts remaining to be executed on Capital Account and not provided for [Net of Advance Rs 107.34 Million (Previous Year Rs 70.16 Million)]

(Rs.in Million)

	Particulars	As at 31st March	
		2010	2009
a)	Tangible Assets	**406.54**	170.51
b)	Intangible Assets	—	—
	Total	**406.54**	170.51

22. Contingent Liabilities not provided for in respect of : (Rs.in Million)

	Particulars	For the year ended 31st March	
		2010	2009
a)	Outstanding Letters of Credit	**582.52**	607.04
b)	Guarantees given By Company's Bankers	**104.73**	587.52
c)	SBLC given to ICICI Bank for EOSRL	**402.31**	582.99
d)	Guarantees to Banks and Financial Institutions on behalf of others	—	0.29
e)	Corporate Guarantee given to Bank of India, London for the loan taken by Amann Druckguss GmbH.	**1,074.65**	671.12
f)	Corporate Guarantee given to Andhra Bank	**110.00**	—
g)	SBLC given to Bank of India, London for the working capital loan taken by Amann Druckguss GmbH.	—	67.79
h)	Claims towards Workmen Compensation	—	31.01
i)	Disputed Excise Demand	**57.28**	5.31
j)	Excise Duty matters	**0.15**	—
k)	Claims by suppliers under dispute	**0.45**	2.97
l)	Service Tax matters	**3.13**	4.76
m)	Sales Tax matters	**0.04**	0.32
n)	Bank Guarantee Outstanding (Maharashtra State Electricity Distribution Company .Ltd., Aurangabad-Rs.13,99,625/-)	—	1.40

23. 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$ 53.36 Million (Previous Year US$ 49.63 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 2010 the Company is not in default under the scheme.

24. 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:

(Rs. in Millions)

Particulars	Currency	For the Year ended 31st March			
		2010		2009	
		Foreign Currency	**Rupees**	Foreign Currency	Rupees
Forward Contract – INR	USD	—	—	0.04	1.94
Forward Contract - USD-INR	USD	**6.77**	**305.92**	24.78	1,263.47
Forward Contract - USD-JPY	JPY	**102.75**	**49.85**	—	—
Forward Contract - JPY –INR	JPY	**276.12**	**133.98**	362.34	188.49
Currency Swap Option - JPY-USD	JPY	**2,362.26**	**1,146.17**	4,057.01	2,110.46
Options -USD-INR Contracts on JPY -USD Currency Swap Options	USD	**12.52**	**565.58**	1.09	54.37
Fixed Currency Swap Euro-INR	EURO	**21.15**	**1,282.99**	—	—
Fixed Currency Swap JPY-INR	JPY	**857.66**	**416.14**	—	—
Currency Swap Option –Euro –USD	Euro	—	—	13.73	930.93
Option's - USD-CHF	USD	—	—	1.00	50.98
Option's - USD-INR	USD	**18.00**	**813.24**	18.45	940.58
Options -USD-JPY	USD	**10.00**	**451.80**	10.00	509.8
On JPY-USD Currency Swap -USD-INR	JPY	**7.85**	**3.81**	13.76	7.16
On EURO-USD Currency Swap -USD-INR	USD	—	—	3.57	182.04
Interest Rate Swap	EURO	**6.00**	**363.38**	—	—

