



DRAFT RED HERRING PROSPECTUS

Dated: August 7, 2008

Please read Section 60B of the Companies Act, 1956

DRHP will be updated upon ROC filing

(100 % Book Built Issue)

TRINITY INDIA LIMITED

(Our Company was incorporated on December 31, 1990 as Trinity Die Forgers Private Limited under the Companies Act, 1956, with the Registration No. 11-59618 of 1990. Our name was changed to Trinity Die Forgers Limited with effect from December 15, 1992 - CIN No. U28910PN1990PLC059618. Our name was further changed to Trinity India Limited with effect from 29.02.2008)

Registered and Corporate Office: J/5, 'S' Block, MIDC, Bhosari, Pune – 411 026, Maharashtra.

Tel: +91-20-2712 0873, +91-20-2712 0527, **Fax:** -91-20-2712 0554 **Email:** cosec.tgu@forge-trinityindia.com, **Website:** www.forge-trinityindia.com, **Contact Person:** Mr. Vijay Shirode, Company Secretary & Compliance Officer

PUBLIC ISSUE OF 48,00,000 EQUITY SHARES OF FACE VALUE OF RS.10/- EACH OF TRINITY INDIA LIMITED (“TIL” OR THE “COMPANY” OR THE “ISSUER”) TO BE ISSUED AT A PRICE OF RS. [●] PER EQUITY SHARE FOR CASH AT A PREMIUM OF RS. [●] PER EQUITY SHARE AGGREGATING TO RS. [●] LACS (“THE ISSUE”). THE ISSUE TO THE PUBLIC WOULD CONSTITUTE ATLEAST [●] % OF THE FULLY DILUTED POST ISSUE PAID-UP CAPITAL OF THE COMPANY

PRICE BAND: Rs. [●] TO Rs. [●] PER EQUITY SHARE OF FACE VALUE Rs. 10/- EACH

ISSUE PRICE IS [●] TIMES OF THE FACE VALUE AT THE LOWER END OF THE PRICE BAND AND [●] TIMES OF THE FACE VALUE AT THE HIGHER END OF THE PRICE BAND

This Issue is being made through a 100% Book Building Process wherein upto 50% of the Issue shall be allotted on a proportionate basis to Qualified Institutional Buyers (“QIBs”). 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder of the QIB portion shall be available for allocation on a proportionate basis to all QIBs including Mutual Funds, subject to valid bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price.

In case of revision in the Price Band, the Bidding period shall be extended for 3 additional working days after such revision, subject to the Bidding/Offer Period not exceeding 10 working days. Any revision in the Price Band, and the revised Bidding period, if applicable, shall be widely disseminated by notification to the National Stock Exchange of India Limited (“NSE”) and the Bombay Stock Exchange Limited (“BSE”), by issuing a press release and also by indicating the change on the websites of the Book Running Lead Manager and the terminals of the member of the Syndicate.

RISK IN RELATION TO THE FIRST ISSUE TO THE PUBLIC

This being the first Issue of the Equity Shares of Trinity India Limited (“the Company”), there has been no formal market for the Equity Shares of the Company. **The face value of the Equity Shares of the Company is Rs. 10/- per share and the Issue Price is [●] times of the face value at the lower price band and [●] times of the value at the higher price band of the Equity Shares of the Company.** The Issue Price (as has been determined and justified by the Book Running Lead Manager and the Company as stated herein under the paragraph ‘Basis of Issue Price’) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and / or sustained trading in the Equity Shares of the Company or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

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

IPO GRADING

The issue has been graded by [●] as [●], indicating [●]. For details, see “General Information” beginning on page [●] of this Draft Red Herring Prospectus.

ISSUER’S ABSOLUTE RESPONSIBILITY

The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this DRAFT RED HERRING PROSPECTUS contains all information with regard to the Company and the Issue, which is material in the context of the Issue, that the information contained in this DRAFT RED HERRING PROSPECTUS is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this DRAFT RED HERRING PROSPECTUS as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING ARRANGEMENT

The Equity Shares offered through the DRAFT RED HERRING PROSPECTUS are proposed to be listed on the BSE and the NSE. The in-principle approval of BSE and NSE for the listing of our Equity Shares has been received pursuant to their letters dated [●] and [●], respectively. For the purpose of this Issue, BSE shall be the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGER



Fortune Financial Services (India) Limited
K.K. Chambers, 2nd Floor, Sir P.T. Marg,
Fort, Mumbai - 400 001
Tel: +91-22-2207 7931
Fax: +91-22-2207 2948
E-mail: til.ipo@ffsil.com
Website: http://www.ffsil.com
Contact Person: Mr. Chintan Hefa

REGISTRAR TO THE ISSUE



**INTIME SPECTRUM
REGISTRY LIMITED**

Intime Spectrum Registry Limited
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (W), Mumbai - 400078
Tel: +91-22-25960320 (9 Lines)
Fax: +91-22-25960329
Email: til.ipo@intimespectrum.com
Website: www.intimespectrum.com
Contact Person: Mr. Sachin Achar

BID / ISSUE PROGRAMME

BID/ISSUE OPENS ON : [●] 2008

BID/ISSUE CLOSES ON : [●] 2008

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**SECTION – I: GENERAL
DEFINITIONS AND ABBREVIATIONS**

Unless the context otherwise requires, the terms and abbreviation stated hereunder shall have the meanings assigned therewith.

