

INFORMATION MEMORANDUM

MAHINDRA AUTOMOTIVE STEELS LIMITED

**INFORMATION MEMORANDUM FOR LISTING OF 2,80,20,586 EQUITY
SHARES OF RS. 10/- EACH AND LISTING OF 1,48,20,206 - 4% NON -
CUMULATIVE, REDEEMABLE, NON CONVERTIBLE PREFERENCE SHARES
OF RS. 31/- EACH**

Regd. Office: Mahindra Towers, P K Kurne Chowk, Worli, Mumbai 400018

MAHINDRA AUTOMOTIVE STEELS LIMITED

Incorporated initially as a Public Limited Company on 13th day of August 1999 under the name and style of "MAHINDRA AUTOMOTIVE STEELS LIMITED" under the provisions of the Companies Act, 1956, in the State of Maharashtra. Subsequently, the Company was converted into a Private Limited Company on the 15th day of January 2003. The Registered Office was at 74, Ganesh Apartment, Opp. Sitaladevi Temple, L. J. Road, Mahim (West), Mumbai 400016. The Registered Office was shifted to Mahindra Towers, P K Kurne Chowk, Worli, Mumbai 400018 with effect from 28th October 2005. The Company was again converted into Public Limited Company with effect from 4th April, 2006.

Regd. Office: Mahindra Towers, P K Kurne Chowk, Worli, Mumbai- 400018.

Tel.: +91 22 24931441 Fax: +91 22 2491 5890

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INFORMATION MEMORANDUM FOR LISTING OF 2,80,20,586 EQUITY SHARES OF RS.10 EACH AND LISTING OF 1,48,20,206 - 4% NON CUMULATIVE, REDEEMABLE, NON CONVERTIBLE PREFERENCE SHARES OF RS. 31 EACH

GENERAL RISKS

"Investment in equity and equity-related securities involves a degree of risk and investors should not invest in the equity shares of Mahindra Automotive Steels Limited unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in the shares of Mahindra Automotive Steels Limited. For taking an investment decision, investors must rely on their own examination of the Company including the risks involved. The securities have neither been recommended nor approved by The Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy of this document."

ABSOLUTE RESPONSIBILITY OF MAHINDRA AUTOMOTIVE STEELS LIMITED

"Mahindra Automotive Steels Limited having made all reasonable inquiries, accepts responsibility for and confirms that this Information Memorandum contains all information with regard to Mahindra Automotive Steels Limited, which is material, that the information contained in the Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Information Memorandum as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect."

LISTING

The Equity and Preference Shares of Mahindra Automotive Steels Limited will be listed on the Bombay Stock Exchange Limited (BSE). The Company has received in-principle approval from BSE for the listing of our Equity and Preference Shares pursuant to their letter dated 10th August, 2006.

REGISTRARS & SHARE TRANSFER AGENTS

Karvy Computershare Private Limited

46, Avenue 4, Street No. 1

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Tel.: +91 40 2331 2454/2332 0751/0752/0251

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TABLE OF CONTENTS

SECTION I - GENERAL

DEFINITIONS, ABBREVIATIONS & INDUSTRY RELATED TERMS.....	V
CERTAIN CONVENTIONS; USE OF MARKET DATA	VII
FORWARD LOOKING STATEMENTS.....	VIII

SECTION II - RISK FACTORS

RISK FACTORS.....	1
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SECTION III - INTRODUCTION

SUMMARY.....	8
GENERAL INFORMATION.....	9
CAPITAL STRUCTURE.....	11
SCHEME OF ARRANGEMENT.....	24
STATEMENT OF TAX BENEFITS.....	38

SECTION IV - ABOUT MAHINDRA AUTOMOTIVE STEELS LIMITED

HISTORY	44
BUSINESS.....	46
MANAGEMENT.....	51
PROMOTER.....	63
CURRENCY OF PRESENTATION.....	67
DIVIDEND POLICY.....	67

SECTION V - FINANCIAL INFORMATION

FINANCIAL INFORMATION OF THE COMPANY.....	68
GROUP COMPANIES FINANCIAL AND OTHER INFORMATION.....	92
MANAGEMENT DISCUSSION & ANALYSIS.....	157

SECTION VI - LEGAL & OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS.....	158
GOVERNMENT APPROVALS.....	196

SECTION VII -REGULATORY AND STATUTORY DISCLOSURES

REGULATORY AND STATUTORY DISCLOSURES.....	197
MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION.....	201

SECTION VIII - OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION.....	212
DECLARATION.....	213

DEFINITIONS/ ABBREVIATIONS

Articles/ Articles of Association	Articles of Association of Mahindra Automotive Steels Limited
Auditors	The Statutory Auditors of Mahindra Automotive Steels Limited
Banker(s) to the Company	The Bankers of Mahindra Automotive Steels Limited
Board of Directors/ Board/ Directors	The Board of Directors of Mahindra Automotive Steels Limited
BIFR	Board for Industrial and Financial Reconstruction
BSE	Bombay Stock Exchange Limited
CDSL	Central Depository Services (India) Limited
Companies Act	The Companies Act, 1956, as amended from time to time
CrPC	Criminal Procedure Code, 1973
DSE	Designated Stock Exchange
EPS	Earnings per equity share
Equity Shares	Equity shares of the Company of Rs.10 each unless otherwise specified in the context thereof
Financial year/ fiscal/ FY	The twelve months ended March 31 of a particular year
HUF	Hindu Undivided Family
Information Memorandum	This document as filed with the Stock Exchanges is known as and referred to as the Information Memorandum
IPC	Indian Penal Code, 1860
I.T. Act	The Income-tax Act, 1961, as amended from time to time, except as stated otherwise
Memorandum/ Memorandum of Association	The Memorandum of Association of Mahindra Automotive Steels Limited
NAV	Net Asset Value
NIA	The Negotiable Instruments Act, 1881
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
RBI	Reserve Bank of India
ROC	Registrar of Companies, Maharashtra.

Scheme	The Scheme of Arrangement between Amforge Industries Limited and Mahindra Automotive Steels Private Limited sanctioned by the Bombay High Court on March 21, 2006 and filed with ROC on April 3, 2006.
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI Guidelines	SEBI (Guidelines for Disclosure and Investor Protection) 2000 issued by SEBI effective from January 27, 2000, as amended, including instructions and clarifications issued by SEBI from time to time.
Stock Exchange	BSE
Transferor Company	AMFORGE INDUSTRIES LIMITED (“AIL”)
Transferee Company	MAHINDRA AUTOMOTIVE STEELS LIMITED (“MASL”)

CERTAIN CONVENTIONS; USE OF MARKET DATA

Unless stated otherwise, the financial data in this Information Memorandum is derived from our unconsolidated financial statements prepared in accordance with Indian GAAP. Our last financial year commenced on 1st April, 2005 and ended on 31st March, 2006. In this Information Memorandum, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off.

For definitions, please see the section titled "Definitions, Abbreviations and Industry Related Terms".

All references to "India" contained in this Information Memorandum are to the Republic of India. All references to "Rupees" or "Rs." are to Indian Rupees, the legal currency of the Republic of India.

Unless stated otherwise, industry data used throughout this Information Memorandum has been obtained from industry publications. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness is not guaranteed and their reliability cannot be assured. Although we believe that industry data used in this Information Memorandum is reliable, it has not been independently verified. The information included in this Information Memorandum about the various other Companies is based on their respective Annual Reports and information made available by the respective companies

FORWARD-LOOKING STATEMENTS

We have included statements in this Information Memorandum, that contain words or phrases such as "will", "aim", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "will pursue" and similar expressions or variations of such expressions that are "forward-looking statements".

All forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include, among others:

- General economic and business conditions in India and other countries;
- Our ability to successfully implement our strategy, our growth and expansion plans and technological changes;
- Changes in the value of the Rupee and other currency changes;
- Changes in Indian or international interest rates;
- Changes in laws and regulations in India;
- Changes in laws and regulations in other countries with whom we have business/dealings;
- Changes in political conditions in India; and
- Changes in the foreign exchange control regulations in India.

For further discussion of factors that could cause our actual results to differ, see the section titled "Risk Factors". By their nature, certain risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

We do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all of the information in this Information Memorandum, including the risks and uncertainties described below. If any of the following risks actually occur, our business, financial condition and results of operations could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment.

This Information Memorandum also contains forward-looking statements that involve risks and uncertainties. Issuer's actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Information Memorandum.

Risks envisaged by the Management:

A. Risks Internal to the Company

1. Risks relating to business operations

The operations of the Company are subject to the assumptions in demand and supply position in terms of quantity and price of raw material and finished goods.

2. We focus primarily on the automobile and auto-components industry.

Our forging business is focused primarily on the automobile and auto components industry and therefore our business is dependent upon continued demand for our products in the automobile industry. Automobile Industry is cyclical in nature and is affected by factors like increase in fuel prices, macro economic performance and competition from alternate modes of transport such as railways, pipelines, etc. Our forging business is further linked mainly with the passenger car, utility vehicle and Commercial Vehicle segment of the automobile Industry. The auto-component industry is sensitive to changes in economic conditions and unforeseen events, including political instability, recession, inflation or other adverse occurrences. Any event that results in decreased demand in automobile industry, or increased pressure on automobile manufacturers to develop, implement and maintain in-house auto-component facilities, could have an adverse effect on our business, financial condition and results of operations.

3. We are substantially dependent on family of automotive components, steering knuckles, stub axle, connecting rods, crankshafts and component products for revenue in our Closed Die Forgings Business.

A substantial portion of our revenues (excluding other income) are derived from sale of forged and/or partly machined components. We anticipate that crankshafts automotive components, steering knuckles, stub axle, connecting rods etc. will continue to account for a substantial portion of our revenues. Consequently, our future success, to a large extent, will depend on continued demand for and market acceptance of our crankshafts, other automotive components, steering knuckles, stub axle, connecting rods etc. as well as our ability to introduce, enhance and add newer crankshafts and other automotive components that meet the evolving needs of the automobile industry in general and our customers in particular. Competition,

technological changes or other factors could reduce demand for, or market acceptance of, these products and this could have an adverse effect on our business, financial condition and results of operations.

4. Any mishaps or accidents at our facilities or any emission or leakage from our factory could lead to property damage, production loss and accident claims.

Any mishap or accident in our facilities could result in claims against us for damages by our employees. We could suffer loss of production, receive adverse publicity and experience diversion of management attention and resources in defending such claims. Any such significant event could have an adverse effect on our business, financial condition and results of operations.

The manufacturing process does not emit any hazardous effluents. The Chakan unit has obtained a No Objection Certificate from Maharashtra Pollution Control Board. We are also in the process of setting up an ETP facility in view of the machining activities to be undertaken. Any emission or leakage from our factory could lead to environmental hazards, receive adverse publicity and experience diversion of management attention and resources in defending such claims. Any such significant event could have an adverse effect on our business, financial condition and results of operations.

5. Our operating results depend on competitive advantage we enjoy with our key large customers.

Our strategy is to focus on large customers, who are limited in number, and therefore we are required to be competitive in the market. This will bring pressures on our margins and consequently our results of operations and our business may be affected.

6. Our customers may terminate supply contracts before completion or choose not to renew contracts, which may adversely affect our profitability.

Any failure to meet a customer's expectations could result in the cancellation or non-renewal of contracts. Generally, our contracts with customers do not commit our customers to provide us with a specific volume of business and can be terminated by them with or without cause, with little advance notice and without penalty. Such cancellations would reduce our revenues.

In addition, there are factors beyond our control which could cause loss of a customer such as a customer may demand price reductions, change their outsourcing strategy by moving more work in-house, or replace their existing products with a substitute, any of which may have an adverse effect on our business, financial condition and results of operations.

7. Input cost or non-availability of inputs could reduce our profitability

The major input costs consist of steel, power & fuel, which are not in our control. We may not be able to pass on any or all increase in the cost of raw materials and other inputs, if any, to our customers. An increase, if any, in input costs could have an adverse effect on our business, financial condition and results of operations.

Non-availability of these inputs can also affect operations leading to stoppage of production and in loss of customer orders.

8. Our revenues may vary during any financial year.

Our operating results may vary during any financial year depending upon a number of factors, including the size and timing of significant contracts and product sales; our product revenues; domestic and export sales; the ability to scale up our operation; termination of a major order; loss of a major customer; reduction in customer demand; our success in expanding our geographical presence; currency exchange rate fluctuations and other general economic factors. As a result, our revenues and operating results may fluctuate during the year and are difficult to predict. Thus any adverse fluctuations in revenues and operating results during the year may have an adverse effect on our business, financial condition and results of operations.

9. Our inability to secure requisite amounts of financing, to manage expansion process can have an adverse effect on our business, financial condition and results of operations.

Our success will depend, among other things, on our ability to secure significant amounts of financing, to manage the expansion process, to assess potential markets, to make timely capital investments with the price cycle, to control input costs, to attract new customers and to maintain sufficient operational and financial controls. We expect our growth to place significant demands on our management and other resources and require us to continue developing and improving our operational, financial and other internal controls. Our inability to secure requisite amounts of financing, to manage expansion process can have an adverse effect on our business, financial condition and results of operations.

10. We could become liable to customers, suffer adverse publicity and incur substantial costs as a result of defects in our products or services

Our contracts involve providing products that are critical inputs to the products of our customers. Any failure or defect in our products could result in a claim against us for damages. We could also incur costs, receive adverse publicity and experience diversion of management resources in defending a claim. Settlement of any substantial claim(s) for damages could have an adverse effect on our business, financial condition and results of operations.

11. Our ability to proceed with major plans and also obtain financing is subject to our lender's covenants

The agreements in respect of some of the debt contain certain covenants including maintenance of financial ratios, compliance reporting requirements and other restrictions which may significantly limit our ability to borrow additional money, alter share capital, make expansions and diversifications, make capital expenditure and investments, merge or incur additional liens.

12. Our success depends in large part upon our management team and key personnel and our ability to attract and retain such persons.

Attracting and retaining talented professionals is a key element of our strategy and we believe it to be a significant source of competitive advantage. An inability to attract and retain talented professionals, or the resignation or loss of key management personnel, may have an adverse impact on our business, future financial performance and the price of our Equity Shares.

13. Cordial relationship with the employees is crucial for smooth functioning of our operations.

Our operations rely heavily on employees and on the employees' ability to provide high-quality services. In the event there is a shortage of skilled labour or stoppage caused by disagreements with employees in future, it could affect our ability to meet the quality standards and timely completion of orders, which could lead to reduced business or may potentially damage our reputation.

14 Some of our promoter group companies have incurred losses.

We have 70 Promoter Group companies (including our Promoter, companies under liquidation and disassociated Promoter Group companies). Of these, 30 companies have incurred losses and/ or have negative net worth (pursuant to non-consolidated financial statements), as set forth in the table below:

Companies in the Promoter Group, which have incurred losses in the past three years:

Name of Promoter Group company	Currency and units	Fiscal 2006	Fiscal 2005	Fiscal 2004
Mahindra Europe Srl.	Euros	(108,012)*	(13,573)^	(10,189)^
Mahindra International Limited	Rs. million	(3.3)	-	-
Mahindra Gujarat Tractor Limited	Rs. million	(15.3)	(23.1)	(28.8)
Mahindra Shubhlabh Services Limited	Rs. million	(37.5)	(26. 8)	(60.6)
Mahindra (China) Tractor Co. Limited	RBM in million	-	(15.04)^-	-
Mahindra World City Developers Limited	Rs. million	-	(143.1)	(211.3)
Mahindra World City (Jaipur) Limited	Rs. million	(0.01)	-	-
Mahindra Middleeast Electrical Steel Service Centre FZE	Dirhams	-	(279,788)	-
Mahindra Engineering Design & Development Company Limited	Rs. million	-	(7.5)	(0.3)
Jensand Limited	Pound Sterling	-	(88,122)^	-
Stokes Forgings Limited	Pound Sterling	(204,677)*	(485,307)^	(1,163,507)^
Stokes Forgings Dudley Limited	Pound Sterling	-	(47,002)^	-
Mahindra AshTech Limited	Rs. million	-	(79.5)	(139.3)
Automartindia Limited	Rs. million	-	(9.2)	(25.9)
Bristlecone Limited	US\$	(252,791.5)	(268,675.0)	-
Bristlecone Inc.	US\$ million	(0.4)	(5.1)	(2.9)**
Bristlecone India Limited	Rs. million	-	(70.2)	(26.2)
Bristlecone GmbH	Euros	-	(102,670.3)	-
Mahindra Logisoft Business Solutions Limited	Rs. million	-	-	(11.0)
PSL Erickson Limited	Rs. million	(1.4)	-	(0.03)

Officemartindia.com Limited	Rs. million		(0.4)	(4.8)
Mahindra & Mahindra Contech Limited	Rs. million	-	-	(4.7)
Indian NGOs.com Private Limited	Rs. million	-	-	(0.9)
Plexion Technologies (India) Private Limited	Rs. million	(2.54)	(21.86)	(23.3)
Plexion Technologies Inc.	US\$	(58,000)	(58,000)	-
BT (India) Private Limited	Rs.million		(10.17)	(0.15)
Mahindra Renault Private Limited	Rs. million	(117.05)	-	-
Mahindra World City (Maharashtra) Limited	Rs. million	(0.04)	-	-
Tech Mahindra (Americas) Inc	US \$	-	(1,815,201)	(2,527,863)
Tech Mahindra GmbH	Euros	-	(2,182,297)	(3,389,907)
Tech Mahindra (Singapore) Pte. Limited	SGD	(159,580)	-	-
Tech Mahindra (Thailand) Limited	THB	(3,397,196)	-	-
Tech Mahindra (R&D Services) Limited	Rs.million	(70.8)	-	-
Tech Mahindra (R&D Services) Pte. Limited	SGD	(6,613)	(13,429)	-

^ For the twelve month period ended December 31

*For three months period ending March 31, 2006

**For fifteen month period from January 1, 2003 to March 31, 2004

15 **There are outstanding litigation against our Promoter, our Promoter Group Companies and their employees.**

We are defendants in legal proceedings incidental to our business and operations. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. Should any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements, which could increase our expenses and our current liabilities. There are certain claims pending in various courts and authorities at different levels of adjudication against our Promoter, our Promoter Group Companies and their employees.

B. **Risks External to the Company**

1. **Changes in the emission norms may impact us**

Government regulations regarding emission levels for manufacturing operations are likely to become more stringent. The cost for complying with these regulations can be significant. Thus, we may be required to incur significant capital costs in future to meet the stringent norms.

2. **Revenues from export may face exchange rate risks.**

Presently a small portion of the Revenues is from exports mainly in US dollars and a

significant portion of our expenses are incurred in Rupees. Exports are likely to increase in the future. The strengthening of the Rupee, particularly with respect to the US dollar, could adversely impact our profitability. We may import certain capital equipments for future expansion. An adverse change in currency exchange rates will increase the cost of these imports.

3. Increased competition from other low cost destinations.

Other low cost manufacturing destinations such as South-East Asia and the Asia Pacific regions have become the focus of major international automobile manufacturers. These regions have developed significantly in recent years as major outsourcing zones. India, as an outsourcing player, will face competition from such other developing South-East Asia and the Asia Pacific regions making outsourcing from India less attractive.

4. Our business is significantly affected by external factors.

Our results may be significantly affected by factors outside our control such as political unrest, cross-border hostilities, civil commotion and acts of terrorism either in India or outside India. Other factors include potential negative changes in environmental regulations, government regulations. We are also subject to the risk of loss of revenues and assets due to fire or natural disasters. The occurrence of all such event including natural disasters could interrupt our business for significant periods.

5. General economic conditions could significantly adversely affect our financial results.

Our business is cyclical and sensitive to changes in the automobile industry in particular and the economy in general. The forging sector may be unfavourably affected by such factors as changes in the global and domestic economies, changes in local market conditions, excess supply of capacities or setting up of newer capacities or reduced international or local demand for forged products, competition in the industry, changes in interest rates, the availability of finance and other natural and social factors. Since demand for forged products is affected by world economic growth, a global recession could lead to a downturn in the forging industry.

6. Changes in the Government of India/State Government(s) policies could impact the liberalisation of the Indian economy and adversely affect economic conditions in India generally and our business in particular.

A significant change in India's economic liberalisation and deregulation policies could affect business and economic conditions in India generally and our business in particular. A significant change in the Indian government's or the state government's economic liberalisation and deregulation policies could adversely affect business and economic conditions in India generally and our business and financial condition and prospects in particular.

7. After listing, the prices of our Company's shares may be volatile, or an active trading market for our Company's shares may not develop.

There has been no public market for the Company's equity shares till now and the prices of the Company's shares may fluctuate after listing. There can be no assurance that an active trading market for the shares will develop or be sustained after this listing. The Company's share price could be volatile.

INTRODUCTION

Summary

You should read the following summary together with the risk factors and the more detailed information about us and our financial results included elsewhere in this Information Memorandum.

Industry Overview

Briefly, the composition of the Indian forging industry can be categorized into four sectors - large, medium, small and tiny. Only about 5% is made up by the large enterprises in terms of number. Out of the total approximately 330 odd units, the large sector consists of around 9-10 units, the medium and small sectors consists of around 100 units and under the tiny sector, the units functioning are far too many and the number is difficult to estimate. The Indian forging industry which was previously more labour intensive, but now with increasing globalization it is becoming more capital intensive.

While the automotive industry is the main customer for forgings, the industry's continuous efforts in upgrading technologies and diversifying product range have enabled it to expand its base of customers to foreign markets. The Indian forging industry is increasingly addressing opportunities arising out of the growing trend among global automotive OEMs to outsource components from manufacturers in low-cost countries. As a result, Indian forging industry has been making significant contributions to country's growing exports. The industry's exports recorded a growth of almost 30% in 2004-05 and have reached a level of US\$ 250 million.

The Forging Industry

As a result of liberalisation, more MNCs have entered the domestic automobile market. This has opened up more business opportunities for the forging industry. The following would give a fair idea of the future estimated demand (both domestic and global) for the forging industry:

1. 2005 estimated exports of Indian forging industry approximately US\$ 250 million
2. Projected exports of Forging industry by 2015 approximately US\$ 3 billion.

Today, the passenger car segment has emerged as an important customer for the Indian forging industry. It is expected that the future and well-being will depend mainly on the steady growth of the automotive industry. Similarly the Tractor industry has been witnessing declining sales during the 4 years (2000-2003), on account of high inventory levels, poor monsoons and lower farm incomes. An increase in sales in 2003-04 ended the recessionary conditions in the industry. Good monsoons, strong inventory-correction measures and aggressive financing, increase in agricultural credit, irrigation projects, provision of farm insurance, expansion of water harvesting, various irrigation schemes and other conducive factors should be able to improve the demand from Tractor industry.

Global purchases of components by international vehicle manufacturers are currently estimated to be US\$ 45 billion. It is estimated that in the next 10 years exports of auto components from low cost countries will reach US\$ 225 billion. It is believed that it would be realistic for the Indian auto component industry to aspire to capture about 10% share of this opportunity. This translates into an export target of US\$ 20 billion by 2015 out of which the share of the forging industry could be about US\$ 3 billion against the total size of the industry being 1bn \$ today. Going by the current trends in the domestic automotive industry, it is expected that the indigenous demand for auto components will also reach US\$ 20 billion in the next 10 years.

(Relevant information stated above has been taken from website of Association of Indian Forging Industry)

GENERAL INFORMATION

The Company was incorporated initially as a Public Limited Company on 13th day of August 1999 under the name and style of "**MAHINDRA AUTOMOTIVE STEELS LIMITED**" under the provisions of the Companies Act, 1956, in the state of Maharashtra. Subsequently the Company was converted into a Private Limited Company on the 15th day of January 2003. The Registered Office was at 74, Ganesh Apartment, Opp. Sitaladevi Temple, L. J. Road, Mahim (West), Mumbai 400016. The Registered Office was shifted to Mahindra Towers, P K Kurne Chowk, Worli, Mumbai 400018 with effect from 28th October 2005. The Company was again converted into a Public Limited Company with effect from 4th April, 2006.

With a view to signify the true character and nature of business activities undertaken by the Company, the shareholders at the Annual General Meeting held on 19th May, 2006 have passed a special resolution to change the name of the Company from Mahindra Automotive Steels Limited to Mahindra Forgings Limited subject to the approval of the Central Government. Necessary application is being made under Section 21 of the Companies Act, 1956 seeking the approval of Central Government for the change of name of the Company.

Address of Registered Office of Company

Mahindra Automotive Steels Limited,
Mahindra Towers,
P K Kurne Chowk,
Worli
Mumbai 400 018
Tel: 022 - 2493 1441, 24901441
Fax: 022- 2491 5890

Registration Number 11-121285

Address of Registrar of Companies

Registrar Of Companies, Maharashtra
100 Everest Building, Marine Drive
Mumbai - 400 002, Maharashtra

Board of Directors as on the date of filing of the draft Information Memorandum

No.	Name
	Mr. Anand Mahindra
	Mr. Hemant Luthra
	Mr. R R Krishnan
	Mr. Zhooben Bhiwandiwalla
	Mr. Nikhilesh Panchal
	Mr. V.K. Chanana
	Mr. Fali Mama
	Mr. Mohit Burman
	Mr. Sankaran Ravindran

For further details of the Board of Directors of the Company, please see - the Section titled "Management".

<p>Registrars & Share Transfer Agents</p> <p>Karvy Computershare Private Limited Karvy House, 46, Avenue 4, Street No. 1 Banjara Hills Hyderabad – 500034 Tel.: +91 40 2331 2454/2332 0751/0752/0251 Fax: +91 40 2331 1968/2332 3049</p>	<p>Auditors</p> <p>B.K.Khare & Co, Chartered Accountants, 706/708,Sharda Chambers New Marine Lines, Mumbai – 400020 Tel: 91 22 2200 0607/ 6360/ 7318 Fax: 91 22 2200 3476 Email: info@bkkhareco.com</p>
<p>Bankers to the Company</p> <ol style="list-style-type: none"> 1. Standard Chartered Bank, 90. M. G. Road, Mumbai - 400001 2. Bank of Maharashtra, Vadgaon, Taluka Maval, Dist. Pune 3. Union Bank of India, 619, Sachapir Street, Pune Camp, Pune – 411001 4. HDFC Bank Limited, Corpoate Banking, Bhandarkar Road Branch, Millenium Towers, 4th Floor, 885/1, Plot No. 241/1, Bhandarkar Road, Shivaji Nagar, Pune - 411004 5. Citi Bank n.a., East Street, Pune - 411001 6. State Bank of India CAG Branch, Fort, Mumbai – 400001 7. South Indian Bank Ltd, Industrial Finance Branch, Sambava Chambers, Ground Floor,20, Sir P M Road, Fort , Mumbai - 400001 	<p>Compliance Officer</p> <p>Ms. Payal Vyas, Company Secretary Secretarial Department, Fifth Floor, Mahindra Towers, P.K. Kurne Chowk, Worli, Mumbai – 400 018 Tel: 91 22 2490 5957 Fax: 91 22 2490 0833</p>

Investors can contact the Compliance Officer or the Registrar and Share Transfer Agents, M/s. Karvy Computershare Private Limited for any share transfer and/or other related matters.

CAPITAL STRUCTURE

Consequent to the Scheme coming into effect and issue and allotment of shares pursuant to the Scheme, the Share Capital of the Company is as follows:

	Rs. in Lakhs
AUTHORISED SHARE CAPITAL	
3,30,00,000 Equity Shares of Rs. 10 each (aggregating to Rs. 33,00,00,000/-)	7894.26
1,48,20,206 4% Non Cumulative, Redeemable, Non Convertible Preference Shares of Rs. 31/- each ; (aggregating to Rs 45,94,26,386)	
ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL	
Issued Allotted and Paid up Share Capital:	
2,80,20,586 Equity Shares of Rs. 10 each;	2802.05
1,48,20,206 -4% Non Cumulative, Redeemable, Non Convertible Preference Shares of Rs. 31/- ;	4594.26

1. The authorised share capital of the Company at the time of incorporation was Rs.10,00,000/- (Rupees Ten Lakhs Only) divided into 1,00,000 (One Lakh) Equity Shares of Rs.10/- (Rupees Ten Only) each.
2. The authorised share capital of the Company had been subsequently increased from Rs.10,00,000/- (Rupees Ten Lakhs Only) divided into 1,00,000 (One Lakh) Equity Shares of Rs.10/- (Rupees Ten Only) each to Rs. 40,00,00,000/- (Rupees Forty Crores Only) divided into 4,00,00,000 (Four Crores) Equity Shares of Rs.10/- (Rupees Ten Only) each.
3. The authorized share capital of the Company have been reclassified and increased from Rs 40,00,00,000/- (Rupees Forty Crores only) comprising 4,00,00,000 (Four Crores) equity shares of Rs. 10/- (Rupees Ten Only) each, to Rs 78,94,26,386/- (Rupees Seventy Eight Crores Ninety Four Lakhs Twenty Six Thousand Three Hundred Eighty Six only) comprising 3,30,00,000 (Three Crores Thirty Lakh) equity shares of Rs 10/- (Rupees Ten Only) each aggregating to Rs 33,00,00,000/- (Rupees Thirty Three crores) and 1,48,20,206 (One Crore Forty Eight Lakh Twenty Thousand Two Hundred Six Only) 4% non cumulative, redeemable non convertible preference shares of Rs 31/- (Rupees Thirty One only) /each aggregating to Rs 45,94,26,386/- (Rupees Forty Five Crores Ninety Four Lakh Twenty Six Thousand Three Hundred Eighty Six only) in terms of Clause 17(a) of the Scheme.
4. As per the Clause 17(c)(i) of the Scheme, the Company has issued and allotted 1,48,20,206 (One Crore Forty Eight Lakhs Twenty Thousand Two Hundred Six) equity shares to the shareholders of Amforge Industries Limited on 22nd May, 2006.
5. As per the Clause 17(c)(ii) of the Scheme, the Company has issued and allotted 1,48,20,206 (One Crore Forty Eight Lakhs Twenty Thousand Two Hundred Six) 4% non cumulative redeemable, non convertible Preference Share of Rs. 31/- (Rupees Thirty One only) each to the shareholders of Amforge Industries Limited on 22nd May, 2006.

6. As per the Clause 17(d) of the Scheme, the Company has issued and allotted 49,78,444 (Forty Nine Lakhs Seventy Eight Thousand Four Hundred Forty Four) equity shares of Rs 10/- (Rupees Ten each) at a premium of Rs 87.42 (Rupees Eighty Seven and paise Forty Two only) representing approximately 17.76 % of the post issue equity share capital of the Company to Mahindra & Mahindra Limited on 23rd May, 2006.

Share Capital History of the Company

No. and Date of Incorporation				11 - 121285 dated : 13.08.1999			
Details of changes in capital structure of company							
		Authorised Capital			Issued, Subscribed and paid up capital		
Date as on	Type of Shares	No. of Shares	Amount (Rs.)	Date	Type of Shares	No. of Shares	Amount (Rs.)
13.08.1999	Equity	100000	10,00,000	30.08.1999	Equity	70	700
24.12.1999	Equity	40000000	40,00,00,000	12.12.2002	Equity	10000	1,00,000
				01.07.2005	Equity	8211866	8,21,18,660
24.03.2006	Equity	33000000	33,00,00,000	22.05.2006	Equity	14820206	14,82,02,060
24.03.2006	Preference	14820206	45,94,26,386	22.05.2006	Preference	14820206	45,94,26,386
				23.05.2006	Equity	4978444	4,97,84,440
					TOTAL		
					Equity	28020586	28,02,05,860
					Preference	14820206	45,94,26,386

Shareholding Pattern - Equity Shares as on 23rd May, 2006 (after allotment of equity shares in accordance with the Scheme)

		Pre Demerger		Post Demerger	
	CATEGORY	No. of equity shares	%	No. of equity shares	%
A	PROMOTERS HOLDING				
1	Promoters				
	Indian Promoters	8221936	100.00	13200380	47.11
	-Mahindra & Mahindra Limited	8221926	100.00	13200370	47.11
	-Mahindra Holdings & Finance Limited	10	0.00	10	0.00
	Foreign Promoters	0	0.00	0	0.00
	Sub Total	8221936	100.00	13200380	47.11
B	NON-PROMOTERS HOLDING				
2	Institutional Investors				
(a)	Mutual Funds and UTI	0	0.00	733527	2.62
	Holding more than 1%				
	-Reliance Capital Trustee Company			680590	2.43
	-Others			52937	0.19
(b)	Banks, Financial Institutions, Insurance Companies (Central/State Gov. Institutions/ Non-Government Institutions)	0	0.00	27945	0.10
	- Banks			90	0.00
	- Financial Institutions			27855	0.10
(c)	FII's	0	0.00	1975487	7.05
	-Arisaig Partners (Asia) Pte Ltd. ARISAIG INDIA Fund			1372107	4.90
	- Others			603380	2.15
	Sub Total	0	0.00	2736959	9.77
3	Others				
(a)	Private Corporate Bodies	0	0.00	6871064	24.52
	Holding more than 1%				
	- Viniyog Investment & Trading Co. Pvt. Ltd.			2934700	10.47
	- Nainesh Investment & Trading Co. Pvt. Ltd.			2207536	7.88
	- Atulya Trades and Agencies Ltd.			360725	1.29
	- Others			1368103	4.88
(b)	Indian Public	0	0.00	5089434	18.16
	- Puneet Makar			1830802	6.53
	- Others			3258632	11.63
(c)	NRIs/OCBs	0	0.00	122699	0.44
(d)	Foreign National			50	0.00
	Sub Total	0	0.00	12083247	43.12
	GRAND TOTAL	8221936	100.00	28020586	100.00

Shareholding Pattern – Preference Shares as on 23rd May, 2006 (after allotment of preference shares in accordance with the Scheme)

CATEGORY		Pre Demerger		Post Demerger	
		NO. OF PREFERENCE SHARES	%	NO. OF PREFERENCE SHARES	%
A	PROMOTERS HOLDING	NIL			
1	Promoters				
	Indian Promoters			0	0
	Foreign Promoters			0	0
	Sub Total			0	0
B	NON-PROMOTERS HOLDING				
2	Institutional Investors				
(a)	Mutual Funds and UTI			733527	4.95
	Holding More than 1%				
	-Reliance Capital Trustee Company			680590	4.59
	-Others			52937	0.36
(b)	Banks, Financial Institutions, Insurance Companies (Central/State Gov. Institutions/ Non-Government Institutions)			27945	0.19
	- Banks			90	0.00
	- Financial Institutions			27855	0.19
(c)	FII's			1975487	13.33
	Holding More than 1%				
	-Arisaig Partners (Asia) Pte Ltd. ARISAIG INDIA Fund			1372107	9.26
	Melchior Indian Opportunities Fund			250000	1.69
	HSBC Financial Services (Middle East) Limited			200000	1.35
	- Others			153380	1.03
	Sub Total			2736959	18.47
3	Others				
(a)	Private Corporate Bodies			6871064	46.36
	Holding more than 1%				
	- Viniyog Investment & Trading Co. Pvt. Ltd.			2934700	19.80
	- Nainesh Investment & Trading Co. Pvt. Ltd.			2207536	14.90
	- Atulya Trades and Agencies Ltd.			360725	2.43
	- Devidass Private Ltd			164959	1.11
	- Others			1203144	8.12
(b)	Indian Public			5089434	34.34
	Holding more than 1%				
	- Puneet Makar			1830802	12.35
	- Others			3258632	21.99
(c)	NRIs/OCBs			122699	0.83
(d)	Foreign National			50	0.00
	Sub Total			12083247	81.53
	GRAND TOTAL			14820206	100.00

Shareholding Pattern – Equity Shares as on 30th June 2006

(I) (A) Statement showing Shareholding Pattern							
Name of the Company : MAHINDRA AUTOMOTIVE STEELS LIMITED					(Equity)		
Scrip Code :					Quarter ended:	30th June 2006	
Category Code	Category of Shareholder	Number of Shareholders	Total Number of Shares	Number of shares held in dematerialised form	Total shareholding as a percentage of total number of shares		
					As a Percentage of (A+B)	As a Percentage of (A+B+C)	
A	Shareholding of Promoter and Promoter Group						
1	Indian						
a	Individuals/ Hindu Undivided Family	0	0	0	0.00		0.00
b	Central Government/ State Government(s)	0	0	0	0.00		0.00
c	Bodies Corporate	2	13200380	4978444	47.11		47.11
d	Financial Institutions/						
	Banks						
e	Any Other (Others)	0	0	0	0.00		0.00
	Sub-Total (A)(1)	2	13200380	4978444	47.11		47.11
2	Foreign						
a	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0.00		0.00
b	Bodies Corporate	0	0	0	0.00		0.00
c	Institutions						
d	Any Other (specify)	0	0	0	0.00		0.00
	Sub-Total (A)(2) Total	0	0	0	0.00		0.00
	Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	2	13200380	4978444	47.11		47.11
B	Public Shareholding						
1	Institutions						
a	Mutual Funds/	10	733527	729047	2.62		2.62

	UTI					
b	Financial Institutions/ Banks	3	90	65	0.00	0.00
c	Central	0	0	0	0.00	0.00
	Government/ State Governments					
d	Venture Capital Funds	0	0	0	0.00	0.00
e	Insurance Companies	3	27855	27155	0.10	0.10
f	Foreign Institutional Investors	6	1975487	1975487	7.05	7.05
g	Foreign Venture Capital Investors	0	0	0	0.00	0.00
h	Any Other (Specify)	0	0	0	0.00	0.00
	Sub-Total (B)(1)	22	2736959	2731754	9.77	9.77
2	Non-Institutions					
a	Bodies Corporate	366	6857615	6824282	24.47	24.47
b	Individuals					
	i. Individual shareholders holding nominal share capital up to Rs.1 lakh.	19782	2079034	1524058	7.42	7.42
	ii. Individual shareholders holding nominal share capital in excess of Rs.1 lakh	44	2971388	2888788	10.60	10.60
c	Any Other					
	Foreign Nationals	1	50	50	0.00	0.00
	NRIs	409	122689	81655	0.44	0.44
	Clearing Members	7	52471	52471	0.19	0.19
	Sub-Total (B)(2)	20609	12083247	11371304	43.12	43.12
	Total Public Shareholding (B)= (B)(1)+(B)(2)	20631	14820206	14103058	52.89	52.89
	Total (A)+(B)	20633	28020586	19081502	100.00	100.00
C	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0.00	0.00
	Grand Total (A)+(B)+(C)	20633	28020586	19081502	100.00	100.00

(I)(b) Statement showing Shareholding of persons belonging to the category					
"Promoter and Promoter Group"					
Sr No	Name of the Shareholders	Number of Shares	Shares as a percentage of total number of shares (i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above)		
1	Mahindra & Mahindra Ltd	13200370	47.11		
2	Mahindra Holdings & Finance Ltd	10	0.00		
	Total	13200380	47.11		
(I)(c) Statement Showing Shareholding of persons belonging to the category					
"Public" and holding more than 1% of the total number of shares					
Sr No	Name of the Shareholders	Number of Shares	Shares as a percentage of total number of shares (i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above)		
1	Viniyog Investment and Trading Co Pvt Ltd	2934700	10.47		
2	Nainesh Invest Trdg Co Pvt Ltd	2207536	7.88		
3	Puneet Makar	1830802	6.53		
4	Arisaig Partners (Asia) PTE Ltd A/c Arisaig India Fund Ltd	1372107	4.90		
5	Reliance Capital Trustee Co Ltd	680590	2.43		
6	Atulya Trades and Agencies Ltd	360725	1.29		
	Total	9386460	33.50		
(I)(d) Statement showing details of locked-in shares					
Sr No	Name of the Shareholders	Number of locked-in Shares	Locked-in-Shares as a percentage of total number of shares (i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above)		
1	Mahindra & Mahindra Ltd	13200370	47.11		
2	Mahindra Holdings & Finance Ltd	10	0.00		
	Total	13200380	47.11		
(II)(a) Statement Showing details of Depository Receipts (DRs)					
Sr. No.	Type of outstanding DR (ADRs, GDRs SDRs, etc.)	Number of outstanding DRs	Number of Shares Underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares (i.e., Grand Total (A)+(B)+(C) indicated in Statement at Para (I)(a) above)	
		0	0	0.00	
	Total	0	0	0.00	

(II)(b) Statement showing Holding of Depository Receipts (DRs), where underlying shares are in excess of 1% of the total number of Shares						
Sr. No.	Name of the DR Holder	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares (i.e., Grand Total (A)+(B)+ (C) indicated in Statement at para (I)(a) above)		
		0	0	0.00		
	Total	0	0	0.00		

Shareholding Pattern – Preference Shares as on 30th June 2006

(I) (A) Statement showing Shareholding Pattern

Name of the Company : MAHINDRA AUTOMOTIVE STEELS LIMITED (PREFERENCE)

Scrip Code :

Quarter ended:

30th June 2006

Category Code	Category of Shareholder	Number of Shareholders	Total Number of Shares	Number of shares held in dematerialised form	Total shareholding as a percentage of total number of shares	
					As a Percentage of (A+B)	As a Percentage of (A+B+C)
A	Shareholding of Promoter and Promoter Group					
1	Indian					
a	Individuals/ Hindu Undivided Family	0	0	0	0.00	0.00
b	Central Government/ State Government(s)	0	0	0	0.00	0.00
c	Bodies Corporate	0	0	0	0.00	0.00
d	Financial Institutions/ Banks					
e	Any Other (Others)	0	0	0	0.00	0.00
	Sub-Total (A)(1)	0	0	0	0.00	0.00
2	Foreign					
a	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0.00	0.00
b	Bodies Corporate	0	0	0	0.00	0.00
c	Institutions					
d	Any Other (specify)	0	0	0	0.00	0.00
	Sub-Total (A)(2)					
	Total	0	0	0	0.00	0.00
	Shareholding of Promoter and Promoter Group					
	(A)= (A)(1)+(A)(2)	0	0	0	0.00	0.00
B	Public Shareholding					

1	Institutions					
a	Mutual Funds/ UTI	10	733527	729047	4.95	4.95
b	Financial Institutions/ Banks	3	90	65	0.00	0.00
c	Central Government/ State Governments	0	0	0	0.00	0.00
d	Venture Capital Funds	0	0	0	0.00	0.00
e	Insurance Companies	3	27855	27155	0.19	0.19
f	Foreign Institutional Investors	6	1975487	1975487	13.33	13.33
g	Foreign Venture Capital Investors	0	0	0	0.00	0.00
h	Any Other (Specify)	0	0	0	0.00	0.00
	Sub-Total (B)(1)	22	2736959	2731754	18.47	18.47
2	Non-Institutions					
a	Bodies Corporate	363	6856500	6823167	46.26	46.26
b	Individuals i. Individual shareholders holding nominal share capital up to Rs.1 lakh.	19784	2080149	1525173	14.04	14.04
	ii. Individual shareholders holding nominal share capital in excess of Rs.1 lakh	44	2971388	2888788	20.05	20.05
c	Any Other Foreign Nationals NRIs Clearing Members	1 409 7	50 122689 52471	50 81655 52471	0.00 0.83 0.35	0.00 0.83 0.35
	Sub-Total (B)(2) Total Public Shareholding (B)= (B)(1)+(B)(2)	20608 20630	12083247 14820206	11371304 14103058	81.53 100.00	81.53 100.00
C	Shares held by Custodians and against which Depository Receipts have been issued Grand Total (A)+(B)+(C)	0 20630	0 14820206	0 14103058	0.00 100.00	0.00 100.00

(I)(b) Statement showing Shareholding of persons belonging to the category "Promoter and Promoter Group"					
Sr No	Name of the Shareholders	Number of Shares	Shares as a percentage of total number of shares (i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above)		
	Total	0 0	0.00 0.00		
(I)(c) Statement Showing Shareholding of persons belonging to the category "Public" and holding more than 1% of the total number of shares					
Sr No	Name of the Shareholders	Number of Shares	Shares as a percentage of total number of shares (i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above)		
1	Viniyog Investment and Trading Co Pvt Ltd	2934700	19.80		
2	Nainesh Invest Trdg Co Pvt Ltd	2207536	14.90		
3	Puneet Makar	1830802	12.35		
4	Arisaig Partners (Asia) PTE Ltd A/c Arisaig India	1372107	9.26		
5	Reliance Capital Trustee Co Ltd	680590	4.59		
6	Atulya Trades and Agencies Ltd	360725	2.43		
7	Melchior Indian opportunities Fund	250000	1.69		
8	HSBC Financial Services (Middle East) Limited	200000	1.35		
9	Devidass Private Limited	164959	1.11		
	Total	10001419	67.48		
(I)(d) Statement showing details of locked-in shares					
Sr No	Name of the Shareholders	Number of locked-in Shares	Locked-inShares as a percentage of total number of shares (i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above)		
	Total	0 0	0.00 0.00		
(II)(a) Statement Showing details of Depository Receipts (DRs)					
Sr. No.	Type of outstanding DR (ADRs, GDRs SDRs, etc.)	Number of outstanding DRs	Number of Shares Underlhying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares (i.e., Grand Total (A)+(B)+(C) indicated in Statement at Para (I)(a) above)	
	Total	0 0	0 0	0.00 0.00	

(II)(b) Statement showing Holding of Depository Receipts (DRs), where underlying shares are in excess of 1% of the total number of Shares

Sr. No.	Name of the DR Holder	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares (i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above)
	Total	0	0	0.00
		0	0	0.00

List of the persons/entities comprising Promoter group

Given below is the list of entities promoted by M&M either by themselves or jointly with other entities and their group companies. Unless mentioned otherwise, all M&M Group companies are unlisted companies and have not made any public issue in the preceding three years. Unless mentioned otherwise, none of them has become a sick company under the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) and are not under winding up.:

I Listed Companies

1. Mahindra UGINE Steel Company Limited
2. Mahindra GESCO Developers Limited
3. Mahindra & Mahindra Financial Services Limited (IPO in February, 2006)

II Unlisted Companies

4. Automartindia Limited
5. Bristlecone Limited, Cayman Islands
6. Bristlecone (Singapore) Pte. Limited
7. Bristlecone (UK) Limited
8. Bristlecone GmbH
9. Bristlecone Inc.
10. Bristlecone India Limited
11. Indian NGOs.com Private Limited
12. Jensand Limited
13. Mahindra & Mahindra Contech Ltd
14. Mahindra & Mahindra South Africa (Proprietary) Limited
15. Mahindra (China) Tractor Company Limited
16. Mahindra Acres Consulting Engineers Limited
17. Mahindra Ashtech Limited
18. Mahindra Engineering & Chemical Products Ltd.
19. Mahindra Engineering Design & Development Co. Ltd
20. Mahindra Europe s.r.l.
21. Mahindra Gujarat Tractor Limited (Reference made to BIFR)
22. Mahindra Holdings & Finance Limited
23. Mahindra Holidays & Resorts India Limited
24. Mahindra Holidays & Resorts, USA Inc.
25. Mahindra Infrastructure Developers Limited
26. Mahindra Insurance Brokers Limited
27. Mahindra International Limited

28. Mahindra Intertrade Limited
29. Mahindra Logisoft Business Solutions Limited
30. Mahindra Middleeast Electrical Steel Service Centre (FZC)
31. Mahindra Overseas Investment Company (Mauritius) Ltd
32. Mahindra World City (Maharashtra) Limited
33. Mahindra Renault Private Limited
34. Mahindra Sar Transmission Pvt. Ltd
35. Mahindra Shubhlabh Services Limited
36. Mahindra Sona Limited
37. Mahindra Steel Service Centre Limited
38. Mahindra USA, Inc
39. Mahindra World City (Jaipur) Limited
40. Mahindra World City Developers Limited
41. Mahindra-BT Investment Company (Mauritius) Limited
42. Mahindra Integrated Township Private Limited (formerly Mahindra Intermodal Transportation Pvt. Ltd.)
43. NBS International Limited
44. Officemartindia.com Limited
45. Owens Corning India Limited
46. Plexion Technologies (India) Private Limited
47. Plexion Technologies (UK) Ltd
48. Plexion Technologies GmbH, Germany
49. Plexion Technologies Incorporated, USA
50. PSL Erickson Limited
51. Stokes Forgings Dudley Limited
52. Stokes Forgings Limited
53. Stokes Group Limited
54. Tech Mahindra (R&D Services) Limited
55. Tech Mahindra (Americas) Inc.
56. Tech Mahindra (R&D Services) Inc.
57. Tech Mahindra (R&D Services) Pte. Limited
58. Tech Mahindra (Singapore) Pte. Limited
59. Tech Mahindra (Thailand) Limited
60. Tech Mahindra Foundation
61. Tech Mahindra GmbH
62. Tech Mahindra Limited (IPO in August, 2006, pending listing with the stock exchanges)
63. PT Tech Mahindra Indonesia

III Companies Under Liquidation

64. Machinery Manufacturers Corporation Limited
65. Montreal Engineering International Limited
66. Triton Overwater Transport Agency Limited

IV Ventures from which M&M has disassociated during the last three years

67. HDFC Realty Limited
68. Jayem Automotives Limited
69. Ford India Private Limited
70. Ford Credit Kotak Mahindra Limited

OBJECTS OF THE SCHEME OF ARRANGEMENT

The objective of the Scheme is to demerge the Chakan unit from the Transferor Company to enable its revival and growth. It is expected that the demerger will improve capacity utilisation & productivity of the Chakan unit and shall enhance the synergies between Chakan unit and the Transferee Company's plans in the automotive component sector. The demerger will add substantial value to the Chakan unit and will bring about improvement in cost and profitability of Chakan unit. The demerger will bring about economies of scale and opportunities to rationalize infrastructure and cost and operating expenses. The demerger will enable financial support to the Chakan unit and will not be prejudicial to the interest of the creditors and shareholders of the Transferor Company or the Transferee Company. The Scheme will have beneficial results for employee, creditors and shareholders of the Transferor and Transferee Company.