25. Earnings Per Share (EPS):

	Particulars	31-03-2010	31-03-2009
a)	Earnings for the purpose of basic earnings per share [Profit / (Loss) for the period] (Rs. in Million)	**35.69**	(749.93)
	Extraordinary Expenses	**(147.49)**	—
	Extraordinary Income	**226.43**	—
b)	Effect of dilutive potential ordinary shares (Shares in Nos.)	—	16,996,760
c)	Earnings for the purpose of diluted earnings per share (Rs. in Million)	**35.69**	(749.93)
	Less: Proposed Preference dividend on Preference Shares (Rs. in Million)	**12.47**	—
	Less: Tax on Proposed Dividend (Rs. in Million)	**2.12**	1.27
d)	Weighted number of ordinary shares for the purpose of basic earnings per share	**16,996,760**	16,996,760
e)	Effect of dilutive potential ordinary shares CCPS automatically & compulsorily convertible into equity shares	—	—
f)	Weighted number of ordinary shares for the purpose of diluted earnings per share	**16,996,760**	16,996,760
g)	Nominal Value of Equity Shares Rs.	**10.00**	10.00
h)	Basic & diluted earnings per share Rs. (before extraordinary item)	**(3.40)**	(44.12)
i)	Basic & diluted earnings per share Rs. (after extraordinary item)	**1.24**	(44.12)

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

27. The Company has recognised deferred tax as required by Accounting Standard 22 "Accounting for Taxes on Income". The major components of deferred tax assets and liabilities on account of timing differences are as under :

(Rs.in Million)

Particulars	For the year ended 31st March	
	2010	2009
Deferred Tax Liabilities		
On account of timing differences in Depreciation & Amortisation	**230.47**	327.10
Deferred Revenue Expenses	—	(1.48)
Others	**18.71**	53.02
Sub total	**249.18**	378.64
Deferred Tax Assets		
On account of timing differences in		
Brought forward losses/Unabsorbed depreciation	—	196.39
Disallowances u/s Sec.40 (a) (ia), u/s Sec.43B, u/s Sec.35DD & 35DDA	**31.15**	23.31
Other	**71.81**	174.60
Sub total	**102.96**	394.30
Net	**146.22**	(15.66)
Disclosed by Adding up Asset/Liability of every subsidiary		
Deferred Tax Liability	**193.60**	
Deferred Tax Assets	**47.38**	
Deferred Tax (Netted Off)	**146.22**	

28. Extraordinary Expenses:

a. Extraordinary expenses during the year includes the following items:

Particulars	**(Rs. in Million)**
Mark to Market Loss*	**56.45**
Loss of Sale of Investment $	**63.41**
Provision for Redundancy Cost #	**27.63**

* The Company has provided for mark to market loss of Rs. 56.45 Million (Previous Year Rs 64.38 million) on account of Derivative instruments which are not covered by Accounting Standard (AS) 11 "The Effects of Changes in Foreign Exchange Rates". The loss for the current year has been adjusted to Profit & Loss Account whereas in previous year the loss of Rs. 64.38 million was adjusted against the Business Reconstruction Reserve (Refer Note No. 9(d) (i) of this Schedule).

$ During the year, the Italian subsidiary of the Company incurred a loss on sale of its investment in two of its subsidiaries.

Provision for Redundancy Cost pertians to provision made to pay for the retrenchment of Redundant Employees. This Provision has also been taken by the Italian Subdiaiary.

b. Extraordinary income during the year:

Extraordinary income of Rs. 226.43 million pertains to gain on restructuring of financial debt by Nuova Renopress SpA.

29. (A) Disclosure in respect of Operating Lease :

(a) Assets taken on lease :

(Rs.in Million)

(i) Total of Minimum Lease Payments	As at 31st March	
	2010	2009
The total of minimum lease payments for a period:-		
- Not later than 1 Year	**167.59**	228.75
- Later than 1 Year and not later than 5 Years	**141.42**	351.44
- Later than 5 Years	**—**	—

(Rs.in Million)

(ii) Particulars	As at 31st March	
	2010	2009
Amount charged to profit & loss account for operating lease	**230.47**	249.50

(b) General description of the Operating Lease:

Property Purchase Contract and Lease Agreement with Purchase Option dated December 17, 2003

Amann Druckguss GmbH took over from Amann Druckguss GmbH & Co. KG, as its legal successor in relation to the property purchase contract and lease agreement with purchase option concluded by the latter. The Company sold its property in Massenbachhausen, Jahnstr., sub-plot no. 777/1, with a total surface area of 15,727 m² including a production facility, warehouse and administration building to Alyssum Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs-KG, Wiesbaden, (sale and leaseback).