Term	Description
Company or Our Company or Trinity India Limited	Trinity India Limited, a public limited company incorporated under the Companies Act, 1956
“We” or “us” or “TIL” and “our company”	Unless the context otherwise require, refers to Trinity India Limited
Promoters	Mr. Jagadishchandra C. Basu (J.C. Basu), Mr. Deepankar Basu, Mr. Ranjan Banerjee and Mr. Yashwant Kurlle

Conventional / General Terms and Abbreviations

Terms	Description
Act or Companies Act	Companies Act, 1956 and amendments thereto
AGM	Annual General Meeting
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
AY	Assessment Year
BSE	Bombay Stock Exchange Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996 as amended from time to time
Dist.	District
DP/ Depository Participant	A depository participant as defined under the Depositories Act, 1996
ECS	Electronic Clearing Service
EGM	Extraordinary General Meeting
EPS	Earnings Per Share i.e., profit after tax for a fiscal year divided by the weighted average outstanding number of equity shares at the end of that fiscal year
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder and amendments thereto
FEMA Regulations	FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations 2000 and amendments thereto
FII(s)	Foreign Institutional Investors as defined under SEBI (Foreign Institutional Investor) Regulations, 1995 registered with SEBI under applicable laws in India
Financial Year/ Fiscal/ FY	A period of twelve months ended March 31 of that particular year, unless otherwise stated
FIPB	Foreign Investment Promotion Board
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
GDP	Gross Domestic Product
GoI/Government	Government of India
HNI	High Net worth Individual
HUF	Hindu Undivided Family
I.T. Act	The Income Tax Act, 1961, as amended from time to time
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial Public Offering
Mn / mn	Million
MoU	Memorandum of Understanding
NA	Not Applicable
NAV	Net Asset Value being paid up equity share capital plus free reserves (excluding reserves created out of revaluation) less deferred expenditure not written off (including



Terms	Description
	miscellaneous expenses not written off) and debit balance of Profit and Loss account, divided by number of issued equity shares
NCT	National Capital Territory
NCR	National Capital Region
NEFT	National Electronic Fund Transfer
NOC	No Objection Certificate
NR	Non Resident
NRE Account	Non Resident External Account
NRI	Non Resident Indian, is a person resident outside India, as defined under FEMA and the FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
NRO Account	Account Non Resident Ordinary Account
NSDL	National Securities Depository Limited
OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under Foreign Exchange Management (Transfer or Issue of Foreign Security by a Person resident outside India) Regulations, 2000. OCBs are not allowed to invest in this Issue
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
PIO	Persons of Indian Origin
PLR	Prime Lending Rate
RBI	The Reserve Bank of India
RoC	The Registrar of Companies, Pune located at 3 rd Floor, PMT Building, Deccan Gymkhana, Pune – 411 004
RONW	Return on Net Worth
Rs.	Indian Rupees
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time
SEBI Guidelines	SEBI (Disclosure and Investor Protection) Guidelines, 2000 as amended from time to time
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended from time to time
Sec.	Section
SEZ	Special Economic Zone
State Government	The government of a state of Union of India
Stock Exchange	BSE, as the context may be
Tal.	Taluka
UIN	Unique Identification Number
US / USA	United States of America
US GAAP	Generally Accepted Accounting Principles in the United States of America
USD/ US\$	United States Dollars

Issue Related Terms

Terms	Description
Allotment	Issue of Equity Shares pursuant to the Public Issue to the successful Bidders
Allottee	The successful bidder to whom the Equity Shares are being / have been issued
Bankers / Escrow Bankers to the Issue	Bankers with whom the Escrow Account for the Public Issue shall be opened
Bid	An indication to make an offer during the Bidding Period by a prospective investor to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto
Bid Amount	The highest value of the optional Bids indicated in the Bid-cum-Application Form and payable by the Bidder on submission of the Bid in the Issue