The material provisions of the proposed Scheme are as under:

1. The Scheme is in accordance with Section 2(19AA) of the I. T. Act 1961.
2. Appointed Date of the Scheme is April 1, 2005.
3. With effect from the Appointed Date, the Demerged Undertaking of the Transferor Company as defined under the Scheme, shall be demerged and transferred to the Transferee Company such that
 - (i) all the property of the Demerged Undertaking as defined under the Scheme, being transferred by the Transferor Company, immediately before the demerger, becomes the property of the Transferee Company by virtue of the demerger;
 - (ii) all the liabilities relating to the Demerged Undertaking as defined under the Scheme, being transferred by the Transferor Company, immediately before the demerger, become the liabilities of the Transferee Company by virtue of the demerger;
 - (iii) the property and the liabilities of the Demerged Undertaking as defined under the Scheme, being transferred by the Transferor Company are transferred at values appearing in its books of account immediately before the demerger;
 - (iv) the Transferee Company issues, in consideration of the demerger, its shares to the shareholders of the Transferor Company on a proportionate basis;
 - (v) the shareholders holding not less than three-fourths in value of the shares in the Transferor Company (other than shares already held therein immediately before the demerger, or by a nominee for, the resulting company or, its subsidiary) become shareholders of the Transferee Company by virtue of the demerger, otherwise than as a result of the acquisition of the property or assets of the Transferor Company or any undertaking thereof by the Transferee Company;
 - (vi) the transfer of the Demerged Undertaking as defined under the Scheme, is on a going concern basis;
 - (vii) the demerger is in accordance with the conditions, if any, notified under sub-section (5) of section 72A of the I. T. Act by the Central Government in this behalf.
4. Demerged Undertaking means the forging and other businesses carried out by the Transferor Company at its unit located at GUT No. 856-860, Chakan Ambethan Road, Taluka – Khed, District Pune, Maharashtra – 410501, on a going concern basis and consisting inter alia all

assets as set out in paragraph 5 herein, and all the liabilities as set out in paragraph 6 herein but excluding those pertaining to the Remaining Business as defined under the Scheme;

Assets and Liabilities of the Chakan Undertaking and/ or unit shall mean and include:

- (a) all assets, wherever situated, whether movable or immovable, tangible or intangible, including but not limited to any plant and machinery, land properties, estate, buildings, offices, residential flats/guest houses/transit quarters, work-in-progress, furniture, fixtures, office equipment, data processing equipments, computer aided design equipments with software packages/licenses, electrical installations/systems, communication system/accessories, appliances, accessories, raw material, finished and semi finished goods, all scrap or by-products, inventory, investments, vehicles, fork lifts/material handling equipments, etc., together with all the present disclosed liabilities and borrowings including specific loans and borrowings (including debentures, if any) raised, incurred and/or utilized solely for the activities or operations, appertaining to or relatable to the Chakan Undertaking and particularly listed in Part 2 of Schedule 1 as on the Appointed Date;
- (b) without prejudice to the generality of the clause (a) above the Assets of the Chakan Undertaking shall also include; all permits, approvals, arrangements, authorizations, benefits, concessions, rights and benefits of all contracts, agreements, allotments, consents, quotas, rights, easements, engagements, exemptions, entitlements, advantages of whatsoever nature; industrial and other licenses, approvals, consents, municipal permissions, current assets receivables, fixed assets, industrial and intellectual property rights of any nature whatsoever and howsoever named, including trademark, trade-names, patents, copyrights, designs permits powers of every kind, nature and description whatsoever, all properties, movable and immovable, real, corporeal, or incorporeal, in possession or reversion, present or contingent of whatsoever nature and where-so-ever situated, tenancies in relation to office and/or residential properties for the employees, offices, license in respect thereof, intangibles, leasehold rights, liberties, ownerships rights and benefits, cash balances, the benefit of any deposits, bank balances, bank accounts, earnest moneys; all other rights and benefits, licenses, powers, privileges and facilities of every kind, nature and description whatsoever; right to use and avail of telephones, telexes, facsimile, connections, installations and other communication facilities and equipments, titles, all other utilities, benefits of all agreements, contracts, government contracts, memoranda of understanding, project service agreement, prequalification, applications, bids, tenders, letters of intent, concessions, agreements, non possessory contractual rights or any other contracts, development rights, allocated deferred tax, including deferred sales tax and or carry forward income tax benefits as per law, funds belonging to, proposed to be utilised by the Chakan Undertaking and arrangements and all other interest in connection with or relating to the Chakan Undertaking on the Appointed Date;
- (c) all deposits and/or moneys paid by the Transferor Company in connection with or relating to the Chakan Undertaking (including the deposits in the name of Isha Steel Processor Ltd., which was amalgamated with the Transferor Company and which originally owned the factory land at Chakan); and
- (d) all necessary records, files, papers, engineering and process information, all product pricing, costing, commercial and business related information, computer program, drawings & designs, manuals, data, catalogues, quotations, sales and advertising

materials, lists and all details of present and former customers and suppliers, customer credit information, customer pricing information and other records whether in physical or electronic form in connection with or relating to the Chakan Undertaking.

5. Assets of the Demerged Undertaking as on the Appointed Date:

- (i) The summarized book value of Fixed Assets of the Demerged Undertaking as on the Appointed Date would appear as under:

[Rs. in lacs]			
Items	Gross Block	Accumulated Dep.	Net WDV
Freehold Land (Refer Note ii)	51.74	0	51.74
Buildings/Covered Shed Area (Refer Note iii)	859.92	155.46	704.46
Flats (Refer Note iii)	23.74	3.50	20.24
Plant & Machineries (Refer Note iv)	4,331.88	2,231.28	2,100.60
Electrical installations	283.34	93.43	189.91
Data Processing Equipments	126.83	48.83	78.00
Furniture & Fixtures	71.32	19.38	51.94
Office Equipments	20.85	4.52	16.33
Vehicles	11.61	3.16	8.45
Total	5,781.23	2,559.56	3221.67

The Capital work in Progress of Demerged Undertaking as on the Appointed Date is Rs. 183.73 lacs.

NOTES:-

- (ii) Short Description of the freehold property relating to the Demerged Undertaking

- (a) All the piece and parcel of land bearing Gut No. 856 situated at village Ambethan, within the Pune registration district, sub-division, Taluka: Khed and within the limits of Zilla Parishad, Pune and Grampanchayat, Ambethan and admeasuring OH=42 R and bounded on or towards the east by boundary of village Birdawadi, on or towards the west by land of Gut No.858, on or towards the south by land of Gut No.857 and on or towards the north by land of Get No.858.

- (b) All the piece and parcel of land bearing Gut No. 857 situated at village Ambethan, within the Pune registration district, sub-division, Taluka: Khed and within the limits of Zilla Parishad, Pune and Grampanchayat, Ambethan and admeasuring O H=66 R and bounded on or towards the east by Nalla and boundary of village Birdawadi, on or towards the west by land of Gut No.858, on or towards the south by land of Gut No.858 and on or towards the north by land of Gut No.856.
- (c) All the piece and parcel of land bearing Gut No. 858 situated at village Ambethan, within the Pune registration district, sub-division, Taluka: Khed and within the limits of Zilla Parishad, Pune and Grampanchayat, Ambethan and admeasuring 8 H =66 R including well and bounded on or towards the east by land of Gut No.855, on or towards the west by land of Gut No.855, on or towards the south by boundary of village Birdawadi and on or towards the north by land of Gut No.859.
- (d) All the piece and parcel of land bearing Gut No. 859 situated at village Ambethan, within the Pune registration district, sub-division, Taluka: Khed and within the limits of Zilla Parishad, Pune and Grampanchayat, Ambethan and admeasuring 2 H=91 R and bounded on or towards the east by land of Gut No.855, on or towards the west by land of Gut No.40, on or towards the south by land of Gut No.858 and on or towards the north by land of Gut No.860.
- (e) All the piece and parcel of land bearing Gut No. 860 situated at village Ambethan, within the Pune registration district, sub-division, Taluka: Khed and within the limits of Zilla Parishad, Pune and Grampanchayat, Ambethan and admeasuring 2H=61R and bounded on or towards the east by land of Gut No.859, on or towards the west by land of Gut No.861 and 862, on or towards the south by Chakan –Ambethan Road and on or towards the north by land of Gut No.855.
- (f) Land outside factory - 80R (2 Acres) land at Dawadmala, Chakan Ambethan Road, Chakan, Taluka - Khed, Dist. - Pune - 410 501
- (iii) **Residential Flats-** Flat Nos. I-9 & 10, K-4 & 5 and K-7 & 8 (six flats) at The Shanta Niketan Co-op. Housing Society Ltd., 33, Bhau Patil Road, Khadki, Pune - 411 003.

Details break-up of Covered Shed Area and Building:

Sl. No.	Particulars	Sqr. Mtrs.
Covered Shed and Building		
1.	Factory shed & Connected Toilets	7337.07
2	Watchmen Cabin	177.49
3	Administrative Building	663.60
4	Canteen	216.00
5	D. G. Set	71.03
6	Blower Shed	6.48
7	Panel Room	108.68
8	Sheering Shed 2	252.00
9	Die Yard	609.00
10	Weigh Room	19.89
11	Meter Room	11.97
12	Grinding Shed behind Shed	538.20

13	Temple	16.00
14	Scrap Yard (Welding – 1)	122.00
15	Scrap Yard (Welding – 2)	96.95
16	Heat treatment shed	5304.00
17	New Panel Room	65.00
18	Machining Shed	680.76

- (iv) All and singular the plant and machinery, engines, electricals and other installation equipments, implements, tools, appliances, fixtures, fittings, furniture, vehicles, machinery spare parts, accessories and stores relating to plant and machinery and other articles and things both present and future. A brief description of major machineries at Chakan is given below:

Major Plant & Machineries of Demerged Undertaking with quantities mentioned in brackets

Press Lines	Balancing Equipments	Ancillary Equipments	Other facilities
5000 Ton Press (1)	Heater (2)	1000 Ton Coining Press (1)	Spectrometers (2)
	800 Ton Trim Press (1)	630 Ton Coining Press (1)	Tensile Testing Machine (1)
	Conveyor (1)	Hydraulic Straightening Press (4)	Impact Testing Machine (1)
		VMC Machine (3)	Microscope (1)
3000 Ton Press (1)	Heater (1)	Magnaflux (10)	
	500 Ton Trim Press (1)		CAD / CAM with Euclid / Idea /
	Conveyor (1)	Shotblasting (9)	Catihar / Unigraphics / Autocad
		Table Blast (1)	Forging Simulation Software
2500 Ton Press (1)	Heater (1)	Tumblast (6)	
	500 Ton Trim Press (1)	Rubber belt blast (2)	1000Ton Shearing Machine (1)
	Conveyor (1)		500Ton Shearing Machine (2)
	Reduce Roller (1)	Drupp & Wrein (5+2)	

		BFW VMC (3)	Overhead Cranes 5 Ton (3)
1600 Ton Press (1)	Heater (1)	Tafo VMC (1)	Overhead Cranes 25 Ton (1)
	200 Ton Trim Press (1)	HAAS VMC (1)	Overhead Cranes 1 Ton (1)
	Reduce Roller (1)	ZNC / EDM	Static Weigh bridge (1)
		EDM Machines (3)	
		Lathes (3)	Grinders
1000 Ton Press (1)	Heater (1)	Heat Treatment Line Bafco (2)	
	200 Ton Trim Press (1)	Heat Treatment Line Rohit Furnace (1)	Sufficient utilities incl. Compressors,
	Reduce Roller (1)	Bafco Stress Releiving Furnace (1)	Transformers , Generators etc.

- (v) Details of all Current Assets and Loans & Advances pertaining to Demerged Undertaking as on the Appointed Date

	Rs.in Lacs
INVENTORIES	
(as certified by a Director)	
Raw Materials & Components (Including in transit) (at cost)	1,546.22
Work in Progress(at estimated cost)	573.51
Finished Goods (lower of cost or net realisable value)	661.09
Stores and Spares (at cost)	164.00
Die Room Inventory:	0.00
- Die Steel Blocks (at cost)	38.39
- Dies (at cost, less amortisation/write offs)	1,282.36
INVENTORIES	4,265.57
SUNDRY DEBTORS (Unsecured)	
Over six months	
- Considered Good	337.17
- Considered Doubtful	0.00
	337.17
Other Debts	
- Considered Good	1,432.60
	1,769.77

Less : Provision for Doubtful Debts	0.00
SUNDRY DEBTORS	1,769.77
CASH AND BANK BALANCES	
Cash on hand	3.57
Balance with Scheduled Banks	
- In Current Account	16.03
- In Fixed Deposit Account	
- In Margin Money Deposit Account	131.56
CASH AND BANK BALANCES	151.16
CURRENT ASSET	6,186.50
LOANS AND ADVANCES	
(Unsecured, considered good)	
Due from Employees	14.15
Advances recoverable in cash or in kind or for value to be received	190.05
Balances with Central Excise Department	52.97
Deposits	235.55
Advance payment against taxes (net)	0.00
LOANS AND ADVANCES	492.72
TOTAL OF CURRENT ASSETS & LOAN AND ADVANCES	6679.22

- (vi) Resulting Company will take over the Deferred Tax Assets (relatable to Demerged Undertaking) appearing in the books of Accounts of the Transferor Company as on the Appointed Date , only to the extent of the Deferred Tax liability as on the Appointed Date taken over by the Demerged Undertaking / Resulting Company.

6. Liabilities of the Demerged Undertaking as on the Appointed Date

	PARTICULARS	NATURE OF LOAN / LIABILITY	AMOUNT (Rs. Lacs)
(A)	DIRECT LOANS/BORROWINGS		
	South Indian Bank Limited	Long Term Loan	358.36
	L. I. C. of India	Long Term Loan	225.00
	L. I. C. of India	Funded Interest Term Loan	55.09
	L. I. C. of India	Funded Interest Term Loan – Interest on Long Term Loan	157.40
	L. I. C. of India	Funded Interest Term Loan – Interest on Funded Interest Term Loan	38.14

	Industrial Investment Bank of India	Long Term Loan	360.00
	Industrial Investment Bank of India	Funded Interest Term Loan	186.58
	Kotak Mahindra Bank Ltd.	Working Capital Loan	263.87
	Kotak Mahindra Bank Ltd.	Pre-Ship Advance(Unsecured)	795.46
	South Indian Bank Ltd.	Interest Accrued & Due on Term loan	370.86
	Electronica Leasing& Finance Ltd.	H. P. Loan	14.03
	Electronica Leasing& Finance Ltd.	H. P. Loan	16.39
	Sales Tax Loan	Interest free Loan	1920.76
		Total	4761.94
(B)	Other Liability / Provisions		
	Sundry Creditors		4148.45
	Advances from Customers		79.87
	Other Current Liabilities		324.29
	Interest Accrued but not Due		8.12
	Gratuity		56.99
	Leave Encashment		17.70
		Total	4635.42

7. With effect from the Appointed Date:

- (a) the Demerged Undertaking as defined under the Scheme, along with all the estates, assets, rights, titles, and interest including, benefits, entitlements, provisions, concessions, remissions, accretions and appurtenances of the Demerged Undertaking as defined under the Scheme, at their closing book values as on 31st March 2005 shall without any further act, instrument or deed be demerged from, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company as a going concern so as to become as and from the Appointed Date the estate, assets, rights, title and interest of the Transferee Company.
- (b) in respect of such of the assets of the Demerged Undertaking as defined under the Scheme, held by the Transferor Company prior to the Appointed Date and/ or thereafter up to the Effective Date, including cash and bank balances, as are movable in nature or are otherwise capable of transfer by manual delivery, payment or by endorsement and delivery, shall be so transferred, and shall become the property as an integral part of the Transferee Company.
- (c) in respect of such of the assets belonging to the Demerged Undertaking as defined under the Scheme, other than those referred to in sub-clause (b) above, and more particularly provided in sub clause (a) above, held by the Transferor Company prior to or on the Appointed Date and/ or thereafter upto the Effective Date, the same shall, without any further act, instrument or deed, be demerged, transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company pursuant to the provisions of Section 394 of the Act.

- (d) all assets acquired by the Transferor Company after the Appointed Date and prior to the Effective Date for operations of the Demerged Undertaking shall also stand transferred to and vested in the Resulting Company.
- (e) The transfer and vesting of the Demerged Undertaking, shall be subject to the securities, charges and mortgages, if any subsisting as on Effective Date.

8. With effect from the Appointed Date:

- (a) such of borrowings of the Transferor Company, which arose out of the activities or operations of the Demerged Undertaking as defined under the Scheme, and which are more particularly identified in Part 2 of Schedule 1 to the Scheme on the Appointed Date and to the extent they are outstanding on the Effective Date shall without any further act or deed be and stand transferred to the Transferee Company and shall become the borrowings of the Transferee Company which undertakes to meet, discharge and satisfy the same.
- (b) so much of the amounts of the general or multipurpose borrowings of the Transferor Company as standing in the same proportion which the value of the assets of the Demerged Undertaking as defined under the Scheme, transferred to the Transferee Company bears to the total value of assets of the Transferor Company immediately before the Appointed Date and which are more particularly identified in Part 3 of Schedule 1 to the Scheme and to the extent they are outstanding on the Effective Date shall without any further act or deed be and stand transferred to the Transferee Company and shall become the borrowings of the Transferee Company which undertakes to meet, discharge and satisfy the same.
- (c) Where any of the borrowings of the Transferor Company as on the Appointed Date deemed to be transferred to the Transferee Company have been discharged by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company and all loans raised and used and the borrowings incurred by the Transferor Company for the operations of the Demerged Undertaking as defined under the Scheme, after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall also without any further act or deed stand transferred to the Transferee Company and shall become the borrowings of the Transferee Company which undertakes to meet, discharge and satisfy the same.
- (d) In so far as the existing charge or security in respect of the Transferred Liabilities as defined under the Scheme, is concerned such security shall without any further act, instrument or deed, be modified and shall be extended to and shall operate only over the assets comprised in the Demerged Undertaking as defined under the Scheme, which have been charged and secured in respect of the Transferred Liabilities as defined under the Scheme, as on the Effective Date. Provided however that if any of the assets comprised in the Demerged Undertaking as defined under the Scheme, have not been charged or secured in respect of the Transferred Liabilities as defined under the Scheme, as on the Effective Date, such assets shall remain unencumbered and the existing security referred to above shall not be extended to and shall not operate over such assets. Notwithstanding the above, the Transferee Company shall be liable for

repayment of principal and payment of interest in relation to such Transferred Liabilities as defined under the Scheme, based on terms and condition mutually agreed amongst the Transferee Company, the Transferor Company and Lenders;

- (e) In so far as the assets comprised in the Remaining Business are concerned the security over such assets relating to Transferred Liabilities as defined under the Scheme, shall without any further act, instrument or deed be released and discharged from the obligations and security relating to the same. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above.
 - (f) Further, in so far as the assets comprised in the Demerged Undertaking as defined under the Scheme, are concerned, the security and charge over such assets relating to any loans, borrowing which are not transferred pursuant to the Scheme (and which shall continue with the Demerged Company) shall without any further act or deed be released from such encumbrance and shall no longer be available as security in relation to any liabilities of the remaining business of the Transferor Company. Notwithstanding the above, the Transferor Company shall be liable for repayment of principal and payment of interest in relation to such of the loans, borrowing which are not transferred pursuant to this Scheme;
9. All the assets and liabilities of the Demerged Undertaking as defined under the Scheme, as broadly set out in Schedule 1 to the Scheme, and stated in Schedule 3 to the Scheme, shall be transferred on the Appointed Date, at the values appearing in the books of the Transferor Company, immediately, before the demerger which are set forth in the statement set out in Schedule 3 to the Scheme.
10. With effect from the Appointed Date
- (a) all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Demerged Undertaking as defined under the Scheme, to which the Transferor Company is a party or to the benefits of which the Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on or against or in favour, as the case may be, of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto.
 - (b) all consents, permissions, licenses, certificates, clearances (including those under the Urban Land Ceiling Act), authorities (including for the operation of bank accounts), powers of attorneys all in respect of the Demerged Undertaking as defined under the Scheme, shall stand transferred to the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the rights and benefits under the same shall be available to the Transferee Company.
 - (c) if any assets (estate, rights, title, interest in or authorities relating to such assets) or any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Demerged Undertaking as defined under the Scheme, which the Transferor Company owns or to which the Transferor Company is a party to cannot be transferred to the Transferee Company for any reason whatsoever, the Transferor Company shall hold such asset or contract, deeds, bonds,

agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Transferee Company and shall utilise, dispose or otherwise treat the same in such a manner as instructed by the Transferee Company in this regard and forward the benefits and proceeds of the same to the Transferee Company.

11. (a) The Transferee Company undertakes to engage, on and from the Effective Date, all employees of the Transferor Company relatable to the Demerged Undertaking as defined under the Scheme, as on the Effective Date (the “Transferred Employees”), without any interruption of service, on the terms and conditions not less favorable than those on which they are engaged by the Transferor Company prior to the Effective Date. The Transferee Company undertakes to continue to abide by any agreement/settlement entered into by the Transferor Company with Transferred Employees in respect of the Demerged Undertaking as defined under the Scheme. The Transferee Company agrees that for the purpose of payment of any compensation, gratuity and other terminal benefits, the past services of the Transferred Employees with the Transferor Company shall also be taken into account, and agrees and undertakes to pay the same as and when payable.
 - (b) In so far as the existing provident fund, and pension fund, maintained by the Transferor Company, for its employees (including the Transferred Employees) are concerned, the part of the funds referable to the Transferred Employees shall be transferred to the separate accounts of such funds set up by the Transferee Company. The Transferor Company and the Transferee Company shall take all necessary steps to separate such provident fund, pension fund, as soon as practicable. Until such time the accounts are separated and the policies are created the Transferee Company may, subject to necessary approvals and permissions, if any, continue to contribute in respect of the Transferred Employees to the account and under the policies maintained by the Transferor Company. Upon creation of new account and the policies, the entire contributions pertaining to the Transferred Employees shall be transferred by the Transferor Company/relevant authority to the new account or policies as the case may be.
12. Upon the coming into effect of the Scheme, all legal or other proceedings by or against the Transferor Company under any statute, whether pending on the Appointed Date or which may be instituted in future (whether before or after the Effective Date) in respect of any matter arising before the Effective Date and relating to the Demerged Undertaking as defined under the Scheme, shall be continued and enforced by or against the Transferee Company after the Effective Date. Provided however that the Transferee Company shall not be liable for any liability, loss, expenses, damages, taxes, charges, penalty etc. suffered and or incurred by the Transferor Company arising out of any demand on account of deficiencies or disallowance or breach or contravention or non-compliance of any statute, law, regulation, contract or agreement or otherwise, pertaining to the period prior to the Effective Date.
13. In consideration for the demerger of the Demerged Undertaking as defined under the Scheme, including the transfer and vesting thereof in the Transferee Company pursuant to Part II of the Scheme, the Transferee Company shall, without any further payment, issue and allot on a proportionate basis to each member of the Transferor Company whose name is recorded in the register of members of the Transferor Company on the Record Date, in the following ratio (the “Entitlement Ratio”):

- (i) Equity Shares -
One (1) Equity Share in the Transferee Company of Rs. 10 each credited as fully paid-up for every One (1) Equity Share of Rs. 10 each fully paid up held by such member in the Transferor Company.
- (ii) Preference Shares -
One (1) 4% non cumulative redeemable, non convertible Preference Share of Rs. 31 /- each in the Transferee Company for every One (1) fully paid-up Equity Share of Rs. 10 held by such member in the Transferor Company.

The Preference Shares shall have:

- (a) tenure of 18 months
 - (b) face value Rs 31/-;
 - (c) shall be redeemed at its face value ;
 - (d) The Transferee Company shall have an option to redeem the Preference shares any time after one month from the Preference shares being issued and allotted;
 - (e) the Preference Shares shall carry a fixed coupon or dividend rate of 4% p.a.”
14. In case any member’s shareholding in the Transferor Company is such that the member becomes entitled to a fraction of an Equity Share of the Transferee Company, the Transferee Company shall not issue fractional Share Certificates to such member but shall consolidate such fractions and issue such consolidated Equity Shares in Trust to a trustee, who is nominated by the Board of Directors of the Transferee Company in that behalf, who shall sell such Shares and distribute the net of the proceeds to the shareholders respectively entitled to the same in proportion to their fractional entitlements.
 15. The Board of the Company shall, within 48 hours after the issue and allotment of shares pursuant to 10 above, issue and allot, to Mahindra & Mahindra Limited, further shares, without any further act on part of its Board or Shareholders of the Company, the New Mahindra Shares as defined under the Scheme (viz.49,78,444 number of equity shares of Rs 10/- at premium of Rs 87.42 representing approximately 17.76 % of the post issue equity share capital of the Resulting Company), the proceeds of which shall be utilized to redeem the 4% Non Cumulative, Redeemable, Non Convertible Preference Shares of Rs. 45,94,26,386/- in compliance with section 80 of the Act.
 16. Equity Shares to be issued and allotted by the Transferee Company shall stand pari passu in all respects with the existing Equity Shares of the Transferee Company.
 17. Equity Shares of the Transferee Company issued pursuant to the Scheme, shall be listed on the relevant Stock Exchange/s, where the existing Equity Shares of the Transferor Company are listed and the Transferee Company shall pay the appropriate fee and incur all costs for the same.
 18. The new Equity Shares and the Preference Shares issued pursuant to the Scheme shall be issued in the dematerialized form by the Transferee Company unless otherwise notified in writing by the shareholders of the Transferor Company to the Transferee Company on or before such date as may be determined by the Board of Directors of the Transferee Company or a committee thereof. In the event that such notice has not been received by the Transferee Company in respect of any of the members of the Transferor Company, the new Equity Shares and Preference Shares shall be issued to such members in dematerialized form

provided that the members of the Transferor Company shall be required to have an account with a depository participant and shall provide details thereof and such other confirmations as may be required. It is only thereupon the Transferee Company shall issue and directly credit the demat/ dematerialized securities account of such members of the Transferor Company. In the event that the Transferee Company has received the notice from any of the members of the Transferor Company that the new Equity Shares and Preference Shares are to be issued in certificate form or if any member has not provided the requisite details regarding the account with a depository participant or other confirmations as may be required, then the Transferee Company shall issue the new Equity Shares and the Preference Shares in certificate form in such number.

19. On and from the Appointed Date, the Transferor Company shall be deemed to have carried on and to be carrying on its business for and on behalf of and on account of the Transferee Company.
20. The Scheme is conditional upon and subject to the approval by the requisite majority of the members of the Transferor Company and Transferee Company as prescribed under the Companies Act, 1956 and sanction of the Hon'ble Court of Judicature at Bombay.
21. The Scheme will be operative from the Appointed Date i.e. 1st April, 2005 and shall come into effect from the date on which the sanctions and approvals mentioned above are obtained and a certified copy of the order of the Hon'ble High Court of Judicature at Bombay is filed with the Registrar of Companies, Maharashtra, Mumbai.
22. Other consequential provisions for the purpose of giving effect to the said Scheme have also been made.

Approvals with respect to the Scheme of Arrangement

The Honorable High Court of Judicature at Bombay vide its Order dated 21st March, 2006 has approved the Scheme of Arrangement between Amforge Industries Limited and Mahindra Automotive Steels Private Limited. Pursuant to this Scheme, the entire Chakan unit of the Transferor Company as a going concern together with all the assets and liabilities relating to the Chakan unit is transferred to and vested in the Transferee Company with effect from 1st April, 2005 (i.e. the Appointed Date under the Scheme) under Sections 391 to 394 of the Companies Act, 1956. In accordance with the said Scheme, the Equity Shares of MASL issued pursuant to the Scheme, subject to applicable regulations shall be listed and admitted to trading on BSE. Such listing and admission for trading is not automatic and will be subject to such other terms and conditions as may be prescribed by the Stock Exchange at the time of application by MASL seeking listing.

The aforesaid Order of the Honorable High Court of Judicature at Bombay was filed by AIL and MASL with the Registrar of Companies Maharashtra ("ROC") on 3rd April, 2006 which is the Effective Date of the Scheme.

Subsequently, SEBI, vide its letter No. CFD/DIL/JAK/72065/2006 dated 19th July, 2006 has granted relaxation from the strict enforcement of the requirement of Rule 19(2)(b) of the Securities Contract Regulation (Rules), 1957 (SCRR) for the purpose of listing of shares of MASL subject to the Transferee Company, viz. MASL complying with all the provisions of Clause 8.3.5 of the SEBI (DIP) Guidelines, 2000.

MASL has submitted its Information Memorandum containing information and disclosures in line with the disclosure requirement for public issues, as applicable, to BSE for making the said Information Memorandum available to public through their websites.

This Information Memorandum is made available on the website of MASL (www.mahindraforgings.com).

MASL will publish an advertisement in the newspapers containing its details in line with the details required as per Clause 8.3.5.4 of SEBI (DIP) Guidelines. The advertisement will draw a specific reference to the availability of this Information Memorandum on the website of MASL as well as BSE.

MASL also undertakes that all material information about itself shall be disclosed to Stock Exchange on a continuous basis so as to make the same available to public, in addition to the requirements, specified in Listing Agreement for disclosures about the subsidiaries., if any.

STATEMENT OF TAX BENEFITS

As per the present provisions of Income-tax Act, 1961 (hereinafter referred to as "the Act") and other laws as applicable for the time being in force in India, the following tax benefits are available to the Company and to the shareholders of the Company, subject to fulfillment of prescribed conditions:

A. To the Company under the Income Tax Act, 1961 ('the Act')

1. Under Section 32 of the Act, the Company is entitled to claim depreciation allowance at the prescribed rates on all its tangible and intangible assets acquired and put to use for its business.
2. Under Section 10(34) of the Act, dividend income (whether interim or final) received by the Company from any other domestic company (in which the Company has invested) is exempt from tax in the hands of the Company.
3. The income received by the Company from distribution made by any mutual fund specified under Section 10(23D) of the Act or from the Administrator of the specified undertaking or from the specified companies referred to in Section 10(35) of the Act is exempt from tax in the hands of the Company under Section 10(35) of the Act.
4. Under Section 10(38) of the Act, the Long-term Capital Gains arising on transfer of any listed equity shares in any other company or units of equity oriented mutual funds, which are chargeable to Securities Transaction Tax, are exempt from tax in the hands of the company.
5. As per the provisions of Section 112(1)(b) of the Act, other Long-term Capital Gains arising to the Company are subject to tax at the rate of 20% (plus applicable surcharge and education cess). However, as per the Proviso to that section, the long-term capital gains resulting from transfer of listed securities or units [not covered by section 10(36) and 10(38) of the Act], are subject to tax at the rate of 20% on long-term capital gains worked out after considering indexation benefit (plus applicable surcharge and education cess), which would be restricted to 10% of Long-term capital gains worked out without considering indexation benefit (plus applicable surcharge and education cess).
6. As per the provisions of section 111A of the Act, Short-term Capital Gains arising to the Company from transfer of any listed Equity Shares in any other company or from sale of units of any equity oriented mutual fund defined in Section 10(38) of the Act, are subject to tax @ 10% (plus applicable surcharge and education cess), if such a transaction is subjected to Securities Transaction Tax.
7. In accordance with and subject to the conditions specified in Section 54EC and Section 54ED of the Act, the Company would be entitled to exemption from tax on Long-term Capital Gain [not covered by section 10(36) and section 10 (38) of the Act] if such capital gain is invested in any of the long-term specified assets (hereinafter referred to as the "new asset") to the extent and in the manner prescribed in the said sections. If the new asset is transferred or converted into money at any time within a period of three years in case of new assets specified in Section 54EC and within a period of one year in case of new assets specified in Section 54ED, from the date of its acquisition, the amount of capital gains for which exemption is availed earlier would become chargeable to tax as long term capital gains in the year in which such new asset is transferred or converted into money.

8. As per the provisions of section 88E of the Act, where the business income of the Company includes profits and gains from sale of securities liable to Securities Transaction Tax, a rebate is allowable from the amount of income tax on such business income, to the extent of Securities Transaction Tax paid on such transaction. The amount of rebate shall, however, be limited to the amount of income tax arrived at by applying the average rate of income tax on such business income.

B. To the Shareholders of the Company

I Resident Shareholders

1. Under Section 10(34) of the Act, dividend (whether interim or final) received from a domestic company is exempt from tax in the hands of the resident shareholders of the Company.
2. Under Section 10(38) of the Act, the Long-term Capital Gain arising on transfer of any listed equity shares in any other company or units of equity oriented mutual fund, which are chargeable to Securities Transaction Tax, are exempt from tax in the hands of the resident shareholders.
3. As per the provisions of Section 112(1)(a) of the Act, other Long-term Capital Gains arising to the resident shareholders are subject to tax at the rate of 20% (plus applicable surcharge and education cess). However, as per Proviso to that section, the long-term capital gains resulting from transfer of listed securities or units [not covered by section 10(36) and 10(38) of the Act], are subject to tax at the rate of 20% on long term capital gains after considering the indexation benefit (plus applicable surcharge and education cess), which would be restricted to 10% of long term capital gains without considering the indexation benefit (plus applicable surcharge and education cess).
4. As per the provisions of section 111A of the Act, Short-term Capital Gains arising to the resident shareholders from the transfer of any listed Equity Shares in a company or units of equity oriented mutual fund defined in section 10(38) of the Act, are subject to tax @ 10% (plus applicable surcharge and education cess) if such a transaction is subjected to Securities Transaction Tax.
5. As per the provisions of section 88E of the Act, where the business income of an assessee includes profits and gains from sale of securities liable to Securities Transaction Tax, a rebate is allowable from the amount of income tax on such business income, to the extent of Securities Transaction Tax paid on such transactions. The amount of rebate shall, however, be limited to the amount of income tax arrived at by applying the average rate of income tax on such business income.
6. In accordance with and subject to the conditions specified in Section 54EC and Section 54ED of the Act, the resident shareholders would be entitled to exemption from tax on Long-term Capital Gains [not covered by section 10(36) and section 10 (38) of the Act], if such capital gains are invested in any of the long-term specified assets (hereinafter referred to as the "new asset") to the extent and in the manner prescribed in the said sections. If the new asset is transferred or converted into money at any time within a period of three years in case of new assets specified in Section 54EC and within a period of one year in case of new assets specified in Section 54ED, from the date of its acquisition, the amount of capital gains for which exemption is availed earlier would become chargeable to tax as long term capital gains in the year in which such new asset is transferred or converted into money.

7. In case of a shareholder being an individual or a Hindu Undivided Family, in accordance with and subject to the conditions and to the extent provided in Section 54F of the Act, the shareholder is entitled to exemption from Long-term Capital Gains arising from the transfer of any long term capital asset, not being a residential house [not covered by sections 10 (36) and 10 (38) of the Act], if the net consideration is invested for purchase or construction of a residential house. If part of the net consideration is invested within the prescribed period in a residential house, such gains would not be chargeable to tax on a proportionate basis. If, however, such new residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains for which the exemption was availed earlier would be taxed as long-term capital gains of the year in which such residential house is transferred.

II Mutual Funds

In case of a shareholder being a Mutual fund, as per the provisions of Section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made thereunder, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorised by the Reserve Bank of India are exempt from income-tax, subject to the conditions notified by Central Government in this regard.

III Venture Capital Companies /Funds

In case of a shareholder being a Venture Capital Company / Fund, any income of Venture Capital Companies / Funds registered with the Securities and Exchange Board of India, are exempt from income-tax, subject to the conditions specified in Section 10(23FB) of the Act.

IV Non-Resident / Non-Resident Indian Member

1. Dividend (both interim and final) income, if any, received by the non-resident/non-resident Indian shareholders from the domestic company shall be exempt under Section 10(34) read with Section 115-O of the Act.
2. Benefits outlined in Paragraph B(I) above are also available to a non-resident/non-resident Indian shareholder except that under first proviso to Section 48 of the Act, the capital gains arising on transfer of capital assets being shares of an Indian Company need to be computed by converting the cost of acquisition, expenditure in connection with such transfer and full value of the consideration received or accruing as a result of the transfer into the same foreign currency in which the shares were originally purchased. The resultant gains thereafter need to be reconverted into Indian currency. The conversion needs to be at the prescribed rates prevailing on dates stipulated. Further, the benefit of indexation is not available to non-resident shareholders.
3. Benefits outlined in Paragraph A(8) above are also applicable to the non-resident/non- resident Indian shareholder.
4. As per Section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the tax treaty to the extent they are more beneficial to the non-resident/non-resident Indian shareholder. Thus, a non-resident/non-resident Indian shareholder can opt to be governed by the beneficial provisions of an applicable tax treaty.
5. Capital gains tax - Options available to a non-resident Indian under the Act:
Non- resident Indian: As per Section 115-C(e) of the Act, a 'non-resident

Indian' means an individual, being a citizen of India or a person of Indian origin who is not a 'resident'. As per the Explanation to the said clause, a person shall be deemed to be of Indian origin if he, or either of his parents or any of his grand-parents, was born in undivided India.

6. Where shares have been subscribed in convertible foreign exchange, the non-resident Indians [as defined in section 115C(e) of the Act], being shareholders of an Indian company, have the option of being governed by the provisions of Chapter XII-A of the Act, which, inter alia, entitles them to the following benefits in respect of income from shares of an Indian company acquired, purchased or subscribed to in convertible foreign exchange:

- As per the provisions of section 115D read with section 115E of the Act and subject to the conditions specified therein, long term capital gains (in cases not covered under section 10(38) of the Act) arising on transfer of an Indian company's shares, will be subject to tax at the rate of 10 percent (plus applicable surcharge on tax and education cess on tax and surcharge), without indexation benefit.
- As per the provisions of section 115F of the Act and subject to the conditions specified therein, gains arising on transfer of a long term capital asset (in cases not covered under section 10(38) of the Act) being shares in an Indian company shall not be chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period of six months in any specified asset or savings certificates referred to in section 10(4B) of the Act. If part of such net consideration is invested within the prescribed period of six months in any specified asset or savings certificates referred to in section 10(4B) of the Act then such gains would not be chargeable to tax on a proportionate basis. For this purpose, net consideration means full value of the consideration received or accrued as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer.

Further, if the specified asset or savings certificates in which the investment has been made is transferred within a period of three years from the date of investment, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such specified asset or savings certificates are transferred.

- As per the provisions of section 115G of the Act, non-resident Indians are not obliged to file a return of income under section 139(1) of the Act, if their only source of income is income from investments or long term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.
- Under section 115H of the Act, where the non-resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for that year under section 139 of the Act to the effect that the provisions of the Chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.
- As per the provisions of section 115I of the Act, a non-resident Indian may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing his return of income for that

assessment year under section 139 of the Act, declaring therein that the provisions of Chapter XII-A shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the Act.

V Foreign Institutional Investors (FIIs)

1. Dividend (both interim and final) income, if any, received by the shareholder from the domestic company shall be exempt under Section 10(34) read with Section 115O of the Act.

2. Capital gains

Under Section 115AD, income (other than income by way of dividends referred in Section 115-O) received in respect of securities (other than units referred to in Section 115AB) shall be taxable at the rate of 20% (plus applicable surcharge on tax and education cess on tax and surcharge).

Under Section 115 AD, capital gains arising from transfer of securities (other than units referred to in Section 115AB) which are not exempt under Section 10(38), shall be taxable as follows:

Securities which are held for the period of upto or less than twelve months and where such transaction is chargeable to Securities Transaction Tax ("STT") levied under Chapter VII of the Finance (No. 2) Act of 2004, shall be taxable at the rate of 10% (plus applicable surcharge on tax and education cess on tax and surcharge). Securities other than those held for the period of upto or less than twelve months and where such transaction is not chargeable to STT levied under Chapter VII of the Finance (No. 2) Act of 2004, shall be taxable at the rate of 30% (plus applicable surcharge on tax and education cess on tax and surcharge);

Securities which are held for the period exceeding twelve months or more shall be taxable at the rate of 10% (plus applicable surcharge on tax and education cess on tax and surcharge). Such capital gains would be computed without giving effect of indexation as provided in the first and second proviso to Section 48. In other words, the benefit of indexation, as mentioned under the two provisos would not be allowed while computing the capital gains.

3. Long-term capital gains arising on transfer of equity shares in the Company, which is held for the period of more than twelve months or more and where such transaction is chargeable to STT, shall be exempt from tax under Section 10(38) of the Act.
4. Benefit of exemption under Section 54EC and 54ED shall be available as outlined in Paragraph B(I)(6) above.
5. Benefit as outlined in Paragraph A(8) above are also available to FIIs.
6. As per Section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the tax treaty to the extent they are more beneficial to the non-resident. Thus, a non-resident can opt to be governed by the beneficial provisions of an applicable tax treaty.

Note: There is a legal uncertainty over whether a FII can elect to be governed by the normal provisions of the Act, instead of the provisions of Section 115AD. Investors are advised to consult their tax advisors in this regard.

C. Benefits available under the Wealth Tax Act, 1957

'Asset' as defined under section 2(ea) of the Wealth Tax Act, 1957, does not include share in companies. Hence, the shares in companies are not liable to Wealth Tax.

D. Benefits available under the Gift Tax Act, 1958

Gift tax is not leviable in respect of any gifts made on or after October 1, 1998. Therefore, any gift of shares will not attract gift tax.

Notes:

1. All the above benefits are as per the current tax law and will be available only to the first named holder in case the shares are held by joint holders. Shareholder is advised to consider in his/her/its own case, the tax implications of any new enactments which may change / modify the law.
2. In view of the nature of tax consequences, being based on all the facts, in totality, of the investors, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences.

HISTORY

History of the Company

The Company was incorporated as a Public Limited Company under the name and style of Mahindra Automotive Steels Limited with Registration N. 11-121285 on 13th August, 1999. The Certificate for Commencement of Business was obtained on 5th October, 1999. Subsequently, the status of the Company was changed to a Private Limited Company and a fresh Certificate of Incorporation dated 15th January, 2003 was obtained in the name of Mahindra Automotive Steels Private Limited. The Other Objects Clause of the Memorandum of Association of the Company were altered and Clause No. 106 was added to the Other Objects Clause of the Company by a Special Resolution passed on 19th April, 2005 which was registered with the Registrar of Companies, Maharashtra vide Certificate of Registration of Special Resolution dated 20th May, 2005. The Honorable High Court of Judicature at Bombay vide its Order dated 21st March, 2006 has approved the Scheme of Arrangement between Amforge Industries Limited and Mahindra Automotive Steels Private Limited pursuant to which the entire Chakan unit of the Transferor Company as a going concern together with all the assets and liabilities relating to the Chakan unit is transferred to and vested in the Transferee Company with effect from 1st April 2005. The aforesaid Order of the Honorable High Court of Judicature at Bombay was filed by AIL and MASL with the Registrar of Companies, Maharashtra ("ROC") on 3rd April, 2006 which is the Effective Date of the Scheme. Under the Scheme, the Company was converted into a Public Limited Company and the ROC issued a fresh Certificate of Incorporation dated 4th April, 2006.

The objects of the MASL are set out in its Memorandum of Association. The main objects, inter alia, are as follows:

- i. To carry on business as manufacturers of dealers in and marketing, selling of special steel rolled and forged long products, heavy castings, forgings and assembled components, all grades, types qualities, shapes, categories, and descriptions of mild and tool, alloy and special steels including, inter alia, alloy constructional steel, case hardening steel, nitriding steel, high speed steel, ball bearing steel, fast cutting steel, hot die steel, die steel, alloy spring steel, stainless and heatresisting steel, carbon tool steel, polished drill rods, silver steel, mining drill steel, high silicon and electrical steel, creep- resisting steel, valve steel, magnet steel, silicon manganese steel, and tree cutting quality steel, faggot steel, armour steel, shell steel and high tensile steel.
- ii. To carry on business as manufacturers of, dealers in and sellers of cold drawn and ground bars and sections, polished steel, silver steel, bright bars and shafting, ball and roller races, wheels, tyres and axles of all kinds, types and descriptions whatsoever, welded, seamless and extruded ferrous and non-ferrous tubes, including, inter alia, mechanical tubing, stainless steel tubing, boiler tubing, fin tubing, ball bearing steel tubes, extruded ferrous and non-ferrous sections and profiles of all types and shapes including hollow and solid sections, steel castings of all types and varieties, forgings, including, inter alia, die blocks, rings, discs, hubs, sleeves, shafts, crown wheels, cups, shanks, bolts, nuts, screws, stamping, rivets, wire ropes, standard wire, signal wire, piano wire, blanks, manganese alloys, pig iron, wrought iron, ferro-manganese, ferro-chromium, ferro silicon, silico-manganese, ferro-tungsten, ferro-vanadium, ferro-titanium, ferro-molybdenum, Spiegel iron, graphite electrodes, carbon electrodes, carbon blocks, calcium carbide, carborundum tungsten carbide tips, refractory bricks of any kind, type and description of whatsoever, permanent magnet and to carry on

the manufacture, preparation, selling and distribution of any electro metallurgical, electro chemical products which may be usefully or conveniently combined with the business of the Company or otherwise calculated, directly or indirectly, to enhance the value of any of the Company's properties and rights for the time being.

- iii. To carry on the business of mechanical, electrical, railway, marine, aeronautical, agricultural, sanitary, civil and structural engineers, aluminum founders, iron founders, brass founders, casters, spinners, rollers and workers of metals and their alloys, founders of metals whether ferrous or non-ferrous welded by any process whatsoever of ferrous and non-ferrous metals and metal compounds, manufactures of welding appliances, tool makers, metal workers, boiler makers, mill wrights, machinists, manufactures of aluminum, magnesium, calcium, sodium, copper, brass, bronze, cobalt, titanium, zirconium, nickel and other metals and their alloys of all kinds and descriptions, tools and implements, sheets, that could be manufactured out of aluminum, iron, steel, brass, zinc, copper or any other kind of metals, converters of iron and steel and other metals, smiths, tin manufactures and tinkers, wheel wrights, wood workers, builders, painters, metallurgists, water supply engineers, gas makers, framers, nailers, brushers, electro-platers, silver-platers, nickel-platers, aluminum-platers, importers, exporters and distributors of all kinds of plant and machinery, apparatus, tools, component parts, accessories, and to buy, sell, manufacture, repair, convert, alter, let on hire and deal in any kind of metals, machinery, implements, tools, accessories, hardware of all kinds and things necessary or convenient for carrying on the business.

Change in Memorandum of Association since the Company's inception

Sr. No.	Date	Particulars
1	24 th December, 1999	Increase in Authorised Share Capital of the Company to Rs. 40,00,00,000/-
2	30 th September, 2002	Change in the Status of the Company from "Private Limited" to "Public Limited".
3	19 th April, 2005	Amendment of Memorandum of Association – Alteration of Other Objects Clause
4	24 th March 2006	Increase and re-classification of Authorised Share Capital of the Company from Rs. 40,00,00,000/- to Rs. 78,94,26,386/-.

BUSINESS

The Company was incorporated under the name Mahindra Automotive Steels Limited on 13th August, 1999. The Certificate for commencement of Business was obtained on 5th October, 1999. Subsequently, the status of the Company was converted to a Private Limited Company and a fresh Certificate of Incorporation dated 15th January, 2003 was obtained in the name of Mahindra Automotive Steels Private Limited. The Company was a non operating company. Pursuant to a Scheme of Arrangement between the Transferor Company and the Transferee Company, the entire Chakan unit of the Transferor Company as a going concern together with all the assets and liabilities relating to the Chakan unit is transferred to and vested in the Transferee Company with effect from 1st April, 2005. The objective of the Scheme is to demerge the Chakan unit from the Transferor Company to enable its revival and growth. It is expected that the demerger will improve capacity utilisation & productivity of the Chakan unit and shall enhance the synergies between Chakan unit and the Transferee Company's plans in the automotive component sector and the forging business.

The Chakan unit was set up in the year 1995-1996 near Pune with state of the art imported German press forging unit having a capacity of 42,000 tpa. The unit was commissioned during March 1996.

Land Building, Plant and Machinery

The Chakan unit is located at Chakan, Amethan Road, Taluka Khed, District Pune, Maharashtra, India. The factory land admeasures approximately 1,47,710 sq.mtr and the factory building consist of total area of approximately 16,500 sq. mtr. The factory building consists of administrative block, press shop, heat treatment shop, tool room, MQC lab, finishing good warehouse, raw material godown, canteen, conference and training facility etc.

MASL is in the process of setting up a machining shop for which an area of approximately 20,000 sq.mtrs is earmarked.

Press Shop

The Press Shop consists of a wide variety of presses imported from Germany & Russia. The presses in operation are

5000T – 1 No.
3000T - 1 No.
2500T – 1 No.
1600T – 1 No.
1000T - 1 No.

Each of these presses has a computer controlled induction heater and a trim press. Material handling is done by conveyors.

Die Shop

All dies are made in house using CNC machines, high speed milling machines and EDM Machines. The tool room is backed by a CAD/CAM/CAECentre which provides the design

and engineering support.

Computer controlled measurement machine is used to check forgings produced in the shop.

Statistical process control is used extensively in the processes.

Heat Treatment facilities include a new automatic line providing tempered and normalized forgings.

High quality Shot Blasting machines are used in the finishing area to clean the oxidized layer (Scale).

The entire process is certified by BVQI and the unit has been awarded the TS 16949 for its Quality Management Systems.

Forging

Forging is the process by which hot metal is worked into the desired shape and size by applying force either through hammer or the press. The products made through forging primarily uses carbon/ alloy steel and find application in fields as diverse as auto components, general engineering sector manufacturing various capital goods, earth moving equipment, railway parts and defence sector.

Manufacturing Process

The process of producing forging involves the following –

- (i) Cutting the steel rods into smaller pieces (billets) of appropriate sizes, using band saw machines, a hot shear or a cold shear.
- (ii) Heating the billets in the computerized controlled induction heater for the desired shape with appropriate die on the forging press.

Forging the billet into the desired shape with appropriate die on the forging press.

Trimming the excess metal (flash) around the piece using a trimming press.

Heat treatment (either hardening and tempering, annealing or normalizing) to strengthen the micro-structure of the metal.

Shot blasting to remove the oxide layer (scale) on the forging surface.

100 % quality check using Magnaflux machines for crack detection.

Using a pedestal or hand-held grinders to polish the rough edges.

Using CNC lathes to machine the rough forging into a finished component to meet close tolerance requirement as per specifications.