(B) Disclosure in respect of Finance Leases:

(a) Assets taken on Lease:

(Rs.in Million)

(i) Total of Minimum Lease Payments	As at 31st March	
	2010	2009
The total of minimum lease payments for a period:-		
- Not later than 1 Year	**38.19**	85.81
- Later than 1 Year and not later than 5 Years	**64.78**	157.59
- Later than 5 Years	**40.69**	62.19
(ii) Total of Present Value	As at 31st March	
	2010	2009
The total of present value for a period:-		
- Not later than 1 Year	**35.80**	82.03
- Later than 1 Year and not later than 5 Years	**59.33**	141.92
- Later than 5 Years	**39.08**	59.15

30. Property purchase contract and lease agreement with purchase option dated 17 December 2003

Amann Druckguss GmbH has taken over from Amann Druckguss KG as its legal successor in relation to the property purchase contract and lease agreement with purchase option concluded by the latter.

The Company sold its property in Massenbachhausen, Jahnstr., sub-plot no. 777/1, with a total surface area of 15,727 m^2 including a production facility, warehouse and administration building to Alyssum Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs-KG, Wiesbaden, (sale and leaseback).

The deed of conveyance was dated 17 December 2003; possession, rewards, encumbrances and risks were transferred to the buyer at year-end 2003. The purchase price amounted to EURO 6.00 Million plus VAT of EURO 0.98 and was paid in February 2004.

Also on 17 December 2003, the Company entered into a lease agreement with purchase option with the buyer of the property, under which the company under review leases the property back as of 1 January 2004. The Company has a purchase option once the fixed lease term of 16.5 years expires.

While the annual rent decreases sequentially over the term of the agreement, the tenant loan increases accordingly. The total expense remains constant at EURO 0.62 Million p.a. until 31 December 2013.

After the expiry of the lease term of 16.5 years, the tenant loan will be either repaid to the company under review or offset against the purchase price liability, should the company under review decide to exercise its purchase option.

The purchase option was granted as part of a purchase agreement subject to a condition. This condition is triggered by the holder of the purchase option exercising the option at the end of the rental agreement. If the purchase option is exercised, the purchase price corresponds to the net book value for tax purposes based on straight- line depreciation.

Rent agreement dated 14th February, 2003 with addenda dated 5th March, 2003 and 21st November, 2006.

Under these agreements, Josef and Vroni Amann GbR leases the properties in Massenbachhausen, Benzstr 1 and 3 (sub-plot nos. 6759/1 and 6759/3) to the company under review (total surface area: 7,587 m2) including production halls and land improvements. The annual rent amounts to Euro 250,000.

The lease agreement expires on 31st December 2012. It is prolonged by five years unless the agreement is terminated six months before it expires. The tenant has an option to extend the agreement by a further five years.

The running costs of the property and all maintenance costs – excluding structural repairs – are borne by the tenant.

With agreement dated April 29, 2009 the monthly payments for the period July 2009 until June 2010 were reduced about 20 percent.

31. In accordance with the Scheme of Arrangement, in the previous year ended 2008-09, 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 9 (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.

32. The financial statements of the subsidiary companies / joint venture used in the consolidation are drawn upto the same reporting date as of the Company except for:

In case of one of the overseas subsidiaries (namely Endurance Far East Limited, Thailand) whose financial statements from 1st January 2009 to 12th May, 2009 have been considered for preparing the Restated Consolidated Financial Information of the Company without giving effect to material transactions that occurred between the interim period.

In the and opinion of the Management, Endurance Far East Ltd has been subsequently liquidated on 12th May, 2009 and it was not practicable to draw up the financial statements of these entities for the year ending March 2010 for the purpose of consolidation nor was it possible to adjust any material transactions that occurred between the interim period.