Terms	Description
Bid Closing Date/ Issue Closing Date	The date after which the members of the Syndicate will not accept any Bids for the Issue, which shall be notified in a widely circulated English National Newspaper, Hindi National Newspaper and a Regional Newspaper
Bid cum Application Form/ Bid Form	The Form in terms of which the Bidder shall make an offer to subscribe the equity shares of the Company in terms of this Draft Red Herring Prospectus
Bidder	Any prospective investor who makes a Bid pursuant to the terms of this Draft Red Herring Prospectus
Bidding Period/ Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective Bidders may submit their Bids
Book Building Process	Book Building route as provided under Chapter XI of the SEBI Guidelines, in terms of which the Issue is being made
BRLM/Book Running Lead Manager	Book Running Lead Manager to the Issue being Fortune Financial Services (India) Limited
CAN/ Confirmation of Allocation Note	Means the note or advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated Equity Shares in the Book Building Process
Cap Price	The higher end of the Price Band, above which Issue Price will not be finalized and above which no Bids will be accepted
Cut-off Price	The Issue Price finalized by the Company in consultation with the BRLM. A Bid submitted at Cut-off Price is a valid Bid at all price levels within the Price Band.
Depository Act	The Depository Act 1996 as amended from time to time.
Depository	A Company registered with SEBI under SEBI (Depository and Participant) Regulations 1996 as amended from time to time.
Depository Participant	A Depository participant as defined under Depository Act.
Designated Date	The date on which funds are transferred from the Escrow Account to the Public Issue Account after the Prospectus is filed with the RoC, following which the Board of Directors shall allot the Equity Shares to successful Bidders
Designated Stock Exchange	Bombay Stock Exchange Limited
Draft Red Herring Prospectus/DRHP	This DRAFT RED HERRING PROSPECTUS filed with SEBI, which does not have complete particulars on the price at which the Equity Shares are offered and the number of equity shares offered
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Bidder will issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement entered into amongst the Company, Syndicate Members, the Registrar, the Escrow Collection Bank(s) and the BRLM for collection of the Bid Amounts and for remitting refunds (if any) of the amounts collected to the Bidders
Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as Bankers to the Issue at which bank(s) the Escrow Account of the Company will be opened
First Bidder	The Bidder whose name appears first in the bid cum application form or revision form
Floor Price	The lower end of the price band, below which the Issue Price will not be finalized and below which no Bids will be accepted
Fortune / FFSIL	Fortune Financial Services (India) Limited
Issue Price	The final price at which the Equity Shares will be allotted in terms of the Draft Red Herring Prospectus, as determined by the Company in consultation with BRLM on the Pricing Date
Issue Account / Public Issue Account	Account opened with the Bankers to the Issue to receive monies from the Escrow Account for the Issue on the Designated Date
Issue Period	The period between the Bid / Issue Opening Date and Bid / Issue Closing Date including both these dates
Margin Amount	The amount paid by the Bidder at the time of submission of the Bid, being 10% to 100% of the Bid Amount as applicable.
Members of the Syndicate	The BRLM and the Syndicate Members
Mutual Fund Portion	5% of QIB portion or 120,000 equity shares available for allocation to Mutual Funds only, out of the QIB portion
Non-Institutional Portion	The portion of this Issue being at least 15% of the Issue Size consisting of



Terms	Description
	720,000 Equity Shares of Rs. 10 each aggregating Rs. [●] Lacs, available for allocation to Non Institutional Bidders
Non-Institutional Bidders	All Bidders that are not eligible Qualified Institutional Buyers or Retail Individual Bidders and who have bid for an amount more than Rs. 100,000
Pay-in-Date	Bid Closing Date or the last date specified in the CAN sent to Bidders, as applicable
Pay-in-Period	Means: (i) with respect to Bidders whose Margin Amount is 100% of the Bid Amount, the period commencing on the Bid/ Issue Opening Date and extending until the Bid/Issue Closing Date; and (ii) with respect to QIBs, whose Margin Amount is minimum 10% of the Bid Amount, the period commencing on the Bid/Issue Opening Date and extending until the closure of the Pay-in Date specified in CAN.
Price Band	Being the price band of a minimum price of Rs. [●] per Equity Share (Floor Price) and the maximum price of Rs. [●] per Equity Share (Cap Price), both inclusive, including revision thereof
Pricing Date	Means the date on which the Company, in consultation with the BRLM, finalizes the Issue Price
Prospectus	The Prospectus, filed with the RoC containing, inter alia, the Issue Price that is determined at the end of the Book Building Process, the number of equity shares offered and certain other information
Public Issue Account	An account opened with the bankers to the issue to receive monies from Escrow Account for the Issue on the Designated Date
QIB Portion	The portion of the Issue to the Public being up to 50% equity shares consisting of 2,400,000 Equity Shares of Rs. 10/- each at the Issue Price aggregating to Rs. [●] lacs, for allocation to QIBs
Qualified Institutional Buyers/ QIBs	Public Financial Institutions as specified in Section 4A of the Companies Act, Scheduled Commercial Banks, Mutual Funds registered with SEBI, Foreign Institutional Investors registered with SEBI, Multilateral And Bilateral Development Financial Institutions, Venture Capital Funds registered with SEBI, Foreign Venture Capital Investors registered with SEBI, State Industrial Development Corporations, Insurance Companies registered with the Insurance Regulatory And Development Authority (IRDA), Provident Funds with a minimum corpus of Rs. 2500 lacs and Pension Funds with a minimum corpus of Rs. 2500 lacs.
Registered Office of the Company	J/5, 'S' Block, MIDC, Bhosari, Pune – 411 026
RED HERRING PROSPECTUS or RHP	Means the document issued in accordance with Section 60B of the Companies Act and does not have complete particulars on the price at which the Equity Shares are offered and the number of equity shares offered. It carries the same obligations as are applicable in case of a Prospectus and will be filed with RoC at least three days before the Bid/ Issue Opening Date. It will become a Prospectus after filing with RoC after the pricing and allotment
Registrar/Registrar to this Issue	Intime Spectrum Registry Limited
ROC / Registrar of Companies	The Registrar of Companies, Pune located at 3 rd Floor, PMT Building, Deccan Gymkhana, Pune – 411 004
Retail Portion	Consists of 1,680,000 Equity Shares of Rs. 10/- each aggregating to Rs. [●] lacs, available for allocation to Retail Individual Bidder(s).
Retail Individual Bidders	Individual Bidders (including HUFs and NRIs) who have made their bid for Equity Shares for an amount of not more than Rs. 100,000
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Price in any of the Bid options as per their Bid-cum-Application Form and as modified by their subsequent Revision Form(s), if any.
Syndicate or members of syndicate	The Book Running Lead Manager and the Syndicate Members
Syndicate Agreement	The agreement to be entered into among the Company and the members of the