The process for machining Crank Shaft involves the following:

- (i) Facing centering for axis generation.
- (ii) Roughing operations of all diameters including main bearing and crank pin.
- (iii) Drilling oil gallery holes with special machining centres with carbide drills.
- (iv) Induction hardening to provide various strength to the component.
- (v) Tempering to relieve residual stress of induction hardening.
- (vi) Grinding of all diameters to the required close tolerance of 0.003 to 0.005 mm. This also generates the fillet radii which is critical for the strength of the crankshaft.
- (vii) Drilling and tapping of the end face holes to mount the flywheel and timing gear.
- (viii) Dynamic balancing to correct the imbalance to specified limits which reduces the imbalance forces and vibrations in the engines.
- (ix) Lapping of journals and pin diameters and fillet radii to achieve high level of surface finish on super finishing machine to reduce wear.
- (x) Crack checking to detect surface /sub surface defects which is crucial for fatigue.
- (xi) Cleaning with pressurized fluids to remove particles within oil passages.
- (xii) Quality measurements of all parameters as per customer exempted quality plans.

The process for machining connecting rod involves the following:

- (i) Grinding top and bottom face to generate reference face.
- (ii) Joint face grinding to provide seat for con rod cap.
- (iii) Notch milling done for creating locking for bearing shell assy.
- (iv) Drilling and reaming for small end for preparation for piston pin.
- (v) Bolt hole drilling, tapping is carried out assy of rod and cap.
- (vi) Rod and cap assy.
- (vii) Grinding of width is precision operation for connecting rod assy with crank pin.
- (viii) Oil hole drilling at the top of the rod done to provide lubrication of piston pin.
- (ix) Rough boring of small and big end bore is the preparation for parent finish bore.

- (x) Finish boring is the closely tolerated for controlling clearance with crank shaft and piston pin.
- (xi) Honing of big end bore for achieving the surface finish and sizing for improving life bearing shell.
- (xii) Grading off connecting rods and caps done for selection of the same range of weights for connecting rods for assy to reduce vibrations in the engines.

Raw Materials

The main raw material required for forgings is carbon or alloy steel. The requirement is met locally from major suppliers located in and around Pune.

Utilities

Power

The power requirement for the unit is 32 KVA and this has been sanctioned by MSEB. The Company at present is having a load of 9400 KW. In addition, the Company has a 500 KVA Generator.

Compressed Air

Compressed Air is provided by 3 Nos of 1000 CFM Screw Compressors and 2 Nos Reciprocating cylindrical 1000 CFM compressors.

Water

The water requirement for the unit for cooling, circulation, drinking and sanitation purpose is 10000 cubic meters per month and is being met from borewells dug at site.

EFFLUENTS

The manufacturing process does not emit any hazardous effluents. The Chakan unit has obtained a No Objection Certificate from Maharashtra Pollution Control Board. We are also in the process of setting up an ETP facility in view of the machining activities to be undertaken.

MANPOWER

The total manpower requirement for the plant is 405 persons and will be met mostly from the local population.

The detailed classification of the required manpower is as under:

Classification	Number
Skilled	213
Semi-skilled	46
General	146

PRODUCT AND END USERS

Forging involves production of those parts which must be heated in a closed furnace and forged to a predetermined shape. The Company manufactures a wide range of forgings from 500 gms to 45kgs. and upto 1 m. in length. These include auto and diesel engine components, crankshafts, connecting rods, crown wheels, pinions, bull gears, stub axles, spindles, differential cases and covers, valve bodies, track links, rollers and assemblies, and carbon steel and stainless steel flanges.

The customer profile includes automobile manufacturers (4 wheelers), machine tool manufacturers, defence sector, rail coach builders, earthmoving equipment manufacturers, tractor manufacturers etc.

MANAGEMENT OF THE COMPANY

Board of Directors as on the date of the Information Memorandum

Sr. No.	Name of Director	Age Yrs.	Father's Name	Residential Address	Occupation
1	Mr. Anand G. Mahindra	51	Mr. Harish Mahindra	Goolestan, 1st Floor, 65, Napean Sea Road, Mumbai 400 006	Service
2	Mr. Hemant Luthra	57	Mr. Hansraj R. Luthra	Flat No.6, 2 nd Floor, 68 Bhulabhai Desai Road, Breach Candy Gardens, Mumbai – 400 026.	Service
3	Mr. R. R. Krishnan	66	Mr. V. Rajagopalan	Flat No.J, 4 th Floor, Christmas Eve, 68, Bhulabhai Desai Road, Mumbai - 400 026.	Service
4	Mr. Zhooben Bhiwandiwalla	47	Mr. Dossabhoy Bhiwandiwalla	S- 13, Cusrow Baug, Shahid Bhagatsingh Road, Mumbai – 400 039	Service
5	Mr. Nikhilesh Panchal	38	Mr. Natvarlal Prembhai Panchal	502, Ajay Apartments, T. H. Kataria Marg, Matunga (W), Mumbai - 400 016.	Advocate
6	Mr. V K Chanana	67	Mr. Bhola Ram Chanana	D-79, Gulmohur Park, New Delhi – 1100049	Professional
7	Mr. Fali Pirojsha Mama	70	Mr. Pirojsha Framji Mama	Flat No.5A, Dossabhoy Mansion, 5 th Floor, Plot No.796 Jam-e-Jamshed Road, Parsi Colony, Dadar (East) MUMBAI – 400 014	Service
8	Mr. Mohit Burman	38	Mr. V C Burman	43A, Prithviraj Road, New Delhi – 110011	Service
9	Mr. Sankaran Ravindran	58	Mr. R Sankaran	3, Atlantis, Plot 7, Kalyani Nagar Pune 411006	Service

Brief Biography of the Directors.

The Details regarding the Board of Directors of the Company are as under.

1) Name : **Anand G. Mahindra**

Position: Chairman

Age: 51 years

Qualification: MBA from Harvard Business School, Boston, Massachusetts

Expertise: Business Executive

Date of appointment: 28/04/06

PAN NO: AAKPM5652Q

Mr. Anand G. Mahindra, 51, an Indian national, is the Non-Executive Chairman of the Company. He is currently the Vice Chairman and Managing Director of Mahindra & Mahindra Ltd. Mr. Anand Mahindra is an alumnus of Harvard College, from where he graduated Magna cum Laude (High Honours) in 1977. In 1981, he received an MBA degree from the Harvard Business School. He began his career with Mahindra Ugin Steel Company Limited (MUSCO), as Executive Assistant to the Finance Director. In 1989, he was appointed as President and Deputy Managing Director of MUSCO. Mr. Anand Mahindra has received many awards including the “Knight of the Order of Merit” by the President of the French Republic and the 2005 Leadership Award from the American India Foundation. He continues to be involved with Harvard and is a co-founder of the Harvard Business School Association of India, a member of the Board of Dean’s Advisors and of the Asia Pacific Advisory Council of the Harvard Business School. He also serves on the Advisory Committee of the Harvard University Asia Centre and on the Harvard Business School Advisory Council for the Initiative on Corporate Governance. Mr. Anand Mahindra is a Past President of the Confederation of Indian Industry and of the Automotive Research Association of India. Mr. Anand Mahindra is the Co-Chairman of the International Council of Asia Society New York, and the Co-President of the Euro India Centre. He is also the Founder Chairman of the Mumbai Festival, which was launched in January 2005.

He is holding other Directorships in the following companies.

Chairman:

1. Mahindra Intertrade Limited
2. Mahindra Sona Limited
3. Mahindra GESCO Developers Limited
4. Mahindra (China) Tractor Company Limited
5. Bristlecone Limited, Cayman Islands
6. Mahindra International Limited
7. Mahindra & Mahindra Financial Services Limited
8. Tech Mahindra Limited (formerly Mahindra-British Telecom Limited)
9. Tech Mahindra (Americas) Inc. (formerly MBT International Inc.)

Vice Chairman & Managing Director:

10. Mahindra & Mahindra Limited

Vice Chairman:

11 Mahindra UGINE Steel Co. Limited

Director:

12 Kotak Mahindra Bank Limited
13 Mahindra Holdings & Finance Limited
14 Avion Aerosols Private Limited.
15 Automartindia Limited.
16 MW.Com India Private Limited.
17 Angular Constructions Private Limited.
18 M.A.R.K. Hotels Private Limited.
19 National Stock Exchange of India Limited

2) Name: **Hemant Luthra**

Position: Director

Age: 57 years

Qualification: B.Tech , HBS (AMP 115)

Expertise: Business Executive

Date of appointment: 24/03/05

PAN NO: AABPL9458Q

A graduate of the Indian Institute of Technology, Delhi (1970) and Advanced Management Program of the Harvard Business School (1994), Mr. Hemant Luthra joined M&M as Executive Vice President – Corporate Strategy in December 2001 and is involved in a number of Strategic initiatives across different sectors and group companies. He was invited to to the Management Board of Mahindra & Mahindra Limited on December 8, 2001 and is responsible for the operations and growth of the Engineering Services, Strategic Sourcing and Automotive Components business units at Mahindra & Mahindra Limited.

Mr. Luthra has over 30 years of varied and rich work experience in Operation, Finance, Business Development and Restructuring. He started his career with IBM India and IBM Singapore and later joined the Thapar Group, where, during his tenure of 18 years he held various positions including Group CFO and as COO of the Group's flagship company, Ballarpur Industries Limited. He was on the Board of several joint ventures of the Group with Dupont, Mitsubishi, OKI and Maersk. Mr. Luthra then founded a private equity fund for the ING Group and served as its first CEO. Mr. Luthra last assignments before joining the Mahindra Group were with the Essar Group as CEO of their Telecom business and with Enron India as CEO of their Broad Band business.

He is holding other Directorships in the following companies:

Chairman:

- 1 Mahindra Engineering & Chemical Products Limited (MECPL)
2. Siro Plast Ltd.
3. Mahindra Engineering Design & Development Co. Ltd.

Director:

4. Automartindia Limited (AMI)
5. Mahindra Ashtech Ltd.
6. Mahindra Gesco Developers Ltd.
7. Mahindra Sona Ltd.
8. Mahindra Ugine Steel Company Limited (MUSCO)
9. Bristlecone Ltd. – Cayman Islands
- 10 Mahindra Sar Transmission Pvt. Ltd.
- 11 Plexion Technologies (India) Private Limited
12. Mahindra International Ltd.
13. Stokes Group Limited
14. Stokes Forgings Limited
15. Stokes Forgings Dudley Limited
- 16 Jensand Limited

3) Name : **R R Krishnan**

Position : Director

Age : 66 Years.

Qualification : B.A. (Hons) University of Delhi

G.M.P.D. (Michigan Business School)

Expertise : General Management

Date of appointment : 24/12/99

PAN NO : AACPR4588E

Mr. R.R. Krishnan is a graduate in Mathematics (Hons.) from the University of Delhi and has also done his GPMD course from Michigan Business School. Mr. R. R. Krishnan has been with the Mahindra Group for close to 45 years. He was the Executive Vice

President, Mahindra & Mahindra Ltd, (1995 –1999) before he became Managing Director of Mahindra Intertrade Ltd in 2000. Mr. Krishnan was also the Managing Director of Mahindra Steel Service Centre Ltd and Mahindra Middleeast Electric Steel Service Centre FZE. Mr Krishnan retired in March 2005. Mr. R. R. Krishnan is presently a Senior Advisor in Mahindra & Mahindra Ltd. He was also a Member of M & M's Management Board.

During his tenure, Mr. Krishnan has been on the Board of Heidelberg Ltd., EAC Graphics India Ltd., Mahindra Intertrade Ltd, Owens Corning India Pvt. Ltd. and Officemartindia.com Ltd.

Mr. R.R. Krishnan was Co-Chairman of the International Trade Committee of Bombay Chambers of Commerce during 2001-02.

Other Directorships:

1. Mahindra Ugine Steel Company Ltd.
2. Siroplast Ltd.

4) Name : **Zhooben Bhiwandiwala**

Position : Director

Age : 47 years

Qualification : Chartered Accountant

Expertise : General Management

Date of appointment : 28/04/2006

PAN NO : AADPB5164F

Mr. Zhooben Bhiwandiwala, a Chartered Accountant by qualification, has over 18 years of experience in the areas of marketing, export, business development.

Other Directorships:

1. Mahindra Intertrade Ltd.
2. Mahindra & Mahindra Contech Ltd.
3. Dorric Estate & Investments Pvt. Ltd.
4. Verve Impex Pvt. Ltd.
5. The Indian & Eastern Engineering Co. Pvt. Ltd.
6. Prudential Management & Services Pvt. Ltd.
7. Albertville Exports Pvt. Ltd
8. Bristlecone Singapore Pte
9. Bristlecone Inc.
10. Bristlecone India Ltd.
11. Bristlecone GmbH
12. Mahindra MiddleEast Electrical Steel Service Center FZE
13. Mahindra Overseas Investment (Mauritius) Ltd.
14. Mahindra - BT Investment Company (Mauritius) Ltd.
15. MW.Com (India) Pvt. Ltd
16. Stokes Forgings Ltd.
17. Jensand Limited
18. Stokes Group Limited
19. Stokes Forgings Dudley Limited
20. Mahindra Europe S.r.l

5) Name : **Nikhilesh Panchal**

Position : Director

Age : 38 years

Qualification : L.L.M

Expertise : Corporate and Commercial Laws

Date of appointment: 24/08/2005

PAN NO : AAEP4029Q

Mr. Nikhilesh Panchal, an Advocate by profession is presently a partner of Khaitan & Co. He received a Master of Laws from the University of Bombay. He has been a practicing Advocate and Solicitor in India for over 15 years. Mr Panchal has vast legal experience, with particular emphasis on corporate and commercial law, and legislation related to securities.

Other Directorships:

1. Scottish and Newcastle India Pvt. Ltd.

6) Name : **V.K. Chanana**

Position : Director

Age : 67 years

Qualification : M.Sc.

Expertise : General Management

Date of appointment: 28/04/2006

PAN NO : AFKPC9145B

Mr. V K Chanana, IAS (Retd.) was a nominee Director of Mahindra & Mahindra Limited. He was nominated by Unit Trust of India and appointed as a director in 2002. He ceased to be a Director on the Board of Mahindra & Mahindra Ltd. in March 2006.

Mr. V K Chanana, IAS (Retd.) has worked in UNIDO for ten years at its Head Quarters at Vienna. His responsibilities included formulation and implementation of programmes for strengthening private sector development, investment promotion and development of industrial infrastructure in developing countries. He was earlier working in the field of industrial development in the state of UP and Ministry of Industries for nearly twenty five years.

Other Directorships:

1. Amira Foods (India) Ltd.
2. Sunvisors (India) Pvt. Ltd.

7) Name : **Fali Pirojsha Mama**

Position : Director

Age : 70 years

Qualification : BSc. (Chemistry), Bachelor of Law, Diploma in Accountancy

Expertise : Company Executive

Date of appointment: 28/04/2006

PAN NO : : AAFPM3884M

Mr. Fali Mama, Indian National, has been our Director since 28th April, 2006. He has

over 40 years experience in the Indian Automotive & Engineering Industries in the area of Material Management and Plant Level operation. He has excellent interpersonal skills, is a problem solver, effective negotiator and communicator. He was with erstwhile TATA Engineering & Locomotive Co. Ltd. (now TATA Motors Ltd) for 32 years and was General Manager (Materials). He was responsible at Corporate level for planning, negotiating and buying of components, raw material and consumables both local and imported for all the Plants. His buying experience largely related to procurement of steel raw material and components from Indian, European, Korean and Japanese suppliers. After retirement from TATA Motors Ltd., he joined Anand Group (Auto Components) in September, 1996 as President and independently managed their Export division for export of Shock Absorbers and other related auto components to China, Russia, Far East and Europe. He assisted Dana Spicer for establishing them as supplier of Axles and Drive shafts to Indian commercial vehicles OEMS. He was a member of Global Sourcing team at Dana Corporation (USA) and Haldex (Sweden) for sourcing strategic materials from India for their world wide operations.

Other Directorships:

1. Amforge Industries Limited
2. Nainesh Investment. & Trading Company Private Ltd.

8) Name : **Mohit Burman**

Position : Director

Age : 37 years

Qualification : MBA

Expertise : General Management

Date of appointment: 28/04/2006

PAN NO :AAAPB3071C

Mr. Mohit Burman started his career in 1989 as Senior Sales Manager in Welbeck Property Partnership in London, England. Since then he has held senior positions in Dabur Finance Ltd. and helped Dabur Group's financial services business into Asset Management, Life Insurance and Pension with UK's largest insurance Company – CGNU by setting up Aviva Life Insurance Company and later responsible for Dabur Group's acquisition of Balsara Home Products Ltd. He is presently responsible for Finance and Accounts functions of Dabur and liasoning with Banks and Financial Institutions.

Other Directorships:

- 1.ABN-AMRO Securities Limited
- 2.Cavendish Hotels Pvt. Ltd.
- 3.Dabur Exports Limited
- 4.Dabur Investment Corporation Limited
- 5.Dabur Securities Private Limited
- 6.Dabur Finance Limited
- 7.Vertex Broadcasting Company Pvt. Ltd.
- 8.Amit Laboratories Pvt. Ltd.
- 9.Acee Enterprises
- 10.Vic Enterprises Pvt. Ltd.
- 11.Puran Associates Pvt. Ltd.
- 12.Malhotras Trading Co. Pvt. Ltd.
- 13.Dabur Ayurvedic Specialities Ltd.

14. Prayag Commercial Pvt. Ltd.
15. Excellent (India) Pvt. Ltd.
16. Moonlight Ranch Pvt. Ltd.
17. Interx Laboratories Pvt. Ltd.
18. Procam Sports Pvt. Ltd.
19. KBC India Pvt. Ltd.
20. Maneswari Trading Co.
21. Milky Investment & Trading Co.
22. Shree Investment Ltd.
23. Dabur Investment Corp.
24. Balsara Hygiene Products Limited
25. Balsara Home Products Ltd.
26. Besta Cosmetics Limited
27. Sunshine India Pvt. Ltd.
28. Newage Capital Services Pvt. Ltd.
29. Dabur International Limited

9) Name: **Sankaran Ravindran**

Position: Managing Director

Age: 58 years

Qualification: B.Tech - PG-DBM-IIM-Ahmedabad

Expertise: Operations Management / General Management

Date of Appointment: 27/07/2006

PAN No: ABHPR6419A

Mr. Sankaran Ravindran, Indian National, obtained Bachelor of Engineering degree from Madras University (Year 1971) and Post Graduate Diploma in Business Management from Indian Institute of Management, Ahmedabad (1977-79). Mr. S. Ravindran has been appointed as Managing Director of the Company with effect from 27th July, 2006 for a period of three years and is involved in strategic initiatives, business development and improving the company to world class bench mark.

Mr.S.Ravindran has over 35 Years of varied and rich work experience in Operations, General Management and Business Development. He started his career with Indian Railways as Class-I Officer. In the year 1981, he resigned from the Indian Railways and joined SPIC Group and headed the Clutch and Brake Division of API for 8 years. He was later appointed as Executive Director in Standard Motors which post he held till December 1990. He was independent consultant in India to Yamaha Motors, Japan. In March 1996 he joined as Chief Executive Officer of the start up joint venture of Tata Johnson Control. He set up two green field seating plants and Engineering Services. He left this position in June 2000.

He then joined GKN (I) Ltd., as a Managing Director in July 2000. In September 2002 he was deputed as Operations Director for Asia Pacific Region at Singapore. He also held additional responsibilities of supply chain for entire region from June 2004 till he left Singapore in June 2005. He was back in India as Managing Director in July 2005 till he left GKN in April 2006.

Compensation of Managing Directors / Whole time Directors

Mr. Sankaran Ravindran has been appointed as Managing Director of the Company by the Board of Directors with effect from 27th July, 2006 for a period of three years on the terms and conditions contained in the resolution passed at its meeting held on 27th July, 2006 pursuant to the approval of the Remuneration/Compensation Committee, in accordance with Section 269 read with Sections 198, 309, 310, 311 and Schedule XIII of the Companies Act, 1956. The appointment and remuneration of Mr. Ravindran is subject to the approval of shareholders and Central Government.

The terms of his appointment are as follows –

Salary : Rs. 2,00,000 per month in the scale of Rs. 2,00,000 to Rs. 4,00,000 per month.

Perquisites:

In addition to the salary, the Managing Director is also entitled to the following perquisites in accordance with the Rules of the Company:

- i. Housing : Furnished/Unfurnished Residential accommodation or House Rent Allowance of 50% of Salary in lieu thereof.
- ii. Medical Reimbursement : As per the Company's Rules.
- iii. Leave Travel Concession : For the Managing Director and his family once in a year, incurred in accordance with the Company's Rules.
- iv. Performance Award : As per the Company's Rules.
- v. Encashment of leave : Encashment of leave not availed of by the Managing Director as per the Company's Rules.
- vi. Contribution to Funds : Contributions to Provident Fund, Superannuation Fund, Annuity Fund, Gratuity / Contribution to Gratuity Fund as per the Company's Rules.
- vii. Provision of car and telephone at the Managing Director's residence for his use : Provision of car and telephone at the Managing Director's residence for his use as per the Company's Rules.
- viii. Other amenities and benefits : Such other benefits, amenities and facilities as per the Company's Rules.

Corporate Governance

The provisions of the listing agreement to be entered into with the Stock Exchanges with respect to corporate governance will be applicable to the Company immediately upon the listing of its Equity Shares on the Stock Exchanges.

Mr. Anand Mahindra is the non-executive Chairman of the Board. The Board of the Company comprising 9 Directors has 4 Independent Directors. The Board has also constituted the Audit Committee, Shareholders/Investors' Grievance Committee and Remuneration/Compensation Committee as required under the Companies Act, 1956 and Clause 49 of the Listing Agreement as under:

Director	Category	Member of Audit Committee	Member of Shareholders/ Investors' Grievance Committee	Member of Remuneration/ Compensation Committee
Mr. Anand Mahindra	Non-Executive	-	-	Yes
Mr. Hemant Luthra	Non-Executive	-	-	Yes
Mr. R R Krishnan	Non – Executive	Yes	Yes	-
Mr. Zhooben Bhiwandiwalla	Non-Executive	-	-	-
Mr. Nikhilesh Panchal	Independent	Yes	-	Yes
Mr. V K Chanana	Independent	Yes	Yes	Yes
Mr. Fali Mama	Independent	-	Yes	-
Mr. Mohit Burman	Independent	Yes	-	Yes
Mr. Sankaran Ravindran	Executive	-	-	-

The role, powers, scope of functions and duties of the Audit Committee, Shareholders/Investors' Grievance Committee and Remuneration/Compensation Committee of the Board are as per the applicable provisions of the Companies Act, 1956 and Clause 49 of the Listing Agreement

Change in Board of Directors of the Company since incorporation

Sr. No.	Name of Director	Date of Appointment	Date of Cessation
1	Mr. Harish Mahindra - as Director	13th August, 1999	4th December, 1999 (Deceased)
	Mr. Harish Mahindra - Appointed as Chairman	30th August, 1999	Ceased to be Chairman- 4th

			December, 1999
2	Mr. Keshub Mahindra	13th August, 1999	19th March, 2004
	Mr. Keshub Mahindra- appointed as Chairman	24th December, 1999	19th March, 2004
3	Mr. Anand G. Mahindra	13th August, 1999 Again appointed on 28 th April 2006	6th June, 2000
4	Mr. R.N. Singh	13th August, 1999	24th March, 2005
5	Mr. R.R. Krishnan	24th December, 1999	
6	Mr. Alan E. Durante	24th December, 1999	20th April, 2005
7	Mr. K. J. Davasia	24th December, 1999	24 th January, 2005
8	Mr. Hemant Luthra	24th March, 2005	
9	Mr. S. Durgashankar	24th March, 2005	28 th April 2006
10	Mr. Sanjay Joglekar	18th August, 2005	28 th April 2006
11	Mr. Romesh Kaul	18th August, 2005	27 th July, 2006
12	Mr. Nikhilesh Panchal	18th August, 2005	
13	Mr. V K Chanana	28 th April 2006	
14	Mr. Fali Mama	28 th April 2006	
15	Mr. Mohit Burman	28 th April 2006	
16	Mr. Zhooben Bhiwandiwalla	28 th April 2006	
17	Mr. Sankaran Ravindran	27 th July, 2006	

Date of expiration of current term of Office of Directors

Mr. S. Ravindran has been appointed as the Managing Director of the Company with effect from 27th July, 2006 for a period of three years by the Board of Directors of the Company. In terms of the Articles of Association of the Company, Mr. Ravindran's office shall not be subject to retirement by rotation. All the other Directors' term of office is subject to retirement by rotation in terms of the provisions of the Companies Act, 1956.

Shareholding of Directors

Sr. No.	Name of the Director	Number of Shares held	
		Equity	Preference
1.	Mr. Fali Mama	2220	2220
2.	Mr. Mohit Burman	15000	15000

Key Management Personnel

Name	Age (yrs)	Designation	Qualifications	Total Experience	Date of Joining	Details of Previous Employment
K Chaudhary	47	Vice President-Operations	LME, ADFT	22 Years	12/11/05	Bharat Forge Ltd Amforge Industries Ltd.
Y.Y. Chaudhari	44	General Manager – Machining	DME, BE	22 Years	04/10/05	Antifrictions Bearings Corp Ltd, Finolex, Bharat Forge, Asal Chakan Taco Group
Anant Chincholkar	49	General Manager – HR	M.Com, MPM, DLLW,Dip in Industrial Psychology	22 Years	01/07/05	Jubilant Organosys Ltd, Shree pre-coated steels ltd, Thermax ltd, Bajaj Tempo, The Bombay Burmah Trading Corp. Ltd.
Prakash Gonnagar	42	General Manager – Quality	B.E. (Mech)	20 Years	09/04/05	KSB Pumps Ltd, Indage India Ltd, Bharat Forge Ltd.
A.A. Halbe	40	General Manager – Marketing	DME, PDAE	21 Years	16/08/05	ZF Steering and Bajaj Tempo Ltd
Manoj Kumar Jain	36	Chief Finance Officer	B.Sc, ACA	14 Years	12/09/05	Nahar Spinning Mills, Perfect Circle Victor Ltd, Cummings Auto Services Ltd, S2m Global llc, Pam-Pac Machines.
Koshy Joseph	47	A.V.P-Maintenance	DME	25 Years	01/04/05	Bharat Forge Ltd. Amforge Industries Ltd.

PROMOTERS

1) **Mahindra & Mahindra Limited (M&M)**

M&M was incorporated on 2nd October, 1945 as a Private Limited Company under the Indian Companies Act, 1913 and converted into a Public Limited Company on 15th June, 1955.

M&M's shares were first listed on the BSE in 1956. The equity shares of M&M are presently listed on the BSE, NSE and the Calcutta Stock Exchange Association Limited. Application has been made to delist the equity shares from the Calcutta Stock Exchange Association Limited. The Global Depository Receipts of M&M are listed on the Luxembourg Stock Exchange and the Foreign Currency Convertible Bonds are listed on the Singapore Exchange Securities Trading Limited.

M&M's main business is the manufacture and sale of utility vehicles, light commercial vehicles, three-wheelers and tractors. In the year ended 31st March, 2006, M&M sold 149,424 vehicles and 85,029 tractors through its extensive dealer network in India and through exports. M&M has two main operating divisions:

- The Automotive Division, which designs, manufactures and sells UVs, LCVs and three-wheelers and their spare parts and accessories.
- The Tractor Division, which makes agricultural tractors and implements that are used in conjunction with tractors. The Tractor Division also sells tractor spare parts through its dealer and spare parts stockist network. This division has also ventured into the industrial engines business in order to leverage its design and manufacturing expertise.

M&M employs around 12,000 people and has six state-of-the-art manufacturing facilities spread over 500,000 square meters in area. It has also set up two satellite plants for assembly of tractors.

In November 2003, in recognition of its global competitiveness in terms of cost and quality, M&M received the Deming Prize awarded by the Japanese Union of Scientists & Engineers. M&M is the first tractor manufacturer in the world to receive this prize.

M&M is expanding its reach globally. It has set up a 100% subsidiary in USA to assemble tractors and has a joint venture with French auto giant Renault to manufacture Logan, their new sedan in India. M&M also has a tie-up with USA-based International Truck & Engine Corporation to manufacture trucks in India. Besides the USA, M&M exports its products to several countries in Africa, Asia, Europe and Latin America. It acquired a majority stake in the Jiangling Tractor Company, China in December 2004. It recently acquired 98.6% stake in U.K. based Stokes Group Limited, the largest auto forging company in the U.K. M&M's global subsidiaries include Mahindra & Mahindra South Africa (Pty) Limited and Mahindra Europe (Srl).

For Fiscal 2006, on a consolidated basis, the total income (net of excise duty on sales) of M&M was Rs. 126,484.1 million and the net profit before minority interest was Rs. 14040.1 million. As on 31st March, 2006, on a consolidated basis, the total assets of M&M were Rs. 101,832.3 million and its total share capital and reserves and surplus were Rs. 37,216.3 million.

Mr. Keshub Mahindra and Mr. Anand Mahindra are the promoters of M&M.

Shareholding pattern

The shareholding pattern of M&M as of 30th June, 2006 is as below:

Category	No. of Shares Held	Shareholding (%)
Indian Promoters	205148	0.08%
Persons acting in Concert*	55827878	22.89%
Mutual Funds	15173792	6.22%
Banks, Financial Institutions, Insurance Companies	37814298	15.50%
Foreign Institutional Investors/FFIs/FCs*	84047801	34.45%
Private Corporate Bodies	7686523	3.15%
Indian Public	25415470	10.42%
NRIs/ OCBs	2201450	0.90%
Bank of New York – Depository	15599055	6.39%
Total	243971415	100.00%

*Foreign Institutional Investors/FFIs/FCs does not include shareholding aggregating 117.50 lacs shares representing 4.82% of the paid-up share capital of the company held by a FII as the same is included under the category of Persons acting in Concert.

Board of Directors

The details of the Board of Directors of M&M as on 30th June, 2006 are as given in the table below:

Name	Designation
Mr. Keshub Mahindra	Chairman
Mr. Anand G. Mahindra	Vice Chairman and Managing Director
Mr. Deepak S. Parekh	Director
Mr. Nadir B. Godrej	Director
Mr. M. M. Murugappan	Director
Mr. Thomas Mathew T.	Director (Nominee of LIC)
Mr. Narayanan Vaghul	Director
Dr. A.S. Ganguly	Director
Mr. R.K. Kulkarni	Director
Mr. Anupam Puri	Director
Mr. Bharat N. Doshi	Executive Director
Mr. A.K. Nanda	Executive Director & Secretary

Financial Performance

The unconsolidated financial results for M&M for Fiscal 2004, Fiscal 2005 and Fiscal 2006 are as follows:

(Rs. million except per share)

Particulars	2004	2005	2006
Total Income	60,012.3	78,040.9	94,514.3
Profit / loss after taxation	3,485.4	5,126.7	8,571.0
Equity Share Capital	1110.6	1116.5	2334.0
Reserves (excluding revaluation reserves)	16,199.1	18605.7	26,621.4
NAV per Share (Rs.)	154.99	174.46	123.29
EPS per Share (Rs.)	15.75	23.04	38.07

Other details relating to M&M

PAN	AAACM3025E
Bank Account Details	State Bank of India, CAG Branch, Ballard Pier, Mumbai 400 001 Account No. 0160000010403
Registration Number	11-4558
Address of RoC	2 nd Floor, Hakoba Mills Compound, Dattaram Lad Marg, Kalachowki, Mumbai – 400 033, Maharashtra, India

M&M has confirmed that it has not been detained as wilful defaulter by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past or are pending against them.

Details of last public / rights issues and offerings

M&M made its initial public issue in 1956. M&M made an issue of 4,816,012 – 12.5% secured fully convertible debentures (Part A and Part B) of Rs.110 each and/or zero interest fully convertible secured bonds (Part A and Part B) of Rs 90 each for an amount not exceeding Rs 529,761,320/-, with an option to retain upto 15% of the issue as excess subscription, to the existing shareholders of the company, on a rights basis in the ratio one debenture/bond for every four fully paid ordinary (equity) shares held. The issue opened on 18th January, 1990 and closed on 19th February, 1990. The date of allotment was 1st April, 1990.

The proceeds of the issue were applied for financing a part of the outlay required for installing additional manufacturing facilities at the Automotive and Tractor Divisions of M&M as stated in the letter of the offer.

M&M has not made a public issue or rights issue in India in the last three years. M&M issued Zero Coupon Foreign Currency Convertible Bonds in Fiscal 2005 and Fiscal 2007, convertible into Global Depository Receipts and/or equity shares.

Promise v/s Performance

No promises were made in the letter of offer for the last convertible debenture/bond issue made to the shareholders of M&M on a rights basis. There were no projections made during the issuance of M&M's Foreign Currency Convertible Bonds.

Information about Share Price

The shares of M&M are listed on the BSE and NSE. M&M has applied for approval for delisting its shares with the Calcutta Stock Exchange Association Limited and the approval for delisting of shares is awaited. The monthly high and low of the market price of the shares on BSE for the last six months are as follows:

	High (Rs.)	Low (Rs.)
February 2006	627.00	553.80
March 2006	651.00	544.00
April 2006	665.00	559.90
May 2006	719.00	530.00
June 2006	630.00	488.00
July 2006	635.00	495.10

Source: www.bseindia.com

Mechanism of redressal of investor grievance

M&M has constituted a Share Transfer and Shareholders/ Investors Grievance Committee which meets as and when required, to deal with matters relating to transfer/ transmission of shares and monitors redressal of complaints/grievances from shareholders relating to transfers, non receipt of balance sheet, non receipt of dividend declared, etc. Typically the investor grievances are dealt within a fortnight of receipt of the complaint from the investor. As of July 31, 2006, there are no undisputed investor complaints that were unresolved.

2) Mahindra Holdings & Finance Ltd. (MHFL)

Mahindra Holdings & Finance Limited was incorporated as Eiger Investment & Leasing Private Limited on 27th April, 1985 having its Registered Office at Indian Mercantile Insurance Building, 31, Forbes St. Fort, Bombay 400 023. Eiger Investment & Leasing Private Limited's name was changed to Mahindra Holdings & Finance Limited effective from 1st March, 1995. Its Registered Office was shifted to Gateway Building, Apollo Bunder, Mumbai 400 001 effective from 3rd March, 1995 which was again shifted to Mahindra Towers, P.K. Kurne Chowk, Worli, Mumbai 400 018 effective from 28th April, 2006.

It is registered as Non-Banking Financial Company under Reserve Bank of India Act, 1934 and is engaged in business of investing in group companies, providing fund support and earning dividend and/or interest.

MHFL is a wholly owned subsidiary of Mahindra & Mahindra Ltd.

For Financial Year 2006, the total income of MHFL was Rs. 10012 lakhs and the net profit was Rs. 9822 lakhs. The total assets of MHFL were Rs. 34549 Lakhs and its total share capital and reserves and surplus were Rs. 29632 Lakhs.

The details regarding Shareholding Pattern, Board of Directors and Financials are available in section V – 'Group Companies Financials and other information'.

CURRENCY OF PRESENTATION

In this Information Memorandum all references to "Rupees" or "Rs." are to Indian Rupees, the legal currency of the Republic of India.

DIVIDEND POLICY

Dividend is intended to be declared based on the quantum and availability of future profits and will be disbursed based on shareholder approval based on the recommendation of the Board of Directors.

The Company has not paid any dividend in the past.

FINANCIAL INFORMATION OF MAHINDRA AUTOMOTIVE STEELS LIMITED

Auditors' Report

The Board of Directors
Mahindra Automotive Steels Ltd.
(formerly known as Mahindra Automotive Steels Pvt. Ltd.)
1st Floor, Mahindra Towers
P K Kurne Chowk
Worli
Mumbai - 400 018.

Re: Listing of Mahindra Automotive Steels Ltd. (Formerly known as Mahindra Automotive Steels Pvt. Ltd.)

Dear Sirs,

In terms of our appointment for the purpose of certification of the financial information of Mahindra Automotive Steels Private Limited ('the Company'), as annexed to this report and as approved by the Board of Directors of the Company, which has been prepared in accordance with Part II of Schedule II of the Companies Act, 1956 ('The Act') and the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 ('the SEBI Guidelines') issued by the Securities and Exchange Board of India ('SEBI') on January 19, 2000 in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 as amended from time to time.

The financial information referred to in this report is proposed to be included in the Information Memorandum of the Company to be filed with the SEBI in connection with proposed listing of its equity shares on the Stock Exchanges in India.

We have examined the annexed summary statements of assets and liabilities of the Company as at 31 March 2006, 31 March 2005, 31 March 2004, 31 March 2003 and 31 March 2002 and the annexed statements of Profit and loss for each of the years ended on those dates ('the summary financial statements').

The summary financial statements have been extracted from the Financial Statements for the years ended 31 March 2006, 31 March 2005, 31 March 2004, 31 March 2003 and 31 March 2002. Financial statements for the year ended 31 March 2006. Financial Statements for year ended 31 March 2002 were audited by Vaze and Joshi, Chartered Accountants and for the years ended 31 March 2003 to 31 March 2005 were audited by CVK & Associates and we have placed reliance on their statutory audit reports in preparing this report. The

summary financial statements have been prepared in accordance with the accounting policies adopted by the company as of 31 March 2006.

In accordance with the requirements of Clause B of Part II of Schedule II to the Companies Act, 1956 and SEBI (Disclosure and Investor Protection) Guidelines, 2000, we have examined the following:

1. The examined Profit and Loss account of the Company (**Annexure I**) for year ended 31 March 2006; the Statements of Assets and Liabilities (Balance Sheets) of the Company (**Annexure II**) for the years ending as on year ended 31 March 2006, 31 March 2005, 31 March 2004, 31 March 2003 and 31 March 2002, the Cash flow statement for the year ending on 31 March 2006 (**Annexure III**) and the specified ratios for the respective years (**Annexure IV**).
2. The Significant Accounting policies and Notes to Accounts as of the year ended 31 March 2006 (**Annexure V**).
3. The capitalization statement as at 31 March 2006 (**Annexure VI**)
4. Tax Shelter Statement for the year ended 31 March 2006 (**Annexure VII**). Company neither had book profits nor the taxable income in financial years upto 31 March 2005, hence the Statement of Tax Shelter for those years is considered not applicable.
5. Following financial information referred to in Chapter VI paragraph 6.10 of SEBI (DIP) Guidelines is considered not applicable for the reasons mentioned.

The Company has not declared dividends during any financial year covered in this report hence the information regarding rates of dividend in respect of each class of shares has not been disclosed.

In our opinion the above financial information of the company and notes attached to this report, has been prepared in accordance with Part II of Schedule II of the Act and the SEBI Guidelines.

No regroupings or restatements were considered necessary for the summary financial statements in view of the fact that the company was having no operations / activities till the end of financial year ended 31 March 2005. The business activities of the company started from 1 April 2005 by vesting of the demerged undertaking of Chakan unit of Amforge Ltd. engaged in the manufacture and sale of forging components and related activities.

The Company's management is responsible for the preparation of the summary financial statements. Our responsibility is to report based on the work done. We have performed such tests and procedures, which, in our opinion, were necessary for our reporting to you. These procedures include comparison of the annexed financial information with the Company's audited financial statements. Based on such procedures carried out by us and review of the records produced to us and the information and explanations given to us by the Company's management, and our comments in the foregoing paragraphs, we confirm that nothing has come to our attention to show non-compliance with the SEBI Guidelines.

This report is intended solely for your information and for inclusion in the Information Memorandum in connection with the listing of the equity shares of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For B. K. Khare & Company
Chartered Accountants.

Padmini Khare Kaicker

Partner

Membership No: 44784

Mumbai, April 29, 2006.

Mahindra Automotive Steels Private Limited

Annexure - I

SUMMARY STATEMENT OF PROFIT AND LOSS ACCOUNT

			(Rs. In Lakhs)
	Particulars	Schedule	For the period ended on
			31st March'06
	Income		
	Net sales (of products manufactured by the company)		19,891.99
	Other Income	1	534.07
			20,426.06
	Expenditure		
	Material Consumption	2	12,561.75
	Personnel Expenses	3	828.10
	Other Expenses	4	5,923.19
	Interest & Finance cost	5	841.49
	Depreciation		534.68
			20,689.21
	Profit/ (Loss) before contingency		(263.15)
	Less- Contingency provision (Before Tax)		919.23
	Profit/(Loss) before tax		(1,182.38)
	Less- Provision for tax- Current Tax		-
	- Deferred ax		-
	- Fringe Benefit Tax		12.33
	Loss for the year carried to Balance Sheet		(1,194.71)

Mahindra Automotive Steel Pvt. Ltd.

Schedules to Annexure I

(Rs. In Lakhs)

Particulars**2006****Schedule 1****Other Income**

Interest on deposits [TDS Rs. 84.67 (P Y Rs. Nil)]	377.93
Profit on sale of Short Term Investments	116.77
Miscellaneous Income	39.37
	<u>534.07</u>

Schedule - 2**Material Consumption**

Raw Material and Components Consumed	12,237.21
Increase/ (Decrease) in Stocks	
Opening stock - Work in Progress	573.50
Scrap	14.43
Finished Goods	646.67
	<u>1,234.60</u>
Closing stock - Work in Progress	378.39
Scrap	2.94
Finished Goods	528.72
	<u>910.05</u>
(Increase)/ Decrease in Stocks	<u>324.55</u>
	<u>12,561.76</u>

Schedule - 3**Personnel Expenses**

Salaries, Wages, Bonus etc	708.64
Contribution to Provident & other funds	37.06
Staff Welfare expenses	82.41
	<u>828.11</u>

Schedule - 4**Other Expenses****Manufacturing Expenses**

Processing Charges	351.34
Excise Duty	114.50
Power, Fuel & Oil	1,923.17

Dies Consumed / Amortised	1,322.89
Stores and Spares consumed	268.36
Other Manufacturing Expenses	105.42
<u>Repairs & Maintenance</u>	
- Plant & Machinery	498.71
- Buildings	7.02
- Others	<u>19.93</u>
	<u>525.66</u>
Total Manufacturing Expenses	<u>4,611.34</u>
<u>Administrative & Selling expenses</u>	
Rent, Rates & Taxes	15.87
Insurance	15.04
Freight & Packing	250.00
Printing & Stationery	10.24
Telephone Expenses	10.01
Travelling & Conveyance	35.68
Cash Discounts	30.74
Corporate Expenses reimbursed	180.00
Demerger expenses	198.25
Bad Debts Written Off	142.38
Old Balances Written Off	66.24
Provision for Doubtful debts	178.05
Preliminary / Pre-operative Expenses Written Off	20.91
Other Administrative & Selling Expenses	<u>158.44</u>
Total Administrative & Selling Expenses	<u>1,311.85</u>
Total Other Expenses	<u>5,923.19</u>

Schedule - 5

Interest & Finance Cost

On Fixed period loans	475.76
On Others	<u>365.73</u>
	<u>841.49</u>

Mahindra Automotive Steels Private Limited

Annexure - II

**STATEMENT OF ASSETS
AND LIABILITIES**

(Rs. In Lakhs)

	Particulars	Sch.	As at				
			31st March'06	31st March'05	31st March'04	31st March'03	31st March'02
A	Fixed Assets						
	Gross Block (including Capital work-in-progress and excluding Goodwill)		10,579.16	-	-	-	-
	Less: Accumulated depreciation		3,094.23	-	-	-	-
	Net Block		7,484.93	-	-	-	-
B	Investments		275.72	-	-	-	-
C	Current Assets, Loans and Advances	3					
	Inventories		3,619.11	-	-	-	-
	Sundry Debtors		1,769.94	-	-	-	-
	Cash and Bank balances		8,716.80	1.11	1.31	1.31	0.01
	Loans & advances	4	1,045.92	0.27	0.27	0.30	0.30
	Total		15,151.77	1.38	1.58	1.61	0.31
D	Liabilities and provisions						
	Preference Share Capital		4,594.26	-	-	-	-
	Secured Loans	1	4,663.86	-	-	-	-
	Unsecured Loans	2	2,496.08	21.15	21.13	21.11	20.65
	Current Liabilities & Provisions	5	6,712.53	0.12	0.13	0.03	0.03
			-	-	-	-	-
	Total		18,466.73	21.28	21.26	21.14	20.68
E	Net Worth (A+B+C-D)						

			4,445.69	(19.90)	(19.69)	(19.53)	(20.37)
F	Represented by:						
1	Paid-up share capital						
	-Equity share capital		822.19	1.01	1.01	1.01	0.01
2	Share Capital Suspense		1,482.02	-	-		-
	Share Application Money		4,850.00				
3	Reserves and surplus		5,984.12	-	-		-
	Less:						
4	Miscellaneous Expenditure to the extent not written off or adjusted	6	-	(20.91)	(20.70)	(20.54)	(20.38)
5	Goodwill		(8,692.64)				
G	Net Worth (1+2+3-4)		4,445.69	(19.90)	(19.69)	(19.53)	(20.37)

Mahindra Automotive Steel Pvt. Ltd.

Schedules to Annexure II

(Rs.Lakhs)

Particulars	2006	2005	2004	2003	2002
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Schedule - 1**Secured Loans**

Term Loan from Banks	2,200.96	-	-	-	-
Term Loans from Financial Institutions (amount repayable within one year Rs. 509.82 PY Nil)	895.14	-	-	-	-
Working Capital Loan from Banks	1,567.76	-	-	-	-
(Note 5 of Sch 16)	4,663.86	-	-	-	-

Schedule - 2**Unsecured Loans**

From Corporates	-	21.15	21.13	21.11	20.65
Interest free sales tax loan	1,994.65	-	-	-	-
Short term Loan from Banks	501.43	-	-	-	-
	2,496.08	21.15	21.13	21.11	20.65

Schedule - 3**Current Assets**

Inventories [Refer Note 1(iv) of Sch.16]
(Valued at Cost or net realisable value
whichever is lower)

Raw Material & Components	1,814.29	-	-	-	-
Work-in-progress	378.39	-	-	-	-
Stores & Spares	189.11	-	-	-	-
Die steel blocks	100.72	-	-	-	-
Scrap	2.94	-	-	-	-
Finished Goods	528.72	-	-	-	-

Dies (at cost less amortisation/write off)	604.93	-	-	-	-
	3,619.10	-	-	-	-

Sundry Debtors (Unsecured)

Outstanding over six months

Considered Good	229.97	-	-	-	-
Considered Doubtful	178.05	-	-	-	-

	408.02	-	-	-	-
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Other Debts

Considered Good	1,539.97	-	-	-	-
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Less - Provision for doubtful debts	178.05	-	-	-	-
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	1,769.94	-	-	-	-
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Cash & Bank Balances

Cash on hand	3.89	0.02	-	-	-
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Balances with Scheduled Banks

In Current account	128.16	1.09	1.31	1.31	0.01
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In Fixed Deposit account	8,477.96	-	-	-	-
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In Margin money Deposit account	106.79	-	-	-	-
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	8,716.80	1.11	1.31	1.31	0.01
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	15,875.78	1.11	1.31	1.31	0.01
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Schedule - 4

Loans and Advances

(Unsecured, considered good)

Advances recoverable in cash or kind or for value to be received.	263.67	-	-	-	-
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Balance with Excise/Custom/Sales tax authorities	493.25	-	-	-	-
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Deposits	204.33	0.27	0.27	0.30	0.30
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Advance taxes (Net of Provision)	84.67	-	-	-	-
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	1,045.92	0.27	0.27	0.30	0.30
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Schedule - 5

Current Liabilities & Provisions

Current Liabilities

Sundry Creditors (Note 20 of Sch 16)	5,115.39	-	-	-	-
Interest accrued but not due on loans	31.36	-	-	-	-
Other Liabilities	559.62	0.12	0.13	0.03	0.03
	5,706.37	0.12	0.13	0.03	0.03

Provisions

Gratuity	64.96	-	-	-	-
Leave Encashment	22.02	-	-	-	-
Contingencies	919.23	-	-	-	-
	1,006.21	-	-	-	-
	6,712.58	0.12	0.13	0.03	0.03

Schedule - 6

Miscellaneous Expenditure

Preliminary Expenses	-	0.28	0.28	0.28	0.28
Pre-operative expenses	-	20.63	20.42	20.27	20.10
	-	20.91	20.70	20.55	20.38

Mahindra Automotive Steels Private Limited

Annexure - III

CASHFLOW STATEMENT

		(Rs. In Lakhs)
	Particulars	For the period ended on 31st March'06
A	Cash Flow from Operating Activities	
	Net Profit before tax as per Profit and Loss Account	(1,182)
	Adjusted for:	
	Depreciation/Amortisation	535
	Bad Debts/Provision for doubtful debts/Write offs/ Write back (Net)	387
	Interest (Expenses)	841
	Provision for retirement & Other benefits	12
	Contingency	919
	Misc Expenses Write Off	21
	Interest/Dividend Income	(378)
	Profit/ Loss on sale of investment	(117)
	Operating Profit before Working Capital changes	1,038
	Working capital changes	
	Adjusted for:	
	Trade & Other receivables	(387)
	Inventories	646
	Trade Payables	967
	Other Liabilities	157
	Loans & advances	(468)
	Cash generated from Operations	916
	Direct Taxes Paid (Fringe Benefit Tax)	(97)
	Net cash from operating Activities	1,857
B	Cash flow from Investing Activities	
	Purchase of Fixed Assets	(4,614)
	Purchase of Investments	(276)
	Profit/ Loss on sale of investment	117
	Interest/Dividend received	378
	Net Cash from investing Activities	

		(4,395)
C	Cash flow from Financing Activities	
	Repayment of Term Loans	(295)
	Share Application Money/Issue of Sh. Capital	12,850
	Repayment of Working Capital Loan	(370)
	Repayment of Unsecured Loans	(241)
	Interest Paid	(841)
	Net Cash from Financing Activities	11,103
	Net (Decrease)/Increase in Cash & Cash Equivalents	8,565
	Opening Cash /Bank Balances	152
	Closing Cash/ Bank Balances	8,717

Mahindra Automotive Steels Private Limited

Annexure IV

SPECIFIED RATIOS

	Particulars	For the period ended on				
		31st March'06	31st March'05	31st March'04	31st March'03	31st March'02
1	Earnings per share					
	Net Profit/(Loss) after tax (Rs. Lacs)	(1,194.71)	Not applicable	Not applicable	Not applicable	Not applicable
	Weighted average number of equity shares outstanding at the end of the period (Nos.) - Basic	6,168,970				
	Add: equity shares to be issued pursuant to the scheme of Arrangement and Demerger.	19,798,650				
	Weighted Average equity shares Outstanding for Diluted EPS	25,967,620				
	Earnings per share - Basic	(19.37)				
	- Diluted	(4.60)				
2	Return on Net Worth					
	Net Profit/(Loss) after tax (Rs. Lacs)	(1,194.71)	Not applicable	Not applicable	Not applicable	Not applicable
	Net worth (Rs. Lacs)	4,445.69				
	Return on net Worth (%)	-26.87%				
3	Net asset Value					
	Net worth (Rs. Lacs)	4,445.69	(19.90)	(19.69)	(19.53)	(20.37)
	Total number of equity shares outstanding at the end of the period (Nos.)	28,020,586	10,070	10,070	10070	700
	Net Asset Value per share (Rs.)	15.87	(197.60)	(195.49)	(193.97)	(2,909.79)

Annexure V
Mahindra Automotive Steels Pvt. Ltd.