33. The proportionate share of assets and liabilities as at March 31, 2010 and income and expenditure for the year ended March 31, 2010 of the joint venture companies based on financial statements are given below:

Particulars	**As at March 31, 2010**	As at March 31, 2009	**Particulars**	**As at March 31, 2010**	As at March 31, 2009
RESERVES AND SURPLUS			**INCOME**		
Profit & Loss Account Dr. Balance	**53.83**	9.30	Sale of products and services	**56.58**	2.00
			Less : Excise duty	**(5.26)**	(0.21)
			Other Operating Income	**2.11**	0.34
				53.43	2.13
ASSETS			**EXPENDITURE**		
Net Block (including CWIP)	**114.85**	57.45	Manufacturing and other expenses	**88.79**	11.16
Investments	—	—	Expenditure transferred to capital and other accounts	—	—
Current Assets, Loans & Advances	**63.90**	47.48	Product Development Cost	—	—
	178.75	104.93	Depreciation	**4.61**	0.19
LIABILITIES			Interest	**4.55**	—
Loan Funds	**92.59**	—	Tax expenses	—	0.07
Current Liabilities	**54.13**	53.69		**97.96**	11.42
Provisions	**0.86**	0.53			
	147.58	54.22			

- Claims not acknowledged as debts – Nil
- Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of Advance) Rs.2.34 Million (Previous Year : Rs. 30.36 Million)

34. Previous year figures have been regrouped/reclassified wherever necessary to conform to this year's classification.

35. Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with the group financial statements

36. In the preparation of these Consolidated Financial Statements, no adjustments have been made for any events (which required an adjustment to or a disclosure in the consolidated financial statements) occurring subsequent to the dates of the individual audit reports on the standalone financial statements issued by the respective auditor's of each of the subsidiaries, joint ventures and associate included in the Group.

For and on behalf of the Board

ANURANG JAIN Managing Director	**P. S. DATTA** Director
SATRAJIT RAY Group CFO	**V. M. ACHWAL** DGM (CS & Legal)

Date : 27.09.2010
Place : Mumbai

Annexure: Consolidated Statement of Related Party Transactions

A. Particulars of related parties and nature of relationship:

Name of the Related Parties	Nature of Relationship
Endurance Magneti Marelli Shock Absorbers India Private Limited	Joint Venture
Paioli Meccanica S.p.A.	Associate
Mr. Anurang Jain - Managing Director	Key Management Personnel
Mr. Naresh Chandra - Relative of KMP - (Relationship - Father) Mrs. Suman Jain - Relative of KMP - (Relationship - Mother) Mrs.Varsha Jain - Relative of KMP - (Relationship - Wife) Naresh Chandra HUF – HUF	Relatives of Key Management Personnel with whom transactions have taken place
Varroc Engineering Private Limited Varroc Trading Private Limited Varroc Exhaust Systems Private Limited Varroc Elastomers Private Limited Varroc Polymers Private Limited Durovalves India Private Limited	Enterprises Owned or Controlled by Key Management Personnel and/or their Relatives.
Note: Related party relationship is as identified by the Company and relied upon by Auditors.	

B. Disclosure of transaction with the Related Parties (AS18) during the financial year:

Sr. No	Name of the Related Party	Description of the relationship	Nature of Transaction	Amount of transactions during the year (Rs. in Million)
1.	Paioli Meccanica S.p.A	Associate	Purchases: Goods & Materials	—
				0.61
2.	Endurance Magneti Marelli Shock Absorbers (India) Pvt. Ltd.	Joint Venture	Purchases: Goods & Materials	38.07
				6.99
3.	--	Enterprises Owned or controlled by Key Management Personnel or their relatives	Purchases: Goods & Materials	40.63
				35.76
4.	Endurance Magneti Marelli Shock Absorbers (India) Pvt. Ltd.	Joint Venture	Purchases of Fixed Assets	3.09
				39.23