Terms	Description
	Syndicate, in relation to the collection of Bids in this Issue
Syndicate Members	Intermediaries registered with SEBI and eligible to act as Underwriters. Syndicate Members are appointed by the BRLM.
TRS or Transaction Registration Slip	The slip or document registering the Bids, issued by the Syndicate Members to the Bidder as proof of registration of the Bid
Underwriters	The BRLM and the Syndicate Members
Underwriting Agreement	The agreement to be entered into among the Underwriters and the Company on or after the Pricing Date.
Venture Capital Fund/ VCF	Venture Capital Funds as defined under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as amended, registered with SEBI

Company/ Industry related Terms

Terms	Description
Amp	Ampere
ARAI	Automobile Research Association of India
ASEAN.	Association of South East Asian Nations
CAGR	Compounded Annual Growth Rate
CBU	Completely-Built-Units
CNC	Computer and Numerical Control
CNG	Compressed Natural Gas
CV	Commercial Vehicles
D.G.Set	Diesel Generator Set
EEPC	Engineering Export Promotion Council
EPCG	Export Promotion Capital Goods Scheme
HCVs	Heavy Commercial Vehicles
HMT	Hindustan Machine Tools
HP	Horse Power
ICWAI.	Institute of Cost and Works Accountants of India
IIT	Indian Institute of Technology
ISO	International Standards Organization
Kg	Kilogram
KVA	Kilo Volt Ampere
KW	Kilo Watt
KWh	Kilo Watt hour
lb	Pound
LDO	Light Diesel Oil
LMW	Laxmi Machine Works
Ltd.	Limited
m	Metre
M/C	Machine
M/s	Messrs
MBA	Masters in Business Administration
MIDC	Maharashtra Industrial Development Corporation
MPCB	Maharashtra Pollution Control Board
MSEDCL	Maharashtra State Electricity Distribution Company Limited
MT	Metric Tonnes
MTPA, MT p.a ,	Metric Tonnes Per Annum
MW	Mega Watt
NCR	National Capital Region
NGO	Non Government Organisation
O/H	Overhead



OEM	Original Equipment Manufacturer
SIAM	Society of Indian Automobile Manufacturers
SKD	Semi-Knocked Down units
SSI	Small-Scale Industry
TACL	Trinity Auto Component Limited
TS	Technical Specification
USA	United States of America
UV	Utility Vehicles
WTO	World Trade Organisation

**PRESENTATION OF FINANCIAL AND MARKET DATA****Financial Data**

Unless stated otherwise, the financial data in the Draft Red Herring Prospectus is derived from our financial statements prepared and restated in accordance with Indian GAAP, the Companies Act and SEBI Guidelines included in this Draft Red Herring Prospectus. The Company has no subsidiaries. Accordingly, financial information relating to the Company is presented on a Standalone basis. The Company's financial year commences on April 1 and ends on March 31. In the Draft Red Herring Prospectus, any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off.

Currency of Presentation

All references to "Rupees" or "Rs." are to Indian Rupees, the official currency of the Republic of India. All references to "US\$" or United States Dollars are to the official currency of the United States of America. The exchange rate was Rs. 42.97 per U.S. Dollar as on June 23, 2008 (Source: RBI).

Market Data

Market data used throughout the Draft Red Herring Prospectus has been obtained from Automotive Components Annual Review – October 2007 prepared Crisil Research and Internal Company reports. These Reports and sources generally state that the information contained therein has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although the Company believes market data used in this DRAFT RED HERRING PROSPECTUS is reliable, it has not been independently verified. Similarly, internal Company reports, while believed by the Company to be reliable, have not been verified by any independent source.

FORWARD-LOOKING STATEMENTS

Statements included in this Draft Red Herring Prospectus which 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 expression or variations of such expressions, 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;
- Regulatory changes relating to the autocomponent industry in India and our ability to respond to them;
- Our ability to successfully implement the strategy, growth, new projects and expansion plans;
- The monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates domestically and globally, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic and foreign laws, regulations and taxes and changes in competiion in our industry.
- Changes in the value of the Rupee and other currency changes;
- Social or civil unrest or hostilities with neighboring countries or acts of international terrorism;
- Changes in political conditions in India.
- Any adverse outcome in the legal proceedings in which our Company is involved.
- The occurrence of natural disasters or calamities.

For further discussion of factors that could cause our actual results to differ, please see the section entitled "Risk Factors" beginning on page [●] of this Draft Red Herring Prospectus. By their nature, certain market 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. Neither the Company, the Directors, any member of the Book Running Lead Manager team nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, the Company and the Book Running Lead Manager will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchanges.