Notes forming part of the Accounts for the Year ended 31st March 2006

1. Significant Accounting Policies: -

- (i) **Method of Accounting**
The financial statements are prepared under the historical cost convention as a going concern and on accrual basis.
- (ii) **Fixed Assets and Depreciation**
All Fixed Assets are stated at cost less accumulated depreciation. Cost of acquisition is inclusive of purchase price, levies and any directly attributable cost of bringing the assets to its working condition for the intended use. In case of borrowed funds and liabilities in foreign currencies for the acquisition of fixed assets from a country outside India, the exchange differences are adjusted to the cost of such asset.
When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit (including capital profit) or loss, if any, is reflected in the Profit and Loss Account.
Free hold land is stated at cost. Cost of leasehold land is amortized over the period of lease.
Depreciation on assets is calculated on Straight Line Method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.
- (iii) **Investments**
Investments held as long-term investments are stated at cost comprising of acquisition and incidental expenses less permanent diminution in value, if any.
Investments other than long-term investments are classified as current investments and valued at cost or fair value whichever is less.
- (iv) **Inventories**
Inventories are stated at cost or net realizable value, whichever is lower.
 - A. Cost is arrived at
 - (a) In case of Raw Material & Die Steel on actual basis.
 - (b) In case of stores & spares on a weighted average method.
 - (c) In case of WIP & FGs it includes material cost, labour, where appropriate, manufacturing overheads & excise duty.
 - B. Cost of Dies includes cost of die steel and appropriate labour and manufacturing overheads and cost of renewal. The cost of dies is amortised over a period of two years.
- (v) **Foreign Currency Transactions**
 - (a) Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Realised gains and losses and also exchange differences arising on translation at year end exchange rates of current assets and current liabilities outstanding at the end of the year are recognized in the Profit and Loss Account.
 - (b) In the case of monetary items incurred for the acquisition of fixed assets from a country outside India, the exchange differences are adjusted to the cost of such assets.

- (vi) **Intangible Assets:**
All Intangible Assets are initially measured at cost and amortised so as to reflect the pattern in which the asset's economic benefits are consumed.
- (vii) **Revenue recognition**
Sales of products and services are recognised when the products are despatched or services rendered. Sales are exclusive of sales tax and net of sales return and trade discounts.
- (viii) **Export Benefits**
Export Incentives in respect of exports made are recognized at a point of reasonable certainty of ultimate collection.
- (ix) **Retirement Benefits**
Retirement Benefits in respect of gratuity and leave encashable at retirement/cessation are provided for based on valuations, as at the Balance Sheet date, made by independent actuaries.
- (x) **Taxation**
Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognised, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future tax income will be available against which such deferred tax assets can be realised.

Notes to Accounts:

2. In accordance with the Scheme of Arrangement and Demerger which was approved by the Hon'ble Bombay High Court on March 21, 2006, the business undertaking of Chakan unit of Amforge Industries Ltd., herein after referred to as demerged undertaking has been demerged and vested in the Company with effect from the appointed date i.e. April 1, 2005. The Scheme has accordingly been given effect to in these accounts.

This demerged undertaking is engaged in carrying on the business of manufacture and sale of forging components and related activities.

In terms of the scheme, all the assets and liabilities of the demerged undertaking have been accounted for at their carrying amounts on April 1, 2005. As per the Scheme and in consideration of the above, the Company will issue 1,48,20,206 equity shares of Rs.10 each aggregating to Rs.1,482.02 lakhs and 1,48,20,206 4% Non Cumulative Redeemable Non Convertible Preference Shares of Rs.31 each aggregating to Rs.4,594.26 lakhs. These shares will be issued in the ratio of one equity share & one preference share for every one equity share held by the shareholders of Amforge Industries Limited. Pending allotment of these shares, have been disclosed under the head "Share Capital Suspense" in the Balance Sheet.

Consequent upon giving effect to the Scheme of Demerger, an amount of Rs.8,692.65 lakhs arising as Goodwill, being the difference between the aggregate value of equity shares and preference shares to be allotted and net book value of assets and liabilities of the Chakan undertaking as on April 1, 2005, has been disclosed under "Goodwill".

In view of the aforesaid demerger with effect from April 1, 2005 the figures for the current year are not comparable with those of the previous year.

3. Goodwill arising on demerger has not been amortised in the current financial year as the economic benefits there from are expected to accrue over a period of five years from the next financial year.

4. During the year, company has made rights issue of 82,11,866 equity shares of face value of Rs.10 each at a premium of Rs.87.42 per equity shares in the ratio of 816 equity shares for every one equity share held as on June 2, 2005.

5. Borrowings And Securities

Name of the Lender	Type of Loan	Repayment Schedule
Industrial Investment Bank of India (IIBI)	Long Term Loan (LTL)	14 equal quarterly installments till September, 2009
Industrial Investment Bank of India (IIBI)	Funded Interest Term Loan (FITL) (0% coupon bonds)	12 equal quarterly installments till March, 2010.
Life Insurance Corporation of India (LIC)	Long Term Loan (LTL)	14 equal quarterly installments till September, 2009
Life Insurance Corporation of India (LIC)	Funded Interest Term Loan (FITL)	14 equal quarterly installments till September, 2009
Life Insurance Corporation of India (LIC)	Funded Interest Term Loan (FITL)	Single bullet payment in December, 2010
State Bank of India (SBI)	Working Capital Term Loan (WCTL)	56 equal monthly installments from October, 2007
State Bank of India (SBI)	Funded Interest Term Loan (FITL)	64 equal monthly installments from April, 2006
South Indian Bank Ltd. (SIBL)	Term Loan (TL)	Within one year.

All the term lenders have 1st charge on immovable assets & 2nd charge on movable assets as on 01-04-2005. Whereas Working Capital lenders have 1st charge on movable assets & 2nd charge on Immovable assets of the company. The Documentation for creation of security, in respect of some of the Borrowings is pending.

6. Contingent Liabilities not provided for

(Rs. in Lakhs)	
Particulars	As at 31 st March, 2006
Bank Guarantees outstanding in favour of the Government and other parties	161.08
Letters of Credit issued by banks on behalf of the Company and outstanding	1222.37
(a) Towards Excise Duty demands in respect of which the Company has preferred an appeal	53.62
(b) Towards SCN issued by Excise Department	66.98
(iv) Claims against the Company not acknowledged as debts	12.07

In addition to the above, the Company has availed Bill Discounting Facilities under Bill Marketing Scheme, during the year from its customers in the amount of Rs. 2341.23 lakhs.

7. The company has imported capital goods under the Export Promotion Capital Goods (EPCG) scheme, of the Government of India, at concessional rates of duty on an understanding to

fulfill quantified exports against which future obligation aggregates to USD 104.79 lakhs, over a period of next eight years. Non-fulfillment of such future obligations, if any, entails options/rights to the Government to confiscate capital goods under the said licenses and other penalties under the above referred scheme.

8. Estimated value of contracts remaining to be executed on capital account (net of advances) and not provided for Rs. 1406.95 lakhs.

9. The Company has furnished a guarantee in respect of certain liabilities amounting to Rs. 919.23 lakhs for which a provision has been made in the books of account, in view of the likely default by the principal debtor.

10. Auditors' Remuneration

(Rs. in Lakhs)

	Auditors Remuneration	Current Year	Previous Year
(i)	Audit Fees	5.00	0.09
(ii)	Tax Audit Fees	1.00	
(iii)	Certifications/Limited Review Reports	0.00	0.02
(iv)	Service Tax	0.00*	0.01
	Total	6.61	0.12

* Exclusive of service tax Rs.0.61.

11. **Capacities and Production** (Previous Year Nil)

	Unit	Installed Capacity (3 shifts basis)	Production
Forging	M.T.	40992	23761

12. **Turnover, Opening and Closing Stocks :-** (Previous Year Nil)

(Value in Rs. Lakhs)

	Unit	Turnover		Opening Stock		Closing Stock	
		Qty	Value	Qty	Value	Qty	Value
Forging	M.T.	23500	23160.43	436	604.40	697	528.72

13. **Raw Materials & Components Consumed** (Previous Year Nil)

	M.T.	Rs. in Lakhs
Steel	33995	12237.21

14. **Value of Raw Material and Components Consumed** (Previous Year Nil)

	Rs. in Lakhs	%
Indigenous	12230.07	100
Imported	7.14	Negligible
Total	12237.21	100

15. **Value of Stores & Spares Consumed**

	Rs. in Lakhs	%
Indigenous	257.15	95.82
Imported	11.21	4.18
Total	268.36	100

16. **Value of Imports (C.I.F.)** (Previous Year Nil)

Sr	Particulars	Rs. in Lakhs
i)	Stores and Spares	11.21
ii)	Capital Goods	2032.44
iii)	Raw Material	7.14
	TOTAL	2050.79

17.

Earnings in Foreign Exchange (Previous Year Nil) Rs. In Lakhs

Exports (F.O.B. Value)	443.54
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18

Expenditure in Foreign Currency (Previous Year Nil)

Sr.	Particulars	Rs. In Lakhs
i)	Foreign Travel	8.51
ii)	Technical Consultancy	33.79
	TOTAL	42.30

19. Assets acquired on hire purchase – CNC Machines :

- The total minimum lease payments as at March 31, 2006 is Rs.15.00 lakhs (Previous Year Rs.Nil) maturing within one year and
- Present value of minimum lease payments as at March 31, 2006 is Rs.14.52 lakhs (Previous Year Rs.Nil).

20. The company has recognized deferred tax assets only to the extent that there are timing differences the reversal of which will absorb the aforesaid deferred tax assets. In line with Accounting Standard – 22 issued by the Institute of Chartered Accountants of India, (Accounting for Taxes on Income), on principles of prudence, the company has not recognized in the accounts, deferred tax assets aggregating Rs.557.94 lakhs as at 31st March, 2006.

The major components of the Deferred Tax Assets as on 31st March, 2006 based on the tax effects of the timing differences, are as follows.

Sr.	Particulars	Current year (Rs. In lakhs)
A	Timing Difference of Depreciation between Taxation & Books of Accounts	375.66
B	Unabsorbed Depreciation	4.71
C	Carried Forward Business Losses	370.95
	Total	375.66

21. The Company has an outstanding of Rs.29,68,140 (Previous Year Nil) payable to the small scale and ancillary undertakings (SSI).

The list of SSI units, where outstanding is more than 30 days and amount of outstanding is more than Rs.1.00 lakh is given below:

Shreeram Engineers
 Jaybee Steel Treathers Pvt Ltd
 Shakun Auto Parts Pvt. Ltd
 Stride Engineers
 United Engineering Works
 S.R Engineers
 J.K.Engineers
 Laxmi Engineering
 Radiant Industries
 Vijaya Engg. Company
 Forebros Tools (P) Ltd
 Sant Kruppa Engineering & Cutting Works

22. In terms of Accounting Standard – 17 (Segment Reporting) issued by the Institute of Chartered Accountants of India, the Company operates in only one segment i.e. Forgings.

23. Related Party Disclosures as required by Accounting Standard – 18 issued by the Institute of Chartered Accountants of India, are given below:

a) Enterprise controlling the Company:
Mahindra & Mahindra Ltd.

b) Are under common control with the Reporting Enterprise, i.e. Fellow Subsidiaries

Sr. No.	Name of subsidiary company
1	Automartindia Limited
2	Tech Mahindra (R&D) Services Pte. Ltd. (with effect from 28 th November, 2005)
3	Tech Mahindra (R&D) Services Inc.(with effect from 28 th November, 2005)
4	Bristlecone Limited , Cayman Islands
5	Bristlecone (Singapore) Pte. Limited
6	Bristlecone (UK) Limited
7	Bristlecone GmbH
8	Bristlecone Inc.
9	Bristlecone India Limited
10	Jensand Limited (3 rd January, 2006)
11	Mahindra & Mahindra Financial Services Limited
12	Mahindra & Mahindra South Africa (Proprietary) Limited
13	Mahindra (China) Tractor Company Limited (with effect from 13 th May, 2005)
14	Mahindra Acres Consulting Engineers Limited
15	Mahindra Ashtech Limited
16	Mahindra Holdings & Finance Ltd.
17	Mahindra Engineering & Chemical Products Ltd.
18	Mahindra Engineering Design & Development Co. Ltd
19	Mahindra Europe s.r.l. (with effect from 30 th May, 2005)
20	Mahindra Gesco Developers Ltd.
21	Mahindra Gujarat Tractor Limited
22	Mahindra Holidays & Resorts India Limited
23	Mahindra Holidays & Resorts USA, Inc.
24	Mahindra Infrastructure Developers Limited
25	Mahindra Insurance Brokers Limited

26	Mahindra International Limited (with effect from 1 st November, 2005)
27	Mahindra Intertrade Limited
28	Mahindra Logisoft Business Solutions Limited
29	Mahindra Middleeast Electrical Steel Service Centre (FZC)
30	Mahindra Overseas Investment Company (Mauritius) Ltd
31	Mahindra Realty Limited (with effect from 21 st September, 2005)
32	Mahindra Renault Private Limited (with effect from 5 th August, 2005)
33	Mahindra Sar Transmission Pvt. Ltd
34	Mahindra Shubhlabh Services Limited
35	Mahindra Steel Service Centre Limited
36	Mahindra Ugine Steel Company Limited (with effect from 21 st June, 2005)
37	Mahindra USA, Inc
38	Mahindra World City (Jaipur) Limited (with effect from 26 th August, 2005)
39	Mahindra World City Developers Limited
40	Mahindra-BT Investment Company (Mauritius) Limited (with effect from 9 th May, 2005)
41	NBS International Limited
42	Plexion Technologies (UK) Ltd (with effect from 15 th February, 2006)
43	Plexion Technologies GmbH, Germany (with effect from 15 th February, 2006)
44	Plexion Technologies Incorporated, USA (with effect from 15 th February, 2006)
45	Plexion Technologies (India) Private Limited (with effect from 15 th February, 2006)
46	Stokes Forgings Dudley Limited with effect from 3 rd January, 2006)
47	Stokes Forgings Limited (with effect from 3 rd January, 2006)
48	Stokes Group Limited (with effect from 3 rd January, 2006)
49	Tech Mahindra (R&D Services) Limited (with effect from 28 th November, 2005)
50	Tech Mahindra (Americas) Inc
51	Tech Mahindra (Gmbh)
52	Tech Mahindra (Singapore) Pte. Limited
53	Tech Mahindra Limited
54	Tech Mahindra (Thailand) Limited (with effect from 21 st February, 2006)
55	Tech Mahindra Foundation (with effect from 22 nd March, 2006)

c) Transactions with related parties

Sr.	Nature of Transactions	Enterprises controlling the Company	Companies under common control including Fellow subsidiaries
1	Sales -Goods -Scrap	3654.80 -	- 1327.90
2	Purchases -Raw material -Capital goods -Services	- 1782.04 58.86	5762.80 - -
3	Payment of Rent	-	22.00
4	Advance for expenses received	-	0.50
5	Intercompany Deposit accepted and refunded	-	600.00
6	Interest on ICD paid	-	6.51
7	Interest on delayed payments	17.14	-
8	Outstandings		

	-Receivables	661.51	-
	-Payables	38.50	1298.24
9	Advance for expenses payable	-	21.65

24. Earnings per Share:

Profit/(Loss) as per the P&L Account (Rs. in Lakhs)	(1194.71)
Weighted Average Number of equity shares outstanding during the year	61,68,970
Potential ordinary (equity) shares	2,59,67,620
Basic Earnings per share (Rs.)	(19.35)
Diluted Earnings per share (Rs.)	(4.60)

25. Balances of Sundry Debtors and Creditors are subject to confirmation.

26. In the opinion of the Board, current assets, loans and advances have a value not less than the amount at which they are stated.

27. Figures for the previous year have been regrouped and rearranged wherever necessary and are not comparable with those of the current year.

Mahindra Automotive Steels Private Limited

Annexure VI

**CAPITALISATION STATEMENT
as on 31 March 2006**

		(Rs. Lakhs)	
	Particulars	Pre Issue	Post Issue
A	Borrowing:		
	Preference share Capital	4,594.26	4,594.26
	Secured Loans	4,663.86	4,663.86
	Unsecured Loans	2,496.08	2,496.08
	Total Debt	11,754.20	11,754.20
B	Shareholders Fund:		
	Equity share capital	822.19	2,802.06
	Share Capital Suspense	1,482.02	-
	Share Application Money	4,850.00	-
	Reserves and surplus	5,984.10	10,336.25
	Total	13,138.31	13,138.31

	Debt - Equity Ratio (A/B)	0.89	0.89
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@ As the moneys against the shares to be issued have already been recieved, there is not change in pre and post issue Shareholders Funds.

Mahindra Automotive Steels Private Limited

Annexure VII

TAX SHELTER STATEMENT

Particulars		31-Mar-06
Net Profit / (Loss) before Tax		(1,182.38)
Effective Income Tax Rate		0.00%
Notional Tax Liability		-
Adjustments:		
<u>Timing Differences</u>	-	
-	-	
Depreciation	-	
Unabsorbed Depreciation	4.71	
Carried Forward Business Loss	370.95	375.66
Less: Losses carried forward #		-375.66
Tax Liability as per Profit and Loss Account		-

The unabsorbed depreciation & carried forward losses are as per the returns of income in respect of demerged undertaking for earlier years filed by "Amforge Ltd." and have been relied upon by us.



MAHINDRA AUTOMOTIVE STEELS LIMITED

Registered Office: Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai - 400 018

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2006

(Rs. in lakhs)

Particulars	Quarter ended on 30.06.2006 (Unaudited)	Quarter ended on 30.06.2005 (Unaudited)	Year Ended 31.03.2006 (Audited)
1 Gross Sales / Income from Operations	5,630.99	5,295.14	23,160.43
Less: Excise Duty	726.90	753.34	3,268.44
Net Sales/Income from Operations	4,904.08	4,541.80	19,891.99
2 Other Income	107.31	9.66	534.07
Total Income	5,011.39	4,551.46	20,426.06
3 Total Expenditure :			
(a) (Increase) / decrease in stock in trade	(146.46)	103.26	324.55
(b) Consumption of raw materials	3,029.29	2,737.55	12,237.21
(c) Staff cost	178.95	147.93	828.11
(d) Other expenditure	1,273.76	1,104.52	5,923.19
Total	4,335.55	4,093.26	19,313.06
4 Profit before Depreciation, Interest & Tax	675.85	458.20	1,113.00
5 Interest	166.88	173.04	841.49
6 Amortisation of Goodwill (Note 3)	434.63	--	--
7 Depreciation	148.79	135.38	534.68
8 Provision for Contingency	--	--	919.23
9 Profit Before Tax	(74.45)	149.78	(1,182.40)
10 Provision for Taxation	--	--	--
(a) Current Tax	--	--	--
(b) Deferred Tax	--	--	--
(c) Fringe benefit tax	2.66	--	12.33
11 Profit After Taxation	(77.11)	149.78	(1,194.73)
12 Paid-up Equity Share Capital (Face value per share - Rs.10)	2,802.06	1.00	822.19
13 Reserves excluding Revaluation Reserve	--	--	5,984.08
14 (a) Basic Earnings per Share	(0.46)	1,487.39	(19.37)
(b) Diluted Earnings per Share	--	1.01	(4.60)
15 Aggregate of non- promoter shareholding			
a) No of shares	14,820,206	--	--
b) Percentage of shareholding	52.89%	--	--

Notes:

- The commercial production of first phase of Machining Division started from 20th June 2006.
- The company operates only in one business segment, viz Manufacturing of Forging Components.
- In accordance with the Scheme of Arrangement and Demerger which was approved by the Hon'ble Bombay High Court on March 21, 2006, the Company has allotted 1,48,20,206 equity shares of Rs.10 each aggregating to Rs.1,482 lakhs and 1,48,20,206 4% Non Cumulative Redeemable Non Convertible Preference Shares of Rs.31 each aggregating to Rs.4,594 lakhs. These shares have been allotted in the ratio of one equity share & one preference share for every one equity share held by the shareholders of Amforge Industries Limited. As an effect of the Scheme of Demerger, an amount of Rs.8,693 lakhs arising as "Goodwill", being the difference between the aggregate value of equity shares and preference shares and net book value of assets and liabilities of the Chakan undertaking as on April 1, 2005, is being amortised over 60 months commencing from April, 2006.
- During the quarter, 4 (Four) investor complaints were received which were promptly attended by the Company. No complaints were pending either at the beginning or at the end of the quarter.
- Previous year's figures have been regrouped, wherever necessary, in order to make them comparable.
- The above results were approved by the Board of Directors of the Company at the Board Meeting held on 27th July, 2006.
- In compliance with Clause 41 of the Listing Agreement with the Stock Exchange, a limited review of the results for the quarter ended 30th June, 2006 has been carried out by the Statutory Auditors. The figures for the quarter ended 30th June 2005, are not reviewed by the statutory Auditors of the company as the company was not listed for that period.

For and on behalf of the Board of Directors

Date: 27th July, 2006
Place: Mumbai

sd/-
Director

FINANCIAL AND OTHER INFORMATION OF GROUP COMPANIES

Given below is the list of entities promoted by M&M either by themselves or jointly with other entities and their group companies. Unless mentioned otherwise, all M&M Group companies are unlisted companies and have not made any public issue in the preceding three years. Unless mentioned otherwise, none of them has become a sick company under the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) and are not under winding up.

I Listed Companies

1. Mahindra Ugin Steel Company Limited
2. Mahindra Gesco Developers Limited
3. Mahindra & Mahindra Financial Services Limited

II Unlisted Companies

4. Automartindia Limited
5. Bristlecone Limited, Cayman Islands
6. Bristlecone (Singapore) Pte. Limited
7. Bristlecone (UK) Limited
8. Bristlecone GmbH
9. Bristlecone Inc.
10. Bristlecone India Limited
11. Indian NGOs.com Private Limited
12. Jensand Limited
13. Mahindra & Mahindra Contech Ltd
14. Mahindra & Mahindra South Africa (Proprietary) Limited
15. Mahindra (China) Tractor Company Limited
16. Mahindra Acres Consulting Engineers Limited
17. Mahindra Ashtech Limited
18. Mahindra Engineering & Chemical Products Ltd.
19. Mahindra Engineering Design & Development Co. Ltd
20. Mahindra Europe s.r.l.
21. Mahindra Gujarat Tractor Limited (Reference made to BIFR)
22. Mahindra Holdings & Finance Limited
23. Mahindra Holidays & Resorts India Limited
24. Mahindra Holidays & Resorts, USA Inc.
25. Mahindra Infrastructure Developers Limited
26. Mahindra Insurance Brokers Limited
27. Mahindra International Limited
28. Mahindra Intertrade Limited
29. Mahindra Logisoft Business Solutions Limited
30. Mahindra Middleeast Electrical Steel Service Centre (FZC)
31. Mahindra Overseas Investment Company (Mauritius) Ltd
32. Mahindra World City (Maharashtra) Limited
33. Mahindra Renault Private Limited

34. Mahindra Sar Transmission Pvt. Ltd
35. Mahindra Shubhlabh Services Limited
36. Mahindra Sona Limited
37. Mahindra Steel Service Centre Limited
38. Mahindra USA, Inc
39. Mahindra World City (Jaipur) Limited
40. Mahindra World City Developers Limited
41. Mahindra-BT Investment Company (Mauritius) Limited
42. Mahindra Integrated Township Private Limited (formerly Mahindra Intermodal Transporation Pvt. Ltd.)
43. NBS International Limited
44. Officemartindia.com Limited
45. Owens Corning India Limited
46. Plexion Technologies (India) Private Limited
47. Plexion Technologies (UK) Ltd
48. Plexion Technologies GmbH, Germany
49. Plexion Technologies Incorporated, USA
50. PSL Erickson Limited
51. Stokes Forgings Dudley Limited
52. Stokes Forgings Limited
53. Stokes Group Limited
54. Tech Mahindra (R&D Services) Limited
55. Tech Mahindra (Americas) Inc.
56. Tech Mahindra (R&D Services) Inc.
57. Tech Mahindra (R&D Services) Pte. Limited
58. Tech Mahindra (Singapore) Pte. Limited
59. Tech Mahindra (Thailand) Limited
60. Tech Mahindra Foundation
61. Tech Mahindra GmbH
62. Tech Mahindra Limited
63. PT Tech Mahindra Indonesia

III Companies Under Liquidation

64. Machinery Manufacturers Corporation Limited
65. Montreal Engineering International Limited
66. Triton Overwater Transport Agency Limited

IV Ventures from which M&M has disassociated during the last three years

67. HDFC Realty Limited
68. Jayem Automotives Limited
69. Ford India Private Limited
70. Ford Credit Kotak Mahindra Limited

(I) Listed Companies

1) Mahindra UGINE Steel Co. Limited (MUSCO)

MUSCO was incorporated on December 19, 1962 as a Public Limited Company and received its certificate of commencement of business on May 16, 1963. Its registered office is located at 74, Ganesh Apartment, Opp. Sitaladevi Temple, L.J. Road, Mahim (W), Mumbai- 400 016. It is involved in manufacture of alloy steel for both automotive and non-automotive applications, while its stamping division serves the automotive industry.

Shareholding Pattern

The following is the shareholding of MUSCO as on 31st March, 2006.

Names of the shareholders	No. of shares held	% holding
Promoters		
Mahindra Holdings & Finance Limited	16,466,789	50.69%
Others	17,003	0.05%
Sub Total	16,483,792	50.74%
Persons Acting in Concert	1,606,016	4.94
Institutional Investors		
Mutual Funds & UTI	335,466	1.03
Banks, Financial Institutions, Insurance Companies	2,781,271	8.57
Foreign Institutional Investors	3,978,908	12.25
Sub Total	7,095,645	21.85
Others		
Private Corporate Bodies	1,560,744	4.81
Indian Public	5,555,253	17.11
NRI/OCBs	181,079	0.55
Sub Total	7,297,076	22.47
Total	32,482,529	100.00

In addition the company has issued 0.55 million preference shares of Rs. 100 each to Mahindra Holdings and Finance Limited.

Board of Directors

Name	Nature of directorship/ designation
Mr. Keshub Mahindra	Chairman
Mr. Anand G. Mahindra	Vice Chairman
Mr. K.V. Ramarathnam	Managing Director
Mr. Hemant Luthra	Director
Mr. N. V. Khote	Director
Dr. H. N. Sethna	Director
Mr. M. R. Ramachandran	Director
Mr. C. S. Madhav Rao	(Nominee Director-LIC)
Mr. R. R. Krishnan	Director
Mr. S. Ravi	Director

Financial Performance

In Rs Millions
(except per share data)

	For the year ending March 31, 2006	For the year ending March 31, 2005	For the year ending March 31, 2004
Equity capital	324.8	309.3	309.3
Reserves and surplus (excluding revaluation reserves)	1,274.4	439.2	87.8
Total revenue	6,247.6	5,230.4	3,590.4
Profit after tax	650.6	481.6	61.0
EPS (Rs.)	19.7	15.0	1.8
NAV per share (Rs.)	49.2	24.2	12.8

Details of the last public/ rights issue made

MUSCO made an issue of 14% secured fully convertible debentures of Rs. 125/- each to the existing shareholders on a rights basis in the ratio of 15 debentures for every 100 equity shares held. The number of debentures issued were 23,31,767 (Part A – Rs. 35/- and Part B – Rs. 90/- each) for an amount of Rs. 29,14,70,875/-. The issue opened on May 4, 1992 and closed on June 1, 1992. The date of allotment was July 1, 1992.

The proceeds of the issue were applied towards the objects of the issue, which was to meet the working capital requirements and ongoing capital expenditure. MUSCO has not made any public issue during the last 3 years.

Promise v/s performance:

No promise was made in the last rights issue made by MUSCO.

Information about Share Price

The securities of MUSCO as on December 31, 2005 are listed on BSE, NSE and Calcutta Stock Exchange Association Limited. The company got delisted from The Stock Exchange, Ahmedabad with effect from October 15, 2004, the Madras Stock Exchange Limited with effect from October 19, 2004 and The Delhi Stock Exchange with effect from March 1, 2005. The following monthly high and low of the market price of the shares on NSE for the last six months are as follows:

Months	High (Rs.)	Low (Rs.)
December 2005	137.9	113.0
January 2006	156.6	135.3
February 2006	132.8	113.7
March 2006	135.4	118.9
April 2006	170.3	131.5
May 2006	170.7	127.7
June 2006	140.0	85.1
July 2006	140.0	100.1

Source: www.nseindia.com

The paid up equity capital of MUSCO has increased from Rs. 30,93,16,890/- to Rs.

32,48,25,290/- in view of 15,50,840 equity shares of Rs.10/- each issued to the shareholders of the transferor companies pursuant to the scheme of amalgamation of Pranay Sheetmetal Stampings Limited, Console Estate & Investments Limited and Valueline Hotels & Resorts Limited with Mahindra Ugine Steel Co. Limited. The scheme of amalgamation has been sanctioned by the Hon'ble High Court of Bombay on February 24, 2006 and the scheme of amalgamation came into effect on March 20, 2006. The appointed date for the Scheme of Amalgamation was April 1, 2005. MUSCO has allotted 15,50,840 equity shares on March 29, 2006.

Mechanism for redressal of investor grievance

MUSCO has an investors' grievance committee which meets periodically to deal with matters relating to transfer/ transmission of shares (through Share Transfer sub Committee), issue of duplicate shares and monitors redressal of complaints/grievances from shareholders. Typically the investor grievances are dealt within 12 days of filing the complaint. There are no complaints pending for redressal as on date.

2) Mahindra Gesco Developers Limited (MGESCO)

Mahindra Gesco Developers Limited was incorporated on March 16, 1999 as Gesco Corporation Pvt Limited. The name was changed to Gesco Corporation Limited on August 25, 1999 and then to Mahindra Gesco Developers Limited on December 24, 2002. Initially its registered office was located at 8th Floor, World Trade Centre, Cuffe Parade, Mumbai – 400 001. On January 1, 2003 it was shifted to Mahindra Towers, 5th Floor, Worli, Mumbai – 400 018. Its activities include project management and real estate development, operating of commercial complexes and operating business centres.

The following is the shareholding of MGESCO as on 31st March, 2006

Names of the shareholders	No. of shares held	% holding
Promoters		
Indian Promoters	17,066,126	55.0%
Person Acting in Concert		
Sub Total	17,066,126	55.0%
Institutional Investors		
Mutual Funds & UTI	2,684,792	8.65%
Banks, Financial Institutions, Insurance Companies	267,655	0.86%
Foreign Institutional Investors	4,482,633	14.44%
Sub Total	7,435,080	23.96%
Others		
Private Corporate Bodies	1,606,000	5.18%
Indian Public	4,755,496	15.33%
NRIs/OCBs	165,648	0.53%
Sub Total	4,527,444	21.04%
Total	31,028,350	100.0%

In addition, the company has issued 5.5 million preference shares of Rs. 100 each to M&M

and one million preference shares to Mahindra Holdings and Finance Limited.

Board of Directors

Name	Nature of directorship/ designation
Mr. Anand G. Mahindra	Chairman
Mr. Arun K Nanda	Vice-Chairman
Mr. Pranab Datta	Managing Director
Mr. Uday Y. Phadke	Director
Mr. Hemant Luthra	Director
Mr. Sanjiv Kapoor	Director
Mr. Shailesh Haribhakti	Director
Mr. Anil Harish	Director

Financial Performance

	In Rs Millions (Except per share data)		
	For the year ending March 31, 2006	For the Year ending March 31, 2005	For the Year ending March 31, 2004
Equity capital	310.3	310.3	310.3
Reserves and surplus (excluding revaluation reserves)	967.6	987.1	1079.3
Total revenue	1241.3	949.5	1006.7
Profit after tax	110.0	78.5	63.6
EPS (Rs)	3.6	2.5	1.8
NAV per share (Rs)	41.2	41.8	44.8

Information about Share Price

The securities of MGESCO are listed on BSE and NSE. Monthly high and low of the market price of the shares on BSE for the last six months are as follows:

Month	High (Rs.)	Low (Rs.)
December 2005	463.0	363.1
January 2006	448.0	383.0
February 2006	416.0	350.0
March 2006	535.0	356.0
April 2006	922.2	465.0
May 2006	1300.0	580.1
June 2006	759.0	375.0
July 2006	625.0	456.0

Source: www.bseindia.com

There has been no change in the capital structure of MGESCO in the last six months.

Details of public issue/ rights issue

There has been no public issue or rights issue made by MGESCO as the shares were issued

and listed subsequent to the following Schemes of Arrangement:

- Scheme of Arrangement between GESCO Corporation Limited and The Great Eastern Shipping Co. Limited approved by the High Court, Mumbai, vide order dated August 26, 1999 effective April 1, 1999.
- Scheme of Arrangement between GESCO Corporation Limited and Mahindra Realty and Infrastructure Developers Limited approved by the High Court, Mumbai, vide order dated October 24, 2001 as amended on December 5, 2001 effective April 1, 2001.

Promise v/s Performance

As there has been no public issue, no promises had been made.

Mechanism for redressal of investor grievance

The Registrar & Transfer Agents (RTA) of the Company, M/s. Sharepro Services (I) Private Limited attend to correspondence with the shareholders/ investors. RTA submits its periodical report on the complaints received, resolved and pending to the company secretary & compliance officer of the company. At every Board meeting the Board reviews the status of Investor's complaints, if any. The Board has constituted a shareholder's and investor's grievance committee to look into the complaints pertaining to transfers/ transmission of shares, non-receipt of dividend / interest, and any other related matters. Typically the investor grievances are dealt within 14 days of filing the complaint. There are no complaints pending for redressal as on date.

3) Mahindra & Mahindra Financial Services Limited (MMFSL)

Mahindra & Mahindra Financial Services Limited was incorporated on January 1, 1991 as Maxi Motors Limited. The name was changed to Mahindra & Mahindra Financial Services Limited on November 3, 1992. Its registered address is located at Gateway Building, Apollo Bunder, Mumbai 400 001. It's a registered Non- Banking Financial Company and is involved in providing finance for utility vehicles, tractors and cars.

The following is the shareholding of Mahindra & Mahindra Financial Services Limited as on 31st March, 2006

Names of the shareholders	No. of shares held	% holding
Promoters		
Indian Promoters	58,241,532	67.72
Person Acting in Concert	2,686,550	3.12
Sub Total	60,928,082	70.84
Institutional Investors		
Mutual Funds & UTI	677,712	0.79
Banks, Financial Institutions, Insurance Companies	78,890	0.09
Foreign Institutional Investors	16,397,046	19.07
Sub Total	17,153,648	19.95
Others		
Private Corporate Bodies	1,461,679	1.70
Indian Public	5,941,947	6.91
NRIs/OCBs	49,211	0.06

Names of the shareholders	No. of shares held	% holding
Others	465,958	0.54
Sub Total	7,918,795	9.21
Total	86,000,525	100.00

In addition, the Mahindra & Mahindra Financial Services Limited has issued 2,500,000 preference shares of Rs. 100 to UTI Bank Limited.

Board of Directors

Name	Nature of directorship/ designation
Mr. Anand G. Mahindra	Chairman
Mr. Bharat N. Doshi	Vice Chairman
Mr. Anjanikumar Choudhari	Director
Mr. Uday Y. Phadke	Director
Mr. Dhananjay Mungale	Director
Mr. Manohar G. Bhide	Director
Mr. Nasser Munjee	Director
Mr. Piyush Mankad	Director
Dr. Pawan Goenka	Director
Mr. Ramesh G. Iyer	Managing Director

Financial Performance

	In Rs Millions (Except per share data)		
	For the Year ending March 31, 2006	For the Year ending March 31, 2005	For the Year ending March 31, 2004
Equity capital	833.1*	701.6	606.2
Reserves and surplus (excluding revaluation reserves)	5,986.8	2,854.2	1,911.1
Total revenue	5,964.1	4,059.1	3,128.2
Profit after tax	1,082.7	822.7	652.0
EPS (Rs)	14.59	13.23	10.76
NAV per share (Rs)	81.86	50.68	41.53

*Calculated on the basis of 86,000,525 equity shares of Rs. 10 each fully paid up less 2,686,550 equity shares issued to ESOP trust but not allotted

Information about Share Price

The securities of Mahindra & Mahindra Financial Services Limited are listed on BSE and NSE. Monthly high and low of the market price of the shares on BSE for the last five months are as follows:

Month	High (Rs.)	Low (Rs.)
March 2006	257.90	205.20
April 2006	250.00	220.70
May 2006	277.00	201.05
June 2006	229.85	159.35

July 2006	205.00	176.50
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Source: www.bseindia.com

There has been no change in the capital structure of Mahindra & Mahindra Financial Services Limited in the last six months, except as disclosed below.

Details of public issue/ rights issue

Mahindra & Mahindra Financial Services Limited has made a public issue of 10,000,000 equity shares by prospectus dated February 28, 2006 at the issue price of Rs. 200 per share.

Mahindra & Mahindra Financial Services Limited has made a preferential allotment to Copa Cabana of 3,157,895 equity shares on January 5, 2006 at the issue price of Rs. 190 per share..

Mahindra & Mahindra Financial Services Limited has made a preferential allotment to Mahindra & Mahindra Financial Services Limited Employees' Stock Option Trust of 2,686,550 equity shares on December 6, 2005 at the issue price of Rs.51 per share.

Promise v/s Performance

In the last public issue, no promises were made.

Mechanism for redressal of investor grievance

MMFSL Board of Directors has constituted a shareholder's and investor's grievance committee to look into the complaints pertaining to transfers/ transmission of shares, non-receipt of dividend / interest, and any other related matters. There is a Memorandum of Understanding between the Karvy Computershare Limited , the registrar to MMFSL's last public issue and MMFSL allows the investors to approach Karvy Computershare Limited for redressal of their grievances for a period of one year from allotment. It is estimated that the redressal of routine investor grievances shall be 15 days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, MMFSL seeks to redress these complaints as expeditiously as possible.

(II) Unlisted Companies

4) Mahindra Renault Private Limited

Mahindra Renault Private Limited was promoted as a joint venture between M&M (holding 26,265,000 equity shares i.e. 51.0%) and Renault SAS (holding 25,235,000 equity shares i.e. 49.0%). It was incorporated under the laws of India on June 2, 2005. Its registered office is situated at Gateway Building, Apollo Bunder, Mumbai 400 001. It is incorporated to engage in the business of designing, developing, manufacturing, producing, assembling, selling, distributing, exporting, importing and/or marketing automotive vehicles and related parts, components, spare parts and accessories.

Board of Directors

Name	Nature of directorship/ designation
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Mr. Sylvain Bilaine	Chairman
Mr. Rajesh Jejurikar	Managing Director
Mr. Uday Phadke	Director
Dr. Pawan Goenka	Director
Mr. Antoine Herteman	Director
Mr. Stephane Stoufflet	Director
Mr. Rajan Wadhera	Director

Financial Performance

	(Rs. in million) (except per share data)
For the year ending March 31, 2006	
Equity capital	515.00
Reserves and surplus (excluding revaluation reserves)	--
Total revenue	9.71
Profit after tax	(117.05)
EPS (Rs)	(3.71)
NAV per share (Rs.)	7.72

5) Mahindra Europe Srl.

Mahindra Europe Srl. was incorporated under laws of Italy as Eurasia Motors Srl. on September 19, 2002. It became a subsidiary of Mahindra Overseas Investment Company (Mauritius) Limited on May 31, 2005 and the name was changed to Mahindra Europe Srl. Its registered office is located at Via Colli S.Paolo, 11 – 00040 Ariccia (Rome), Italy.

Mahindra Europe Srl. is an importer and distributor for Mahindra range of vehicles for Europe.

Presently Mahindra Overseas Investment Company (Mauritius) Limited, holds 80% of Mahindra Europe Srl.'s share capital, while Angelantonio Molfetta holds 15% and Luigi Molfetta 5% of the company's share capital.

Board of Directors

Name	Nature of directorship/ designation
Dr. Pawan Goenka	Chairman
Mr. Pravin Shah	Director
Mr. Zhooben Bhiwandiwalla	Director
Mr. Angelantonio Molfetta	Managing Director

Financial Performance

In Euros

	Year ending March 31, 2006* (for period of 3 months)	Year ending December 31, 2005	Year ending December 31, 2004
Equity capital	100,000	100,000	100,000
Reserves and surplus (excluding revaluation reserves)	(121,585)	(13,573)	(10,117)
Total revenue	729,938	5,088,530	1,639,342
Profit after tax	(108,012)	(13,573)	(10,189)
EPS **	-	-	-
NAV (Net worth)* *	(21,585)	86,427	(117)

* The company has changed its financial year end from December 31 to March 31.

** The company is not required to issue equity shares. This does not include advance against share capital of Euros 900,000

	Year ending March 31, 2006	Year ending March 31, 2005	Year ending December 31, 2004
Equity capital	542,000	542,000	542,000
Reserves and surplus (excluding revaluation reserves)	(6,589,907)	(735,656.6)	(548,341.4)
Total revenue	39,562,639.6	324,578,326	88,852,336.4
Profit after tax	(5,854,250.4)	(735,656.6)	(576,493.6)
EPS *	-	-	-
NAV (Networth) *	(1,169,907)	4,684,343.4	(6,619.9)

* The company is not required to issue equity shares. This does not include advance against share capital of Euros 900,000.

Convenience translation at INR/Euro rate of 54.20 as on March 31, 2006 (Source: RBI reference rate.)

6) Mahindra & Mahindra South Africa (Pty) Limited

Mahindra & Mahindra South Africa (Pty) Limited was incorporated on November 22, 1996 under the laws of South Africa. Its registered office is at Virleo House, 54 de Havilland Crescent, Persequor Technopark, Persequor 0020, South Africa.

The company pursues business opportunities in the automobile, automobile spare parts and other related sectors. It imports M&M's vehicle and spares and sells them in South Africa. The company commenced its operations in October 2004.

Shareholding Pattern

Names of the shareholders	No. of shares held	% holding
M&M	3,570,000	51.0%
African Automotive Investments Corporation (Pty) Limited	3,430,000	49.0%
Total	7,000,000	100.0%

Board of Directors

Name	Nature of directorship/ designation
Dr. Pawan Goenka	Chairman
Mr. Uday Y Phadke	Director
Mr. Pravin N. Shah	Director
Mr. Ivor Ichikowitz	Director
Mr. Moeletsi G. Mbeki	Director
Mr. Craig A. Savides	Director

Financial Performance

In Rand Million
(except per share data)

	For the year ending March 31, 2006	For the year ending March 31, 2005
Equity capital	7.00	7.00
Reserves and surplus (excluding revaluation reserves)	24.1	5.6
Total revenue	279.8	42.9
Profit after tax	19.1	5.6
EPS (Rand)	2.7	0.8
NAV (Rand) per share	4.5	1.8

(Rs. in million)
(except per share data)

	For the year ending March 31, 2006	For the year ending March 31, 2005
Equity capital	50.7	50.7
Reserves and surplus (excluding revaluation reserves)	174.5	40.6
Total revenue	2026.5	310.7
Profit after tax	138.3	40.6
EPS (Rs.)	19.6	5.8
NAV per share (Rs.)	32.6	13.0

Convenience translation at INR/ Rand rate of 7.2426 as on March 31, 2006 (Source www.xe.com.).

7) NBS International Limited

NBS International Limited was incorporated on December 19, 1995. The company is a wholly owned subsidiary of Mahindra Holdings and Finance Limited. Mahindra Holdings and Finance Limited presently holds the entire 50,500 equity shares in the company. Its registered office is located at Stone Building, 10, Chowpatty Sea Face, Mumbai-400007. NBS International Limited is the authorised dealer for M&M's range of vehicles & accessories.

Board of Directors

Name	Nature of directorship/ designation
Mr. Rajeev Dubey	Chairman
Mr. A. M. Choksey	Director
Mr. Rajesh Jejurikar	Director
Mr. P. N. Shah	Director
Mr. G. Seshadri	Director

Financial Performance
(Rs. in million)
(except per share data)

	For the year ending March 31, 2006	For the year ending March 31, 2005	For the year ending March 31, 2004
Equity capital	0.5	0.5	0.5
Reserves and surplus (excluding revaluation reserve)	7.7	6.9	5.3
Total revenue	367.05	472.2	565.3
Profit after tax	1.2	2.5	2.8
EPS (Rs)	23.6	50.1	55.2
NAV per share (Rs)	161.9	146.9	117.6

8) Mahindra International Limited

Mahindra International Limited was incorporated on June 20, 1994. It commenced business from December 09, 1998. Its name was changed to Mahindra International Private Limited on December 13, 2002. On January 9, 2006, its name was changed to Mahindra International Limited. Its registered office is located at Gateway Building, Apollo Bunder, Mumbai - 400001. The company manufactures commercial vehicles, parts and components in India.

Shareholding Pattern

Names of the shareholders	No. of shares held	% holding
M&M	50,375,600	51.0%
International Truck and Engine Corporation	48,400,000	49.0%
Total	98,775,600	100.0%

Board of Directors

Name	Nature of directorship/ designation
Mr. Anand G Mahindra	Chairman
Mr. Arun Prabhakar Pande	Managing Director
Mr. Bharat N Doshi	Director
Dr. Pawan Kumar Goenka	Director
Mr. Hemant Luthra	Director
Mr. Deepak T. Kapur	Director
Mr. John P. Lamoureux	Director

Mr. Archie Massicotte	Director
Mr. Terry Endsley	Director
Mr. Waldey Sanchez	Director

Financial Performance

It has commenced its business operations in the last financial year and hence has no income or profits for the earlier years. The other financial results for the years ended March 31, 2004, 2005, 2006 are as follows

	(Rs. in million)		
	For the year ending March 31, 2006	For the year ending March 31, 2005	For the year ending March 31, 2004
Equity capital	9,87.75	0.1	0.1
Reserves and surplus (excluding revaluation reserve)	498.87	-	-
Total revenue	778.62	-	-
Profit after tax	(3.3)	-	-
EPS (Rs)	(0.10)	-	-
NAV per share (Rs)	15.01	10.0	10.0

9) Mahindra Gujarat Tractor Limited

Mahindra Gujarat Tractor Limited was incorporated on March 31, 1978. Its registered office is located at Vishwamitri, Vadodara (Gujarat) 390 011. It manufactures tractors and tractor parts.

The company had made a reference to the Board for Industrial and Financial Reconstruction (BIFR) on August 20, 2002 and a revival plan has been submitted to the Government of Gujarat (GOG) which is awaiting approval. The BIFR vide its order dated July 19, 2004 declared the company as a sick industrial undertaking under section 3(1)(0) of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA). Mahindra Gujarat Tractor Limited has submitted a Draft Rehabilitation Scheme for its revival under section 17(2) of SICA to the GOG and secured creditors of the company.

Shareholding Pattern

Names of the shareholders	No. of shares held	% holding
M&M	9,181,188	60.0%
GOG	6,120,791	40.0%
Total	15,301,979	100.0%

Board of Directors

Name	Nature of directorship/ designation
Mr. Sanjay Lalbhai	Chairman

Name	Nature of directorship/ designation
Mr. S. S. Wagh	Director
Mr. A. K. Rakesh	Director
Mr. Gautam V. Nagwekar	Director
Mr. Uday Y. Phadke	Director
Mr. Anjanikumar Choudhari	Director
Ms. Indira Parikh	Director

Financial Performance

In Rs Millions
(except per share data)

	For the Year ending March 31, 2006	For the Year ending March 31, 2005	For the Year ending March 31, 2004
Equity capital	153.0	153.0	153.0
Reserves and surplus (excluding revaluation reserves)	(426.8)	(411.6)	(388.4)
Total revenue	788.1	650.9	443.2
Profit after tax	(15.3)	(23.1)	(28.8)
EPS (Rs)	(1.3)	(1.8)	(2.2)
NAV per share (Rs)	(17.9)	(16.9)	(15.4)

10) Mahindra Shubhlabh Services Limited

Mahindra Subhlabh Services Limited was incorporated on April 11, 2000 with its registered office at Mahindra Towers, G. M. Bhosale Marg, P.K. Kurne Chowk, Worli, RBC, Mumbai – 400 018. It operates in the field of contract farming and is a one-stop shop which provides all inputs to farmers under one roof. It is also in the business of branded pesticides and seeds, seed potato and export of fresh fruit produce.

Shareholding Pattern

Names of the shareholders	No. of shares held	% holding
Mahindra & Mahindra Limited	17,639,672	72.8%
International Finance Corporation	6,598,552	27.2%
Total	24,238,224	100.0%

Board of Directors

Name	Nature of directorship/ designation
Mr. Raghunath Murti	Chairman
Mr. Uday Phadke	Director
Mr. Manohar G. Bhide	Director
Mr. S. Durgashankar	Director

Financial Performance

(Rs. in million)
(except per share data)

	For the year ending March 31, 2006	For the year ending March 31, 2005	For the year ending March 31, 2004
Equity capital	242.4	242.4	242.4
Reserves and surplus (excluding revaluation reserves)	(210.0)	(180.3)	(167.1)
Total revenue	152.4	218.6	131.3
Profit after tax	(37.5)	(26. 8)	(60.6)
EPS (Rs)	(1.6)	(1.1)	(3.1)
NAV per share (Rs.)	1.3	2.6	3.1

11) Mahindra (China) Tractor Co., Limited

Mahindra (China) Tractor Co., Limited was incorporated as a joint venture between Mahindra Overseas Investment Company (Mauritius) Limited and Jiangling Motors Company Group in China owning 80% and 20% of the company respectively. (As per Chinese law the company is under not required to issue shares. It follows a process of capital verification wherein the capital payment is verified and certified by an independent CPA firm and it is considered conclusive proof of capital contribution). It received its business license and was incorporated as a private company on January 11, 2005 under laws of Republic of China and has its registered office at Jiaoqiao, Changbei Economic Development Zone, Nanchang, Jiangxi, Peoples Republic of China, 330044. It commenced business on June 1, 2005. The company's business includes developing, manufacturing, assembling, marketing, selling and exporting of self-manufactured, locally procured and/or imported tractors and derivatives thereof, engines, generator sets, components, accessories and tractor implements, loaders, dozers and providing after sales service/ repair.