CONSOLIDATED RELATED PARTY DISCLOSURES

FOR THE YEAR ENDED ON 31/03/2010

Sr. No	Name of the Related Party	Description of the relationship	Nature of Transaction	Amount of transactions during the year (Rs. in Million)
5.	Paioli Meccanica S.P.A	Associate	Sales: Goods and Material	—
				354.16
6.	—	Enterprises Owned or controlled by Key Management Personnel or their relatives	Sales: Goods and Materials	0.60
				0.43
7.	Endurance Magneti Marelli Shock Absorbers (India) Pvt Limited	Joint Venture	Sales: Goods and Materials	38.16
				9.31
8.	Endurance Magneti Marelli Shock Absorbers (India) Pvt Limited	Joint Venture	Sales: Fixed Asset	2.86
				33.61
9.	Mr. Anurang Jain, Managing Director	Key Management Personnel	Sale of Fixed Assets	12.50
				—
10.	Endurance Magneti Marelli Shock Absorbers (India) Pvt Limited	Joint Venture	Rent	12.51
				6.79
11.	—	Key Management Personnel	Remuneration	17.04
				16.99
12.	—	Relatives of Key Management Personnel	Interest paid	1.36
				1.51
13.	—	Relatives of Key Management Personnel	Directors Fees	0.08
				0.05
14.	—	Relatives of Key Management Personnel	Professional Charges	1.11
				1.18
15.	Paioli Meccanica S.p.A.	Associate	Expenses Reimbursed	—
				—
16.	—	Enterprises Owned or controlled by Key Management Personnel or their relatives	Expenses Reimbursed	—
				0.31

CONSOLIDATED RELATED PARTY DISCLOSURES
FOR THE YEAR ENDED ON 31/03/2010

Sr. No	Name of the Related Party	Description of the relationship	Nature of Transaction	Amount of transactions during the year (Rs. in Million)
17.	Endurance Magneti Marelli Shock Absorbers (India) Pvt Limited	Joint Venture	Expenses Reimbursed	0.84
				7.13
18.	Endurance Magneti Marelli Shock Absorbers (India) Pvt Limited	Joint Venture	Excise Duty Reimbursed	0.29
				—
19.	Paioli Meccanica S.P.A	Associate	Royalty	—
				69.41
20.	Endurance Magneti Marelli Shock Absorbers (India) Pvt Limited	Joint Venture	Charges for ERP	1.25
				—
21.	Endurance Magneti Marelli Shock Absorbers (India) Pvt Limited	Joint Venture	Computer Rent	0.13
				—
22.	Paioli Meccanica S.P.A	Associate	Share Investment	—
				—
23.	Endurance Magneti Marelli Shock Absorbers (India) Pvt Limited	Joint Venture	Finance: Share Investment	25.00
				60.00
24.	Endurance Magneti Marelli Shock Absorbers (India) Pvt Limited	Joint Venture	Income: Rent/Interest Receipt	11.16
				8.78
25.	Endurance Magneti Marelli Shock Absorbers (India) Pvt Limited	Joint Venture	Expenses Recovered	2.60
				5.49
26.	Endurance Magneti Marelli Shock Absorbers (India) Pvt Limited	Joint Venture	Other Income	1.25
				—
27.	Endurance Magneti Marelli Shock Absorbers (India) Pvt Limited	Joint Venture	Excise Duty Recovered	—
				3.69