SECTION II

RISK FACTORS

An investment in our Equity Shares involves a high degree of risk. You should consider all information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. If any of the following risks or any of the other risks and uncertainties discussed in this Draft Red Herring Prospectus 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. These risks and uncertainties are not the only issues that we face; additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also have a material adverse effect on our business, results of operations and financial condition.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial implication of any of the risks described in this section.

I. We are involved in number of legal proceedings that, if determined against us, could adversely impact our business and financial conditions.

1. Cases related against the Company

- a. Outstanding Criminal cases against the Company, the Promoters of the Company and the Group Companies - NIL
- b. Outstanding Criminal cases by the Company, the Promoters of the Company and the Group Companies - NIL
- c. Outstanding Civil cases against the Company, the Promoters of the Company and the Group Companies - **Against the company** –

Sr. No.	Parties and Case No. & Date	Authority department against which pending	Claim Amount (Rs.)	Brief case history	Status of the case
1.	Bhartiya Kamgar Karmachari Mahasangh (BKMM) V/s. 1]Trinity Die Forgers Ltd./Pune 2]Shri Ranjan Banerji complaint (ULP)No.331/2005 29/11/07	Industrial Court-Pune	Nil	Company has two press machines with capacity of 1600 tons/ annum each. Company wanted to shift one press machine to Unit II located at Shikrapur as the other press machine was sufficient enough to cater the orders in hand. Union apprehended retrenchment and filed complaint for seeking interim order restraining shifting which was rejected. Union filed complaint u/s.28,30 [2]read with item 9 of sch.IV of MRTU & PULP Act 1971. Liability: Nil because case is related to shifting of machinery.	BKMM is supposed to lead the evidences in their support. The case is posted for hearing on 29-07-2008.



Sr. No.	Parties and Case No. & Date	Authority department against which pending	Claim Amount (Rs.)	Brief case history	Status of the case
2.	Bhartiya Kamgar Karmachari Mahasangh V/s. 1]Trinity Die Forgers Ltd./Pune 2]Shri Ranjan Banerji complaint (ULP)No.347/2005 29/11/07	Industrial Court-Pune	90,733/- Minimum	Due to paucity of orders with the company, the company wanted its workers to shift from the forging department to other departments till such period when the orders are in place with the company for forging. The workmen refused to switchover to other departments and thus after following due process of law the company laid them off. Further, the union claims that company has more than 100 workmen therefore previous permission was necessary before effecting such lay off but company had evidences that the workmen in the company were less than 100 and thus according to Chapter VB of Industrial Disputes Act, 1947, no prior permission was needed. Liability : 90,733/- Minimum	BKKM is supposed to lead the evidences in their support. The case is posted for hearing on 29-07-2008.
3.	Ashok Shivappagauda Patil V/s. Trinity Die Forgers Ltd./Pune Misc.Application[IDA]No.91/2006 in Reference [IDA]No.259/2003	Labour Court-Pune.	8,18,307	He was employed as a supervisor in machine shop. As per the Industrial Disputes Act, 1947, no supervisor falls under the definition of workman. Also, under Model Standing Orders Act, 1946, the company reserves a right to terminate the services of its employee who donot fall under the definition of workmen and lose the lien. The Company decided to terminate the services of the complainant. Thereafter he claimed that he is a workmen and raised demand for	The hearing is pending for want of submission of statement of claim by the complainant. The case is posted for hearing on 29-07-2008.



Sr. No.	Parties and Case No. & Date	Authority department against which pending	Claim Amount (Rs.)	Brief case history	Status of the case
				<p>reinstatement. His reference was dismissed by Labour Court vide award dated 26/11/2004. Subsequently, he had applied for restoration before second labour court, Pune .</p> <p>Liability: In case if court passed the award that Mr. Ashok Patil is the workmen and if he filed a statement of claim then only liability of the company will be 8,18,307/-</p>	
4.	<p>Bhartiya Kamgar Karmachari Mahasangh V/s. Trinity Die Forgers Ltd./Pune Application [MRTU]No.6/2007 u/s.11 of MRTU & PULP Act 1971.</p>	Industrial Court, Pune	Nil	<p>The workmen of TDFL were the members of Mahasangh till May 2007 and as required by MRTU and PULP Act, 1971, they were eligible to register as a recognised union (Sole Bargaining Agent). As on the date of filing the case, TDFL had evidences to prove that the workmen were not the members of BKKM and that they had withdrawn their membership and formed an internal union. But BKKM filed a suit against the company claiming that they are the existing members of the Mahasangh and thus they cannot form a separate union.</p> <p>Liability : Nil because case is for recognition of the union and no other prayer is there.</p>	<p>Internal Union of TDFL have submitted an application before the Industrial Court, Pune claiming that BKKM has no right to file such suit in view of withdrawal of the membership by the members of the internal union.</p> <p>The case is posted for hearing on 29-07-2008.</p>
5.	<p>RamLaxan K Prasad v/s Trinity Die Forgers Limited/Pune Complaint (ULP) No. 132 of 2007</p>	Third Labour Court, Pune	35,125/- Minimum	<p>The complainant was appointed on fixed period employment after which his services were terminated automatically and thus he was out of employment. But the complainant has filed a</p>	<p>The case is posted for hearing on 30-07-2008.</p>