Board of Directors

Name	Nature of directorship/ designation
Mr. Anand G. Mahindra	Chairman
Mr. Avinash Datta	Managing Director
Mr. Bharat Doshi	Director
Mr. Arun Nanda	Director
Mr. Anjanikumar Choudhari	Director
Mr. Bishambhar Mishra	Director
Mr. Ranjan Pant	Director
Mr. Gautam Nagwekar	Director
Mr. V. S. Parthasarathy	Director
Mr. Jiang Yadong	Director
Mr. Qi Xiao Gang	Director

The company commenced business on June 1, 2005 and hence has no earlier financial results to report.

Financial Performance

	For the year ending December 31, 2005 (RMB in million) (except per share data)	For the year ending December 31, 2005 (INR in million) (except per share data)
Equity capital	24.83	138.05
Reserves and surplus (excluding revaluation reserves)	-	-
Total revenue	31.60	175.7
Profit after tax	(15.04)	(83.6)
EPS (Rs.)*	-	-
NAV per share (Rs.)*	-	-

* not computed as the company has not issued any shares.

Convenience translation at INR/RMB rate of 5.56 as on March 31, 2006 (Source: www.xe.com)

12) Mahindra USA Inc.

Mahindra USA Inc. was incorporated on June 8, 1994 as a wholly owned subsidiary of M&M. Presently, M&M holds its entire share capital i.e. 45,000,000 equity shares. It commenced its business on March 15, 1995. Its registered office is located at 17723 FM 2920 Tomball Texas 77377, USA. It sells tractors, parts and accessories. It holds the wholesale distributorship in United States of America for M&M's tractors, Tong Yang Moolsan of South Korea and Mitubishi Agricultural Machinery Limited of Japan. All the tractors are sold under the Mahindra brand name.

Board of Directors

Name	Nature of directorship/ designation
Mr. Anjanikumar Choudhari	Chairman
Mr. Bharat N. Doshi	Member
Mr. Jack Goldstein	Member
Mr. Ranjan Pant	Member
Mr. V. S. Parthasarathy	Member
Mr. Sanjay Gupta	Member
Mr. Bishwambhar Mishra	Member
Mr. Derek Johannes	Member

Financial Performance

(US\$ in million)
(except per share data)

Particulars	For the year ending March 31, 2006	For the year ending March 31, 2005	For the year ending March 31, 2004
Equity capital	4.5	4.5	4.5
Reserves & surplus (excluding Revaluation Reserve)	4.2	3.6	2.5
Total revenue	150.4	123.3	101.0
Profit after tax	0.6	1.1	0.9
EPS \$	0.01	0.02	0.02
NAV per share (\$)	0.2	0.2	0.2

(Rs. in million)
(except per share data)

Particulars	For the year ending March 31, 2006	For the year ending March 31, 2005	For the year ending March 31, 2004
Equity capital	200.7	200.7	200.7
Reserves & surplus (excluding revaluation reserve)	187.3	160.6	111.5
Total revenue	6,709.3	5,500.4	4,505.6
Profit after tax	26.8	49.1	40.1
EPS (Rs.)	0.6	1.1	0.9
NAV per share (Rs.)	8.62	8.02	6.9

Convenience translation at INR/US\$ rate of 44.61 as on March 31, 2006 (Source: RBI reference rate).

13) Mahindra Acres Consulting Engineers Limited

Mahindra Acres Consulting Engineers Limited was incorporated on 26th October 1993 and commenced business on 22nd December 2003 with its registered office located at Gateway Building, Apollo Bunder, Mumbai. It provides consulting services in the field of civil, electrical, geo-technical, hydraulics, mechanical, agricultural, aeronautical, aviation and construction engineering.

Shareholding Pattern

Names of the shareholders	No. of shares held	% holding
Mahindra Holdings & Finance Limited	509,993	51.0%
Acres International Limited	490,000	49.0%
Mahindra Holdings & Finance Limited jointly with its nominees	7	0.0%
Total	1,000,000	100.0%

Board of Directors

Name	Nature of directorship/ designation
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Mr. A. K. Nanda	Chairman
Mr S Venkatraman	Director
Dr Deepak Kantawala	Director
Dr A. Z Erzinclioglu	Director
Mr Alan O'Brien	Director

Financial Performance

(Rs. in million)
(except per share data)

	For the year ending March 31, 2006	For the year ending March 31, 2005	For the year ending March 31, 2004
Equity capital	10.0	10.0	10.0
Reserves and surplus (excluding revaluation reserves)	9.0	8.9	8.6
Total revenue	30.3	25.3	27.2
Profit after tax	0.1	0.3	0.4
EPS (Rs)	0.1	0.3	0.4
NAV per share (Rs)	19.0	18.9	18.6

14) Mahindra Holidays & Resorts India Limited

Mahindra Holidays and Resorts India Limited was incorporated as a wholly owned subsidiary of Mahindra Holdings & Finance Limited on September 20, 1996 and commenced its operations on September 20, 1996. Its registered office is at "Mahindra Towers", 2nd Floor, No.17 / 18 Pattulos Road, Chennai – 600 002. It provides hospitality services. The company sells long term holiday memberships and provides holidays to its members and guests at its own network of 12 domestic and 2 overseas resort locations. In addition, through its affiliation with Resort Condominium International (RCI) it is able to provide holidays on an exchange basis to its members at 3,700 holiday resorts in India and overseas.

Shareholding Pattern

Shareholder's Name	No. of Shares held	% holding
Mr. Ramesh Ramanathan	1	0.0%
Mahindra Holdings and Finance Limited	28,400,049	100.0%
Mahindra Holdings and Finance Limited jointly with others	150	0.0%
Total	28,400,200	100.0%

Board of Directors

Name	Designation Held
Mr. A. K. Nanda	Chairman

Mr. Uday Y. Phadke	Director
Mr. Cyrus J. Guzder	Director
Mr. Keki M. Mistry	Director
Mr. Rohit Khattar	Director
Mr. Ramesh Ramanathan	Managing Director

Financial Performance

(Rs. in million)
(except per share data)

	For the year ending March 31, 2006	For the year ending March 31, 2005	For the year ending March 31, 2004
Equity capital	284.0	184.0	184.0
Reserves and surplus (excluding revaluation reserves)	177.6	(30.7)	(123.0)
Total revenue	1,567.3	1,061.5	780.2
Profit after tax	208.4	92.2	112.3
EPS (Rs)	11.2	4.5	5.6
NAV per share (Rs)	16.3	8.3	3.3

15) Mahindra Holidays & Resorts USA Inc.

Mahindra Holidays & Resorts USA Inc. was incorporated on October 24, 2003 as a wholly owned subsidiary of Mahindra Holidays and Resorts India Limited. Its authorised share capital consists of 10,000 equity shares of US\$ 0.10 each. Its entire paid up share capital of 100 equity shares of US\$ 0.1 each (issued at a premium of US\$ 9.90) is held by Mahindra Holidays and Resorts India Limited. Its business operations are yet to commence. Its registered office is located at C/O- Goldstein & Wallman 233, Broadway, New York, NY-10279-0168, USA. The company is incorporated with the aim of marketing timeshare products in the United States with focus on catering to the holiday needs of the Non-Resident Indians in USA.

Board of Directors

Name	Designation Held
Mr. A. K. Nanda	Director
Mr. Ramesh Ramanathan	Director
Mr. Amar Korde	Director

Financial Performance

There are no financial results to report as the company has not commenced its operations.

16) Mahindra Infrastructure Developers Limited

Mahindra Infrastructure Developers Limited was incorporated on May 10, 2001 and

commenced its business on June 21, 2001. Its registered office is located at Mahindra Towers, Dr G. M Bhosale Marg, Worli, Mumbai - 400 018. It develops infrastructure projects. Its activities include pre-qualifying and bidding for projects, investing in and acting as consultant for arranging the financing for projects and execution, operation and maintenance thereof.

Shareholding Pattern

Names of the shareholders	No. of shares held	% holding
Mahindra Gesco Developers Limited (Including 6 shares held with nominees)	14,400,000	80.0%
International Finance Corporation	3,600,000	20.0%
Total	18,000,000	100.0%

Board of Directors

Name	Nature of directorship/ designation
Mr. A. K. Nanda	Chairman
Ms Anita George	Director
Mr S Venkatraman	Director
Mr D. K. Tandon	Director
Mr Pranab Datta	Director

Financial Performance

	(Rs. in million) (except per share data)		
	For the year ending March 31, 2006	For the year ending March 31, 2005	For the year ending March 31, 2004
Equity capital	180.0	160.0	130.0
Reserves and surplus (excluding revaluation reserves)	2.8	(1.5)	(1.9)
Total revenue	9.8	3.9	3.7
Profit after tax	6.3	0.4	0.3
EPS (Rs)	0.26	0.02	0.05
NAV per share (Rs)	10.2	9.9	9.9

17) Mahindra World City Developers Limited

Mahindra World City Developers Limited was incorporated and commenced business on February 19, 1997 as Mahindra Industrial Park Limited. Its name was formally changed to Mahindra World City Developers Limited on August 30, 2005. Its registered office is located at Mahindra Towers, Ground Floor, 17/18, Pattullous Road, Chennai-600 002 since March 18, 2006. Earlier its registered office was located at Arjay Apex Center, 1st Floor, 24 College Road, Nungambakkam, Chennai 600 006. Mahindra World City is India's first fully planned and integrated business city and the first corporate SEZ promoted through a private public

partnership model.

Shareholding Pattern

Shareholder's Name	No. of shares	% holding
M/s Corbel Estates & Investments Pvt Limited	200,000	1.0%
M/s Azrael Investments Pvt Limited	1,075,000	5.4%
M/s Mahindra Holdings and Finance Limited	3,971,428	19.9%
M/s Mahindra Gesco Developers Limited	12,553,565	62.8%
Tamilnadu Industrial development corporation Limited	2,200,000	11.0%
Others	7	0.0%
Total	20,000,000	100.0%

In addition, the company has issued 6.5 million preference shares of Rs. 100 each to Mahindra Gesco Developers Limited

Board of Directors

Name	Nature of directorship/ designation
Mr. N. Vaghul	Chairman
Mr. Arun K. Nanda	Vice Chairman
Mr. D. Rajendran	Director
Mr. Sanjiv Kapoor	Director
Mr. V. Balaraman	Director
Mr. S. Durgashankar	Director

Financial Performance

	(Rs. in million) (except per share data)		
	For the year ending March 31, 2006	For the year ending March 31, 2005	For the year ending March 31, 2004
Equity capital	200.0	200.0	200.0
Reserves and surplus (excluding revaluation reserves)	(333.5)	(354.9)	(211.8)
Total revenue	882.5	368.1	0.4
Profit/ (loss) after tax	21.4	(143.1)	(211.3)
EPS (Rs)	(1.13)	(9.4)	(11.7)
NAV per share (Rs)	(6.7)	(7.7)	(0.6)

18) Mahindra World City (Jaipur) Limited

Mahindra World City Jaipur was incorporated on August 26, 2005 and commenced its business on November 14, 2005. Its registered office is located at 408, Ganapati Plaza, MI Road, Jaipur - 302001. Its business is to establish, acquire, develop and maintain industrial

parks, technology parks, software parks, Special Economic Zones, Export Processing Zones, industrial areas and industrial estate for industries in India and abroad and assist and maintain organisation thereof.

Shareholding Pattern

Names of the shareholders	No. of shares held	% holding
Mahindra Gesco Developers Limited	1,479,940	100.0%
Mahindra Gesco Developers Limited jointly with others	60	0.0%
	1,480,000*	100.0%

**The paid-up capital has been increased from Rs. 5.0 mn to Rs. 14.8 mn pursuant to the issue and allotment of 9,80,000 shares of Rs. 10 to Mahindra Gesco Developers Limited on May 29, 2006*

Board of Directors

Name	Nature of directorship/ designation
Mr. Arun K. Nanda	Chairman
Mr Sanjiv Tyagi	Director
Mr. Basant K. Jain	Director

Financial Performance

		In Rs Millions (Except per share data)
For the Year ending March 31, 2006		
Equity capital	5	
Reserves and surplus (excluding revaluation reserves)	----	
Total revenue	0.01	
Profit after tax	(0.01)	
EPS (Rs)	(0.05)	
NAV per share (Rs)	9.67	

19) Mahindra World City (Maharashtra) Ltd.

Mahindra World City (Maharashtra) Ltd was incorporated under the name Mahindra Realty Limited on September 21, 2005 and commenced its business on November 10, 2005. Its name was changed to Mahindra World City (Maharashtra) Ltd on April 19, 2006. Its registered office is located at 5th Floor, Mahindra Towers, Dr. G.M. Bhosale Marg, Worli, Mumbai - 400018. Its business is to establish, acquire, develop and maintain residential facilities, industrial parks, technology parks, software parks, Special Economic Zones, industrial areas and industrial estate for industries and software and other knowledge based units in India and abroad and assist and maintain organisation thereof.

Shareholding Pattern

Names of the shareholders	No. of shares held	% holding
Mahindra Gesco Developers Limited	49,940	99.9%
Mahindra Gesco Developers Limited jointly with others	60	0.1%
	50,000	100.0%

Board of Directors

Name	Nature of directorship/ designation
Mr. Pranab Datta	Chairman
Mr Sadasivan Krishnan	Director
Mr. Balagopal Menon	Director
Mr. Basant K Jain	Director

Financial Performance

In Rs Millions
(Except per share data)

For the Year ending March 31, 2006	
Equity capital	0.5
Reserves and surplus (excluding revaluation reserves)	----
Total revenue	0.01
Profit after tax	(0.04)
EPS (Rs)	(0.78)
NAV per share (Rs)	8.42

20) Mahindra Integrated Township Private Limited (formerly Mahindra Intermodal Transportation Private Limited)

Mahindra Integrated Township Private Limited was incorporated on June 24, 1996. Its registered office is located at 5th Floor, Mahindra Towers, Dr. G.M. Bhosale Marg, Worli, Mumai-400018. Its business is to establish, acquire, develop and maintain integrated townships, residential facilities, industrial parks, technology parks, software parks, Special Economic Zons, industrial areas and industrial estate for industries and software and other knowledge based units in India and abroad and assist and maintain organisation thereof.

Names of the shareholders	No. of shares held	% holding
Mahindra Gesco Developers Limited	55,49,994	100.0%
Mahindra Gesco Developers Limited jointly with others	6	---
	5,500,000*	100.0%

*The paid-up capital has been increased from Rs. 100,000 to Rs. 5,50,00,000 pursuant to the issue and allotment of 5,490,000 shares of Rs. 10 each to Mahindra Gesco Developers

Limited on May 11, 2006

Board of Directors

Name	Nature of directorship/ designation
Mr. Suhas Kulkarni	Director
Mr. Harsh Mehta	Director
Mr. Basant Kumar Jain	Director

	(Rs. in million) (except per share data)		
	For the year ending March 31, 2006	For the year ending March 31, 2005	For the year ending March 31, 2004
Equity capital	0.10	0.10	0.10
Reserves and surplus (excluding revaluation reserves)	Nil	Nil	Nil
Total revenue	Nil	Nil	Nil
Profit after tax	Nil	Nil	Nil
EPS (Rs)	Nil	Nil	Nil
NAV (Rs.)	10	10	10

21) Mahindra Intertrade Limited

Mahindra Intertrade Limited was earlier known as Mahindra Exports Limited which was incorporated as a wholly owned subsidiary of M&M on March 20, 1978 and commenced its business on May 5, 1978. Its name was changed to Mahindra Intertrade Limited on August 5, 1999 after the intertrade division of M&M was merged into Mahindra Exports Limited. Its registered office is located at Gateway Building, Apollo Bunder, Mumbai - 400001. It is engaged in trading and marketing of steel products, metal & ferro alloys, auto components, agricultural implements, technical equipment, toys and apparels.

Shareholding Pattern

The company has issued 12.1 million equity shares of Rs. 10 each and 15 million shares of Rs. 3 each to M&M and one share to Mahindra Holdings & Finance Limited. In addition, its entire preference share capital (represented by 1,875,000 cumulative redeemable preference shares of Rs. 100 each) is held by M&M.

Board of Directors

Name	Nature of directorship/ designation
Mr. Anand G. Mahindra	Chairman
Mr Bharat N. Doshi	Vice Chairman
Mr. Raghunath Murti	Managing Director
Mr. Harsh Kumar	Deputy Managing Director
Mr. A.K.Nanda	Director

Mr. Uday Y. Phadke	Director
Ms. Tarjani Vakil	Director
Mr. Zoooben Bhiwandiwalla	Director
Mr. Rajeev Dubey	Director
Dr. Pawan Goenka	Director

Financial Performance

(Rs. in million)
(except per share data)

	For the year ending March 31, 2006	For the year ending March 31, 2005	For the year ending March 31, 2004
Equity capital	166.0	166.0	166.0
Reserves and surplus (excluding revaluation reserve)	382.33	214.4	78.0
Total revenue	7,206.22	5,011.8	2,847.8
Profit after tax	251.0	195.5	140.2
EPS (Rs)	14.18	10.9	7.3
NAV per share (Rs)	33.03	22.9	14.7

22) Mahindra Middleeast Electrical Steel Service Centre FZC

Mahindra Middleeast Electrical Steel Service Centre FZC was incorporated as Mahindra Middleeast Electrical Steel Service Centre FZE, a wholly owned subsidiary of Mahindra Intertrade Limited on August 8, 2004. In December 2005, subsequent to Nippon Steel Corporation, Japan taking 10% equity stake in the company, the company was renamed as Mahindra Middleeast Electrical Steel Service Centre FZC. The company has established a steel service centre in Sharjah to process electric steel for its customers based in Middle East and Africa. Its registered address is P.O. Box 8114, SAIF Zone, Sharjah, United Arab Emirates.

Shareholding Pattern

Names of the shareholders	No. of shares held	% holding
Mahindra Intertrade Limited	900	90.0%
Nippon Steel Corporation, Japan	100	10.0%
	1,000	100.0%

Board of Directors

Name	Nature of directorship/ designation
Mr. Raghunath Murti	Chairman
Mr. Zoooben Bhiwandiwalla	Director
Mr. K. Chandrasekar	Director
Mr. Sumit Issar	Director
Mr. Mitsuru Tsukakoshi	Director

*Financial Performance**(In Dirhams million)*

	For the year ending March 31, 2006	For the year ending March 31, 2005
Equity capital	2.01	1.8
Reserves and surplus (excluding revaluation reserve)	0.55	(.28)
Total revenue	22.16	2.05
Profit after tax	0.83	(.02)
EPS	831.16	-
NAV per share	2,559.00	1,520.0

*(No. of equity shares- 1000 of \$550 each)**(In INR million)*

	For the year ending March 31, 2006	For the year ending March 31, 2005
Equity capital	24.36	21.80
Reserves and surplus (excluding revaluation reserve)	6.67	(3.40)
Total revenue	268.60	24.80
Profit after tax	10.05	(0.02)
EPS	10,073.7	-
NAV per share	31,015.08	18,422.4

Convenience translation at INR/Dhs of 12.120 as per market rate on March 31, 2006
 (Source: www.xe.com).

23) Mahindra Steel Service Centre Limited

Mahindra Steel Service Centre Limited was incorporated on January 15, 1993 and commenced its business on February 1, 1993. Its registered office is located at Mahindra Towers, Road No. 13, Worli, Mumbai 400 018. The company processes hot rolled (HR), cold rolled (CR), cold rolled non-grain oriented (CRNO) and cold rolled grain oriented (CRGO) steel blanks, slit coils & laminations for its customers. HR & CR steel is generally used by auto and engineering industry, CRNO by home appliance industry & CRGO by transformer industry.

Shareholding Pattern

Names of the shareholders	No. of shares held	% holding
M&M	3,723,874	61.0%
Metal One Corporation, Japan	2,380,832	39.0%

Total	6,104,706	100.0%
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Board of Directors

Name	Nature of directorship/ designation
Mr Bharat N. Doshi	Chairman
Mr. Raghunath Murti	Managing Director
Mr. Katshuiko Shimada	Director
Mr. Yoshiaki Kakehi	Director
Mr. Takanori Higashino	Alternate Director to Mr. Katshuiko Shimada
Mr. Harsh Kumar	Director

Financial Performance

(Rs. in million)

(except per share data)

	For the year ending March 31, 2006	For the year ending March 31, 2005	For the year ending March 31, 2004
Equity capital	61.0	61.0	61.0
Reserves and surplus (excluding revaluation reserves)	118.2	90.3	73.4
Total revenue	1,66.8	199.3	120.7
Profit after tax	40.0.	25.9	18.2
EPS (Rs)	6.5	4.2	3.0
NAV per share (Rs)	29.1	24.8	22.0

24) Mahindra SAR Transmission Private Limited

Mahindra SAR Transmission Private Limited was incorporated on August 27, 2004. Its registered office is located at 50/ E Bhaktinagar Industrial Estate, Rajkot - 360002. It was incorporated for manufacturing auto components. The Company is an ISO/TS-16949:2002 company as certified by TUV Stddeutschland.

Shareholding Pattern

Names of the shareholders	No. of shares held	% holding
M&M	31,25,739	51.0%
SAR Auto Products Limited	30,03,061	49.0%
SAR Auto Products Limited jointly with Mr. Shreyas Virani	100	
Total	61,28,900	100.0%

Board of Directors

Name	Nature of directorship/ designation
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Mr. Hemant Luthra	Chairman
Mr. Ramesh Virani	Vice Chairman
Mr. Shreyas Virani	Managing Director & CEO
Mr. S. Durgashankar	Director
Mr. Jonathan Mapgaonkar	Director

Financial Performance

(Rs. in million)
(except per share data)

Particulars	For the year ending March 31, 2006	For the year ending March 31, 2005
Equity capital	61.3	61.3
Reserves & surplus (excluding revaluation reserve)	123.4	116.1
Total revenue	408.8	66.6
Profit after tax	7.3	2.3
EPS (Rs.)	1.2	1.1
NAV per share (Rs.)	30.13	28.9

25) Mahindra Engineering Design & Development Company Limited

Mahindra Engineering Design & Development Company Limited was incorporated on August 7, 1995 and commenced its business on April 3, 1996. Its registered office is located at Gateway Building, Apollo Bunder, Mumbai 400 001. It provides Product Development (PD) and Research and Development (R&D) services to customers in the automotive industry. Its main activities include designing, prototyping, validation, testing, simulation, reverse engineering and tool design.

Shareholding Pattern

Name of the Shareholders	No. of Equity Shares held (Rs.10 each)	% holding
M&M	7,049,993	100.0%
M&M jointly with others	7	0.0%
Total	7,050,000	100.0%

Board of Directors

Name	Nature of directorship/ designation
Mr. Hemant Luthra	Chairman
Mr. Ulhas N. Yargop	Director
Dr. Pawan Goenka	Director

Financial Performance

(Rs. in million)
(except per share data)

	Period Ended March 31, 2006	Period Ended March 31, 2005	Period Ended March 31, 2004
Equity capital	70.5	55.5	0.5
Reserves and surplus (excluding revaluation reserves)	36.6	(7.8)	(0.3)
Total revenue	238.0	17.2	0.4
Profit/(Loss) after tax	44.4	(7.5)	(0.3)
EPS (Rs)	6.83	(1.4)	(6.9)
NAV per share (Rs)	15.2	8.6	3.2

26) Stokes Group Limited

Stokes Group Limited was incorporated on December 12, 1990 under the laws of England. It was formerly called Jensand Holdings Limited and more formerly as Greatspirit Limited. Its registered office is located at Victor Works, Northcote Street, Walsall, West Midlands, WS28BH. It is in the business of manufacturing & selling forgings through its subsidiaries situated at Walsall and Dudley, near Birmingham, U.K.

Shareholding Pattern

Name of the Shareholders	No. of Equity Shares held	% holding
M&M	1,465,310	99.2%
John Young	12,000	0.8%
Total	1,477,310	100.0%

Board of Directors

Name	Nature of directorship/ designation
Hemant Luthra	Director
Shakti Arora	Director
Zhooben Bhiwandiwalla	Director
John Young	Director

Financial Performance

(In Pound Sterling)

	Period Ended March 31, 2006	Period Ended December 31, 2005	Period Ended December 31, 2004
Equity capital	147,731	79,932	79,932
Reserves and surplus (excluding revaluation reserves)	2,125,712	1,854,518	1,854,516
Total revenue	-	-	-
Profit/(Loss) after tax	-	-	-

	Period Ended March 31, 2006	Period Ended December 31, 2005	Period Ended December 31, 2004
EPS	-	-	-
NAV per share	1.5	2.4	2.4

(In Rupees)

	Period Ended March 31, 2006	Period Ended December 31, 2005	Period Ended December 31, 2004
Equity capital	11,493,471.8	6,218,709.6	6,218,709.6
Reserves and surplus (excluding revaluation reserves)	165,380,393.6	144,281,500.4	144,281,500.4
Total revenue	-	-	-
Profit/(Loss) after tax	-	-	-
EPS	-	-	-
NAV per share	116.7	186.72	186.72

Convenience translation at INR/Pound Sterling rate of 77.8 as on March 31, 2006 (Source: RBI reference rate).

27) Jensand Limited

Jensand Limited was incorporated on June 11, 1980 under the laws of England. Its registered office is located at Victor Works, Northcote Street, Walsall, West Midlands, WS28BH. It holds the freehold land used by its associate companies and earns rent from them. It is the holding company of Stokes Forgings Limited. Its entire share capital comprising 60,000 shares of Pound Sterling one each is held by Stokes Group Limited.

Board of Directors

Name	Nature of directorship/ designation
Hemant Luthra	Director
Shakti Arora	Director
Zhooben Bhiwandiwalla	Director
John Young	Director

Financial Performance

(In Pound Sterling)

	Period Ended March 31, 2006	Period Ended December 31, 2005	Period Ended December 31, 2004
Equity capital	60,000	60,000	60,000
Reserves and surplus (excluding revaluation reserves)	2,467,230	2,467,789	2,553,891
Total revenue	-	498,000	539,507
Profit/(Loss) after tax	1,481	(88,122)	121,918
EPS	0.02	(1.47)	2.03
NAV per share	42.1	42.1	43.6

	(In Rupees)		
	Period Ended March 31, 2006	Period Ended December 31, 2005	Period Ended December 31, 2004
Equity capital	4,668,000	4,668,000	4,668,000
Reserves and surplus (excluding revaluation reserves)	191,950,494	191,993,984	198,692,720
Total revenue	-	38,744,400	41,973,645
Profit/(Loss) after tax	115,222	(6,855,892)	95,065,220
EPS	1.55	(114.36)	157.93
NAV per share	3,275.4	3,275.4	3,392.1
# Convenience translation at INR/Pound Sterling rate of 77.80 as on March 31, 2006 (Source: RBI reference rate).			

28) Stokes Forgings Limited

Stokes Forgings Limited was incorporated on June 10, 1939 under the laws of England. Stokes Forgings Limited was formerly called John Stokes and Sons Limited. Its registered office is located at Victor Works, Northcote Street, Walsall, West Midlands, WS28BH. It is in the business of manufacturing and selling forgings from its plant located at Walsall near Birmingham, U.K. Its entire share capital comprising 60,000 shares of Pound Sterling one each is held by Jensand Limited.

Board of Directors

Name	Nature of directorship/ designation
Hemant Luthra	Director
Shakti Arora	Director
Zhooben Bhiwandiwalla	Director
John Young	Director
Graham S. Nicholls	Director

Financial Performance

	(In Pound Sterling)		
	Period Ended March 31, 2006	Period Ended December 31, 2005	Period Ended December 31, 2004
Equity capital	60,000	60,000	60,000
Reserves and surplus (excluding revaluation reserves)	688,301	892,978	1,358,285
Total revenue	5,259,884	19,784,669	18,373,567
Profit/(Loss) after tax	(204,677)	(485,307)	(1,163,507)
EPS	(3.4)	(7.8)	(19.4)
NAV per share	12.5	15.9	23.6

	(In Rupees)		
	Period Ended March 31, 2006	Period Ended December 31, 2005	Period Ended December 31, 2004
Equity capital	4,668,000	4,668,000	4,668,000

	Period Ended March 31, 2006	Period Ended December 31, 2005	Period Ended December 31, 2004
Reserves and surplus (excluding revaluation reserves)	53,549,818	69,473,688	105,674,573
Total revenue	409,218,975	1,539,247,248	1,429,463,513
Profit/(Loss) after tax	(15,923,871)	(37,756,885)	(90,520,845)
EPS	(264.5)	(606.8)	(1,509.3)
NAV per share	972.5	1,237.0	1,836.1

Convenience translation at INR/Pound Sterling rate of 77.80 as on March 31, 2006(Source: RBI reference rate).

29) Stokes Forgings Dudley Limited

Stokes Forgings Dudley Limited was incorporated on September 19, 2001 under the laws of England. It was formerly called Stokes Forgings Bromsgrove Limited. Its registered office is located at Victor Works, Northcote Street, Walsall, West Midlands, WS28BH. The company is in the business of manufacturing & selling forgings from its plant located at Dudley near Birmingham, U.K. Its entire share capital comprising of two shares of Pound Sterling one each is held by Stokes Group Limited.

Board of Directors

Name	Nature of directorship/ designation
Hemant Luthra	Director
Shakti Arora	Director
Zhooben Bhiwandiwalla	Director
John Young	Director
Alan Ledbury	Director

Financial Performance

	(In Pound Sterling)		
	Period Ended March 31, 2006	Period Ended December 31, 2005	Period Ended December 31, 2004
Equity capital	2	2	2
Reserves and surplus (excluding revaluation reserves)	(14,519)	(36,133)	10,869
Total revenue	1,806,735	6,150,881	7,649,258
Profit/(Loss) after tax	21,614	(47,002)	95,049
EPS	10,807	(23,501)	47,524
NAV per share	(7,258.5)	(18,085.5)	5,435.5

	(In Rupees)		
	Period Ended March 31, 2006	Period Ended December 31, 2005	Period Ended December 31, 2004
Equity capital	155.6	155.6	155.6

	Period Ended March 31, 2006	Period Ended December 31, 2005	Period Ended December 31, 2004
Reserves and surplus (excluding revaluation reserves)	(1,129,578.2)	(2,811,147.4)	845608.2
Total revenue	150,563,983	478,538,541.8	595,112,272.4
Profit/(Loss) after tax	1,681,569.2	(3,656,755.6)	7,394,812.2
EPS	840,784.6	(1,828,377.8)	3,697,367.2
NAV per share	(564,711.3)	(1,407,051.9)	422,881.9

Convenience translation at INR/Pound Sterling rate of 77.80 as on March 31, 2006 (Source: RBI reference rate).

30) Mahindra Holdings & Finance Limited

Mahindra Holdings & Finance Limited was incorporated as Eiger Investment & Leasing Pvt. Limited on 27th April, 1985 having its registered office at Indian Mercantile Insurance Building, 31, Forbes St. Fort, Bombay. Eiger Investment & Leasing Pvt. Limited name was changed to Mahindra Holdings & Finance Limited on March 3, 1995. On March 3, 1995 its registered office was changed to Gateway Building, Apollo Bunder, Mumbai. Subsequently on April 28, 2006 registered office of the company changed to Mahindra Towers, Ground Floor, P.K.Kurane Chowk, Worli, Mumbai.

It is registered as a Non Banking Financial Company under Reserve Bank of India Act, 1934 and is engaged in business of investing in group companies, providing fund support and earning dividend and/or interest.

Shareholding Pattern

The following is the shareholding of the company as on date:

Names of the shareholders	No. of shares held	% holding
M&M	121,600,593	100.0%
Mahindra Intertrade Limited	100	0.0%
Total	121,600,693	100.0%

Board of Directors

Name	Nature of directorship/ designation
Mr. Keshub Mahindra	Chairman
Mr. A. G. Mahindra	Director
Mr. A. K. Nanda	Director
Mr. Bharat N. Doshi	Director
Mr. Uday Y. Phadke	Director
Mr. Mario Nazareth	Director

Financial Performance

(Rs. in million)
(except per share data)

	For the year ending March 31, 2006	For the year ending March 31, 2005	For the year ending March 31, 2004
Equity capital	1,216.0	1,216.0	1,216.0
Reserves and surplus (excluding revaluation reserves)	1,747.2	764.9	398.8
Total revenue	1,001.2	738.2	59.5
Profit after tax	982.2	620.5	38.0
EPS (Rs)	8.1	5.1	0.3
NAV per share (Rs)	24.4	16.3	13.3

31) Mahindra AshTech Limited

Mahindra AshTech Limited was incorporated on October 9, 1995. The company issued 10 million equity shares to M&M in Fiscal 2005 and ceased to be a subsidiary of Mahindra Holdings and Finance Limited. It is in the business of turnkey contract execution in the field of ash handling plants for large fossil fuel fired boilers and travelling water screens for removing floating debris from water intake channel. Its registered office is located at Gateway Building, Apollo Bunder, Mumbai- 400 001.

Shareholding Pattern

Names of the shareholders	No. of equity shares	% holding
Mahindra Gesco Developers Limited	1	--
M&M	10,000,000	64.5%
Mahindra Holding & Finance Limited	5,499,999	35.5%
	15,500,000	100.0%

In addition, the company has issued 1.5 million cumulative redeemable preference shares of Rs. 100 each to M&M and Mahindra Holding & Finance Limited.

Board of Directors

Name	Nature of directorship/ designation
Mr. Raghunath Murti	Chairman
Mr. S. Venkatraman	Director
Mr. Hemant Luthra	Director
Mr. Amar Banerjee	Managing Director

Financial Performance

	(Rs. in million) (except per share data)		
	For the year ending March 31, 2006	For the year ending March 31, 2005	For the year ending March 31, 2004
Equity capital	155.0	155.0	55.0
Reserves and surplus (excluding revaluation reserves)	(229.97)	(234.4)	(154.9)
Total revenue	617.24	273.4	222.7
Profit after tax	4.48	(79.5)	(139.3)
EPS (Rs)	0.29	(8.1)	(25.3)
NAV per share (Rs)	19.30	(5.1)	(18.2)

32) Mahindra Engineering & Chemical Products Limited

Mahindra Engineering & Chemical Products Limited was incorporated under the name Indian National Diesel Engine Company Limited on June 7, 1954 and commenced its business on November 3, 1954. The name was changed to Mahindra Engineering & Chemical Products Limited on November 25, 1981. Its registered office is located at Gateway Building, Apollo Bunder, Mumbai – 400 001.

The company has two divisions - chemical division and engineering division. Chemical division is engaged in manufacturing & marketing of cable jointing accessories for energy sector. Engineering division manufactures material handling equipment.

Shareholding Pattern

Name of the Shareholders	No. of Equity Shares held	Percentage holding
M&M	53,78,225	99.6%
M&M jointly with others	10	0.0%
Mahindra Holdings & Finance Limited	20,237	0.4%
Total	53,98,472	100.0%

Board of Directors

Name	Nature of directorship/ designation
Mr. Hemant Luthra	Chairman
Mr. C. S. Devale	Executive Director
Mr. Raghunath Murti	Director

Financial Performance

	(Rs. in million) (except per share data)		
	For the year ending March 31, 2006	For the year ending March 31, 2005	For the year ending March 31, 2004
Particulars			
Equity Share Capital	53.9	53.9	53.9

Reserves & surplus (excluding revaluation reserves)	254.4	192.9	97.1
Total Revenues	537.8	588.8	512.1
Profit/(Loss) After Tax	61.5	95.8	105.9
EPS (Rs)	11.4	17.8	19.6
NAV per share (Rs.)	57.1	45.8	28.0

33) Automartindia Limited

Automartindia Limited was incorporated and commenced its business as Mahindra Telecommunications Limited on December 22, 1994. The name was changed to Automartindia Limited on August 3, 2000. Its registered office is located at Gateway Building, Apollo Bunder, Mumbai- 400 001. It facilitates the process of buying and selling used automobiles in India through a chain of owned and franchised outlets. Its supplemental service offerings include certification, finance, insurance and accessories that simplify the entire process and helps customers make an informed sales and purchase decision.

Shareholding Pattern

Names of the shareholders	No. of shares held	% holding
M&M jointly with others	7,446,658	75.9%
Sah & Sanghi Group	1,140,000	11.6%
HDFC Limited	863,333	8.8%
Others	361,999	3.7%
Total	9,811,990	100.0%

Board of Directors

Name	Nature of directorship/ designation
Mr. Anand G Mahindra	Director
Mr. Hemant Luthra	Director
Mr. Arun Sanghi	Director
Mr. Sanjay Labroo	Director
Mr. N. Ram	Director
Mr. Ramesh Iyer	Director
Mr. Rajeev Dubey	Director
Mr. Pawan Goenka	Director

Financial Performance

	(Rs. in million) (except per share data)		
	For the year ending March 31, 2006	For the year ending March 31, 2005	For the year ending March 31, 2004
Equity capital	98.1	98.1	42.0
Reserves and surplus (excluding revaluation reserves)	(125.1)	(77.8)	(152.8)
Total revenue	1,419.9	1115.3	645.8
Profit after tax	8.8	(9.2)	(25.9)

EPS (Rs)	0.9	(1.1)	(6.2)
NAV per share (Rs)	3.0	2.1	(26.3)

34) Mahindra Overseas Investment Company (Mauritius) Limited

Mahindra Overseas Investment Company (Mauritius) Limited was incorporated on December 7, 2004 as a wholly owned subsidiary of M&M. M&M holds its entire share capital of 0.5 million shares. Its registered office is located at IFS Court, 28 Cybercity, Ebene, Mauritius. It is a holding company.

Board of Directors

Name	Nature of directorship/ designation
Mr. Couldip Basanta Lala	Director
Mr. Fareed Soreefan	Director
Mr. P.N. Shah	Director
Mr. Subramaniam Durgashankar	Director
Mr. Vankipuram Parthasarthy	Director
Mr. Zoooben Bhiwandiwal	Director

Financial Performance

Particulars	(In US Dollars)	
	For the year ending March 31, 2006	For the year ending March 31, 2005
Equity capital *	520,000	10,000
Reserves & surplus (excluding revaluation reserve)	152,145	35,549
Total Income	193,219	47,811
Profit after tax	116,596	35,549
EPS *	0.2	3.6
NAV per share	1.3	4.6

*excluding application money received during the current fiscal i.e. US\$ 8,290,000.

Particulars	(In Rupees)#	
	For the year ending March 31, 2006	For the year ending March 31, 2005
Equity capital *	23,197,200	446,100.0
Reserves & surplus (excluding revaluation reserve)	6,787,188.45	1,585,840.9
Total Income	8,619,499.6	2,132,848.7
Profit after Tax	5,201,347.6	1,585,840.9
EPS (Rs.)*	8.9	160.6
NAV per share(Rs.)	57.9	205.2

*excluding application money received during the current fiscal i.e. US\$ 8,290,000.

Convenience translation at INR/US\$ rate of 44.6110 as on March 31, 2005 (Source: RBI reference rate).

35) Bristlecone Limited

Bristlecone Limited was incorporated on February 3, 2004 in Cayman Islands and commenced its business on May 17, 2004. Its registered office is located at M&C Corporate Services Limited PO Box 309GT, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands. It is a provider of global business process and technology consulting services.

Shareholding Pattern (Equity Shares)

Names of the shareholders	No. of shares held	% holding
M&M	4,222,250	62.6%
Venture Capitalists and others	2,520,625	37.4%
Total	6,742,825	100.0%

In addition, 7,000,000 Series A Preference Shares and 6,920,000 Series B Preference Shares have been issued to M&M. The combined shareholding (equity and preference shares) of M&M in the company is 86.54%.

Board of Directors

Name	Nature of directorship/ designation
Mr. Anand G Mahindra	Chairman
Mr. Bharat N. Doshi	Director
Mr. Ulhas N. Yargop	Director
Mr. Anjanikumar Choudhari	Director
Mr. Hemant Luthra	Director
Mr. Padman Ramankutty	Director, CEO
Mr. Dung Tran	Director
Mr. V. Mani	Director

Financial Performance

	(In US\$)	
	For the year ended March 2006	For the year ended March 31, 2005
Equity capital	6,742.9	6,684.6
Preference Capital	14,219.9	7,299.9
Reserves and surplus (excluding revaluation reserves) *	(1,678,328.6)	(1,425,537.0)
Total revenue	398.5	3,731.0
Profit after tax	(252,791.5)	(268,675.0)
EPS	(0.04)	(0.04)
NAV per share	2.3	2.1

*includes amalgamation reserve of US\$ 1.2mn

	(In INR)	
	For the year ended March 31,	For the year ended March 31, 2005

	2006	
Equity capital	300,800.8	298,200
Preference Capital	634,349.7	325,648.5
Additional paid in capital	778,195,192.6	297,902,501.9
Share application money	-	71,376,000
Reserves and surplus (excluding revaluation reserves) *	(74,870,238.8)	(63,593,205.6)
Total revenue	17,777.1	166,439.9
Profit after tax	(11,277,028.8)	(11,985,591.7)
EPS	(1.78)	(1.78)
NAV per share	102.6	93.7

Convenience translation at INR/US\$ rate of 44.61 as on March 31, 2006 (Source: RBI reference rate).

FY04 financials are not available since date of commencement of business was after March 31, 2004

36) Bristlecone Inc.

Bristlecone Inc was incorporated on May 18, 1998 under the laws of the United State of America. Its registered office is located at 2550, North First Street, Suite 301, San Jose, CA 95131, USA. It is a wholly owned subsidiary of Bristlecone Limited, and as on October 14, 2005 Bristlecone Limited held 8,492,157 equity shares and 3,615,535 preference shares of the company. The company specializes in enterprise applications and extended supply chain management. It also provides offshore application management and support services and application development and implementation services for SAP Net Weaver.

Board of Directors

Name	Nature of directorship/ designation
Mr. Ulhas N. Yargop	Director
Mr. Anjanikumar Choudhari	Director
Mr. Padman Ramankutty	Director, CEO
Mr. Zhooben Bhiwandiwalla	Director, CFO

Financial Performance

	(US\$ in million) (except per share data)		
	For the period ended March 31, 2006	For the period ended March 31, 2005	For the period ended March 31, 2004
Equity capital (including preference shares and additional paid in capital) *	13.1	12.4	6.8
Reserves and surplus (excluding revaluation reserves)	(11.6)	(11.1)	(6.1)
Total revenue	17.2	10.7	13.7
Profit after tax	(0.4)	(5.1)	(2.9)
EPS (\$) *	-	-	-

	For the period ended March 31, 2006	For the period ended March 31, 2005	For the period ended March 31, 2004
NAV (Networth) *	1.6	1.3	0.8

* The equity and preference share capital issued by the company are at no par value

	(Rs. in million) # (except per share data)		
	For the period ended March 31, 2006	For the period ended March 31, 2005	For the period ended March 31, 2004
Equity capital (including preference shares and additional paid in capital) *	584.40	544.1	299.1
Reserves and surplus (excluding revaluation reserves)	(517.48)	(487.4)	(266.2)
Total revenue	767.3	469.7	599.9
Profit after tax	(17.844)	(221.2)	(127.6)
EPS (Rs.) *	-	-	-
NAV (Networth) *	71.38	56.7	32.9

* The equity and preference share capital issued by the company are at no par value

Convenience translation at INR/US\$ rate of 44.6100 as on March 31, 2006 (Source: RBI reference rate).

37) Bristlecone (Singapore) Pte. Limited

Bristlecone (Singapore) Pte. Limited was incorporated on January 21, 2003 as Mahindra Consulting (Singapore) Pte Limited. With effect from June 15, 2004, the company changed its name to Bristlecone (Singapore) Pte. Limited. Its registered office is located at 6 Shenton Way, # 28-09 DBS Building, Tower Two, Singapore 068809. It provides software services. Bristlecone India Limited holds all of its 120,000 equity shares of Singapore \$ 1 each.

Board of Directors

Name	Nature of directorship/ designation
Mr. Anjanikumar Choudhari	Director
Mr. Zhooben Bhiwandiwal	Director
Mr. V. Mani	Director
Mr. Lim Tiong Beng	Director

Financial Performance

	(In Singapore \$)		
Particulars	For the year ending March 31, 2006	For the year ending March 31, 2005	For the year ending March 31, 2004
Equity capital	120,000.0	120,000.0	50,000.0
Reserves and surplus (excl revaluation reserve)	108,922.0	70,482.0	36,886.0

Total Income	1,372,922.0	969,607.0	611,145.0
Profit after tax	38,440.0	33,596.0	25,892.0
EPS	0.3	0.3	0.5
NAV per share	1.9	1.6	1.7

(In Rupees)			
Particulars	For the year ending March 31, 2006	For the year ending March 31, 2005	For the year ending March 31, 2004
Equity capital	3,307,200	3,307,200	3,307,200
Reserves and surplus (Excl Revaluation Reserve)	3,001,890.32	1,942,483.92	1016578.16
Total Income	37,837,730.32	26,722,368.92	16,843,156.2
Profit after tax	1,059,406.4	925,905.8	713,583.5
EPS	8.3	8.3	13.8
NAV per share	52.36	44.1	46.9
# Convenience translation at INR/Singapore \$ of 27.56 as on March 31, 2005 (Source: www.xe.com).			

38) Bristlecone India Limited

Bristlecone India Limited was incorporated and commenced business on December 10, 1991. The company was incorporated under the name of Mahindra Applied Systems and Technologies Limited and later renamed as Mahindra Consulting Limited. Its name was changed to Bristlecone India Limited on August 12, 2004. Its registered office is located at Gateway Building, Apollo Bunder, Mumbai 400 001. Presently Bristlecone Limited holds all of its 1,104,944 equity shares of Rs. 100 each. It is in the business of providing IT software services. It specializes in enterprise applications and extended supply chain management. It also provides offshore application management and support services and application development and implementation services for SAP Net Weaver.

Board of Directors

Name	Nature of directorship/ designation
Mr. Ulhas N. Yargop	Director
Mr. Anjanikumar Choudhari	Director
Mr. Zoooben Bhiwandiwal	Director
Mr. C. Krishnadas	Director

Financial Performance

(Rs. in million) (except per share data)			
Particulars	For the year ending March 31, 2006	For the year ending March 31, 2005	For the year ending March 31, 2004
Equity capital	110.5	78.8	7.2
Reserves and surplus (excluding revaluation reserve)	2.0	(42.5)	27.7

Particulars	For the year ending 31, 2006	For the year March ending 31, 2005	For the year March ending 31, 2004
Total Income	698.3	477.9	426.5
Profit after tax	44.5	(70.2)	(26.2)
EPS (Rs.)	46.6	(177.8)	(368.7)
NAV per share (Rs.)	101.8	46.1	484.7

39) Bristlecone (UK) Limited

Bristlecone UK Limited was incorporated on March 7, 1996 under the laws of England. Presently Bristlecone Limited holds all of its 1,000,000 equity shares of Pound Sterling 1 each. The company was incorporated under the name of Mahindra Intertrade (UK) Limited. Its name was changed to Bristlecone (UK) Limited through a special resolution passed on June 08, 2004. Its registered office is located at 1st Floor, Bucklersbury House, 83, Cannon Street, London. It provides IT software services.

Board of Directors

Name	Nature of directorship/ designation
Mr. C. Krishnadas	Director
Mr. Nikhil Nayak	Director

Financial Performance

(In Pound Sterling)

Particulars	For the year ending 31, 2006	For the year March ending 31, 2005	For the year March ending 31, 2004
Equity capital*	250,000.0	250,000.0	250,000.0
Reserves and surplus (excluding revaluation reserve)	(135,571.0)	(135,885.0)	(144,871.0)
Total Income	24,709.0	209,852.0	737,272.0
Profit after tax	314.0	8,986.0	50,035.0
EPS	0.0	0.0	0.2
NAV per share	0.5	0.5	0.4

*1 million equity shares of Pound Sterling 1 each (Pound Sterling 0.25 per share called and paid up)

(In Rupees)

Particulars	For the year ending 31, 2006	For the year March ending 31, 2005	For the year March ending 31, 2004
Equity capital	19,450,000	19,450,000	19,450,000
Reserves and surplus (excluding revaluation reserve)	(10,547,423.8)	(10,571,853.0)	(11,270,963.8)
Total Income	1,922,360.2	16,326,485.6	57,359,761.6
Profit after tax	24,429.2	699,110.8	3,892,723
EPS	0.02	0.6	3.8
NAV per share	299.98	300.21	307.20

Convenience translation at INR/Pound Sterling rate of 77.80 as on March 31, 2006 (Source: RBI reference rate).

40) Bristlecone GmbH

Bristlecone GmbH was incorporated on December 9, 2003 under the laws of Germany, as a wholly owned subsidiary of Bristlecone India Limited. Presently Bristlecone India Limited holds its only share i.e. 100% equity shares. The company was incorporated under the name of Mahindra Consulting GmbH. Its name was changed to Bristlecone GmbH. in September 13, 2004. Its registered office is located at Kennedyallee, 97A, 60596, Frankfurt am Main, Amtsgericht Frankfurt am Main HRB 58387. Bristlecone GmbH provides IT Software services.