CONSOLIDATED RELATED PARTY DISCLOSURES
FOR THE YEAR ENDED ON 31/03/2010

Sr. No	Name of the Related Party	Description of the relationship	Nature of Transaction	Amount of transactions during the year (Rs. in Million)
28.	—	Enterprises Owned or controlled by Key Management Personnel or their relatives	Payables by Endurance Technologies Limited	5.57
				10.99
29.	Paioli Meccanica S.P.A	Associate	Payable by Endurance Technologies Limited	—
				10.09
30.	Endurance Magneti Marelli Shock Absorbers (India) Pvt Limited	Joint Venture	Payable by Endurance Technologies Limited	9.77
				44.78
31.	Paioli Meccanica S.P.A	Associate	Receivable by Endurance Technologies Limited	—
				88.33
32.	Endurance Magneti Marelli Shock Absorbers (India) Pvt Limited	Joint Venture	Receivable by Endurance Technologies Limited	32.56
				45.20
33.	—	Relatives of Key Management Personnel	Loan taken by Endurance Technologies Limited	—
				16.80
34.	Paioli Meccanica S.p.A.	Associate	Share Investment by Endurance Technologies Limited - as on year end	—
				—
35.	Endurance Magneti Marelli Shock Absorbers (India) Pvt Limited	Joint Venture	Share Investment by Endurance Technologies Limited - as on year end	85.00
				60.00
36.	—	Relatives of Key Management Personnel	Share Investments	16.80
				—
	—	Relatives of Key Management Personnel	Loan Repaid	16.80
				—

Consolidated Cash Flow Statement for the year ended 31st March 2010

(Rs. in Million)

Sr. No.	Particulars	For the Year 2009-10 Amount	For the year 2008-09 Amount
A	**Cash Flow from Operating Activities**		
	i) Net Profit / (Loss) before Tax and after Extra ordinary Expenses	**497.12**	(1,098.14)
	Restatement Adjustment	—	—
	ii) Adjustments for:		
	Depreciation & Amortisation	**2,017.66**	1882.38
	Provision for Employee Benefit	**(129.48)**	18.03
	Provision / (Written Back) for Warranty Claims	**(0.24)**	0.38
	Provision for Doubtful Debts	**20.36**	7.59
	Provision for Slow Moving Inventory	**10.51**	96.16
	Provision for Impairment of Goodwill	—	431.12
	Provision for Impairment of assets	**195.55**	53.35
	Interest Expense	**790.04**	909.91
	Provision for mark to market losses	**56.45**	—
	(Profit) / Loss on Sale of Assets	**(20.49)**	(19.74)
	Loss on disposal of subsidiary of Company	**63.41**	—
	Dividend Income	**(0.05)**	(4.29)
	Interest Income	**(14.05)**	(39.04)
	Income from restructuring of loan (Refer Note no. 31 of Schedule 19)	**(226.43)**	—
	Exchange difference arising on consolidation	**(154.18)**	25.58
	Foreign exchange loss adjusted with Business reconstruction reserve	—	(144.47)
	iii) Operating Profit before Working Capital Changes	**3,106.18**	2,118.82
	iv) Adjustments for:		
	Increase / (Decrease) in Trade payables, Other Liabilities & Provisions	**1,889.15**	131.17
	(Increase) /Decrease in Inventories	**(212.61)**	460.39
	(Increase) /Decrease in Trade and other receivables	**(1,861.98)**	1057.87
	v) Cash Generated from operations	**2,920.74**	3,768.25
	Direct Taxes Paid	**(145.52)**	(176.26)
	Net Cash generated from / used in Operating Activities	**2,775.22**	3,591.99
B	**Cash Flow from Investing Activities**		
	Acquisition of Fixed Assets	**(1,026.21)**	(1,498.79)
	Proceeds from Disposal of Subsidiaries	**0.69**	—
	Proceeds on Sale of Fixed Assets	**380.64**	367.81
	Investment in Subsidiaries	**(941.62)**	(61.73)
	Investment in Associate Company	—	(192.42)
	Proceeds on Sale of Current Investments	**1.52**	344.90
	Proceeds on Sale of Long term Investments	—	16.86
	Minority on acquisition of subsidiaries	**0.00**	—
	Dividend Received	**0.05**	4.29
	Interest Received	**15.79**	41.98
	Net Cash used in Investing Activities	**(1,569.13)**	(977.10)