Sr. No.	Parties and Case No. & Date	Authority department against which pending	Claim Amount (Rs.)	Brief case history	Status of the case
				suit against the company claiming that he has been terminated while in employment and thus is eligible for reinstatement with wages. Liability: If reinstated in the employment by not considering his fixed period employment then only liability of the company will be 35,125/- Minimum	
6.	Buddhiram S. Prasad v/s Trinity Die Forgers Limited/Pune Complaint (ULP) No. 133 of 2007	Third Labour Court, Pune	35,125/- Minimum	The complainant was appointed on fixed period employment after which his services were terminated automatically and thus he was out of employment. But the complainant has filed a suit against the company claiming that he has been terminated while in employment and thus is eligible for reinstatement with wages. Liability: If reinstated in the employment by not considering his fixed period employment then only liability of the company will be 35,125/- Minimum	The case is posted for hearing on 30-07-2008.

- i. Against the promoters of the company – Nil
- ii. Against the group companies: Nil

**d. Outstanding Civil cases by the Company, the Promoters of the Company and the Group Companies****i. By the Company –**

Sr. No.	Parties and Case No. & Date	Authority department against which pending	Claim Amount (Rs.)	Brief case history	Status of the case
1.	Trinity Die Forgers Ltd. V/s.Pimpri Chinchwad Municipal Corporation- Pune. Municipal (PCMC) Appeal No.47/2004, now the appeal No. is 155/2007	Small Causes Court, Pune now transferred to Civil Judge Sr. Division, Pune	50,859/-	Based on the certificates of Chartered Accountant and Architech dated 04.01.2003, TDFL had submitted the cost sheet of Rs.5,34,749.89 for the construction of its office building at J-5, S Block, MIDC, Bhosari, Pune. The appropriate tax amount calculated on the above mentioned amount was collected and accepted by PCMC till FY 2003-04. Thereafter, without any further intimation to the company, PCMC started claiming the taxes on the construction cost (Rs.9,18,400/-) which had no base. The company is paying the tax calculated on Rs.9,18,400/- under protest, which once the hearing is analysed, the additional amount of tax is expected to be refunded. The company has filed a suit against PCMC thereby challenging the same. Liability: Nil, as company is already paying taxes under protest.	The case has been forwarded to the Higher Causes Court, Pune. The said court has no bench and thus hearing is pending. Matter is fixed for hearing on 28-07-2008.



2.	Trinity Die Forgers Ltd V/s New Standard Engineering Company Ltd. (Now NESCO Limited) Execution Petition No. 19/2005 dated 24/01/2005	Civil Judge, Sr. Division, Pune	644865/- plus future interest @ 12% from 24.01.05 till realisation.	TDFL had placed an order for 200 Tons press machine with NESCO and paid an advance of Rs.2.10 lacs vide its purchase order dated 21.11.1992. The said machine was supposed to be delivered before 15.03.1993, Since NESCO failed to provide delivery of machine within given time TDFL decided to cancel its order. Thus, TDFL filed special civil suit No. 1778/1993 for recovery of amount against NESCO for breach of contract. Since NESCO did not refund the advance even on demand. Liability : Nil as this case relates to recovery of amount for breach of contract.	Suit is decreed and execution petition is pending and is presently stayed due to stay order passed by civil Judge Sr. Division, Pune in Misc. application No. (359/2005) filed by NESCO for setting aside ex-parte decree. The case is posted for hearing on 07-08-2008.
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ii. By the promoters of the company – NIL



iii. By the group companies –

Sr. No.	Parties and Case No. & Date	Authority department against which pending	Claim Amount (Rs.)	Brief case history	Status of the case
1	Trinity Auto Components Ltd V/s New Standard Engineering Company Ltd. (Now NESCO Limited) Execution Petition No. 20/2005 dated 24/01/2005	Civil Judge, Sr. Division, Pune	869084.60/-/- plus future interest @ 12% from 24.01.05 till realisation.	TACO had placed an order for 250 Tons press machine with NESCO and paid an advance of Rs.2.81 lacs vide its purchase order dated 18.11.1992. The said machine was supposed to be delivered before 15.03.1993. Since NESCO failed to provide delivery of machine within given time. TDFL decided to cancel its order. Thus, TDFL filed special civil suit No. 1779/1993 for recovery of amount against NESCO for breach of contract. Since NESCO did not refund the advance even on demand. Liability : Nil as this case relates to recovery of amount for breach of contract.	Suit is decreed and execution petition is pending and is presently stayed due to stay order passed by civil Judge Sr. Division, Pune in Misc. application (No. 360/2005) filed by NESCO for setting aside ex-parte decree. The case is posted for hearing on 07-08-2008.

e. Outstanding cases pertaining to Securities Laws against the Company, the Promoters of the Company and the Group Companies

NIL

f. Outstanding cases pertaining to Securities Laws by the Company, the Promoters of the Company and the Group Companies