Board of Directors

Name	Nature of directorship/ designation
Mr. Zoooben Bhiwandiwalla	Managing Director
Mr. V. Mani	Managing Director
Mr. Nikhil Nayak	Managing Director

Financial Performance

Particulars	(In Euros)		
	For the year ending March 31, 2006	For the year ending March 31, 2005	For the year ending March 31, 2004
Equity capital	50,000.0	50,000.0	50,000.0
Reserves and surplus (excluding revaluation reserve)	69,502.1	22,478.3	148.6
Total Income	3,548,060.8	1,022,861.0	163,480.9
Profit after tax	47,023.8	(102,670.3)	148.6
EPS	47,023.8	(102,670.3)	148.6
NAV per share	119,502.1	72,478.3	50,148.6

Particulars	(in Rupees).		
	For the year ending March 31, 2006	For the year ending March 31, 2005	For the year ending March 31, 2004
Equity capital	2,710,000	2,710,000	2,710,000
Reserves and surplus (excluding revaluation reserve)	3,767,013.82	1,218,323.86	455,578.1
Total Income	192,304,895.36	55,439,066.2	8,860,664.78
Profit after tax	2,548,689.96	(5,564,730.26)	8,054.12
EPS	2,548,689.96	(5,564,730.26)	8,054.12
NAV per share	6,477,013.82	3,928,307.6	2,718,054.12

Convenience translation at INR/Euro rate of 54.20 as on March 31, 2006 (Source: RBI reference rate).

41) Mahindra - BT Investment Company (Mauritius) Limited

Mahindra - BT Investment Company (Mauritius) Limited was incorporated on May 9, 2005 under the laws of Mauritius with its registered office at IFS Court, 28 Cybercity, Ebene, Mauritius. It is a holding company.

Shareholding Pattern

Names of the shareholders	No. of shares held	% holding
Mahindra Overseas Investment Company (Mauritius) Limited	8,436,000	57.0%
BT Holding Limited	6,364,000	43.0%
Total	14,800,000	100.0%

Board of Directors

Name	Nature of directorship/ designation
Mr. Couldip Basant Lala	Director
Mr. Fareed Soreefan	Director
Mr. Ulhas N. Yargop	Director
Mr. Zoooben Bhiwandiwalla	Director
Mr. Frederick Becker	Director
Mr. Rupert Orchard	Director

Financial Performance

	For the year ending March 31, 2006 (In US\$)	For the year ending March 31, 2006 (In Rs.)
Equity capital	2,400,000	107,064,000
Reserves and surplus (excluding revaluation reserves)	17,162	765,597
Total revenue	31,122	1,388,352
Profit after tax	17,162	765,597
EPS (Rs)	0.01	0.44
Book Value per share (Rs)	1.01	45.05

Convenience translation at INR/US\$ rate of 44.6100 as on March 31, 2006 (Source: RBI reference rate).

42) Mahindra Logisoft Business Solutions Limited

Mahindra Logisoft Business Solutions Limited was incorporated on April 12, 1999 as Logisoft Business Solutions Private Limited. Its registered office is located at Gateway Building, Apollo Bunder, Mumbai 400 001. The company was formed as a joint venture between Mahindra Information Technology Services Limited (a subsidiary of M&M) and Nithyakalyani Investments Private Limited. Its name was changed to Mahindra Logisoft Business Solutions Limited on February 25, 2000. In Fiscal 2004, Mahindra Information Technology Services Limited merged into M&M and Nithyakalyani Investments Pvt.

Limited sold its stake in the company to Mahindra Holdings and Finance Limited (another subsidiary of M&M). In May 2005, Mahindra Holdings and Finance Limited sold its stake in the company to M&M.

The company is engaged in design and development of dealership management systems and IT software services.

Shareholding Pattern

Names of the shareholders	No. of shares held	% holding
M&M (including six shares held jointly with others)	12,450,000	100.0%
Total	12,450,000	100.0%

Board of Directors

Name	Nature of directorship/ designation
Mr. Ulhas N. Yargop	Director
Mr. Vishnu K. Garg	Director
Mr. S. Durgashankar	Director
Mr. Arvind G. Tawde	Director
Mr. V. Mani	Director

Financial Performance

	(Rs. in million) (except per share data)		
	For the year ending March 31, 2006	For the year ending March 31, 2005	For the year ending March 31, 2004
Equity capital	124.5	79.5	79.5
Reserves and surplus (excluding revaluation reserves)	(102.1)	(110.2)	(118.5)
Total revenue	19.3	17.3	17.2
Profit after tax	8.1	8.3	(11.0)
EPS (Rs)	0.7	0.8	(4.5)
NAV per share (Rs)	1.8	1.8	0.8

43) Tech Mahindra Limited

Tech Mahindra Limited was incorporated on October 24, 1986 as a joint venture between M&M and British Telecommunications Plc. Its name was changed to Tech Mahindra Limited on February 3, 2006. It commenced operations on May 8, 1987. Its registered office is situated at Gateway Building, Apollo Bunder, Mumbai – 400 001, India and the corporate office and development centre is at Sharda Centre, Erandwane, Pune – 411 004, India. It currently provides software solutions for global telecommunications industry. The company has three software development centers – one in the United Kingdom (Milton Keynes) and three in India (Mumbai, Pune and Kolkata).

Shareholding pattern

Names of the shareholders	No. of shares of Rs. 2 each held	% holding
M&M	57,600,060	51.2%
British Telecommunications plc.	43,452,635	38.7%
Mahindra-BT Investment Company Mauritius Limited	9,931,638	8.8%
Others (Public & employees)	1,456,190	1.3%
Total	112,440,523	100.00

Board of Directors

Name	Nature of directorship/ designation
Mr. Anand Mahindra	Chairman
Mr. Vineet Nayyar	Vice Chairman, MD & CEO
Mr. Bharat N. Doshi	Director
Mr. Ulhas N. Yargop	Director
Mr. Clive Goodwin	Director
Mr. Al-Noor Ramji	Director
Mr. Arun Seth	Director
Mr. Anupam Puri	Independent Director
Dr. Raj Reddy	Independent Director
Hon'ble Akash Paul	Independent Director
Mr. Frederick Becker	Alternate to Clive Goodwin

Financial Performance

	(Rs. in million) (except per share data)		
	For the year ended March 31, 2006	For the year ended March 31, 2005	For the year ended March 31, 2004
Equity capital*	208	203.5	202.7
Reserves and surplus (excluding revaluation reserve)	5946	4,624.8	4,150.7
Total revenue	12,427	9,295.9	7,250.4
Profit after tax	2,354	710.9	941.3
EPS (Rs)	18.32	7.0	9.7
NAV per share (Rs)	59.18	47.5	42.9

44) Tech Mahindra GmbH

Tech Mahindra GmbH was incorporated on July 18, 2001 under the laws of Germany as MBT GmbH, as a wholly owned subsidiary of Tech Mahindra Limited. Its name was

changed to Tech Mahindra GmbH on February 10, 2006. Its registered office is located at Rather Straße 110 b, 40476, Düsseldorf, Germany. The company is Mahindra-British Telecom's representative in Germany and acts as service provider for sales, marketing and onsite software development and other related services.

Its share capital consists of three shares all of which are currently held by Tech Mahindra Limited.

The Supervisory Board of the company comprises Mr. Vineet Nayyar, Mr. Ulhas N. Yargop and Mr. Clive Goodwin. Mr. Sonjoy Anand is the Managing Director of the company.

Financial Performance

	Fiscal 2006	Fiscal 2005	Fiscal 2004	Fiscal 2006	Fiscal 2005	Fiscal 2004
	In Euros			In Rs. million*		
Equity Capital	575,000	575,000	575,000	31.05	31.05	31.05
Capital Reserve	6,625,000	6,625,000	4,500,000	357.71	357.71	242.97
Retained Earnings	(59,672,36)	(6,281,214)	(4,098,917)	(3,22.17)	(339.15)	(221.32)
Net Worth**	1,232,763	918,786	976,083	66.56	49.61	52.70
Total Revenue	5,259,040	5,226,551	1,270,829	283.96	282.20	68.62
Net Profit/(Loss)	313,978	(2,182,297)	(3,389,907)	16.95	(117.83)	(183.04)
EPS***	-	-	-	-	-	-
NAV (per share)***	-	-	-	-	-	-

* Based on convenience translation of 1Euro = Rs. 53.9943, which is the spot exchange rate provided by the Federal Reserve, United States on March 31, 2006.

** TMG net worth also includes capital reserves

*** *TMG share capital consists of 3 shares of different face values i.e. Euro 25,000, Euro 50,000 and Euro 500,000 each and therefore NAV and EPS have not been calculated.*

45) Tech Mahindra (Americas) Inc.

Tech Mahindra (Americas) Inc. was incorporated on November 29, 1993 as MBT International Inc. Its name was changed to Tech Mahindra (Americas) Inc. on February 17, 2006. Tech Mahindra Limited holds all of its 375,000 equity shares of US \$ 1 each. Its registered office is located at 22, Dogwood Circle, Matawan, New Jersey 07747, U.S.A and its corporate office is located at 5619, DTC Parkway, Suit # 920, Greenwood village, CO 80111, U.S.A. The company also has offices at Atlanta, Dallas and Denver. It is responsible for sales and marketing and customer management of Mahindra-British Telecom clients based in North America.

Board of Directors

Name	Nature of directorship/ designation
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Mr. Anand G. Mahindra	Chairman
Mr. Vineet Nayyar	Director
Mr. Ulhas N. Yargop	Director
Mr. Clive Goodwin	Director
Mr. Al-Noor Ramji	Director

Financial Performance

	Fiscal 2006	Fiscal 2005	Fiscal 2004	Fiscal 2006	Fiscal 2005	Fiscal 2004
	In USD			In Rs. million, except per share data*		
Equity Capital	375,000	375,000	375,000	16.68	16.68	16.68
Retained Earnings	(2,987,611)	(3,780,361)	(1,965,160)	(132.89)	(168.15)	(87.41)
Net Worth	(2,612,611)	(3,405,361)	(1,590,160)	(116.21)	(151.47)	(70.73)
Total Revenue	27,537,110	14,577,666	15,532,851	1124.85	648.41	690.90
Net Profit / (Loss)	792,750	(1,815,201)	(2,527,863)	35.26	(80.74)	(112.44)
EPS	2.11	(4.84)	(6.74)	94.03	(215.28)	(299.80)
NAV (per share)	(6.97)	(9.08)	(4.24)	(309.89)	(403.92)	(188.61)

* Based on convenience translation of 1USD = Rs. 44.48, which is the spot exchange rate provided by the Federal Reserve, United States on March 31, 2006.

46) Tech Mahindra (Singapore) Pte Limited

Tech Mahindra (Singapore) Pte Limited was incorporated and commenced business on March 30, 2002 as MBT Software Technologies Pte Limited, Singapore. Its name was changed to Tech Mahindra (Singapore) Pte Limited effective February 20, 2006. It is a wholly owned subsidiary of Tech Mahindra Limited. Its registered office is located at 152 Beach Road, #32-01/04, Gateway Tower (East), Singapore 189721. Tech Mahindra Limited conducts operations in Singapore and the Asia-Pacific region through 46) Tech Mahindra (Singapore) Pte Limited.

Board of Directors

Name	Nature of directorship/ designation
Mr. Sonjoy Anand	Director
Mr. Lim Tiong Beng	Director

Financial Performance

	Fiscal 2006	Fiscal 2005	Fiscal 2004	Fiscal 2006	Fiscal 2005	Fiscal 2004
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	In SGD			In Rs.*		
Equity Capital	50,000	50,000	50,000	1,376,493	1,376,493	1,376,493
Retained Earnings	264,738	424,318	411,976	7,288,201	11,681,417	11,341,643
Net Worth	314,738	474,318	461,976	8,664,694	13,057,910	12,718,136
Total Revenue	3,798,920	1,737,222	1,483,724	104,583,748	47,825,484	40,846,719
Net Profit						
/ (Loss)	(159,580)	12,342	26,224	(4,393,216)	339,774	721,943
EPS	(31.92)	2.47	5.24	(879)	68	144
NAV (Book value per share)	62.95	94.86	92.40	1,732.94	2,611.58	2,543.63

* Based on convenience translation of 1 SGD = Rs.27.5298, which is the spot exchange rate provided by the Federal Reserve, United States on March 31, 2006.

47) Tech Mahindra (Thailand) Limited

Tech Mahindra (Thailand) Limited was incorporated on August 26, 2005 under the laws of Thailand as MBT (Thailand) Limited, as a wholly owned subsidiary of Tech Mahindra Limited. Its name was changed to Tech Mahindra (Thailand) Limited. Its registered office is located at 23rd Floor, M Thai Tower, 87 Wireless Road, Witayu, Phatumwan, Bangkok 10330, Thailand. The company is Tech Mahindra's representative in Thailand and acts as service provider for sales, marketing and onsite software development and other related services.

Its share capital consists of 50,000 shares of which 49993 are currently held by Tech Mahindra Limited and one share each are held by seven individuals.

	Fiscal 2006	Fiscal 2006
	In THB	In Rs.
Equity Capital	3,000,000	3,435,633
Retained Earnings / Accumulated Losses	(3,397,196)	(3,890,507)
Net Worth	(397,196)	(454,873)
Total Revenue	NA	N.A
Net Profit / (Loss)	(3,397,196)	(3,890,507)
EPS (Loss per share)	(67.94)	(78)
NAV (Book value per share)	(13.24)	(15.16)

*Based on convenience translation of 1THB = Rs. 1.1452, which is the spot exchange rate provided by the Federal Reserve, United States on March 31, 2006.

48) PT Tech Mahindra Indonesia

PT Tech Mahindra Indonesia ("TMI") was incorporated on March 24, 2006 under the laws of Indonesia. This company has not issued any shares. Tech Mahindra Limited intends to subscribe to the entire share capital of this company.

TMI is Tech Mahindra's representative in Indonesia and acts as a service provider for sales, marketing, onsite software development and other related services.

Since the company was incorporated on March 24, 2006, there are no financials available.

The registered office of TMI is at:

JL Tebet Dalam
Raya No. 20, Tebet Barat
Jakarta
Salatan 12810, Indonesia

The present directors of the TMI are:

1. Mr. Milind Kulkarni
2. Mr. Atanu Sarkar

49) Tech Mahindra (R&D Services) Limited

Tech Mahindra (R&D Services) Limited was incorporated on August 30, 1995 and commenced its business on October 1, 1995 as Axes Technologies (India) Private Limited. Its name was changed to Tech Mahindra (R&D Services) Private Limited on February 15, 2006 and thereafter to Tech Mahindra (R&D Services) Limited on February 17, 2006. Its registered office was initially located at 4/51 Morzaria Industrial Estate, 4 Bannerghatta Road, Bangalore 560 029. On August 4, 2000 it was shifted to 9/7 Hosur Road, Bangalore 560 029.

It provides research & development, product engineering and life cycle support to leading telecom equipment manufacturers. It has telecom product and protocol specialisation.

Shareholding Pattern

Names of the shareholders	No. of shares held	% holding
Tech Mahindra Limited	9,197,500	99.9%
Others	9,200	0.1%
Total	9,206,700	100.0%

Board of Directors

Name	Nature of directorship/ designation
Mr. Vineet Nayyar	Chairman and Director
Mr. Paul Pandian	Director
Mr. C. P. Gurnani	Director
Mr. Sanjay Joshi	Director
Mr. Sanjay Kalra	Director

Financial Performance

(Rs. Million, except
per share data)

	Fiscal 2006	Fiscal 2005	Fiscal 2004
Equity Capital	46.03	43.0	41.7
Reserve and Surplus (excl revaluation reserves)	943.1	977.8	838.4
Net Worth	989.1	1020.7	880.0
Total Revenue	1,291.64	1,187.69	659.39
Net Profit / (Loss)	(70.8)	133.2	137.1
EPS (Rs)	(7.69)	15.50	16.46
NAV (Book value per share) (Rs)	107.43	118.82	105.64

50) Tech Mahindra (R&D Services), Inc.

Tech Mahindra (R&D Services), Inc was incorporated on May 10, 2001 and commenced business on May 11, 2001 as Axes Technologies, Inc. Its name was changed to Tech Mahindra (R&D Services) Inc. Its registered office is located at 2711 Centreville Road, Suite 400, Wilmington, DE 19808. Its entire equity share capital of 500,000 shares is owned by Tech Mahindra (R&D Services) Limited.

It provides technology staffing services to Tech Mahindra (R&D Services) Limited and perform marketing, managerial, and administrative function to service its customers in the USA.

Board of Directors

Name	Nature of directorship/ designation
Mr. Paul Pandian	Director
Mr. C. P. Gurnani	Director
Mr. Sanjay Kalra	Director

Financial Performance

	Fiscal 2006	Fiscal 2005	Fiscal 2004	Fiscal 2006	Fiscal 2005	Fiscal 2004
	In USD			In Rs. million, except per share data*		
Equity Capital	5,000	5,000	5,000	0.22	0.22	0.22
Reserve and Surplus (excl revaluation reserves)	851,769	626,051	336,190	37.89	27.85	14.95
Net Worth	8,56,769	631,051	535,251	38.11	28.07	23.81
Total Revenue	6,233,686	7,417,082	4,757,403	277.27	329.91	211.61
Net Profit / (Loss)	225,719	195,800	294,061	10.04	8.71	13.08

	Fiscal 2006	Fiscal 2005	Fiscal 2004	Fiscal 2006	Fiscal 2005	Fiscal 2004
	In USD			In Rs. million, except per share data*		
EPS	0.45	0.39	0.59	20.08	17.35	26.16
NAV (Book value per share)	1.71	1.26	1.07	76.22	56.14	47.62

* Based on convenience translation of 1USD = Rs. 44.48, which is the spot exchange rate provided by the Federal Reserve, United States on March 31, 2006.

51) Tech Mahindra (R&D Services) Pte Limited

Tech Mahindra (R&D Services) Pte. Ltd. was incorporated and commenced business on March 8, 2000 as Axes Technologies (Asia-Pacific) Pte Limited. Its name was changed to Tech Mahindra (R&D Services) Pte. Ltd. Its registered office is located at 460, Alexandra Road, # 24-05 PSA Building, Singapore 119 963. It provides technology staffing services to Tech Mahindra (R&D Services) Limited and performs marketing, managerial, and administrative function to service its customers in Singapore.

Shareholding Pattern

Names of the shareholders	No. of shares held	% holding
Tech Mahindra (R&D Services) Limited	240,000	60.0%
Tech Mahindra (R&D Services) Inc	160,000	40.0%
Total	400,000	100.0%

Board of Directors

Name	Nature of directorship/ designation
Mr. Saeed Ullah Khan	Director
Mr. Paul Pandian	Director
Mr. Sonjay Anand	Director
Mr. Sunil Joshi	Director

Financial Performance

	Fiscal 2006	Fiscal 2005	Fiscal 2004	Fiscal 2006	Fiscal 2005	Fiscal 2004
	In SGD			In Rs. *		
Equity Capital	400,000	400,000	400,000	11.01	11.01	11.01
Reserve and Surplus (excl revaluation reserves)	(401,338)	(394,725)	(381,296)	(11.05)	(10.87)	(10.50)
Net Worth	(1,338)	5,275	18,704	(0.04)	0.15	0.51

	Fiscal 2006	Fiscal 2005	Fiscal 2004	Fiscal 2006	Fiscal 2005	Fiscal 2004
	In SGD			In Rs. *		
Total Revenue	70,405	68,009	104,698	1.94	1.87	2.88
Net Profit / (Loss)	(6613)	(13,429)	5,146	(0.18)	(0.37)	0.14
EPS	(0.02)	(0.03)	0.01	(0.46)	(0.92)	0.35
NAV (Book value per share)	(0.00)	0.01	0.05	(0.09)	0.36	1.29

* Based on convenience translation of 1 SGD = Rs.27.5298, which is the spot exchange rate provided by the Federal Reserve, United States on March 31, 2006.

52) Tech Mahindra Foundation

Tech Mahindra Foundation was incorporated on March 22, 2006 under Section 25 of the Companies Act. It carries out charitable activities. Tech Mahindra Foundation is a wholly owned subsidiary of Tech Mahindra Limited. The registered office is situated at Oberoi Gardens Estate, Chandivali, Off Saki Vihar Road, Andheri (E), Mumbai 400 072, India.

The present directors of Tech Mahindra Foundation are:

1. Mr. Milind Kulkarni
2. Mr. Atanu Sarkar
3. Mr. Vikrant Gandhe

Summary financials for the last fiscal year

	Fiscal 2006
	In Rs
Equity Capital	500,000
Reserves & Surplus	(34,942)
Net Worth	150,465,058
Total Revenue	30,308
Net Profit / (Loss)	34,942
EPS (Loss per share)	N.A.
NAV (Book value per share)	N.A.

53) PSL Erickson Limited

PSL Erickson Limited was incorporated on February 6, 1939 as Press Syndicate Limited. It has its registered office at Gateway Building, Apollo Bunder, Mumbai- 400 001. It is engaged in the business of advertising in various media, offering client servicing, creatives in art and copy writing and production as well as event marketing, promotions and exhibitions and corporate/press relations.

Shareholding Pattern

Name	No. of Equity Shares)	% holding
McCann Erickson Marketing Inc.	49,360	45.1%
Mahindra Holdings & Finance Limited	19,750	18.1%
Mahindra & Mahindra Contech Limited	2,125	1.9%
Others	38,140	34.9%
Total	109,375	100.0%

Board of Directors

Name	Nature of directorship/ designation
Mr. A. K. Nanda	Chairman
Mrs. Roma Balwani	Director
Mrs Leena Labroo	Director
Mr Sorab Mistry	Director
Mr Francis R. Moran	Director
Mr Maxwell J. Gosling	Director

Financial Performance

(Rs. in million)
(except per share data)

	For the year ending March 31, 2005	For the year ending March 31, 2004	For the year ending March 31, 2003
Equity capital	0.5	0.5	0.5
Reserves and surplus (excluding revaluation reserves)	5.5	6.9	5.7
Total revenue	0.8	3.5	18.5
Profit after tax	(1.4)	1.8	(0.03)
EPS (Rs)	(13.2)	16.9	-
NAV (Rs.)	55.2	68.4	57.1

54) Mahindra Sona Limited

Mahindra Sona Limited was promoted as a joint venture between M&M and Sona Koyo Steering Systems Limited. It was incorporated on September 30, 1994 and commenced business on November 21, 2004. Its registered office is located at Gateway Building, Apollo Bunder, Mumbai 400 001. It manufactures propeller shafts for on-road and off-highway vehicles, clutch covers and assemblies and other drive line components.

Shareholding Pattern

Names of the shareholders	No. of shares held	% holding
M&M Group and Associates	1,650,000	37.5%
Sona Group and Associates	1,650,000	37.5%
Private Equity	Khattar Holdings Pvt. Limited	578,900
	ILFS Infrastructure Equity Fund	231,600
	ICICI Securities & Finance Co. Limited	115,800
	Others	173,700
	Sub Total	1,100,000
Total	4,400,000	100.0%

Board of Directors

Name	Nature of directorship/ designation
Mr. Anand G. Mahindra	Chairman
Dr. Surinder Kapur	Director
Mr. Hemant Luthra	Director
Mr. Sat Pal Khattar	Director
Mr. Gaurav G Motwane	Executive Director
Mr. J. V. Prabhu	Managing Director

Financial Performance

	(Rs. in million) (except per share data)		
	For the year ending March 31, 2006	For the year ending March 31, 2005	For the year ending March 31, 2004
Equity capital	44.0	44.0	44.0
Reserves and surplus (excluding revaluation reserves)	294.5	210.7	145.3
Total revenue	1,276.5	1,268.7	821.6
Profit after tax	126.6	100.4	72.2
EPS (Rs)	28.8	22.8	16.4
NAV per share (Rs)	76.9	57.9	43.0

55) Officemartindia.com Limited

Officemartindia.com Limited was incorporated on May 17, 2000 and commenced its business on August 4, 2000. Its registered office is located at Gateway Building, Apollo Bunder, Mumbai 400001. The company was engaged in buying, selling and trading in stationery, supplies, furniture and office equipment. It also provided consultancy services, technical

know how, management and other resources to its corporate customers.

In view of the losses incurred by Officemartindia.com Limited on a sustained basis, it was decided to discontinue its business activities.

Shareholding Pattern

Names of the shareholders	No. of shares held	% holding
M&M	749,992	50.0%
Azrael Investments Limited	449,850	30.0%
M & M jointly with Others	5	0.0%
Others	300,155	20.0%
Total	1,499,997	100.0%

Board of Directors

Name	Nature of directorship/ designation
Mr. Ulhas Yargop	Director
Mr. Rajeev Dubey	Director
Mr. Chandulal Shah	Director

Financial Performance

(Rs. in million)
(except per share data)

	For the year ending March 31, 2005	For the year ending March 31, 2004	For the year ending March 31, 2003
Equity capital	15.0	15.0	15.0
Reserves and surplus (excluding revaluation reserve)	(18.1)	(17.7)	(12.9)
Total revenue	Nil	0.3	0.4
Profit after tax	(0.4)	(4.8)	(2.4)
EPS (Rs)	(0.3)	(3.2)	(1.6)
NAV per share (Rs)	(2.1)	(1.8)	1.4

56) Mahindra & Mahindra Contech Limited

Mahindra & Mahindra Contech Limited was incorporated on April 30, 1992 and commenced its business on May 21, 1992. Its registered office is located at Gateway Building, Apollo Bunder, Mumbai 400 001. It is mainly engaged in the business of providing consultancy & other services and providing personnel on deputation.

Shareholding Pattern

Names of the shareholders	No. of shares held	% holding
M&M	35,000	23.3%

Names of the shareholders	No. of shares held	% holding
MUSCO	35,000	23.3%
Port Investment Company Limited	20,000	13.3%
Mimosa Investment Company Limited	10,000	6.7%
Ridge Investment Compant Limited	25,000	16.7%
Kamet Investment Company Limited	25,000	16.7%
Others	8	0.1%
Total	150,008	100.0%

Board of Directors

Name	Nature of directorship/ designation
Mr Ravi Kulkarni	Chairman
Mr Rajeev Dubey	Director
Mr Ulhas Yargop	Director
Mr C Krishnadas	Director
Mr Zhooben Bhiwandiwalla	Director

Financial Performance

	(Rs. in million) (except per share data)		
	For the year ending March 31, 2006	For the year ending March 31, 2005	For the year ending March 31, 2004
Equity capital	1.5	1.5	1.5
Reserves and surplus (excluding revaluation reserve)	22.3	20.7	19.6
Total revenue	18.9	9.4	7.9
Profit after tax	1.6	1.1	(4.7)
EPS (Rs)	10.59	7.5	(31.6)
NAV per share (Rs)	158.8	148.3	140.8

57) Indian NGOs.com Private Limited

Indian NGOs.com Private Limited was incorporated and commenced business on April 11, 2000. Its registered office is located at 6, Devndra Apartment, Ghantali, Naupada, Thane, 400602. It provides information and research on Non Governmental Organisations (NGOs), social responsible corporates, funding agencies, government policies and schemes and NRIs. The company promotes sustainable business partnerships between corporates and NGOs and other stakeholders.

Shareholding Pattern

Names of the shareholders	No. of shares held	% holding
M&M	50,000	10.0%

Names of the shareholders	No. of shares held	% holding
Sanjay Bapat and family	425,000	85.0%
Bobby Sista	25,000	5.0%
Total	500,000	100.0%

Board of Directors

Name	Nature of directorship/ designation
Mr Sanjay Bapat	Managing Director
Ms Rohini Bapat	Director

Financial Performance

(Rs. in million)
(except per share data)

	For the year ending March 31, 2005	For the year ending March 31, 2004	For the year ending March 31, 2003
Equity capital	5.0	5.0	5.0
Reserves and surplus (excluding revaluation reserve)	1.0	0.6	0.6
Total revenue	2.4	1.9	1.1
Profit after tax	0.3	0.4	(0.9)
EPS (Rs)	0.7	0.8	(2.0)
NAV per share Rs)	11.9	11.3	10.4

58) Owens Corning India Limited

Owens Corning India Limited was incorporated on July 5, 1995 as Owens Corning India Private Limited. Its registered office is located at Ground Floor, Mahindra Towers, Road No. 13, Worli, Mumbai 400 018. The company is engaged in the manufacturing, importing, exporting and selling of glass fibre products.

Shareholding Pattern

Names of the shareholders	No. of shares held	% holding
IPM Inc.	78,487,796	60.00%
Mahindra Holdings & Finance Limited	28,124,794	21.50%
Archway Investments Limited	12,100,202	9.25%
IL&FS Trust Company Limited	12,100,203	9.25%
Initial Subscriber to the Memorandum and Articles of Association	2	0.0%
Total	130,812,997	100.00%

Board of Directors

Name	Nature of directorship/ designation
Mr. Satish G. Kulkarni	Managing Director
Mr. Arun K. Nanda	Director
Mr. Santosh Senapati	Director
Mr. Steven Novak	Director
Mr. Charles E. Dana	Director
Mr. Steve Zirkel	Director

Note: M&M has right to appoint one more Board member

Financial Performance

(Rs. in million)
(except per share data)

	For the year ending December 2004	For the year ending December 2003	For the year ending December 2002
Equity capital	1,308.1	1,308.1	1,308.1
Reserves and surplus (excluding revaluation reserve)	908.5	564.5	281.5
Total revenue	2,441.5	2,379.2	2,005.7
Profit after tax	344.0	283.1	14.4
EPS (Rs)	2.6	2.2	0.1
NAV per share Rs)	16.9	14.3	12.2

59) Plexion Technologies (India) Private Limited

Plexion Technologies (India) Private Limited was incorporated on September 25, 2000. Its registered office is located at Rockline Centre, 2nd Floor, # 54, Richmond Road, Bangalore – 560 025. Presently the entire share capital of the company comprising of 4,503,011 equity shares is held by M&M. The company is engaged in the business of information technology enabled engineering services in the areas of CAD / CAE / EDM PDM services in the automotive sector and providing design and manufacturing activities in the aerospace sector.

Board of Directors

Name	Nature of directorship/ designation
Mr. Hemant Luthra	Chairman
Dr. M.K. Padmanabhan	Whole-time Director
Dr. Dilip H Bonde	Whole-time Director
Dr. Pawan Kumar Goenka	Director
Mr. Ulhas N Yargop	Director

Financial Performance

(Rs. in million)
(except per share data)

	For the year ending March 31 , 2006	For the year ending March 31 , 2005	For the year ending March 31, 2004
Equity capital	45.03	39.57	33.79
Reserves and surplus (excluding revaluation reserve)	(7.49)	5.26	(1.78)
Total revenue	105.70	68.86	37.46
Profit after tax	(2.54)	(21.86)	(23.3)
EPS (Rs)	(3.13)	(5.63)	(7.28)
NAV per share Rs)	8.34	11.33	9.47

60) Plexion Technologies (U.K.) Limited

Plexion Technologies (U.K.) Limited was incorporated on November 24, 2000. Its registered office is located at Atrium Court, The Ring, Bracknell, Berkshire RG12 1BW, United Kingdom. The company is engaged in the business of information technology enabled engineering services in the areas of CAD / CAE / EDM PDM services in the Automotive sector to cater the needs in UK & France. Presently, Plexion Technologies (India) Private Limited holds its entire share capital i.e. 65,000 equity shares of Pound Sterling 1 each. Presently, Dr. M.K. Padmanabhan is holding the designation of director in the company.

Financial Performance

(In Pound Sterling)

Particulars	For the year ending March 31, 2006	For the year ending December, 2005	For the year ending December 31, 2004
Equity capital	65,000	65,000	65,000
Reserves & surplus (excluding Revaluation Reserve)	44,000	40,000	11,000
Total revenue	273,000	1,059,000	802,000
Profit after tax	4,000	28,000	28,000
EPS	0.07	0.43	0.44
NAV per share (\$)	1.68	1.61	1.18

(In Rupees)

Particulars	For the year ending March 31, 2006	For the year ending March 31, 2005	For the year ending March 31, 2004
Equity capital	5,057,000	5,057,000	5,057,000

Reserves & surplus (excluding revaluation reserve)	3,423,200	3,112,000	855,800
Total revenue	21,239,400	82,390,200	623,956,000
Profit after tax	311,200	2,178,400	2,178,400
EPS	5.446	33.45	34.2
NAV per share (Rs.)	130.7	125.25	91.804

Convenience translation at INR/Pound Sterling rate of 77.80 as on March 31, 2006 (Source: RBI reference rate).

61) Plexion Technologies Inc.

Plexion Technologies Inc. was incorporated on December 2, 2000. Its registered office is located at 39500, Orchard Hill Place, Suite 100, MI 48375, USA. The company is Plexion Technologies Inc. is engaged in the business of information technology enabled engineering services in the areas of CAD / CAE / EDM PDM services in the Automotive sector to cater the needs in USA. Presently, Plexion Technologies (India) Private Limited holds its entire share capital i.e. 590 equity shares of US\$ 1,000 each.

Board of Directors

Name	Nature of directorship/ designation
Dr. M.K. Padmanabhan	Director
Dr. Dilip H Bonde	Director

Financial Performance

(in US\$)			
Particulars	For the year ending March 31, 2006	For the year ending December 31, 2005	For the year ending December 31, 2004
Equity capital	590,000	590,000	590,000
Reserves & surplus (excluding Revaluation Reserve)	(3,91,000)	(333,000)	(275,000)
Total revenue	193,000	1,117,000	1,340,000
Profit after tax	(58,000)	(58,000)	99,000
EPS \$	(98.14)	(97.54)	166.96
NAV per share (\$)	337.69	435.85	533.37

(in Rs.)			
Particulars	For the year ending March 31, 2006	For the year ending March 31, 2005	For the year ending March 31, 2004
Equity capital	26,319,900	26,319,900	26,319,900
Reserves & surplus (excluding revaluation reserve)	(17,442,510)	(14,855,130)	(12,267,750)

Total revenue	8,609,730	49,829,370	59,777,400
Profit after tax	(2,587,380)	(2,587,380)	4,416,390
EPS (Rs.)	(4,378.02)	(4351.25)	7448.08
NAV per share (Rs.)	15,064.35	19443.26	23790.5

Convenience translation at INR/US\$ rate of 44.6100 as on March 31, 2006 (Source: RBI reference rate).

62) Plexion Technologies GmbH

Plexion Technologies GmbH was incorporated on September 14, 2001. Its registered office is located at Niedenau 39, 60325 Frankfurt am Main, Germany. The company is engaged in the business of information technology enabled engineering services in the areas of CAD / CAE / EDM PDM services in the automotive sector to cater the needs in Germany. Presently, Plexion Technologies (India) Private Limited holds its entire share capital i.e. 59,000 equity shares of Euro 1 each. Presently, Mr. Vijay Verma is holding the designation of managing director in the company.

Financial Performance

(In Euros)

Particulars	For the year ending 31, 2006	For the year ending March 31, 2005	For the year ending 31, December 2004
Equity capital	59,000	59,000	59,000
Reserves & surplus (excluding Revaluation Reserve)	7,000	4,000	(11,000)
Total revenue	67,000	346,000	356,000
Profit after tax	2,000	16,000	3,000
EPS \$	0.03	0.26	0.05
NAV per share (\$)	1.11	1.06	0.81

(in Rupees).

Particulars	For the year ending 31, 2006	For the year ending March 31, 2005	For the year ending 31, December 2004
Equity capital	3,197,800	3,197,800	3,197,800
Reserves & surplus (excluding revaluation reserve)	379,400	216,800	(596,200)
Total revenue	3,631,400	18,753,200	19,295,200
Profit after tax	108,400	867,200	162,600
EPS (Rs.)	1.63	14.09	2.71
NAV per share (Rs.)	60.2	57.45	43.9

Convenience translation at INR/Euro rate of 54.2000 as on March 31, 2006 (Source: RBI reference rate).

63) Mahindra Insurance Brokers Limited

The company was incorporated as Mahipar Investments Private Limited on February 18, 1987. The date of commencement of business was February 18, 1987. The name was changed to Mahindra Insurance Brokers Limited on April 28, 2004. Its registered office is located at Mahindra Towers, Dr.G.M.Bhosale Marg, P.K.Kurane Chowk, Mumbai-400018. The company is a direct insurance broker licensed by the Insurance Regulatory and Development Authority (IRDA). The company is engaged in the business of undertaking direct insurance broking for life & non-life businesses for Corporate as well as Retail customers. It is a wholly owned subsidiary of Mahindra & Mahindra Financial Services Limited, and presently its entire share capital consisting of 5,00,000 equity shares of Rs. 10 each is held by Mahindra & Mahindra Financial Services Limited.

Board of Directors

Name	Nature of directorship/ designation
Shri Rajeev Dubey	Chairman
Shri Ramesh Iyer	Director
Shri V.Ravi	Director
Shri Jaideep Devare	Director

Financial Performance

(Rs. in million)
(except per share data)

	For the year ending March 31, 2006	For the year ending March 31, 2005	For the year ending March 31, 2004
Equity capital	5	5	1
Reserves and surplus (excluding revaluation reserve)	23.33	17.30	0.30
Total revenue	64.02	34.35	0.27
Profit after tax	28.83	17.34	0.07
EPS (Rs)	57.66	34.68	0.78
NAV per share Rs)	56.65	22.09	1.30

III Companies under Liquidation

64) Machinery Manufacturers Corporation Limited

Machinery Manufacturers Corporation Limited has been directed for winding up vide order dated April 26, 1989 by the High Court of Judicature at Mumbai.

65) Montreal Engineering International Limited

Montreal Engineering International Limited is under Members' Voluntary winding up which commenced on December 14, 1979.

66) Triton Overwater Transport Agency Limited

Triton Overwater Transport Agency Limited was in the business of providing ferry water hovercraft services and its operations were rendered unviable due to a variety of reasons including the lack of adequate infrastructure at landing points, suspension of services during monsoons and high operational costs. The company is under liquidation.

IV Ventures from which M&M has disassociated during the last three years

In keeping with the M&M Group strategy to concentrate on its core business, shareholding in the following companies have been diluted/ divested.

67) HDFC Realty Limited

68) Jayem Automotives Limited

69) Ford India Private Limited

70) Ford Credit Kotak Mahindra Limited

Pursuant to this decision:

- In March 2003, M&M sold its entire shareholding in HDFC Realty Limited to Housing Development & Finance Corporation Limited.
- In September 2004, M&M sold 3,49,999 equity shares out of 3,50,000 equity shares of Rs. 10 each held in Jayem Automotives Limited.
- In March 2005, M&M sold its entire shareholding in Ford India Private Limited to Ford Motor Company, USA and terminated the Joint Venture Agreement.
- Consequent upon sale of its shareholding in Ford India Private Limited, the investment in Ford Credit Kotak Mahindra Limited was considered as non-core investments and, therefore, in October 2005, M&M sold its entire shareholding in Ford Credit Kotak Mahindra Limited to Ford Credit International Inc.

MANAGEMENT DISCUSSION & ANALYSIS OF THE FINANCIAL CONDITION AND RESULT OF OPERATIONS AS REFLECTED IN THE FINANCIAL STATEMENTS

The Company was incorporated under the name and style of Mahindra Automotive Steels Limited on 13th August, 1999. The Certificate for Commencement of Business was obtained on 5th October, 1999. Subsequently, the status of the Company was changed to a Private Limited Company and a fresh Certificate of Incorporation dated 15th January, 2003 was obtained in the name of Mahindra Automotive Steels Private Limited. The Company was a non operating company.

Pursuant to a Scheme of Arrangement between the Transferor Company and the Transferee Company, the entire Chakan unit of the Transferor Company as a going concern together with all the assets and liabilities relating to the Chakan unit is transferred to and vested in the Transferee Company with effect from 1st April 2005. Therefore the main source of Company's income will be from the operations of the Chakan unit.

For details of Chakan Unit with all the assets and liabilities which was transferred to and vested in the Company please see sections titled – **“OBJECTS OF THE SCHEME OF ARRANGEMENT”**.

OUTSTANDING LITIGATION, DEFAULTS AND MATERIAL DEVELOPMENTS.

Except as described below, there are no outstanding or pending litigation, suit, criminal or civil prosecution, proceeding or tax liabilities against our Company, our Directors, our Promoter or our Promoter Group Companies that would have a material adverse effect on our business and there are no defaults, non payment or overdue of statutory dues, institutional/bank dues or dues payable to holders of debentures, bonds and fixed deposits and arrears of preference shares (irrespective of whether they are specified under Part I of Schedule XIII of the Act), that would have a material adverse effect on our business:

LITIGATION INVOLVING OUR COMPANY

There are no cases filed by and against the Company. However there are certain cases filed against AIL in relation to the Chakan Unit which pursuant to the Scheme will be continued and enforced against the Company.

LITIGATION AGAINST AIL

Tata Iron & Steel Company Limited ("TISCO") has filed a Special Civil Suit No. 715 of 2003, before Civil Judge, Senior Division, Pune, for recovery of outstanding amount of Rs.13,17,388.79 towards principal and Rs. 7,11,389.94 towards interest at the rate of 18%. TISCO alleged that AIL intermingled the accounts of Khopoli Division with Chakan Division. AIL has sent proof of payments having been made to TISCO towards the outstanding amounts claimed by TISCO. The written statement has not been admitted by the court.

LITIGATION BY AIL

1. A Recovery Suit for the claim of Rs.15.42 lacs (Principal Rs.10.60 + Interest Rs.4.82 lacs) was filed against Vishal Engineering, Nashik in the Court of the Civil Judge Senior Division, Nashik on 11.07.2003. The defendant was avoiding the service of summons. Amforge obtained order of the Court for substituted service by pasting. The same was served on 31st March, 2004. The defendant has filed Written Statement. The matter was kept for framing Issues on 7.12.2004.
2. A winding up petition is filed against LML Ltd. (LML) in the Allahabad High Court for non payment of Rs. 52.43 lacs. A consent term was filed on January 11, 2006 under which LML has agreed to pay the said amount with interest at the rate of 10% p.a. in twenty instalments. The first two instalments have been paid. However AIL has not received the third installment and has sent a notice for payment of the third installment. If LML fails to pay the third installment within seven days of the notice then the High Court will be moved for admission of the winding up petition.

LITIGATION AGAINST OUR DIRECTORS

Litigation against Mr. Anand Mahindra

Civil Cases

A suit has been filed before the Civil Judge, Senior Division, Ghazipur by an ex-dealer of M&M seeking to restrain them from terminating his dealership and appointing another dealer. The order passed by the court against M&M has been set aside by the High Court at Allahabad. The amount involved is Rs.1.6 million. The matter is pending for hearing.

Criminal Cases

The Maharashtra Security Guard Board filed a criminal complaint (183/1998) against Mahindra Realty & Infrastructure Developers Limited and its directors including Mr. Anand Mahindra for their non registration as an employer under the Maharashtra Private Security Guards (Regulation of Employment and Welfare) Scheme, 1981. A revision application was filed by Mr. Anand Mahindra, such application was rejected. A stay of the lower courts' orders has been granted by the High Court at Mumbai.

Eight criminal complaints have been filed before various courts in India by dealers and customers of M&M and other group companies against Mr. Anand Mahindra and others, alleging cheating on various grounds including the non supply of vehicles, supply of defective vehicles, defective services by a group company inspite of receiving the due consideration for the vehicle and other services. The orders passed by the lower court were challenged before the relevant high courts who have stayed the proceedings. The matters are pending final hearing.

A dealer filed a criminal complaint before the Chief Judicial Magistrate, Karnal against M&M and its directors including Mr Anand Mahindra alleging that six cheques deposited by M&M in the bank were stolen from his premises and were not issued by him. M&M and its directors have filed a petition to quash the proceeding before the Punjab and Haryana High Court. The court has stayed the proceedings, pending final hearing.

A criminal complaint has been filed against Mr. Anand Mahindra by Shops & Establishment Inspector, Municipal Corporation of Greater Mumbai with Special Metropolitan Magistrate Court, Borivali alleging non- compliance of maintaining employment register and leave register in the prescribed form under the Shops & Establishment Act. The matter is pending hearing.

Labour Cases

Some ex-employees and workmen of group companies have filed four complaints before appropriate labour court/industrial tribunals against Mr. Anand Mahindra and the relevant group company alleging various grounds including wrongful termination of their services, change in working conditions and demanding compensation, back wages and for reinstatement where applicable. The matters are pending for hearing.

3 complaints have been filed by one of the employees' union at one of the factories of M&M before the labour courts against Mr. Anand Mahindra, M&M and others on several grounds including termination of services of workmen, shifting of machinery, transfer of workmen, redeployment of workmen, out sourcing manufacturing activities, stay on voluntary retirement scheme and lay-off. These complaints are pending for hearing.

Consumer Cases

There are 59 consumer complaints filed before various consumer courts such as District Forum, State Forum and National Forum, in which Mr. Anand Mahindra has been impleaded as a party. These complaints include allegations including deficiency in service, defects in the vehicle and delay in delivery. These complainants have claimed replacement of the tractors and vehicles and/or compensation. The total claim involved in these cases amounts to approximately Rs. 10.7 million. The matter is pending for hearing.

LITIGATION AGAINST OUR PROMOTER

Contingent Liabilities as of March 31, 2006

M&M had contingent liabilities not provided for as of March 31, 2006 as follows:

Guarantees given by M&M as on March 31, 2006:

	Amount of guarantees (Rs. million)	Outstanding amounts against the guarantees (Rs. Million)
For employees.....	10.5	0.03
For other companies..	527.0.0	271.7

Claims against M&M not acknowledged as debts as on March 31, 2006 comprise of:

Excise Duty, Sales tax and Service Tax claims disputed by M&M relating to issues of applicability and classification aggregating to Rs. 1,335.6 million (Net of Tax: Rs. 991.6 million);

Other Matters (excluding claims where amounts are not ascertainable) Rs. 54.5 million (Net of Tax: Rs. 36.8million);

Claims on capital account: Rs. 11.8 million.

Uncalled liability on equity shares as on March 31, 2006 partly paid Rs. 105.0 million.

Taxation matters till March 31, 2006:

- i. Demands against M&M not acknowledged as debts and not provided for, relating to issues of deductibility and taxability in respect of which M&M is in appeal and exclusive of the effect of similar matters in respect of assessments remaining to be completed - Income-tax: Rs. 1,131.7 million;
- ii. Items in respect of which M&M has succeeded in appeal, but the Income-tax Department is pursuing/likely to pursue in appeal/reference and exclusive of the

effect of similar matters in respect of assessments remaining to be completed -
Income-tax matters: Rs. 496.2 million and Surtax matters: Rs. 12.80 million.

Bills discounted not matured, as on March 31, 2006, Rs. 869.7 million.

Litigation

Civil Cases

- i. M&M has forty-six civil cases instituted against it. The aggregate amount, where claimed and where quantifiable, in these cases is approximately Rs. 122.28 million.
- ii. Seven of the above civil cases have been filed by M&M's dealers, on grounds including breach of dealer contract, wrongful termination of the dealership aggregating Rs. 31.6 million, where an amount has been claimed and is quantifiable.
- iii. Other Miscellaneous Civil Cases:

The other thirty nine miscellaneous cases, pending against M&M aggregate approximately Rs. 90.68 million. The cases have been summarized below:

M&M has challenged and appealed before the High Court at Mumbai against the order passed by the Small Causes Court on the notice of Mumbai Municipal Corporation demanding the octroi for total sum of Rs. 6.1 million towards import of software acquired by way of license, including further licences for additional number of users of software. The appeal is pending hearing.

M&M had filed a suit against Credential Finance Limited (Credential) for recovery of sum of Rs. 89.7 million towards the redemption of non convertible debenture issued to M&M by Credential and the unpaid interest thereon. Credential has subsequently filed a recovery suit before the High Court at Mumbai claiming Rs. 68.7 million on the ground of excess payment made by it to M&M. Credential has also prayed for cancellation of the non convertible debenture amounting to Rs. 50.0 million issued by it to M&M. The matters are pending hearing.

Canara Bank has filed a recovery case before the Debt Recovery Tribunal against Sunex Automotive Plastics Private Limited (Sunex) and others including M&M. M&M is one of the drawees/acceptors of certain bills and hundis drawn by Sunex involving a sum of Rs. 10.5 million. Sunex has failed to honour the hundis which were discounted by M&M with Canara Bank. Canara Bank is claiming the amount from M&M as well. The sum involved against M&M is Rs. 2.2 million. The matter is pending hearing.

M&M also has thirteen civil legal actions filed against it on grounds including non delivery of vehicles and compensation, replacement of defective vehicle, recovery of excess or advance amount. The sum involved in these cases is approximately Rs. 11.3 million.

M&M has been added as a party or as a party to twenty one actions, including claims by its shareholders relating to transfer and/or transmission of their shares, where no monetary claim has been made against M&M.

A transporter, Sarwan Singh Nijjar, has filed a recovery suit against M&M. M&M not being satisfied with work carried out by the transporter Sarwan Singh Nijjar, terminated the Agreement dated September 1, 1997. Sarwan Singh is claiming Rs.17,31,257 alongwith interest at the rate of 12% per annum from March 1, 2004 upto the date amounting to Rs.5,00,000 which aggregates to Rs. 2,231,257.

Employee Related Cases

M&M has cases filed by its workmen and officers against it before labour courts and civil courts, which are summarised below:

Three hundred fifty nine cases have been filed against M&M by its suspended employees, ex-employees, contract workmen alleging ground such as illegal termination, suspension, and claiming permanency and/ or for payment of back wages. The sum involved in these cases is Rs. 134.54million.

The union at one of the M&M factories has filed a case before the industrial tribunal against M&M claiming wages during the strike period i.e. between the period January 11, 2000 and February 9, 2000. The claim made by the union aggregates to Rs. 67.5 million.

Six cases have been filed by M&M's ex-workmen and officers alleging either insufficient or non payment of voluntary retirement scheme compensation. The amount involved in these cases is approximately Rs. 12.7 million.

M&M has challenged, by filing a writ petition before the High Court at Kolkata, three demand notices from Employees State Insurance Authority claiming Rs. 1.3 million, for the period from January 1968 to March 1989, along with the interest, on the basis of wrongful consolidation of payment in relation to the contributions of non M&M employees and M&M employees by the department. The petition before the High Court at Kolkata is at final hearing stage.

There are thirty miscellaneous cases filed by employees against M&M, wherein the sum involved is Rs. 1.0 million and eleven cases filed by employees unions at certain plants of M&M and officer's association on various grounds. No monetary compensation has been claimed in these cases.

Eight officers of Roplas India Limited have filed before junior division civil judge Pune, suit for claiming for monetary benefits of its Voluntary Retirements Scheme. Mahindra Holding and Finance Limited and M&M have also been named as a party in the suit.