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31/03/2010

Consolidated Cash Flow Statement for the year ended 31st March 2010

(Rs. in Million)

Sr. No.	Particulars	For the Year 2009-10 Amount	For the year 2008-09 Amount
C	**Cash Flow from Financing Activities**		
	Issue of preference shares	**400.00**	—
	Proceeds from Borrowings	**2,511.33**	1,756.45
	Repayment of Borrowings	**(3,123.83)**	(3,349.77)
	Interest Paid	**(806.49)**	(1,026.30)
	Dividend paid by Subsidiaries including tax (Minority share)	—	(5.94)
	Net Cash used in Financing Activities	**(1,018.99)**	(2,625.56)
	Net Increase / (Decrease) in Cash & Cash Equivalents	**187.10**	(10.67)
	Opening Cash & Cash Equivalents as at 01st April (Opening Balance)	**897.17**	907.84
	(Refer Schedule 10 to the Consolidated Financial Statements)		
	Less: Cash & Cash Equivalents reduced on account of disposal of subsidiaries	**(204.15)**	—
		693.02	907.84
	Closing Cash & Cash Equivalents as at 31st March (Closing Balance)	**880.12**	897.17
	(Refer Schedule 10 to the Consolidated Financial Statements)		
		187.10	(10.67)

Notes :

1. Figures in brackets represents outflows.
2. Net Profit / (Loss) considered in the Operating Activities is net off of Extra Ordinary Expenses of Rs. 27.63 Million (P.Y. Rs. nil). Refer Note no. 31 of Schedule 19 to the Consolidated Financial Statement)
3. Purchase of Fixed Assets includes payments for items in Capital Work in Progress and Advances of Capital nature. Adjustment for increase or decrease in Current Liabilities related to acquisition of Fixed Assets has not been made as these figures are not readily ascertainable and therefor would form part of change in working capital.
4. The cash flow disclosed above for the year ended 31st March 2010 excludes an amount of Rs 16.80 million representing shareholders / directors loan taken by the company converted during the year into redeemable preference shares.
5. Previous year figures have been regrouped/reclassified wherever necessary to confirm with this year's classification.

In terms of our report attached
For **DELOITTE HASKINS & SELLS**
Chartered Accountants

HEMANT M. JOSHI
Partner
Membership No. 38019
Date : 27.09.2010
Place : Mumbai

For and on behalf of the Board

ANURANG JAIN
Managing Director

P. S. DATTA
Director

SATRAJIT RAY
Group CFO

V. M. ACHWAL
DGM (CS & Legal)

STATEMENT PURSUANT TO EXEMPTION RECEIVED UNDER SECTION 212 (8) OF THE COMPANIES ACT 1956 RELATING TO SUBSIDIARY COMPANIES

(Rs. in Mn.)

Sr	Particulars	High Technology Transmission Systems (India) Pvt Ltd	Endurance Overseas Srl, Italy (Incl Endurance Fondalmec)	Amann Druckguss Gmbh, Germany	Endurance Magnetti Marelli Shock Absorbers (India) Pvt Ltd (jointly controlled entity)
	Financial Year ending on	31-Mar-10	31-Mar-10	31-Mar-10	31-Mar-10
1	Share Capital	153.88	465.95	194.45	85.00
2	Reserves	489.38	491.52	16.75	(53.83)
3	Total Liabilities	780.02	2,331.39	983.77	123.76
4	Total Assets	780.02	2,331.39	983.77	123.76
5	Total Investments (excluding subsidiaries)	0.05	0.02	0.05	—
6	Turnover	1,659.79	4,631.92	1,961.31	53.43
7	Profit before Taxation	207.08	(117.83)	(315.11)	(44.53)
8	Provision for Taxation	60.13	63.42	0.43	—
9	Profit after Taxation	146.96	(181.25)	(315.54)	(44.53)
10	Proposed Dividend - Equity	19.24	—	—	—