NIL

g. Outstanding cases pertaining to Statutory Laws including tax disputes against the Company, the Promoters of the Company and the Group Companies

Sr. No.	Parties and Case No. & Date	Authority department against which pending	Claim Amount (Rs.)	Brief case history	Status of the case
1.	Trinity Die Forgers Limited v/s Deputy Commissioner	Deputy Commissioner of Sales Tax Appeals, P-32 Pune Division, Pune	349325/-	The Sales tax officer levied interest of Rs. 11007/- on late payment of tax. In fact the payments were made well within the prescribed time limit. The Sales Tax	The company has submitted written contentions



	of Sales Tax Appeals for the year 1.4.1996 to 31.3.97 Appeal No. P-643/99-2000			officer treated the sales of semi-finished forgings as sales of auto parts and allowed the set off under rule 41 D of BST Rules. The company has claimed that such forgings can not be used as auto parts unless further operations are carried out at the customer's end. The company has claimed set off under rule 41 E. The difference between the set off now claimed in appeal and allowed by the Sales Tax Officer is Rs.338318/- Liability : Nil as case related to refund of amount from authority.	before the appellate authority from time to time. The appellate authority has not decided the case till date.
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h. Outstanding cases pertaining to Statutory Laws including tax disputes by the Company, the Promoters of the Company and the Group Companies

Sr. No.	Parties and Case No. & Date	Authority department against which pending	Claim Amount (Rs.)	Brief case history	Status of the case
1.	Trinity Die Forgers Limited v/s Deputy Commissioner of Sales Tax Appeals for the year 1.4.1999 to 31.3.2000 Appeal No. P-65/03-04	Deputy Commissioner of Sales Tax Appeals, P-32 Pune Division, Pune	1502465/-	The assesment resulted in dues of Rs.272226/-. The company preferred appeal . Part payment of Rs. 60,000/- was made on 2.6.2003 and stay order for Rs. 212226/- has been granted by the appeallate authority. The Sales Tax officer treated the sales of semi-finished forgings as sales of auto parts and allowed the set off under rule 41 D of BST Rules. The company has claimed that such forgings can not be used as auto parts unless further operations are carried out at the customer's end. The company has claimed set off under rule 41 E. The difference	The company has submitted written contentions before the appellate authority from time to time. The appellate authority has not decided the case till date.



				between the set off now claimed in appeal and allowed by the Sales Tax Officer is Rs.1502465/- Liability : 212226/-	
2.	Trinity Die Forgers Limited v/s Joint Commissioner Sales Tax Appeal, Pune for the year 1.4.2000 to 31.3.2001 Appeal No. SA No. 125 of 2007	Joint Commissioner Sales Tax Appeal, Pune	998804/-	The Deputy Commissioner of Sales Tax as well as the first appellate authority did not allow the set off under rule 41 E. Second appeal was preferred before the Tribunal who decided the appeal vide order No.125 of 2007 on 17th October 2007 and the case is remanded back to the assessing authority to ascertain the actual process carried out by the appellant even by visiting the factory, if necessary and decide the matter in the light of the principles laid down in the order. Liability : Nil this case relates to refund of amount as per schedule.	The company has already approached the Deputy Commissioner of Sales Tax to decide the matter. This case is still pending.

**Cases filed by the Forum of member of Industries on behalf of Industry members**

Sr. No.	Parties and Case No. & Date	Authority department against which pending	Claim Amount (Rs.)	Brief case history	Status of the case
1.	Maharatta Chambers of Commerce Industries and Agricultural & Others v/s State of Maharashtra & Others	Hon'ble Supreme Court, Delhi	620113/-	PCMC had increased the octroi duty w.e.f.06.01.2002 which was levied on forged products and other consumables to the tune of 3% from 2.5% PCMC is claiming Rs. 620113/- vide its demand Notice No. Octroi/Company/672/2003 dated 18/07/2003 which was to be paid as the balance amount due to increase in the duty. Company had already paid 50% of the said amount i.e. Rs. 310056/- on 23/08/2003. Company approached to Industry forum namely Maharatta Chambers of Commerce Industries & Agriculture (MCCIA). On March 20, 2003 MCCIA, on behalf of all the industry members had filed a writ petition before Hon'ble High Court, Mumbai against the PCMC. On July 28, 2003 High Court, Mumbai dismissed the writ petition. Subsequently, in August 2003 MCCIA filed Special Leave Petition (SLP) with Supreme Court challenging the order of High Court, Mumbai. On July 19, 2006 Supreme Court directed to transmit the case to the High Court to enable it to proceed with the same. On April 16, 2008 High Court had given its decision in favour of PCMC to recover the said amount from all industry members. Subsequently, on May 2, 2008 MCCIA had again filed SLP with Supreme Court challenging the order of High Court, Mumbai. On May 9, 2008 Supreme Court had directed MCCIA to pay	The case is pending for further hearing.