Property Related Cases

M&M has eleven property related litigation pending against it. The sum involved in these legal actions is about Rs. 69.9 million:

- i. M&M has filed a petition before the High Court at Hyderabad against the Commissioner (Land Acquisition), Hyderabad and Mandal Revenue Office, Zaheerabad against order passed by the appellate authority viz. revenue divisional officer, Zaheerabad on a notice issued by Mandal Revenue Office to Mahindra Allwyn Nissan Limited (which was merged with M&M) demanding an amount of Rs. 56.46 million being compensation awarded to the land owners, for the land acquired on its behalf by the Andhra Pradesh Government.
- ii. A notice was issued by the Collector of Stamps at M&M's Jaipur plant claiming Rs. 11 million as inadequate stamp duty paid on sale deed for the purchase of land at Jaipur. The matter is presently pending before the Collector of Stamps.
- iii. Seven suits including for eviction and encroachment have been filed against M&M aggregating approximately Rs. 2.40 million, where the amount is quantifiable.
- iv. Chairperson of Thumkunta Vanasamrakshna Samiti filed a writ petition against joint collector Medak district at Sangareddy & M&M. on grounds that the local authorities had illegally allowed M&M to erect pillars in the Sangareddy property and that M&M had encroached into forest land. A stay order directing M&M to stop such construction was later vacated by the high court at Kerala. The matter is pending for hearing.
- v. A suit is filed by the original holder of the property against M&M in the Civil Court, Thane praying for permanent injunction restraining M&M from entering the suit property. The suit was filed on ground that the suit property was illegally acquired by the builder, who had sold it to M&M. The matter is now pending for hearing.

Consumer Cases

M&M has nine hundred and forty six cases filed by its customers before various consumer courts such as the District Forum, State Forum and National Forum, alleging deficiency in service, defects in the vehicle/tractor, delay in delivery etc., and claiming replacement of the tractors and vehicles and/or compensation. The total claim involved in these cases amounts to approximately Rs.126.6 million.

Forum				Number of cases	Amount involved ((Rs. in million))
District Consumer Dispute Redressal Forum				680	98.8
State Consumer Dispute Redressal Forum				252	14.4
National Consumer Dispute Redressal Forum				14	13.4
Total				946	126.6

Insurance related cases/workmen's compensation cases

M&M is involved in seven hundred and forty four cases, summarized below, where various claims have been made against M&M and/or the insurance companies. All the insurance claims, by survivors or their heirs, relate to third party claims, personal injury and fatal

accidents occurring during the transit of the vehicles. The claims are usually filed before the appropriate MACT and occasionally before the commissioner of workmen's compensation:

- i. Three hundred and forty six cases have been filed jointly against the various insurance companies and M&M before various MACT and or the Commissioner of Workmen's Compensation on account of accidents occurring to M&M vehicles in transit and M&M has been joined only as a necessary party. The aggregate claim made under these cases amount to Rs. 128.3 million. There is no financial implication on M&M under these cases as the respective insurance companies would be liable for the same.
- ii. Twenty-two cases are pending against M&M where insurance companies have declined liability under the term of the insurance policy conditions. The aggregate amount of claims arising from these cases is Rs. 15.8 million. All such claims are made in cases where the transporter has taken passengers en-route during transit.
- iii. Three hundred and fifty seven cases are pending against M&M and insurance companies where the insurance company has still not declined liability and proceeding of the cases have not been served on M&M. The amount involved in such cases is not ascertainable.
- iv. There are nineteen cases where the insurance company has preferred an appeal against the order passed by the MACT tribunals, wherein M&M has been made party to the proceeding. The amount involved is Rs. 46.9 million.

Tax related litigation

Income Tax Cases

- i. M&M has filed twenty two appeals pending before Appellate authorities, Commissioner of Income Tax (Appeals), Income Tax Appellate Tribunal, High Courts, etc. The amount claimed under the appeals aggregates to Rs. 1,131.7 million.
- ii. In thirty-two cases M&M has filed and succeeded in appeals on various claims made by the Income Tax Department, the Income Tax Department is however pursuing or is likely to pursue an appeal/reference in these cases (including surtax). The amount involved in these appeals aggregates to Rs. 496.24 million.

Sales Tax

M&M has thirty nine sales tax related matter pending against it. The aggregate amount involved in the matters is approximately Rs. 102.9 million.

Excise Related Claims

M&M has thirty three excise related matters pending against it. The aggregate amount involved in the matters is Rs. 4,117.2 million.

Criminal Cases

There are sixteen criminal cases pending against M&M before various courts and

authorities. The details of these are as follows:

- i. A dealership contract of one of the dealer was terminated by M&M. Pursuant to that three criminal complaints have been filed against M&M under section 425, 420, 409, 467, 471, 120B, 323, 505, 504 read with Section 34 of IPC by the dealer and two of his customers alleging that the due payment of consideration by demand drafts aggregating to Rs. 2.2 million, Rs. 0.2 million and Rs. 0.2 million respectively has been made but M&M has not delivered the tractors to them. M&M has filed criminal writ petition in one of the complaints before the High Court at Mumbai. The court has admitted the application and stayed the criminal process. M&M has filed a criminal revision petition pertaining to the other two, before the High Court at Mumbai, which have been admitted and stay of the proceedings in the lower courts has been granted.
- ii. A customer of M&M filed a complaint under Section 420 of the IPC against M&M and its directors alleging supply of inferior quality vehicle. A petition under section 482 for quashing the proceeding has been filed, which is pending for hearing.
- iii. A customer of M&M filed a complaint under Section 406, 420, 467, 468, 471, 120 B of IPC alleging that M&M is guilty of cheating and supplying defective vehicle. The High Court at Patna has quashed the proceedings under Section 482 CrPC. The matter is pending for final hearing.
- iv. The commissioner of excise and prohibition has filed a special leave petition before the Supreme Court against the order of the Andhra Pradesh High Court releasing the confiscated vehicle of M&M. The M&M vehicle was being transported from Zaheerabad factory to the regional sales depot at Chennai on stock transfer through a transport agency when it was intercepted by the excise inspector. The matter is pending for hearing.
- v. A dealer of M&M has filed a criminal complaint before the Chief Judicial Magistrate, Karnal against M&M and its directors alleging six cheques deposited by M&M in the bank were stolen from his premises and were not issued by him. M&M and its directors have filed a petition to quash the proceeding before the Punjab and Haryana High Court, which has stayed the proceeding, pending the hearing and final disposal of the petition.
- vi. Three criminal complaints has been filed against the occupier and manager of the Kandivli Unit (Farm Equipment and Auto Sector) of M&M under Factories Act, 1948 by Deputy Director for Industrial Safety and Health alleging that the specified safety and health standards were not met by the unit. The cases arose from the injury suffered by workmen working at the above unit. The matters are pending with the Metropolitan Magistrate, Andheri, Mumbai.
- vii. Six criminal complaints have been filed against the occupier and manager of Kandivli unit (Auto Sector) of M&M, by Director for Industrial Safety and Health alleging that the unit had violated Section 54 of the Factories Act, 1948 by working beyond 9 hours without permission from the authorities. The case is pending before the Metropolitan Magistrate, Andheri, Mumbai.

Litigation filed by M&M

- i. M&M has filed forty seven cases for claiming relief under Section 138 of the NIA for cheques issued in favour of M&M but were not honoured. The aggregate of claims in these proceedings is approximately Rs. 121.41 million.
- ii. M&M has filed twenty three recovery suits for claiming amounts due under various contractual arrangements such as dealer contracts; amounts due on discounted bills and amounts due on the debentures in which M&M had invested. The amount involved in these cases is Rs. 333.6 million.
- iii. M&M has filed three cases involving immovable property. One suit is for specific performance of a contract for sale of land. The other case is an eviction suit asking the employee to vacate M&M's company property as he is no longer entitled to the same, the decree has been issued in M&M's favour and M&M has applied for execution of the decree. The third suit is filed against an encroacher and claiming damages and loss suffered due to the caving in of the property. The amount claimed is Rs. 2.0 million. The matter is pending for hearing.
- iv. M&M has filed three trademark cases restraining Mahendra & Mahendra Paper Mills Limited, Mahendra & Mahendra Seeds Limited; Mahendra & Mahendra Electronic Limited from infringing and/or passing off the mark "Mahindra" and "Mahindra & Mahindra". The High Court at Mumbai granted an order in the notice of motion as well an appeal in notice for motion in favour of M&M. The Supreme Court has also confirmed the order passed by the High Court. The suits are pending for trial.
- v. M&M has filed a criminal complaint against North Bay Industries for criminal breach of trust. M&M had sent 10 chassis to North Bay Industries for body building who did not return these chassis but hypothecated them to the Allahabad Bank and availed a loan. The chassis were seized by police and returned to M&M. M&M also filed a case under Section 406 and 420 of the IPC against K.N. Roy and Allahabad Bank, for criminal breach of trust. K.N. Roy and the manager of Allahabad Bank have filed separate discharge application. Further, M&M had also filed a civil petition claiming the amount due under a bank guarantee issued by Allahabad Bank in this transaction. The civil matter has been settled and is yet to be taken on record by the court.
- vi. M&M has filed two cases against its unions and member employees of such unions before the appropriate courts in whose jurisdiction the particular factory unit is located, seeking to restrain workers and employees from agitating in front of the factory gate.
- vii. A suit (2965 of 2003) is filed by M&M against the State of Gujarat and Gujarat State Investments Limited, for recovery of losses suffered by M&M to the tune of Rs.24.95 million along with interest, on account of suppression, non-disclosure and misrepresentation of facts by State of Gujarat during the due diligence carried out by M&M for the acquisition of Gujarat Tractor Corporation Limited in the year 1999. The defendants have not filed their written statement so far and the matter is likely to proceed ex-parte.

LITIGATION INVOLVING OUR PROMOTER GROUP COMPANIES

Litigation Against Mahindra Ugine Steel Company Limited

Contingent Liabilities

MUSCO had contingent liabilities not provided for as of March 31, 2006 in relation to

- a) Bills discounted (customers' bills) but not matured Rs. 121.9 million.
- b) Excise duty:
 - (i) Claims against MUSCO not acknowledged as debts Rs. 3,206,434.
 - (ii) Other excise matters for which the company is contingently liable Rs. 63,999,857. These are in respect of matters which have been successfully defended by the company and where the Department has further gone in appeal. This includes:
 - Rs. 6,223,476: which relates to the method of valuation of customer processed finished goods for the purpose of discharge of excise duty, where the customer supplies raw material. This matter has been settled by the Customs, Excise and Service Tax Appellate Tribunal (CESTAT) in favour of the company. Excise department has continued to issue show cause notices for subsequent periods aggregating to Rs. 20,667,042.
 - Rs. 36,508,71 - which relates to inclusion of scrap credit in the assessable value for the purpose of payment of excise duty. This matter has been settled by CESTAT in favour of the company.In both the above mentioned cases, the department has gone in appeal to the Supreme Court.
 - Rs. 600,629 being other matters.
- c) Taxation demands: Rs. 19,738,817 against which MUSCO had filed its appeal which was decided in its favour. The department has now filed an appeal against the order claiming Rs. 15,041,926.
- d) Other claims against the company not acknowledged as debts Rs. 43,472,887. These include:
 - i. Rs. 41,519,887 pertaining to show cause notice for payment of custom duty in respect of the value based advance licenses purchased by the company and used for import of goods. As the export obligation against the above was already fulfilled by the seller of the license, the company appealed against the said notice before the CESTAT who has granted a stay.
 - ii. Rs. 1,953,000 being other matters.
- e) Other matters for which the company is contingently liable amount to Rs. 146,346,951. This represents the dispute in the rate of water charges demanded by the irrigation department based on a unilateral increase in rates and the amount which the company has been paying. The above amount includes an initial demand raised by the irrigation department of Rs. 5,673,638 up to March 31, 1995 which was decided in favour of the company in the court of the Civil Judge, Senior Division, Panvel. The balance of Rs. 140,673,313 represents differential demands raised by the irrigation department for subsequent periods.

Litigation

Excise Cases

- i. The method of valuation, adopted by MUSCO, of customer processed finished goods for the purpose of discharge of excise duty, where the customer supplies raw material was not accepted by the excise department. The excise department issued a show cause notice which was settled in MUSCO's favour by the CESTAT. The claim amount was Rs. 6.22 million. The department has filed its appeal and the matter is pending hearing before the Supreme Court.

The department has issued a further show cause notice on the same ground for the subsequent years for a sum aggregating to Rs. 20.7 million. The matter is also pending for hearing before the Supreme Court.

- ii. The inclusion of scrap credit in the assessable value, by the department, for the purpose of payment of excise duty was challenged by MUSCO. The matter was decided in MUSCO's favour by CESTAT. The amount involved is Rs. 36.5 million. The department has filed its appeal and the matter is pending hearing before the Supreme Court.

A claims of Rs. 0.6 million on the same ground as above has also been made by the department against the MUSCO for subsequent period of assessment year 2003- 2004.

Custom Cases

A show cause notice was issued against MUSCO, in respect of value based advance licenses purchased and used for import of goods. The notice demanded payment of custom duty of Rs. 41.51 million. As the export obligation against the above was already fulfilled by the seller of the license, MUSCO appealed against the said notice with CESTAT who has granted a stay.

Tax Cases

There was a taxation demand from the assessing officer against MUSCO amounting to Rs. 19.74 million for the assessment year 1990-91, 1991-92 and 2003 – 2004. In appeal the matter was decided partly in favour of MUSCO . The department and MUSCO have preferred an appeal against the order.

Other matters

- i. MUSCO has sent a legal notice dated May 13, 2005 to M/s. Choksi Tube Company Limited, Ahmedabad, for a sum of Rs. 8.68 million towards recovery of direct and indirect sale of alloy steel and difference of sales tax and interest thereon payable to Sales Tax Authorities for non-submission of Sales Tax declaration forms. The matter is pending for hearing.

Litigation Against Mahindra Gesco Developers Limited

Contingent Liabilities

MGESCO had contingent liabilities not provided for as of March 31, 2006 in relation to:

- i. a suit filed by a party, in the Delhi High Court, for recovery of brokerage in respect of a transaction relating to operating of commercial complexes. The claim made in the suit aggregates to Rs. 4,266,771.
- ii. MGESCO has filed appeals against demands, for the assessment years 2002-2003 and 2003-2004, arising primarily out of reclassification of income from business income to income from house property, which aggregates to Rs.163,762,156 and after giving effect to rectification applications, the demand raised is expected to be reduced to the amount disclosed. The amount of demand aggregates to Rs. 105,989,749.
- iii. Guarantees issued by a bank on behalf of third parties and counter guaranteed by the company, against which the company has also received counter guarantees from the respective parties. The amount involved in these guarantees aggregates to Rs. 32,062,500.

Litigation

Civil Cases

- i. Orchid, Daffodil and other Mahindra Garden Societies filed a civil suit (6863 of 2002) against MGESCO alleging issues about private garden, recreation garden, conveyance of the property in favour of the respective societies and other issues under Maharashtra Ownership Flat Act, 1963. The application was rejected by the City Civil Court. The societies have filed an appeal in the Mumbai High Court.
- ii. Karan Promoters Private Limited filed a case before the District Court, Delhi (case No. 408 of 2000) against MGESCO claiming that the brokerage for sale of three floors of the GE Plaza Building was not paid to them. The relief claimed by them is Rs. 4.2 million. The matter is pending for hearing.
- iii. Mahindra Realty & Infrastructure Developers Limited, whose realty and infrastructure division were demerged into MGESCO, filed a writ application (No. 3893 of 2001) against the order of the Appellate Authority for the Board for Industrial and Financial Reconstruction (BIFR), to deposit Rs. 49.6 million towards balance consideration for the purchase of Tensile Steel Limited's land at Vadodara under a BIFR Scheme. The Delhi High Court has ruled in favour of the company and has refunded the amount to it. The matter is pending for hearing.
- iv. The Employees Union filed a writ petition against Tensile Steel Limited and MGESCO in the Gujarat High Court, challenging the management's decision of terminating services of workers and non-payment of their wages and the sale of its land. The High Court has allowed the sale of land and stated that MGESCO is not concerned with the matter. MGESCO continues to be a party to the litigation as an observer.
- v. Ramila Kilachand has filed a case against Harsh Kilachand and several others (Case No. 1355 of 2004) claiming her right over certain property. MGESCO has filed a written statement stating that the property in question has been sold to it and such

property should not be a subject matter of the family dispute. The matter is pending for hearing.

- vi. Yashomala CHS Limited has filed a case against the Pimpri Chinchwad Municipal Corporation objecting sanction of plan showing access from the land bearing survey no. 210/1, Wakad (actually owned by Government) to the Wakad property which is being developed by MGESCO. Pursuant to the interim order of the court the Municipal Corporation has sanctioned the plan. The matter is pending for hearing.

Criminal Cases

- i. MGESCO filed a complaint against Dhanish Construction Private Limited (Dhanish) (Case No. 824/M/2001) and its directors alleging that Dhanish misappropriated Rs 14.6 million paid to them for the purchase of land. The lower court ordered a police investigation to be carried out as per section 156(3) of the CrPC and the directors were arrested. The matter will proceed once the chargesheet is filed.
- ii. The Maharashtra Security Guard Board filed a criminal complaint (No. 183 of 98-New No. 600 S/03) against MRIDL (now MGESCO), Mr. Anand Mahindra, Mr. S. Narayan and Mr. Bharat N. Doshi before the additional Metropolitan Magistrate at Ballard Estate, Mumbai alleging that the security guard employed by MGESCO was not registered under the security guard board and hence was in violation of the Maharashtra Private Security Guards (Regulation of Employment and Welfare) Act, 1981 and the rules made there under. The Mumbai High Court has admitted the applications of Mr. Anand Mahindra and Mr. Bharat N. Doshi challenging the issuance of process and rejection of revision application, by the lower court. The case is pending for hearing.

Others

- i. The Daffodil Mahindra Garden Cooperative Housing Society Limited filed a case against the BrihanMumbai Municipal Corporation (Case No 1966 of 2002) stating that the property tax assessed by the corporation is not valid and excessive. Though MGESCO is a party to the suit, there is no monetary claim against MGESCO.
- ii. The New Great Eastern Spinning & Weaving Mills Limited has filed a reference (No. 58 of 90) under the Sick Industrial Companies Act for rehabilitation with the Appellate Authority, BIFR, Delhi. MGESCO is a party to the hearing as a developer.
- iii. Tensile Steel Limited has filed a petition No. 25/87 under Sick Industrial Companies Act in 1987 for rehabilitation before the BIFR, Delhi. MGESCO is a party to the hearing as a developer. The rehabilitation scheme has been sanctioned to allow development. The matter is pending for hearing.
- iv. MGESCO has filed a writ petition before the High Court at Mumbai (No. 1319 of 2004) seeking dismissal of the demand by the Collector of Mumbai for transfer charges in relation to the transfer of premises located at 8th floor, World Trade Centre, Mumbai from Great Eastern Shipping Limited to MGESCO. The petition has been admitted and is pending for hearing.

Litigation Against Mahindra & Mahindra Financial Services Limited (“MMFSL”)

Contingent Liabilities

Mahindra & Mahindra Financial Services Limited had contingent liabilities not provided for as of March 31, 2006 in relation to

- i. Estimated amount of contracts remaining to be executed on capital account (net of advances) –Rs. 7.6 million.
- ii. Claims not acknowledged as debts in respect of:
 - a. Income Tax demands under appeal for the assessment years 1997-1998, 1999-2000, 2000-2001, 2002-2003, 2003-2004 aggregating to Rs. 118.8 million.
 - b. Sales Tax demands for the assessment year 2004-2005 aggregating to Rs. 9.8 million.
- iii. Performance guarantee issued for Rs. 20 million.
- iv. Corporate Undertaking for Securitisation of Rs. 712.1 million.
- v. Contingent Claims on Account of Legal suits filed in Consumer Forums and Civil courts for Rs. 60.4 million.
- vi. Guarantee to NSE of Rs. 20.0 million towards listing of equity shares.

Litigation

Civil Cases

There are two hundred and twenty four civil cases involving the MMFSL. The aggregate claims in these cases are approximately Rs. 12.98 million. In addition, there are several claims in these cases the company that are not quantifiable.

- a) Repossession Cases
There are one hundred and fifty five cases filed by customers seeking possession of the vehicles seized from them due to non-payment of dues or seeking an injunction to restrain the company from repossessing the vehicles.
- b) In addition to the above, there are thirteen cases filed against the company, where under inter alia it is alleged that MMFSL has illegally seized the vehicle or MMFSL has demanded arbitrary amount. The damages claimed under each of the claim is more than Rs. 50,000 and a claim for return of vehicle has been made. The claims under such suits aggregate Rs. 6.7 million.
- c) Miscellaneous Civil Cases:

Presently there are fifty five miscellaneous cases pending against the company. The aggregate amount claimed under these cases is approximately Rs. 12,521,281. In addition, there are several unquantifiable claims in these cases.

- i. There are 15 cases filed in the Motor Accident Claim Tribunal (MACT) claiming compensation under the Motor Vehicles Act. The aggregate amount claimed under these cases is approximately Rs. 8,130,400.
- ii. There are 3 cases filed against MMFSL alleging improper account statement and wrongful repossession of the vehicle. The claims interalia relate to the issuance of correct statement of accounts .
- iii. There are 5 cases filed against MMFSL alleging non-issuance of no-objection certificate by the certificate. There are claims for issuance of no-objection certificates and award of damages at the rate of Rs. 200 in one case.
- iv. There are 2 case filed against MMFSL for declaration of ownership in favour of the MMFSL's clients. The matter is pending hearing.
- v. There are 3 cases filed against MMFSL alleging interalia demand of excess amount or excess late charges. There are claims for refund of excess amount paid and damages. The aggregate damages claimed are Rs. 28,000.
- vi. There are 6 civil cases filed against MMFSL against insurance company for accident claim amounts on the vehicles financed by MMFSL. The aggregate claims under these cases is approximately Rs.5,965,992.
- vii. There are 5 civil cases filed against MMFSL alleging demand of excessive dues, illegal repossession and apprehension of misuse of post-dated cheques taken from the customer at time of financing. The claims under these cases are for restraining MMFSL from utilising the cheques, for possession of vehicle and damages. The aggregate claims under these cases is approximately Rs. 419,289.
- viii. A customer, Wahajul Sirajul Huq Khan, filed a case in the Court of the Civil Judge, Senior Division, Mau (Case no.13/2004) on February 1, 2004 against the Oriental Insurance Company and the company. The customer has prayed that until the insurance amount is received from the Oriental Insurance Company , MMFSL be directed not to recover any money from the customer. The matter is pending in the said court for hearing under section 8 of the ACA.
- ix. A customer, Sukadev Pradhan, filed a case in the Orissa High Court, Cuttack, (Case no. ARBP-12/2004) on July 15, 2004 against the company, its Managing Director and the branch manager of the company, Bhubaneshwar, for appointment of an arbitrator under Section 11 of the ACA. The customer has prayed that he be provided with a copy of the original loan agreement and for the appointment of an arbitrator. The matter is pending for further hearing.

- x. A customer, Ganpat Bansode, filed a case in the Court of the Civil Judge, Junior Division, Solapur (Case no. 72/04) on June 29, 2004 alleging harassment. The customer has prayed that the company be restrained from causing any harm till the disposal of the suit. The matter is pending for hearing.
- xi. A customer, Jayanta Ghosh, filed a writ petition in the High Court at Kolkata (WP. no.2443/04) on September 29, 2004 alleging illegal seizure of his vehicle. The matter is pending for hearing.
- xii. A customer, Devi Lal Jat filed a case in the Court of the Civil Judge, Junior Division Sri Ganganagar (Case No.16/2003) on January 23, 2003 praying that the refinance agreement in respect of his vehicle had not been completed and hence there is no liability of the customer under the said agreement. The matter is pending for hearing.
- xiii. A customer, Sukhjit Singh, filed a case in the Court at Sirsa, (Case no 788C/03), on October 13, 2003 alleging illegal repossession. The customer has prayed for stay on such repossession. The suit was withdrawn by an order dated October 20, 2003 in the company's favour. The customer defaulted again and hence the company filed for execution of decree dated October 10, 2003. The customer's application for dismissal of execution application was dismissed on October 23, 2005. The customer has filed an appeal against the order dated October 23, 2005 on March 28, 2005 which is now pending for hearing .
- xiv. A customer, Gurdit Singh, filed an appeal (Appeal No. 55G/05) under section 96 of the Civil Procedure Court (CPC) against the decree dated March 7, 2005 passed by the Civil Judge Senior Division wherein it was alleged that vehicle had been improperly valued and sold at a lower price, than the market price. The appeal is pending for hearing.
- xv. A customer, E. Aruna, filed a case before the District Judge, Saroor Nagar, Andhra Pradesh (no. OP 1255/99), on November 30, 1999 alleging that the claim under the MVA has not been released in his favour by the insurance company and making MMFSL a party to the above case. The amount claimed is Rs. 50,000. The matter is pending hearing.
- xvi. A customer, Parmod Kumar, filed a civil case in the Court of the Civil Judge, Senior Division, Sonapat (Case no. 32/04) on September 9, 2004 alleging apprehension of illegal seizure of the vehicle. The customer has prayed that MMFSL be prevented from recovering the penal amount over instalments which could not be paid by him. The company has filed an application for arbitration under section 8 of the ACA. The matter is pending hearing.
- xvii. A customer, Arun Kumar Mishra filed a case in the Court of Civil Judge, Faizabad, (case no. 221/05), on October 19, 2004 against MMFSL alleging the vehicle given to the dealer for purpose of repairs was illegally handed over to the company. The customer has prayed for release of vehicle. The matter is pending for hearing.

- xviii. The complainant, Kamla Devi filed a case in the Court of Additional District Judge, Kanpur, (case no. 822/05), on October 6, 2005 against a customer of the company and the company alleging death of her son due to an accident involving a non-insured vehicle financed by the company. Complainant has prayed for Rs. 5,016,000 as compensation. The matter is pending for hearing.
- xix. A customer, Sanjay Prakash Mishra filed a case in the Court of District Judge, Senior Division, Satna., (case no. 39A/05), on July 13, 2005 against a dealer alleging that defect in vehicle chassis. The customer has also prayed for a decree of permanent injunction directing MMFSL to not recover Rs. 71,900/-. The matter is pending in the court for arguments.
- xx. Bihari Gas has filed a case in the Civil Judge Senior Division, Varanasi (Case No. 75/06), on January 25, 2006 against the company alleging no registration certificate of the vehicle has been provided. The Complainant has prayed for the issuance of registration certificate and cost of the suit. The matter is pending for hearing.
- xxi. A customer, Ajmas filed a case in the court of Munsif Court, Calicut, on February 24, 2006 against MMFSL alleging illegal repossession and without intimation selling his vehicle. The complainant has prayed for recovery of Rs. 263,215 with interest at the rate of 12%. The matter is pending for first appearance by MMFSL on the next adjourned date.
- xxii. A customer of MMFSL, A Jesuddas filed an insolvency petition in the court of P J Subcourt Salem, on February 22, 2006 against MMFSL. The complainant has prayed for declaration of bankruptcy by the court. The matter is pending for and is kept for filing of written statement on the next date.
- xxiii. A customer of MMFSL, Radhamani Sethi filed against MMFSL in the court of Civil Judge, Nayagarh on February 13, 2006 alleging slander and illegal repossession of his vehicle. The complainant has prayed for Rs.10,00,000/- as compensation against slander and Rs. 2,00,000/- towards damages. The matter is pending for filing of objection to the arbitration petition on the next date of hearing.

Consumer Cases

MMFSL has four hundred and twenty six consumer litigations pending against it. The aggregate of claims in these claims is approximately Rs. 57.26 million.

Forum	Number of cases	Amount involved (Rs. Million)
District Consumer Dispute Redressal Forum	394	50.1
State Consumer Dispute Redressal Forum	59	6.86
National Commission	3	0.30

Tax Related Cases

1. Income Tax Cases

There are disputes relating to income tax assessments for the assessment years 1997-98, 1999-2000, 2000-01, 2002-03 and 2003-04 and the aggregate of claim under dispute is approximately Rs. 118.8 million.

- a) The primary issue in the income tax cases is as follows: Disallowance of Depreciation on leased assets - The contention of the Assessing Officer is that the lease transactions are in the nature of pure finance (loan) transactions and hence he has disallowed depreciation on such leased assets.
- b) The other income-tax cases in the various financial years are as follows:
 - i. In the assessment year 1997-98: On reopening of the assessment under section 147 of the I.T. Act the Assessing Officer imposed a liability of Rs. 14.51 million on us. In the said reassessment, the Assessing Officer disallowed the interest accrued on non performing assets. The case is pending before the ITAT.
 - ii. In the assessment year 1999-2000: In the assessment order the Assessing Officer had disallowed depreciation on leased assets, loss on preclosure of hire purchase contracts, guarantee commission incurred and bad debts written off. The matter is pending before the ITAT.
 - iii. In the assessment year 2000-01: The Assessing Officer has imposed a liability of Rs. 14.6 million on us. The said demand has been partly paid and partly adjusted against refunds of assessment years. In the assessment order, the Assessing Officer has disallowed Depreciation on leased assets, expenditure under section. 35D and expenditure under Section 14A of the ITA. The matter is pending final adjudication before ITAT.
 - iv. In the assessment year 2002-03: The Assessing Officer has imposed a liability of Rs. 28.72 million on us by disallowing depreciation on the leased asset. The said demand has been partly paid and partly adjusted against refunds of assessment years. The case is pending before the ITAT.
 - v. In the assessment year 2003-04: The Assessing Officer has imposed a liability of Rs. 60.90 million on us by disallowing depreciation on the leased asset and bad debts. Out of this total amount, Rs. 20.0 million has been paid. The case is pending before the CIT Appeals.

2. Sales Tax Cases

For the financial year 2001-02 sales tax liability of Rs. 9.85 million has been imposed on the company. Out of this total amount, Rs. 3.12 million has been paid.

Criminal Cases

There are thirty criminal cases pending against us before various courts and authorities in India. The details of these are as follows:

- i. There are 13 criminal complaints filed by customers of MMFSL against MMFSL and its employees alleging theft or robbery or dishonest receiving of stolen property on grounds of illegal repossession of vehicles before various courts in India. In 6 such cases MMFSL has filed petition under Section 482 Criminal Procedure Code, 1973 (CrPC) for quashing the complaint. Out of these in 2 cases proceeding at the lower court has been stayed by the high court while in 4 cases are pending before various High Courts.
- ii. There are 3 petitions filed against MMFSL under Section 482 of CrPC seeking dismissal of complaints filed by MMFSL under Section 138 of Negotiable Instrument Act, 1881 (NIA) for redressal against dishonor of cheques or of criminal complaints filed against the guarantor.
- iii. MMFSL seized the vehicle of one of its customers, Khadeeja on grounds of non payment of dues. The petitioner filed a writ petition on January 20, 2005 in the High Court of Kerala (WC.548/05) alleging police inaction in illegal repossession of his vehicle by the company. The petitioner has prayed for issue of writ of mandamus and for possession of the vehicle. The matter is pending for hearing.
- iv. A customer, Vydyar, filed a complaint under sections 379 and 34 of the IPC, in the Court of the Judicial Magistrate First Class, Karunagapally (CC.No.1901/04) on September 22, 2005 against two managers and one field officer of the Allepey Branch of the company for alleged theft of his registration certificate book from the vehicle. The matter is pending for hearing.
- v. Krishna Chandra Mishra, a customer of the company filed a complaint in the Court of Judicial Magistrate, Bahraich (UP) (Crime no. 1941/05) on September 30, 2005 against an erstwhile Manager and employees of the company for alleged cheating, defamation in filing of the cheque bouncing case against him. The company had filed the original complaint before the Assistant Chief Judicial Magistrate, Lucknow Court, under section 138 of the NIA claiming redressal for the bouncing of the cheque issued by Krishna Chandra Mishra. The matter is pending in the court for inquiry by the police.
- vi. A customer, Ramanand Shastri, filed a complaint in the Court of the Judicial Magistrate, Hajipur (Crime no. 2170/05) on September 23, 2005 under section 156(3) of the CrPC for giving direction to the police for lodging a First Intimation Report (FIR) alleging that the company has committed criminal breach of trust, forgery and cheating and should be punished under sections 406, 465, 467, 420 and 468 of the IPC. The matter is pending for police investigation ordered by the court.

- vii. A customer, Bishun Dayal Bhagat, filed a complaint in the Court of the Judicial Magistrate, Muzzafarpur (Crime no. 315/04) on May 15, 2004 against one of the company's dealers and the manager of a branch of the company for cheating and criminal breach of trust by selling/financing a defective tractor to him. The company had filed a petition under section 482 of the CrPC for quashing the proceedings of the lower court in the High Court, Patna (Petition no.31463/04) against the manager of a branch of the company. The High Court has granted a stay on the process.
- viii. A customer, Rajiv Dubey, filed a complaint with the Sub-Divisional Judicial Magistrate, Bhubaneswar (I.C.C. No. 210/2000) on May 11, 2000 against the company and its Managing Director alleging criminal breach of trust, cheating, criminal intimidation and act done by several persons in furtherance of a common intention of misuse of cheques given in good faith. The High Court of Orissa has admitted the application filed by the company and the Managing Director (Cr. M. Case No. 6246) for quashing the said proceedings of the Magistrates Court and has granted a stay on the process issued by the Magisterial Court. The matter is pending for hearing.
- ix. A customer, Radhabhai Salunke, filed a criminal complaint (Crime No 424/05) on October 15, 2005 in the court of the Judicial Magistrate First Class Court at Thane against the company and the managing director alleging that cheating and forgery was committed in submitting the indemnity bond and subrogation letter to the insurance company for releasing the claim amount. The customer further alleges dishonest misappropriation of the vehicle and forging of documents. The Magistrate's court has issued summons against the Managing Director. A revision application No. 186/05 has been filed on November 21, 2005 in the Session Court by the company and the court has called for the records from the lower court and has exempted the Managing Director from appearance till further orders. The matter is pending for hearing.
- x. A customer, Jagat Narayan Tripathi, filed a criminal complaint (Crime No.3766/2001) on August 7, 2001 before the Chief Judicial Magistrate, Basti against the officers of the company alleging cheating on the grounds that the vehicle was not serviced during the warranty period and that the company charged arbitrary and exorbitant monthly installments. The company filed a writ petition before the High Court at Allahabad for quashing of the trial of the lower court. The matter is pending for hearing.
- xi. A customer, Ramesh lodged a FIR bearing No. 3 dated January 7, 2005 under sections 467,468,471,120B, 420 of the IPC against employees of the company alleging forgery of the affidavit on which the vehicle was transferred. The bail application filed by the company was rejected. Thereafter the company approached the High Court at Chandigarh for bail which was granted. The matter is pending for hearing.
- xii. A customer, Manoj Kumar Yadav filed a case (Cri. No. 1741/05) in the Court of Judicial Magistrate First Class, Gairatganj on October 19, 2005 against the Managing Director of the company, Branch Manager of Lucknow and others alleging cheating and criminal breach of trust by not providing him with the no

objection certificate and by not returning him the security deposit amount of Rs.5,000. The matter is pending before the said Court for appearance.

- xiii. Shops & Establishment Inspector, Municipal Corporation of Greater Mumbai has filed a criminal complaint in Special Metropolitan Magistrate Court, Borivali against the Managing Director of the company, Zonal Manager, Area Manager, Regional Manager of Goregaon for non-compliance of maintaining employment register and leave register in the prescribed form.
- xiv. Radha Krishan (complainant) filed a complaint in the Court of Judicial Magistrate, Sub-division, Tohana (Fatehabad), Haryana against the Manager (Hisar Branch) and the Managing Director, MMFSL for defamation under section 499 and 500 of the IPC. The complainant has prayed for punishment under prescribed under the said sections. MMFSL filed a Revision Application in the Session Court for stay of the Lower Court proceedings and the same was allowed. The Court has ordered the stay of the Lower Court proceedings and the matter is now pending for hearing.
- xv. Ashalata Dashrath Chavan (complainant) filed a complaint in the court of Chief Judicial Magistrate, Sangli on February 4, 2006 under section 29 of the Securitisation Act against the Branch Manager, Sangli and the Repossession Agent for illegal repossession of his vehicle. The complainant has prayed for punishment under the said Act. The matter is pending for evidence on the next adjourned date.
- xvi. Munir Ramdurg , one of the customer has made a private complaint (OMA 134/2006) in the Court of J.M.F.C., Pimpri Chinchwad, Dist. Pune, on March 18, 2006, wherein he has made the Chairman and Managing Director and other four employees of Pune Branch as Accused in the said complaint. The said complaint is filed alleging theft, criminal breach of trust, cheating, forgery for the purpose of cheating and common intention arising out of the repossession of the vehicle under finance. The concerned court has not yet issued any process (summons) against any of the above persons; but has passed order of investigation dated May 8, 2006 (u/s.202 Cr. P.C.) by Nigdi Police Station, Pune.

Arbitration proceedings

- i. The company is involved in fifty six arbitration proceedings with its customers claiming the unpaid amount due under various financing arrangements. The aggregate of claims in these proceedings is approximately Rs. 16.7 million.
- ii. The company is involved in three hundred and nine arbitration proceedings with its customers. In these cases the company had reposed the vehicles where the amount due was not paid and then had resold them. The amount so realized had not been adequate to meet the amount due from the customers. The arbitration proceedings were initiated to claim such shortfall amount. The aggregate of claims in these proceedings is approximately Rs. 34.5 million.

Litigation filed by Mahindra & Mahindra Financial Services Limited

The Company has filed 4801 cases for claiming relief under Section 138 of the NIA for cheques issued in favour of the Company that were not honoured. The aggregate of claims in these proceedings is approximately Rs. 52.07 million.

Litigation Against NBS International Limited

Contingent liabilities not provided for in the balance sheet of NBS International Limited as on March 31, 2006 is [1,267,064], in relation to the following cases:

- i. A customer filed a case against NBS International Limited for non delivery of booked vehicle inspite of adequate finance by HDFC. The relief claimed is refund of amount of Rs. 111,514 along with 15% interest per annum and compensation of Rs. 545,000. The matter is pending hearing.
- ii. G.E. Countrywide instituted a case against Murtuza S. Khinkhabwalla and NBS International Limited (NBS) on August 12, 2005 alleging that NBS had not delivered the vehicle after accepting the payment. The claim is for Rs. 610,550 with interest at the rate 2.5% per annum on the principal amount of Rs. 440,000. The High Court at Mumbai on September 15, 2005 passed an ad-interim order against NBS, directing the court receiver to take possession of the vehicle. The notice of motion and the suit is pending hearing.

Litigation against Mahindra Gujarat Tractor Limited (MGTL")

Contingent Liabilities

Contingent liabilities not provided for in the balance sheet of Mahindra Gujarat Tractor Limited as on March 31, 2006 is Rs. 10,886,971.

a) Excise

A demand of excise duty of Rs. 7, 350,805 has been made by Commissioner of Central Excise and Customs, Vadodara on transmission assemblies / chassis assemblies used in the manufacture of tractors of less than 25 horse power, which were exempt from payment of duty, during the period April 1996 to May 1998. An appeal has been filed before the Customs, Excise and Service Tax Appellate Tribunal, Mumbai.

b) Guarantees given by the Mahindra Gujarat Tractor Limited to a financial institution for housing loans given by the financial institution to the employees of the Mahindra Gujarat Tractor Limited. These guarantees aggregate to Rs. 678,739.

c) Bills discounted but not matured aggregate to Rs. 2,857,427.

d) The Wage Agreement with the labour union had expired on March 31, 1998, a charter of demand was received in June, 1998. Subsequent to that the union had filed complaint for conciliation proceeding before Deputy Commissioner of Labour, Vadodara. The matter is pending before the Industrial Court, Vadodara since November 2001. The amount of liability, if any, is not ascertainable

Litigation

Civil Cases

- i. MGTL is defending four civil cases filed by Kantibhai Mali on the ground that the land sold to MGTL is not being used by it. One of these cases also claims to the right to pray at a temple situated on the land occupied by MGTL. Suresh Mali and M Vaghri have also filed similar cases claiming return of the land sold to MGTL after 40 years on the ground that the land sold is not being used for industrial purpose for which it was acquired. The amount involved is not quantifiable.
- ii. A suit (Special Civil Petition No.3163 of 1999) was filed by 14 co-operative societies formed by 120 erstwhile employees of Gujarat Tractor Corporation Limited, for the supply of specified services and components. These societies challenged the sell of Gujarat Tractor Corporation Limited to M&M and an interim injunction was sought to restrain the sale. No interim relief was granted by the Court and the matter is still pending for hearing on interim relief application.
- iii. The registered workers union of Gujarat Tractor Corporation Limited filed a petition (Special Civil Petition No.3024 of 1999) at the Ahmedabad High Court, opposing the deal of sell of Gujarat Tractor Corporation Limited to M&M and an interim injunction was sought against Gujarat Tractor Corporation Limited not to transfer any shares in favour of M&M. No interim relief was granted and the matter is pending for hearing.
- iv. MGTL has been issued a notice on February 7, 2006 by Vadodara Municipal Corporation demanding Rs. 1.58 million as property tax on the property given on hire purchase to four societies. High Court by its order dated February 22, 2006 has reaffirmed the demand upto the extent of Rs. 0.9 million. MGTL has filed an appeal in the Supreme Court on March 31, 2006. The appeal is pending for hearing.

Labour Cases

- i. MGTL is defending 29 cases filed by its employees/ ex-employees, before various forums including the labour court at Vadodara. The claims include wrongful termination of their employment, wrongful suspension, illegal transfer to another department, compensation for accident suffered, demanding bonus under the Payment of Bonus Act, illegal withholding of increment. The aggregate amount claimed under these labour cases is Rs. 6.46 million.
- ii. The General Kamdar Union has filed three cases before the labour court against MGTL including for not accepting the charter of demands of the union, demanding bonus and ex-gratia payment for the financial year 2000 and 2001. The matters are pending hearing before the labour court. The amount involved in these cases is unquantifiable.

Consumer Cases

The company has 38 consumer litigations pending against it as follows:

Forum				Number of cases	Amount involved (in Rs.)
District Consumer Dispute Redressal Forum				27	10.3 million
State Consumer Dispute Redressal Forum				11	4.1 million

Litigation Against Mahindra Shubhlabh Services Limited (“Mahindra Shubhlabh”)

Contingent Liabilities

Contingent liabilities not provided for as of March 31, 2006 were in relation to a claim by one of its franchisees for loss of business claiming a sum of Rs. 0.55 million .

Litigation

- i. An application was filed on February 25, 2005 before the Presiding Officer, Labour Court, Jalandhar by Gurdev Mann against Mahindra Shubhlabh for non payment of salary of an amount of Rs. 0.028 million. The matter is pending for hearing.
- ii. A consumer case is instituted on January 19, 2006 before the Presiding Officer Consumer Forum, Dindigul, Tamil Nadu by Thiru Paul Mayandi against Mahindra Shubhlabh for outstanding dues and loss of business for Rs. 0.52 million. The matter is pending reply.
- iii. A summon has been received from the Special Metropolitan Magistrate, Municipal Bench Court, in the name of four directors of Mahindra Shubhlabh, for alleged violation of the provision under Section 7 of the Shops & Establishment Act for non renewal of the Registration Certificate and non display of the same at the establishment, as required. A petition for setting aside the complaint had been filed on behalf of the fdirectors in the High Court of Mumbai and High Court had granted stay in the matter. The said petition was disposed off by the High Court directing the petitioners to file an application before the Sessions Court. The court also granted permanent exemption to the Petitioner from appearing before the Court. The matter is pending before the Sessions Court for hearing.
- iv. A consumer case has been filed on April 10, 2006 before the President, District Consumer Disputes Redressal Forum, Nawanshahr by Jagdish Singh against Mahindra Shubhlabh for outstanding dues and loss of business for an amount of Rs. 0.10 million. The matter is pending for hearing.

Litigation Against Mahindra (China) Tractor Company Limited

Contingent Liabilities

Capital commitments as at the end of the year not provided in the books amounting to RMB 1.02 million.

Litigation Against Mahindra Acres Consulting Engineers Limited

Contingent Liabilities

Contingent liabilities not provided for as of March 31, 2006 are Rs 2.7 million towards income tax exemption claimed under Section 80 (O) of the IT Act by the company for the assessment year 1997-1998.

Litigation

The Assessing Officer assessed a liability of Rs. 4.62 million against the company in respect of an exemption claimed under section 80(O) of the IT Act. The matter is pending before the ITAT.

Litigation Against Mahindra Holidays and Resorts India Limited (“MHRIL”)

Contingent Liabilities

MHRIL has following contingent liabilities not provided for as of July 31, 2006:

- a. Receivables securitised, with recourse to claim from MHRIL aggregating to Rs. 236,931,553.
- b. Guarantee given to financial institution for timeshare financing aggregating to Rs. 10,185,802.
- c. Arrears of dividend and dividend tax - NIL
- d. Claims against the company not acknowledged as debt.
 - (i) Luxury tax claimed aggregating to Rs. 1,785,666, on room revenue by the Government and disputed by the company in the High Court. The amount has been paid to the Government and possibility of reimbursement depends on the outcome of the case pending before the High Court.
 - (ii) The demands against the company with respect to this matter and exclusive of consequential effect of similar matter in respect of the assessments remaining to be completed is Rs. 200,618,279 (including interest of Rs. 58,051,475). However even if this liability crystallises there would be future tax benefits available on account of timing differences except for interest and income tax rate differences.

Litigation

Consumer Related Cases

- i. MHRIL is defending seventeen cases before the District Consumer Forum, at different locations, filed by its customers on diverse grounds, such as, deduction of cancellation charges from the refund of membership fees; accommodation at their resort not provided when requested; clubbing of annual maintenance charges and utility charges in annual subscription fees and non enrolment in resort condominiums international. The total sum claimed in these consumer cases is Rs. 10,54,873.
- ii. A suit was instituted against MHRIL by Sivasankar, Proprietor, Sri Valli Vilas Gold House, Pondicherry on June 16, 2003 for an amount of Rs. 25,208 before the Additional Sub-Judge at Pondicherry. The suit challenged the deduction of

cancellation charges. The suit is now posted for enquiry in the application filed by the company.

- iii. A suit was instituted against MHRIL by Ashit Shipping Services Private Limited, on May 6, 2005 before the Court of Civil Judge, Senior Division, at Gandhidham. The suit was filed as the accommodation in their resorts was not provided when requested and hence the refund of membership fees of Rs. 194,000 was demanded. The suit is transferred to another Court and hearing date is yet to be fixed.

Property Cases

- i. A suit was instituted by MHRIL against Chancellor Resort (Munnar) in the Munsif Court, Devikulam for encroachment of land by Chancellor Resort. The Taluka Survey Report has been submitted in the court by the surveyor appointed by the court. However Chancellor Resort has challenged the above report. Chancellor Resort has been directed to file its statement before the court on August 14, 2006.
- ii. A suit was instituted against MHRIL by Joanita Periera, Goa before the Civil Judge, Senior Division, Margao for encroachment on land by the company. The suit has been posted to August 08, 2006 for trial.

Criminal Cases

A criminal case was filed against MHRIL by Dileep Sonthalia on June 3, 2005 before the Chief Judicial Magistrate, Hazaribaug for alleged cheating on account of non-provision of accommodation in their resort in spite of issuance of the confirmation voucher. The company had filed a petition under Section 482 of the CrPC before the High Court, Ranchi for dismissing the criminal complaint and the complaint has been quashed by the High Court, Ranchi.

Other Litigation

- i. A case has been filed by MHRIL against the Luxury Tax Authorities on January 28, 2002, in the state of Himachal Pradesh for a sum of Rs.1.79 million before the High Court of Shimla challenging the levy of Luxury Tax on timeshare. MHRIL has filed a writ challenging the levy on the ground that Luxury Tax is not applicable on the timeshare occupancy. The case is yet to be listed.
- ii. A case was filed by MHRIL for recovery of money paid to the ex.landlord at Bangalore and one at Goa for recovery of advance money paid (defaulted in supplying the computer) against the vendor.
- iii. A case was filed by MHRIL against one Mr. C. Rajeev for recovery of Rs. 1.05 lacs due to the Company. MHRIL filed a suit for recovery of the said amount and the suit has been decreed. EP to be filed.
- iv. A case was filed by MHRIL against Computer supplier for recovery of moneys paid towards computers. On summons being issued to the accused, the accused has agreed

to pay the total amount of Rs. 63,250 in installments. The case is posted to 7th August 2006.

- v. A case was filed against Amrosia Trading and the company has been named as one of the defendants among 9 others. MHRIL issued Memberships for the moneys received.
- vi. A case was being filed against MHRIL by Rajan, an ex-employee before the Labour Court at Munnar, Kerala for reinstatement of his services in the company. The domestic enquiry was set aside and the court ordered fresh evidence. MHRIL furnished list of witnesses and fresh documents. The matter has now been settled and withdrawn.

Litigation against Mahindra Infrastructure Developers Limited

Contingent Liabilities

Mahindra Infrastructure Developers Limited had contingent liabilities not provided for, as of March 31, 2006 as follows:

- a) Contracts entered into and remaining to be executed on capital account is Rs. 1.79 million.
- b) Guarantee/Counter Guarantee given by the company in respect of joint venture companies is Rs. 90 million.

Litigation Against Mahindra World City Developers Limited (“MWCDL”)

Civil Suits

- i. Seven cases have been filed against MWCDL before the District Munsif Court, Chengalpattu seeking permanent injunction against MWCDL, the district collector and the sub-district collector and challenging the transfer of land in favour of MWCDL. The matter is pending for hearing.
- ii. A suit has been filed (Civil Suit No.290 / 2006) by auction purchaser of orchid plants lying over the lands which have been acquired by MWCDL against MWCDL in April, 2006 seeking damages of Rs.30 lakhs for alleged damage to his orchid plants. Suit is pending for hearing.
- iii. A suit has been filed by legal heirs of vendor of the property acquired by MWCDL seeking partition of the suit property. The Suit is pending on the file of District Munsif Court, Chengalpattu for hearing.

Land Acquisition Cases

- i. A writ petition (W.P.No.11560/2005) has been filed by Ulaganathan, before the High Court at Chennai in July 2005 against MWCDL, State of Tamil Nadu and the Tahsildar to quash the notification of the land acquisition proceedings (further proceedings for acquisition pending with Government) under section 3(2) of the Tamil Nadu Acquisition of Land For Industrial Purposes Act. The matter is pending for hearing.

- ii. Eleven land acquisition original petitions have been filed against the Mahindra World City Developers Limited and the Special Tahsildar before the Subordinate Court, Chengalpattu on July 2002 by individual owners of the land seeking enhancement of compensation paid for land acquired by MWCDL at the rate of Rs. 25,000 per cent on land acquired by the company. The trial is presently going on before the Subordinate Court. The amount involved in these land acquisition cases is estimated to be Rs. 45 million.
- iii. A writ petition (36236 of 2005) has been filed against MWCDL in the High Court at Chennai by the Central Bank of India, with whom the land acquired by MWCDL from Mr. Harshwardhan was mortgaged seeking enhancement under Section 18(2) of Land Acquisition Act, 1894 of compensation paid by MWCDL for the said land. The matter is pending for hearing.
- iv. A writ petition (2266 of 2006) has been filed by Sivsenthilkumaran before High Court at Chennai in January 2006 against MWCDL, Tahsildar, State of Tamil Nadu to quash vacation of land acquisition proceedings. The matter is pending for hearing.
- v. A writ petition (1729/2006) has been filed by Rajendran before the High Court at Chennai in January 2006 against the State of Tamil Nadu, District Collector, Kancheepuram, Special Tahsildar (LA) to quash the notification of the land acquisition proceedings under the Tamil Nadu Acquisition of Land For Industrial Purposes Act. MWCDL being an interested party had applied to the High Court for being impleaded in the writ petition which has been allowed in February 2006. The writ petition is pending for hearing.

Litigation Against Mahindra Intertrade Limited

Contingent Liabilities

Mahindra Intertrade Limited (MIL) had contingent liabilities not provided for as of March 31, 2006 is as follows:

- a) Income Tax
Taxation demand against which the company has filed appeals before the Commissioner of Income Tax aggregating Rs. 22.2 million.
- b) Corporate Guarantee in relation to deferred credit facility sanctioned by Union Bank of India, Mumbai to the wholly owned subsidiary company Mahindra Middle East Electrical Steel Service Centre (FZE). The guarantee aggregates to Rs. 55.0 million.
- c) Financial guarantee in relation to bank guarantee issued by State Bank of India in favour if a supplier of raw materials of MGTL aggregating to Rs. 1.5 million.

Litigation

Income Tax Cases

MIL has filed an appeal before the ITAT against an order passed by the Commissioner of

Income Tax (Appeal) for the assessment year 2001-02 on account of certain disallowances. The amount involved is Rs. 22.29 million. No date of hearing has been fixed.

MIL is in process of filing an appeal before Commissioner of Income Tax against tax assessment of Rs. 3.38 million for assessment year 2003-04 on account of certain disallowances.

Other Cases

- i. An ex employee Dilip Chaturvedi has filed a civil suit (No 135/97) against MIL for recovery of his dues and damages amounting to Rs. 265,270 before the Civil Judge, Tis Hazari Court at Delhi. The case is pending for hearing.
- ii. A suit was filed by the predecessor in title of MIL, Mahindra Exports Limited against Universal General Trading Compnay, Dubai, the vessel M.V. Reef Unguja, its owner of the export proceeds against a supply of 200 metric tonnes of wheat flour sold by ahindra Exports Limited to Universal General Trading Company. The claim towards export proceeds is Rs. 15.7 million. The vessel and its owners have filed a counter claim of US\$ 387,671.23 (approx Rs. 17,294,013.6) with interest thereon in view of expenses incurred on account of wrongful and illegal arrest of vessel made at the instance of Mahindra Exports Limited. The matter is pending for hearing.

Litigation against Mahindra Steel Service Centre Limited (“MSSCL”)

Contingent Liabilities

MSSCL had contingent liabilities not provided for as of March 31, 2006:

- a) Income Tax: Income tax demand for the assessment year 2003-04 aggregating to Rs. 0.89 million.
- b) Sales Tax: Demand raised by Sales Tax authorities for Financial year 1997-1998 is Rs. 0.426 million which is contested before the Sales Tax Tribunal.

MSSCL is involved in certain legal actions filed pursuant to sales tax and income tax demands stated above in contingent liabilities

Litigation against Mahindra SAR Transmission Private Limited

Contingent Liabilities

The details of contingent liabilities not provided for as on March 31, 2006 are (i) Bills discounted not matured - aggregating to Rs. 0.50 million and (ii) Pending Labour cases - amount is not ascertainable.

Litigation

Three employees of Mahindra SAR Transmission Private Limited, whose services were terminated, filed an application before the Labour Court, Rajkot for reinstatement and payment of back wages. The matter is pending for hearing.

Litigation Against Mahindra Holdings and Finance Limited (“MHFL”)

Contingent Liabilities

MHFL had certain contingent liabilities not provided in its books as of March 31, 2005 for an amount of Rs. 1,223,415 in relation to income tax claims.

Litigation

Taxation Cases

MHFL has appealed before the ITAT against tax assessments of Rs 1.0 million for the financial year ending March 31, 2001 and Rs 0.2 million for the financial year ending March 31, 2000 due to non allowance of certain expenses by the Assessing Officer. The appeals have not been listed for hearing.

Civil suits

A civil suit was instituted by S. V. Deshpande and others (erstwhile employees of Roplas Limited (Roplas) before the Court of the Civil Judge, Senior Division at Pune against Roplas Limited, MHFL and others. They have claimed: a) an amount of Rs. 2.4 million; b) that the voluntary retirement scheme of Roplas dated March 25, 2001 should be declared as null and void and that they be granted the benefits of the voluntary retirement scheme dated August 2, 2000; and c) Roplas be restrained from winding up business operations till the suit is decided. The allegation against MHFL is that it took over the operations of Roplas after its closure. The matter is pending for hearing.

Litigation Against Mahindra AshTech Limited

Contingent Liabilities

Mahindra AshTech Limited has contingent liabilities not provided for as of March 31, 2006 in relation to claims of

- a) Liquidated Damages/Penalty in relation to projects and contracts undertaken by Mahindra AshTech Limited aggregating to Rs. 94.7 million.
- b) Sales Tax claims aggregating to Rs. 0.375 million.
- c) Income-tax claims for assessment year 2001-02 aggregating to Rs. 7.3 million.

Litigation

- i. There are three pending cases against the company in labour court on grounds of [●]. The claims aggregate to Rs. 1 million.

Litigation against Mahindra Engineering & Chemical Products Limited (“MECPL”)

Contingent Liabilities

The contingent liabilities of MECPL not provided for as of March 31, 2006 are as follows:-

- a. Excise matters pending in appeal aggregating to Rs. 0.6 million.
- b. Income Tax matters aggregating to Rs 3.10 million.
- c. Sales Tax matters aggregating to Rs. 1.19 million.
- d. Labour cases as described below aggregating to Rs. 0.02 million.

Litigation

Labour Related Suits

- i. A case was filed against MECPL before the Labour Court at Pune, on account of leave encashment. The amount involved is Rs. 25, 274.50. The matter is pending for hearing.
- ii. S. R. Charles filed a suit before the Labour Court at Pune against MECPL on November 27, 2003 while K Raju filed a suit before the High Court of Mumbai on June 6, 2003 in relation to the termination of their employment by the company seeking reinstatement and payment of all back wages. The matter of S.R. Charles is pending for hearing. The matter of K Raju has not been taken up for hearing.
- iii. A case has been filed under the Factories Act, 1948 against MECPL and MECPL's Executive Director Mr.C.S.Devale as the occupier by Deputy Director of Industrial Health & Safety in Small Cause Court, Pune. The case relates to fatal accident of Mr. D. K. Nalawade, a contract Employee, working as electrician on factory premise. The matter is pending for hearing.

Income Tax Cases

- i. MECPL has filed appeals before the Commissioner of Income Tax (Appeals II), against orders passed by the Assessing Officer for the assessment year 2000-2001 and for the assessment year 2002-2003 on account of certain disallowances. The amounts involved are Rs. 2.3 million and Rs 0.8 million respectively. No date for hearing has been fixed.

Sales Tax and Excise Related Suits

- i. A case has been filed by the sales tax authorities against MECPL on November 17, 2003 before the Maharashtra, Sales Tax Tribunal, at Pune, on account of sales tax rate difference. The amount involved in the case is Rs. 0.67 million. The tribunal has passed an order against MECPL. MECPL shall be appealing against the order of the tribunal.
- ii. A case has been filed by the excise tax authorities against MECPL on November 30, 1992 before the CESTAT on account of differential duty. The amount involved in the case is Rs. 0.52 million. The case is pending for hearing.
- iii. A case has been filed by the sales tax authorities against MECPL on account of dues against rectification of assessment order. The amount involved in the case is Rs. 0.6 million. The case is pending for hearing.

Litigation Against Automartindia Limited

Civil Suits

- i. A suit was filed by the Delhi Development Authority against a director of the company before the Metropolitan Magistrate, New Delhi alleging that the showroom of the company at Okhla, Delhi is being used for commercial purposes whereas the same has been allotted for the purpose of industrial use as per the master plan of the Delhi Development Authority. The penalty involved was Rs. 5000 and Rs. 250 for every day of which the default continues. The matter is pending for hearing.

Bristlecone Inc. – contingent Liabilities

The company has signed a promissory note in favour of State Bank of India (California) against a line of credit approved and sanctioned by the Bank to the Company.

Litigation Against Bristlecone Inc.

The company received a notice on September 16, 2005 from the US Equal Employment Opportunity Commission for dismissal of an employee, Derrick H. Buckhalter on the charge of discrimination. The case is pending before the US Equal Employment Opportunity Commission. The company was asked to file a response to the notice from the Commission by October 27, 2005 which was filed by the due date. The legal representative of the former employee has sent his response to the Commission. The Commission has issued a “Notice of Right to Sue” in favour of the employee on July 28th, 2006 who has 90 days from date of receipt of notice to file a suit against the Company. The amount of liability has not been determined in the original notice.

Litigation Against Bristlecone India Limited

Contingent Liabilities

The contingent liability of Bristlecone India Limited not provided for as of March 31, 2006 aggregating to Rs. 0.23 million in relation to outstanding bank guarantee.

Litigation Against Bristlecone UK Limited

Contingent Liabilities

A PAYE investigation is ongoing with the Inland Revenue department. The amount of liability is not quantifiable at present.

Litigation Against Mahindra Logisoft Business Solutions Limited

Contingent Liabilities

The contingent liabilities not provided for as of March 31, 2006 are as follow

- a) Suit filed by two employees before the Deputy Commissioner Labour (Appeals), Chennai for reinstatement. The total amount claimed by employees is Rs. 1,015,067;

Litigation

Mahindra Logisoft Business Solutions Limited had filed two appeals on May 2, 2005 before the High Court of Judicature at Chennai (Special Original Jurisdiction), to stay the orders of the Deputy Commissioner of Labour (Appellate Authority, Chennai) setting aside orders of termination of two former employees, M. Balasubramanian and S.N Karmegam. The employees had claimed compensation of Rs 551,667 and Rs. 463,400, respectively (for the period from July 2003 to May 2005). Mahindra Logisoft Business Solutions Limited has deposited the disputed amount with the court. The matter is pending for hearing.

Litigation Against Tech Mahindra Limited (“TML”)

Civil Cases

Case no. 3202 of 2004 has been filed by Shabib Jehangir Kedri (Plaintiff) against TML before the City Civil Court, Ahmedabad claiming compensation for the revocation of his appointment order to the extent of Rs. 0.3 million. TML has filed its reply and the case remains pending.

Tax related cases

Case No./ Date of filing	Case Title	Forum	Nature of Case	Status and Impact
ITA 159 /M/2002	Mahindra British Telecom Limited v. Additional Commissioner of Income Tax	ITAT	Appeal against the assessment order for the Fiscal 1997-98 relating to treatment of software expenses as capital expenditure and certain other deductions under section 80HHE.	Hearing yet to take place. If the case is decided in favour of TML then it will be entitled to a refund.
ITA 5286 /M/02	Mahindra British Telecom Limited v. Additional Commissioner of Income Tax	ITAT	Appeal against the assessment order for the Fiscal 1998-99. The company has appealed against the decision of the CIT in confirming (i)	Hearing yet to take place. If the case is decided in favour of TML then it will be entitled to a refund.

Case No./ Date of filing	Case Title	Forum	Nature of Case	Status and Impact
			disallowance under section 43B of belated contributions in respect of Employees State Insurance and family pension Fund; (ii) disallowance of corporate membership fees of clubs; (iii) disallowance of expenses on computer software by treating it as a capital expenditure; (iv) certain deductions under section 80 HHE of the Income tax Act. The principal amount involved in this appeal is Rs. 17.11 million.	
ITA no. 3584/MUM/2004	Deputy CIT, Mumbai v. Mahindra British Telecom	ITAT	The Deputy CIT, Mumbai has appealed against the order of CIT(A) for the Fiscal 1999-00, dated February 27, 2004 which allowed (i) the Company the payment of employers and employees contribution to PF account within the grace period of five days; (ii) the treatment of project specific expenditure as revenue expenditure. The principal amount involved in this appeal is Rs. 13.51 million.	Pending, hearing yet to take place. If the appeal succeeds then TML will be entitled to a refund.
ITA No. 1922 (Mum) 05	Mahindra British Telecom Limited v. Additional Commissioner of Income Tax	ITAT	Appeal to ITAT against the order of Commissioner of Income Tax (Appeals) - II dated December 13, 2004 for the fiscal 2000-01 relating to treatment of software	Pending. If the case is decided in favour of TML then it will be entitled to a refund.

Case No./ Date of filing	Case Title	Forum	Nature of Case	Status and Impact
			expenses as capital expenditure and certain other deductions under section 80HHE. The principal amount involved in this appeal is Rs. 12.02 million.	
Number not allotted yet	Mahindra British Telecom Limited v. Assessing Officer, IT	CIT (A)	Appeal to Commissioner of Income Tax (Appeals) against the Assessment Order dated November 30, 2004 for the Fiscal 2001-02 relating to treatment of software expenses as capital expenditure and certain other deductions under section 80 HHE.	Pending. If the case is decided in favour of TML then it will be entitled to a refund.

Property related cases

TML had acquired various floors of buildings situated at Oberoi Gardens Estate, Chandivali, Mumbai from Wellworth Developers Mumbai. The conveyance deeds executed for the various floors and on different dates for the said property, states that under the Urban Land (Ceiling & Regulations) Act, 1976 (“ULCRA”), a proceeding has been initiated against the Wellworth Developers Mumbai in relation to the land on which the buildings are situated. TML understands that an order has been passed against Wellworth Developers Mumbai, by the Chief Minister of Maharashtra on July 18, 2005, acting as the appellate authority under the ULCRA, revoking the occupation certificate in respect of the entire complex, comprising amongst others the portion held by TML. The impact of this order TML’s ability to continue to use the said premises is not ascertainable.

Litigation Against Tech Mahindra (Americas) Inc.

An ex-employee of the, Tech Mahindra (Americas) Inc has filed a civil action in the appropriate court of United States alleging wrongful termination of his services. He has, inter alia, sought reinstatement, back wages and compensation. Mahindra-British Telecom International Incorporated’s reply is scheduled to be filed.

Litigation Against Tech Mahindra (R&D Services) Limited

- i. Tech Mahindra (R&D Services) Limited (TMRD) has filed an appeal before the

Employees Provident Fund Appellate Tribunal from an order by regional provident fund commissioner, Bangalore against it levying penalty and penal interest amounting to Rs 1.5 million, alleging delay in transfer of subscribers' contributions. The matter is pending hearing and final disposal.

- ii. Tech Mahindra (R&D Services) Limited has filed a suit against Rakesh Singla and another before the Seventh Metropolitan Magistrates Court at Chennai for dishonor of cheques issued for refund of rent for a sum of Rs.0.4 million.

Property related cases

TMRD had leased certain land situated at Chennai from State Industries Promotion Corporation of Tamil Nadu Limited ("SIPCOT") on March 10, 2005. TMRD through its letter dated November 22, 2005 had informed SIPCOT that there would be a change in control of TMRD, pursuant to the execution of the shareholders agreement by the Company. SIPCOT had requested for information in relation to the shareholding pattern of TMRD and for a copy of the shareholders agreement. In March 2006, TMRD submitted its shareholding pattern disclosing the shareholding of the Company in TMRD. SIPCOT has issued a show cause notice dated April 12, 2006 alleging that pursuant to the transfer of shares to the Company there was a transfer of interest in the said property that required the prior approval of SIPCOT. SIPCOT has asked TMRD to show cause as to why the allotment should not be cancelled. TMRD is in the process of replying to the said show cause notice

Litigation Against Mahindra Sona Limited

Contingent Liabilities

Mahindra Sona Limited had contingent liabilities of Rs. 94.76 million not provided for, as of March 31, 2005 in its books in relation to:

- i. *Income tax cases:* For a sum of Rs. 94,165,500 (including interest upto March 31, 2005 of Rs. 55,365,500) in respect of proportionate depreciation not allowed in an earlier year, on the assets of the automotive component business acquired by the company. Mahindra Sona Limited is in the process of filing an appeal against the demand.
- ii. Demand in respect of an earlier year against which the Company has gone in appeal Rs.296,875/-.
- iii. *Excise cases:* In respect of excise claims against the company not acknowledged as debts Rs. 295,170.

Litigation Against Mahindra & Mahindra Contech Limited

Contingent Liabilities

Mahindra & Mahindra Contech Limited had contingent liabilities not provided for as of March 31, 2005 for a sum of Rs. 18,748,806 in relation to services tax demands.

Litigation

Mahindra & Mahindra Contech Limited was assessed for an amount of Rs. 18.75 million (inclusive of penalty Rs. 9,374,403) as service tax on services rendered as deputation service. The Deputy Commissioner of Central Excise ruled against Mahindra & Mahindra Contech Limited. Mahindra & Mahindra Contech Limited has preferred an appeal, which is pending before the CESTAT. In the hearing held on November 28, 2005, the Tribunal granted a stay.

Litigation Against Owens-Corning (India) Limited

There are 3 cases filed by Directorate Of Industries for Safety and Health for non-compliance with provisions of Factories Act, 1948. The company has filed appeal stating that it is already compliant with the provisions.

Litigation Against Mahindra Sona Limited

Contingent Liabilities

Mahindra Sona Limited had contingent liabilities of Rs. 89,927,353 not provided for, as of March 31, 2005 in its books in relation to:

- iv. Income tax cases: For a sum of Rs. 89,500,000 (including interest upto March 31, 2005 of Rs. 50,700,000) in respect of proportionate depreciation not allowed in an earlier year, on the assets of the automotive component business acquired by the company. Mahindra Sona Limited is in the process of filing an appeal against the demand.
- v. Excise cases: In respect of excise claims against the company not acknowledged as debts Rs. 427,353.

Litigation Against Mahindra & Mahindra Contech Limited

Contingent Liabilities

Mahindra & Mahindra Contech Limited had contingent liabilities not provided for as of March 31, 2005 for a sum of Rs. 18,748,806 in relation to services tax demands.

Litigation

Mahindra & Mahindra Contech Limited was assessed for an amount of Rs. 18.75 million (inclusive of penalty Rs. 9,374,403) as service tax on services rendered as deputation service. The Deputy Commissioner of Central Excise ruled against Mahindra & Mahindra Contech Limited. Mahindra & Mahindra Contech Limited has preferred an appeal, which is pending before the CESTAT. In the hearing held on November 28, 2005, the Tribunal granted a stay.

Litigation Against Plexion Technologies (India) Private Limited

Contingent Liabilities

Plexion Technologies (India) Private Limited had contingent liabilities not provided for as of

March 31, 2005 in relation to

- i. Guarantee in favour of Customs Authorities, Bangalore for a value of Rs.3.104 million issued on March 31, 2005.
- ii. Capital commitments as at the end of the year not provided in the books amounting to Rs. 0.317 million.

GOVERNMENT APPROVALS

The Company has all the necessary permissions and approvals from the Government and various Government agencies for the existing activities.

As per the Scheme of Arrangement the Demerged Undertaking of the transferor Company with all its approvals, permissions, benefits, rights, registrations, consents etc. is being transferred to the transferee Company which would be carried on by the transferee Company on a going concern basis. No further approvals from any Government authority/ Reserve Bank of India (RBI) are required by the Company to undertake the existing activities, save and except those approvals, which may be required to be taken in the normal course of business from time to time.

The Central Government/ RBI accepts no responsibility for the financial soundness or correctness of the statements made in this Information Memorandum.

The major approvals/ permissions/ consents/ NOCs from Government and other agencies for conducting its present manufacturing activities at its plants are as under:

Sr. No.	Licence	No.	Valid to	Issuing Authority
1	MPCB, Consent	BO/PCI-II/ROPN/EIC/ No. PN/0910-06/E/CC-234	31.07.2007	Member Secretary, MPCB, MUMBAI
2	Factory Licence	81301	31.12.2007	Jt Director, Industrial Safety & Health, Pune
3	LDO Storage Permission Approval	A/P/WC/MH/15/2292 (P143362) for 24.5 KL & AP/WC/MH/15/2291 (P143359) for 24.5 KL	Permanent	Dy Chief Controller of Explosive for Jt. Chief Controller of Explosive West Circle Mumbai.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for Listing

The Hon'ble High Court of Judicature at Bombay, vide its Order dated March 21, 2006 has approved the Scheme of Arrangement between AMFORGE INDUSTRIES LIMITED and MAHINDRA AUTOMOTIVE STEELS LIMITED whereby the entire Chakan unit of the Transferor Company as a going concern together with all the assets and liabilities relating to the Chakan unit is proposed to be transferred to and vested in the Transferee Company with effect from 01st April 2005 (i.e. the Appointed Date under the Scheme) under Sections 391 to 394 of the Companies Act, 1956. In accordance with the said Scheme, the Equity Shares of Mahindra Automotive Steels Limited issued pursuant to the Scheme shall, subject to applicable regulations, be listed and admitted to trading on The Bombay Stock Exchange Limited ("BSE"). Such listing and admission for trading will be subject to fulfillment by the Company of listing criteria of BSE for such issues and also subject to such other terms and conditions as may be prescribed by BSE at the time of the application by the Company seeking listing.

Eligibility Criterion

There being no Initial Public Offering or Rights Issue, the eligibility criteria in terms of Clause 2.2.1 of SEBI (DIP) Guidelines, 2000 does not become applicable.

The Company has submitted its Information Memorandum, containing information about itself, making disclosures in line with the disclosure requirement for public issues, as applicable, to BSE for making the said Information Memorandum available to public through their websites viz. www.bseindia.com/ipo/schema.asp

The Company is in the process of uploading the said Information Memorandum on its website viz. www.mahindraforgings.com

Prohibition by SEBI

The Company, its directors, its promoters, other companies promoted by the promoters and companies with which the Company's directors are associated as directors have not been prohibited from accessing the capital markets under any order or direction passed by SEBI.

Caution

The Company accepts no responsibility for statements made otherwise than in the Information Memorandum or in the advertisements to be published in terms of Clause 8.3.5.4 of SEBI (DIP) Guidelines, 2000 or any other material issued by or at the instance of the Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by the Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

Disclaimer Clause of BSE

As required, a copy of this Information Memorandum has been submitted to BSE. The BSE has vide its letter dated November 17, 2005 has approved the Scheme of Arrangement under Clause 24(f) of the Listing Agreement and by virtue of that approval the BSE is included in this Information Memorandum as the Stock Exchange on which the Company's securities are proposed to be listed. The BSE does not in any manner:

- warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum; or
- warrant that this Company's securities will be listed or will continue to be listed on the BSE; or
- take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed to mean that this Information Memorandum has been cleared or approved by the BSE. Every person who desires to apply for or otherwise acquire any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Filing

A Copy of this Information Memorandum is being filed with BSE in due compliance.

Listing

Application has been made to BSE for permission to deal in and for an official quotation of the Equity and Preference Shares of the Company. The Company had received the in-principle approval from BSE for listing of the shares. The Company has already taken steps for the completion of necessary formalities for listing and commencement of trading at the Stock Exchange mentioned above.

Demat Credit

The Company has executed Tripartite Agreements with NSDL and CDSL for admitting its securities in demat form. Equity and Preference Shares has been allotted to those persons of Amforge Industries Ltd who as on record date viz. April 24, 2006 are equity shareholders of the Transferor Company and the same has been credited to the respective shareholders' demat account for those shareholders holding shares in electronic form.

Dispatch of Share Certificates

With respect to the shareholders holding shares in physical form, the new shares have been allotted and physical share certificates have been dispatched at the address of such shareholders as appearing in the records of the Registrar on the record date as above.

Expert Opinions

Save as stated elsewhere in this Information Memorandum, we have not obtained any expert opinions.

Previous rights and public issues

The Company has not made any public issue since incorporation.

Commission and brokerage on previous issues

Since the Company has not issued shares to the public in the past, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since its inception.

Companies under the same management

There are no companies under the same management within the meaning of erstwhile Section 370 (1B) of the Companies Act, other than our Promoter and Promoter Group companies.

Promise vis-à-vis performance

This is for the first time the Company is getting listed on the Stock Exchange

Stock Market Data for Equity shares of the Company

Equity shares of the Company are not listed on any stock exchanges. The Company is seeking approval for listing of its shares through this Information Memorandum.

Performance Vs Projections for listed ventures of the Promoters

There has been no public issue by any of the Group/Associate Companies in the past except as mentioned in the section titled “Financial and other Information of Group Companies” beginning on pages 92 and 100 in this Information Memorandum.

Disposal of Investor Grievances

The Company estimates that the average time required by the Company or the Registrar for the redressal of routine investor grievances shall be 15 days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, the Company will seek to redress these complaints as expeditiously as possible. The Company has appointed Ms. Payal Vyas, Company Secretary as the Compliance Officer and she may be contacted at the following address in case of any matters pertaining to shares/securities.

Ms. Payal Vyas

Secretarial Department,
Fifth Floor, Mahindra Towers,
P.K. Kurne Chowk,, Worli, Mumbai – 400 018

Tel: 91 22 2490 5957
Fax: 91 22 2490 0833
E-mail: masllisting@mahindraforgings.com

Website: www.mahindraforgings.com

The Company has also appointed M/s Karvy Computershare Private Limited (Karvy) as the Registrar and Share Transfer Agents of the Company. Investors may contact Karvy for any matters relating to shares/securities of the Company at the following address:

**Karvy Computershare Private Limited
Unit: Mahindra Automotive Steels Limited
46, Avenue 4, Street No. 1
Banjara Hills
Hyderabad – 500034
Tel.: +91 40 2331 2454/2332 0751/0752/0251
Fax: +91 40 2331 1968/2332 3049
Email: mailmanager@karvy.com**

MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Capitalized terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company.

Pursuant to Schedule II of the Companies Act and SEBI Guidelines, the main provisions of the Articles of Association of Mahindra Automotive Steels Limited are set forth below:

CAPITAL AND INCREASE AND REDUCTION OF CAPITAL

Increase in Capital

Article 6 provides that “The Company in general meeting may from time to time increase its share capital by the creation of further shares, such increases to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. Subject to the provisions of the Act, the further shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the general meeting resolving upon the creation thereof shall direct, and if no direction be given as Board shall determine; and in particular, such shares may be issued with a preferential or qualified right to dividends and in distribution of assets of the company, and with a right of voting at general meetings of the company.”

Restrictions on Purchase by Company of its own shares.

Article 12 (1) provides that “The Company shall not have the power to buy its own shares, unless the consequent reduction of capital is effected and sanctioned in accordance with Article 13 and in accordance with Section 100 to 104 or Section 402 or other applicable provisions (if any) of the Act.”

Reduction of Capital

Article 13 provides that “The Company may subject to the provisions of Sections 78, 80 and 100 to 105 and other applicable provisions (if any) of the Act, from time to time by special resolution reduce its capital and any capital redemption reserve account or any share premium account in any manner for the time being authorised by law, and in particular, capital may be paid off on the footing that it may be called up again or otherwise.”

Modification of rights

Article 16 provides that “Whenever the capital, by reason of the issue of preference shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Sections 106 and 107 of the Act, be modified, commuted, affected or abrogated, or dealt with by agreement between the Company and any person purporting to contract on behalf of that class provided such agreement is ratified in writing by holders of at least three-fourths in normal value of the issued shares of the class or is confirmed by a resolution passed by the votes of not less than three-fourths of the votes of the holders of shares of that class at a separate general meeting of the holders of shares of that class and all the provisions contained in these Articles as to general meetings shall mutatis mutandis apply to every such meeting. This article is not to derogate from any power the Company would have if this article was omitted.”

No Issue with Disproportionate Rights

Article 18 provides that “The Company shall not issue any shares (not being preference

shares) which carry voting right or rights in the Company as to dividend, capital or otherwise, which are disproportionate to the rights attached to the holders of other shares (not being preference shares).”

UNDERWRITING AND BROKERAGE

Commission may be paid.

Article 35 provides that “The Company may, subject to the provisions of Section 76 and other applicable provisions if any of the Act, at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) or in consideration of his procuring or agreeing to procure subscriptions (Whether absolutely or conditionally) for any share in, or debentures of the Company. The commission may be satisfied by payment of cash or allotment of fully or partly paid shares or debentures or partly in the one way and partly in the other.”

Brokerage may be paid

Article 36 provides that “The Company may pay a reasonable sum for brokerage on any issue of shares and debentures.”

CALLS

Directors may make calls.

Article 38 provides that “The Board of Directors may, from time to time, by a resolution passed at a meeting of the Board (and not by circular resolution) make such call as it may think fit upon the members in respect of all moneys unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at a every call so made on him to the persons and at the times and place appointed by the Board of Directors. A call may be made payable by instalments. ”

Call to carry interest after due date.

Article 43 provides that “If any member fails to pay a call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment there of to the time of actual payment at such rate as shall from time to time the article shall render it compulsory upon the Board of Directors to demand or recover any interest from any such member.”

FORFEITURE, SURRENDER AND LIEN

In default of payment shares to be forfeited.

Article 48 provides that “If the requisitions of any such notice as aforesaid are not complied with any share in respect of which the notice has been given may at any time thereafter, before all the calls or instalments and interests and expenses due in respect thereof are paid, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends and bonus declared in respect of the forfeited shares and not actually paid before forfeiture.”

Board may accept Surrender of Shares.

Article 59 provides that “The Board may at any time, subject to the provisions of the Act,

accept the surrender of any share from or by any member desirous of surrendering the same on such terms as the Board may think fit.”

Company’s Lien on Shares.

Article 60 provides that “The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that Article 32 hereof is to have full effect and such lien shall extend to all dividends/interests and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of transfer of shares/ debentures shall operate as a waiver of the Company’s lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause.”

TRANSFER AND TRANSMISSION OF SHARES

Form of Transfer

Article 68 provides that “The instrument of transfer shall be in writing and all the provisions of Section 108 of the Act and any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of shares and of the registration thereof. However the provisions relating to instrument of transfer shall not apply to the shares of the Company which have been dematerialised.”

The Board may decline to register Transfer.

Article 69(1) provides that “The Board may, subject to the right of appeal conferred by Section 111 of the Act, at its own, absolute and uncontrolled discretion and by giving reason(s), decline to register or acknowledge any transfer of any shares in the company to any person of whom it does not approve and in particular, may so decline in any case in which the company has a lien upon the shares or any of them. The registration of a transfer shall be conclusive evidence of the approval by the Board of the transferee but so far only as regards the share or shares in respect of which the transfer is so registered and not further or otherwise and not so as to debar the Board from declining to register any subsequent or other transfer or other shares applied for in the name of such transferee. Transfer of shares/debentures in whatever lot shall not be refused.”

Transfer to be left at office as Evidence of title given.

Article 72 provides that “Every instrument of transfer duly executed and stamped shall be left at the office for registration accompanied by the certificate of the shares to be transferred and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares.”

Transfer Books when closed

Article 74 provides that “The Board may after giving not less than seven days previous notice by advertisement as required by Section 154 of the Act, close the Register of Members or the Register of Debenture Holders for any period or periods not exceeding in the aggregate, 45 (forty-five) days in each year, but not exceeding 30 days at any one time.”

Transmission of shares

Article 77 provides that “Subject to the provisions of the Act and these Articles, any person becoming entitled to a share in consequence of the death, bankruptcy or insolvency of any member, or by any lawful means other than by a transfer in accordance with these presents, may with the consent of the Board (which it shall not be under any obligation to give) upon producing such evidence as the Board thinks sufficient, either be registered himself as the holder of the share or elect to have some person nominated by him, and approved by the Board, registered as such holder provided nevertheless, that if such person shall elect to have his nominee registered, he shall testify the election by executing to his nominee an instrument of transfer of the share in accordance with the provisions herein contained and until he does so he shall not be freed from any liability in respect of the share.”

Board may refuse to Transmit.

Article 78 provides that “The Board shall, subject to the provisions of Article 69 hereof, have the same right to refuse to register a person entitled by transmission to any share, or his nominee, as if he were the transferee named in any ordinary transfer presented for registration.”

Board may require Evidence of Transmission.

Article 79 provides that “Every transmission of shares shall be verified in such manner as the Board may require and, if the Board so desires, be accompanied by such evidence as may be thought necessary and the Company may refuse to register any such transmission until the same be so verified or requisite evidence produced or until or unless an indemnity be given to the Company with regard to such registration which the Board at its absolute discretion shall consider sufficient, provided nevertheless, that there shall not be any obligation on the Company or the Board to accept any indemnity.”

CONVERSION OF SHARES INTO STOCK**Shares may be converted into stock**

Article 85 provides that “The Board may, with the sanction of a general meeting, convert any paid up share into stock and when any shares shall have been converted into stock the several holders of such stock may henceforth, transfer their respective interest therein or any part of such interest in the same manner as and subject to the same regulations, under which fully paid up shares in the capital of the company may be transferred or as near thereto as circumstances will admit, but the Board may from time to time, as it thinks fit, fix the minimum amount of stock transferable and direct that fractions of rupee shall not be dealt with power nevertheless at their discretion to waive such rules in any particular case.”

Rights of Stock-holders

Article 86 provides that “The stock shall confer on the holders thereof respectively the same rights, privileges and advantages as regards participation in the profits and voting at meetings of the Company and for other purposes as would have been conferred by shares of equal amount in the capital of the Company of the same class as the shares from which such stock was converted, but so that none of such privileges or advantages, except participation in the profits of the Company or in the assets of the Company winding up, shall be conferred by any such equivalent part of consolidated stock as would not, if existing in share, have conferred such privileges or advantages. No such conversion shall affect or prejudice any preference or

other special privileges attached to the shares so converted. Save as aforesaid all the provisions herein contained shall, so far as circumstance will admit, apply to stock as well as to shares. The Company may at any time re-convert any such stock into fully paid up shares of any denomination.”

BORROWING POWERS

Power to borrow

Article 88 provides that “Subject to the provisions of the Sections 292 and 293 of the Act, the Board may, from time to time at its discretion accept deposits from members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company. Provided, however, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans in the ordinary course of business) exceed the aggregate of the paid -up capital of the Company and its free reserves (not being reserves set apart for any specific purpose), the Board shall not borrow such money’s without the consent of the Company in General Meeting.”

Payment or repayment of moneys borrowed

Article 89 provides that “Subject to the provisions of the previous Article the payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit and in particular by a resolution passed at a meeting of the Board (and not by a circular resolution) including by the issue of debentures or debenture-stock of the Company, charged upon all or any part of the property of the Company (both present and future), including its uncalled capital for the time being, and debenture-stock and other securities may be assignable free from any equities between the Company and the person to whom the same may be issued.”

Terms of issue of debentures.

Article 90 provides that “Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares and attending (but not voting) at general meetings, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in General Meeting recorded by a Special Resolution.”

SHARE WARRANTS

Power to issue share warrants.

Article 93 provides that “The Company may issue share warrants subject to and in accordance with the provisions of Sections 114 and 115, and accordingly the Board may in its discretion, with respect to any share which is fully paid up on an application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) as the Board may from time to time require as to the identity of the persons signing the application, and on receiving the certificate (if any) of the share and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue a share warrant.”

Privileges and disabilities of the holders of share warrants.

Article 95 provides that “(a) Subject as herein otherwise expressly provided, no person shall,

as bearer of a share warrant, sign a requisition for calling meeting of the Company, or attend or vote or exercise any other privileges of a member at a meeting of the Company, or be entitled to receive any notices from the Company.(b)The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members, as the holder of the share included in the warrant, and he shall be a member of the Company.”

MEETING OF MEMBERS

Annual General Meeting

Article 97 provides that “(a) Subject to Section 166 of the Act, the Company shall in each year hold in addition to any other meetings a general meeting as its annual general meeting and shall specify the meeting as such in the notices calling it, and not more than fifteen months shall lapse between the date of one annual general meeting of the Company and that of the next, subject however to the right of the Registrar under the Act to extend the time within which any annual general meeting may be held. (b) Every annual general meeting shall be called for at a time during business hours on a day that is not a public holiday and shall be held either at the registered office of the Company or at some other place within the city or town or village in which the registered office of the Company is situated.”

Calling of Extraordinary General Meetings

Article 100 provides that “The Board may, whenever it thinks fit, call an extraordinary general meeting of the Company and it shall, on the requisition of the holders of not less than one-tenth of the issued capital of the company upon which all calls or other sums then due have been paid, forthwith proceed to convene an extraordinary general meeting of the Company, and in the case of such requisition the provisions of Section 169 of the Act shall apply. No shareholder or shareholders shall call a meeting of the Company except by or upon a requisition as herein provided.”

Special Business

Article 103 provides that “All business to be transacted at an annual general meeting with the exception of business relating to (i) the consideration of the accounts, balance sheet and the reports of the Board of Directors and auditors, (ii) the declaration of the dividend, (iii) the appointment of and the fixing of the remuneration of auditors, and all, business to be transacted at any other meetings of the Company shall be deemed ‘Special’.”

Quorum

Article 106 provides that “Five members entitled to vote and present in person shall be a quorum for a general meeting. When more than one of the joint holders of a share is present, not more than one of them shall be counted for determining the quorum. Several executors or administrators of a deceased person in whose sole name, a share stands shall, for the purposes of this article, be deemed joint holders thereof. A body corporate being a member shall be deemed to be personally present if it is represented in accordance with Section 187 of the Act. The President of India or the Governor of a state being a member of the Company shall be deemed to be personally present if he is represented in accordance with Section 187A of the Act.”

How motion to be decided at meetings

Article 115 provides that “At any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is demanded as provided in these Articles.”

Declaration of Chairman to be conclusive

Article 116 provides that “A declaration by the Chairman that on a show of hands, a resolution has or has not been carried, or has been carried either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the company shall be conclusive evidence of the fact, without proof of the number of proportion of the votes cast in favour of or against such resolution.”

Chairman’s Casting Vote

Article 121 provides that “In the case of equality of votes the chairman shall, both on a show of hands and on poll, have second or casting vote in addition to the vote or votes to which he may be entitled as a member.”

VOTE OF MEMBERS**Members calls in arrears not to vote.**

Article 123 provides that “No member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of shareholders either upon a show of hands or upon a poll in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the company has, and has exercised, any right of lien.”

Voting in persons or by proxy

Article 128 provides that “Subject to the provisions of these Articles, votes may be given either personally or by an attorney or by proxy. A body corporate being a Member may vote either by a proxy or by a representative duly authorised in accordance with Section 187 of the Act and such representative shall be entitled to exercise the same rights and powers (including right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise it if it were an individual member.”

Appointment of proxy

Article 130 provides that “Every proxy (whether a member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation, under the common seal of such corporation, or be signed by an officer or any attorney duly authorised by it, and any committee or guardian may appoint such proxy. The proxy so appointed shall not have any right to speak at the meeting.”

Proxy to vote only on poll

Article 132 provides that “A member present by proxy shall be entitled to vote only on a poll.”

Chairman of the meeting to be the judge of validity of any vote

Article 137 provides that “The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote entered at such poll.”

DIRECTORS

Article 139 provides that “Until otherwise determined by a general meeting of the company and subject to the provision of Section 252 of the Act, the number of directors shall not be less than three or more than twelve.”

Nominee Directors

Article 142 provides that “Whenever the Company enters into an agreement or contract with the Central or State Government, a local authority, bank or financial institution, or any person or persons, (hereinafter referred to as “the appointer”) for borrowing any money or for providing any guarantee or security or for underwriting shares or debentures or other securities of the Company, the Board shall have, subject to the provisions of Section 255 of the Act, the power to agree that such appointer shall have if and to the extent provided by the terms of such agreement or contract, the right to appoint or nominate, by a notice in writing addressed to the Company, one or more Directors on the Board, for such period and upon such conditions as may be mentioned in the agreement or contract and that such Director or Directors may not be liable to retire by rotation nor be required to hold any qualification shares. The Board may also agree that any such Director or Directors may be removed from time to time by the appointer entitled to appoint or nominate them and the appointer may appoint another or others in his or their place and also fill any vacancy which may occur as a result of any Director or Directors ceasing to hold that office for any reason whatsoever. The Directors appointed or nominated under this Article shall be entitled to exercise and enjoy all or any of the rights and privileges exercised and enjoyed by other Directors.”

PROCEEDINGS OF DIRECTORS

Proceedings of Directors

Article 158 provides that “ (a) The Board of Directors may meet together for the despatch of business, adjourn and otherwise regulate its meetings and proceedings as it may think fit. (b)A meeting of the Board of Directors shall be held at least once in every three months and at least four such meetings shall be held in every year. (c) The Chairman, if any, of the Board of Directors may at any time and the Managing Director if any, or the Secretary on the requisition of a Director shall summon a meeting of the Board. (d)Notice of every meeting of the Board of Directors of the Company shall be given in writing to every Director for the time being in India, and at his usual address in India to every other director.”

Quorum

Article 159 provides that “ (a) Subject to Section 287 of the Act the quorum for a meeting of the Board shall be one third of the total strength of the Board (any fraction contained in the one third being rounded off as one) or two directors whichever is higher; provided that where at any meeting the number of interested Directors exceeds or is equal to two thirds of the total strength, the number of the remaining directors, that is to say the number of the directors who are not interested and are present at the meeting, being not less than two shall be quorum during such time.”

DIVIDENDS

Division of profits

Article 183 provides that “The profits of the Company which it shall from time to time determine, subject to the provisions of the Act, to divide in respect of any year or other

period, shall be applied first in paying the fixed preferential dividend on the capital paid up on the preference shares if any and secondly in paying a dividend declared for such year or other period on the capital paid up on the equity shares.”

Declaration of Dividends

Article 186 provides that “The Company in general meeting may subject to the provisions of the Act declare a dividend to be paid to the members according to their rights and interests in the profits and may fix the time for payment.”

Restrictions on amount of dividend

Article 187 provides that “No larger dividend shall be declared than is recommended by the Board but the Company in general meeting may declare a smaller dividend.”

Dividend and call together

Article 191 provides that “Any general meeting declaring a dividend may make a call on the members of such amount as the meeting fixes but so that the call on each member shall not exceed the dividend payable to him and so that the call may be made payable at the same time as the dividend and the dividend may if so arranged between the Company and the member be set off against the call.”

No member to receive interest or dividend whilst indebted to the Company and Company’s right to Reimbursement thereof

Article 195 provides that “No member shall be entitled to receive payment of any interest on dividend in respect of his own share or shares whilst any money may be due or owing from him to the Company in respect of such share or shares or otherwise howsoever either alone or jointly with any other person or persons and the Board may deduct from the interest or dividend payable to any shareholder all sums of money so due, from him to the Company.”

Capitalisation of Reserves

Article 198 provides that “(a) Any general meeting may, upon the recommendation of the Board, resolve that any moneys, investments or other assets forming part of the undistributed profits of the Company standing to the credit of the profit and loss account or of the Reserve Fund or any capital redemption reserve fund or in the hands of the Company and available for dividend or representing premium received on the issue of shares and standing to the credit of the share premium account be capitalised and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalised fund shall not be paid in cash but shall be applied subject to the provisions contained in clause (b) hereof on behalf of such shareholders in full or towards:- (1) paying either at par or at such premium as the resolution may provide any unissued shares or debentures or debenture stock of the Company which shall be allotted, distributed and credited as fully paid up to and amongst such members in the proportions aforesaid; or (2) paying up any amounts for the time being remaining unpaid on any shares or debentures or debenture-stock held by such members respectively; or (3) paying up partly in the way specified in sub-clause (1) and partly in that specified in sub-clause (2) and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalised sum.

(b) (1) Any moneys, investments or other assets representing premium received on the issue of shares standing to the credit of share premium account; and (2) If the Company shall have

redeemed any redeemable preference shares, all or any part of any capital redemption fund arising from the redemption of such shares may by resolution of the Company be applied only in paying up in full for any shares remaining unissued to be issued to such members of the Company as the general meeting may resolve upto an amount equal to the nominal amount of the shares so issued.

(c) Any general meeting may resolve that any surplus moneys arising from the realization of any capital assets of the Company or any investments representing the same or any other undistributed profits of the Company not subject to charge for income tax be distributed amongst the members on the footing that they receive the same as capital.

(d) For the purpose of giving effect to any such resolution the Board may settle any difficulty which may arise in regard to the distribution or payment as aforesaid as it thinks expedient and in particular it may issue fractional certificates and may fix the value for distribution of any specific assets and may determine that cash payments be made to any members on the footing of the value so fixed and may vest any such cash, share, debentures, bond or other obligations in trustees upon such trust for the persons entitled thereto as may seem expedient to the Board and generally may make such arrangement for acceptance, allotment, and sale of such shares, debentures, debenture- stock, bonds or other obligations and fractional certificates or otherwise as it may think fit.

(e) If and whenever any share becomes held by any member in fraction, the Board may subject to the provisions of the Act, and these articles and to the directions of the Company in general meeting, if any, sell the shares which members hold in fractions for the best price reasonably obtainable and shall pay and distribute to and amongst the members hold in fractions for the best price reasonably obtainable and shall pay and distribute to and amongst the members entitled to such shares in due proportion the net proceeds of the sale thereof. For the purpose of giving effect to any such sale the Board may authorise any person to transfer the shares sold to the purchaser thereof, comprised in any such transfer and the purchaser shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or by invalidity in the proceedings with reference to the sale.

(f) Where required a proper contract shall be delivered to the Registrar for registration in accordance with Section 75 of the Act and the Board may appoint any person to sign such contract on behalf of the person entitled to the dividend or capitalised fund and such appointment shall be effective.”

INDEMNITY

Company may indemnify

Article 208 provides that “Subject to the provisions of the Act, every Director, Manager or an other officer or any person (whether officer of the Company or not) employed by the Company, or as an auditor, or servant of the Company shall be indemnified by the Company and it shall be the duty of the Board to pay out of the funds of the Company all costs, charges, losses and expenses which any such officer or servant may incur or become liable to by reason of any contract entered into or act or thing done by him as such officer or servant or in any way in the discharge of his duties including expenses, and in particular and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such director, Manager, officer or servant in defending any proceedings, whether civil or criminal,

in which judgement is given in his favour or in which he is acquitted or in connection with any application under Section 633 of the Act in which relief is granted by the court.”

WINDING UP

Distribution of Assets

Article 210 provides that “If the Company shall be wound up, and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that, as nearly as may be the losses shall be borne by the members in proportion to the capital paid up on which ought to have been paid up at the commencement of the winding up on the shares held by them respectively and if in a winding up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid at the commencement of the winding up the excess shall be distributed amongst the members in proportion to the capital paid up or which ought to have been paid up at the commencement of winding up on the shares held by them respectively. But this article is without prejudice to the rights of the holders of shares issued upon special terms and conditions.”

Members Knowledge Implied

Article 213 provides that “Each member of the Company, present and future, is to be deemed to join the Company with full knowledge of all contents of these presents.”

OTHER INFORMATION

MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Information Memorandum) which are or may be deemed material have been entered or to be entered into by our Company.

Copies of the following documents will be available for inspection at the Registered office of the Company on any working day (i.e. Monday to Friday and not being a bank holiday in Mumbai) between 11.00 am to 1:00 pm upto seven days from the date of filing of this Information Memorandum.

DOCUMENTS FOR INSPECTION

1. Memorandum and Articles of Association, as amended till date.
2. Certification of Incorporation.
3. Reports of the Statutory Auditors of the Company dated 29th April 2006 prepared as per Indian GAAP and mentioned in this Information Memorandum
4. Copy of the Scheme of Arrangement between Amforge Industries Limited and Mahindra Automotive Steels Limited and their respective Shareholders and Creditors sanctioned by the Hon'ble High Court of Judicature at Bombay vide its order dated March 21, 2006.
5. Copy of the Order dated March 21, 2006 of the Hon'ble High Court of Judicature at Bombay approving the Scheme of Arrangement.
6. Letter dated November 17, 2005 of BSE approving the Scheme.
7. Tripartite Agreement with NSDL dated 27th April 2006 and CDSL dated 21st April 2006
8. SEBI letter bearing reference number CFD/DIL/JAK/72065/2006 dated 19th July, 2006 granting relaxation from the strict enforcement of the requirement of Rule 19(2)(b) of the Securities Contract Regulation (Rules), 1957 (SCRR) for the purpose of listing of shares of MASL.
9. Letter bearing reference number DCS/SJK/RCG/2006/9406 from the Bombay Stock Exchange Limited granting its in-principle approval for listing of the shares of the Company.
10. Deed of Warranties and Indemnities dated July 1, 2005 executed by Mr. Puneet Makar being one of the promoter shareholder of the Transferor Company in favour of the Company.
11. Deed of Warranties and Indemnities dated July 1, 2005 executed by Amforge Industries Limited in favor of the Company.

DECLARATION

To the best of knowledge and belief of the Board of Directors of the Company, all statements made in this Information Memorandum are true and correct.

**SIGNED ON BEHALF OF THE
BOARD OF DIRECTORS FOR
MAHINDRA AUTOMOTIVE
STEELS LIMITED**

DIRECTOR

Mumbai

Date: 19th August, 2006