				the principle amount within 90 days from May 9, 2008 in 3 installments. However, on April 28, 2008 Company had paid the balance principal amount of Rs. 310,057/-. Liability: Nil	
2.	Trinity Die Forgers Limited V/s Commissioner Appeals, Central Excise, Pune I Commissionerate Appeal No. E -144/06-MUM against order in appeal No. PI/493/2005 dated 13-12-2005	Custom Excise & Service Tax Appellate Tribunal, West Zonal Bench, Mumbai 400009	20,90,683/-	A show cause notice was issued on the ground that company was sending goods to its other unit at Gurgaon claiming those to be finished goods although they were semi-finished. The notice along with demand of Rs. 20,90,683/- was confirmed by the Additional Commissioner and the appeal was rejected by the Commissioner (Appeals) also ordered pre-deposit of Rs. 7,50,000/-, which was deposited under protest. Since the order was arbitrary TDFL filed Appeal before CESTAT, who granted the stay till the matter is disposed off. The Appeal is pending before CESTAT & the company has fair chances of succeeding in the appeal. Liability: Rs. 13,39,683/- after deducting pre-deposit of Rs.. 7,50,000/- under protest.	Appeal is pending before tribunal After grant of stay tribunal did not fix the date of hearing.
3.	Trinity Die Forgers Limited V/s Pimpri Chinchwad Municipal Corporation	Pimpri Chinchwad Municipal Corporation	1274394/-	PCMC after its Octroi audit demanded for payment of Rs. 1274394/- vide their letter no.Octroi/7/kv/376 dt.2004. The said audit carried out for the period 1.4.2004 – 31.3.2005. The amount claimed by the PCMC including Rs. 620113/- which was already raised vide separate petition before High Court, Mumbai and which is pending before the H'ble High Court, Mumbai.. Also company out of the demanded amount paid agreed amount of Rs. 39767/-. PCMC with biased mind demanding for the payment of Rs. 614514/- which is under challenge. Liability : 614514/- as in the claim amount authority included amount of Rs. 620113/- which is challenged before High court, Mumbai and company had already paid Rs. 39767/-.	Matter is pending before PCMC for fixation of date of hearing.



A. RISKS SPECIFIC TO THE PROJECT

- 1. We have purchased land at new location at Gat No. 2514, Talegaon -Dhamdhere, Tal. Shirur, Dist – Pune. While the land is transferred in the name of the company, however, the same is yet to be converted into non-agricultural (NA) land for industrial purpose. Consequently, we are yet to apply for various necessary Government/ Statutory approvals in respect of our new location and any delay in receiving the NA permission may further delay the receipt of government/ statutory approvals which in turn may affect the implementation of the proposed expansion Phase II of our Company**

We have purchased about 8.5 acres of land required for our proposed expansion Phase II at Gat No. 2514, Talegaon -Dhamdhere, Tal. Shirur, Dist – Pune unit. The land has been transferred in our name recently and we have applied for converting the said agricultural land into non-agricultural land for industrial use to the competent authority. On receipt of the same, we will apply for various necessary government/ statutory approvals such as environmental clearance, pollution control board clearance, sanction of power by power company etc. Pending receipt of the NA permission and approvals from concerned government/ statutory authorities, the implementation of the proposed expansion project Phase II of our Company may be delayed.

- 2. Purchase orders for some of the machineries which constitute 91.07% of the total cost of plant & machinery have not been placed**

The total cost of plant & machinery works out to Rs. 4,410 Lacs. Axis Bank Limited has sanctioned term loan of Rs. 800 Lacs for Phase I vide their sanction letter dated 19.12.2007. The net proceeds of the issue are proposed to be utilized to fund part of the cost of the project as explained in the section “Objects of the Issue”. We have placed orders for plant and machinery estimated to cost Rs. 425.00 Lacs which is approximately 9.64% of the total estimated cost of plant & machinery. Any delay in placing the orders or procurement of plant and machinery, equipments etc may delay the implementation schedule. Such delays may also lead to increase in price of these equipments, further affecting our cost, revenue and profitability. However, we have already received quotations from the proposed suppliers for all the major plant and machinery. Most of it is readily available from the reputed manufacturers and moreover, our company has been negotiating with certain machinery manufacturers for supply of both indigenous and imported machinery so that the plant and machinery is acquired timely and expansion project is implemented as per project schedule.

- 3. Our Project could face time and cost overrun, which would have a material adverse effect on our business, financial condition and results of operations**

Any delay in completing the project due to any reason whatsoever may result in a significant cost and time overrun. Due to these time and /or cost overrun, the over all benefits of such plans to our revenue and profitability may decline. Further any delay in commercial production may adversely impact the cash flows and profitability of our company.

- 4. Any delay in raising funds from this public issue, commencement of operations as scheduled as per the proposed expansion plan may affect our profitability.**

We have embarked on expansion project which is under implementation. However, timely commencement of commercial operations of our expansion project will have a critical bearing on our financial performance. Any delay in completion or beginning of the production may adversely impact the results of our operations and would also affect the market price of the Equity Shares.

- 5. Our inability to deliver as per our business plan could have an adverse impact on the results of our operations**

Our growth plans are considerable and would put significant demands on our management team and other resources. Any delay in procurement of plant and machinery, installation of plant and machinery could impact our roll out schedules and cause cost and time over runs. These factors could cause diversion of management attention from the expansion plans leading to delays and cost overruns.

**6. We may require additional capital resources to achieve our expansion plans**

The rate of our expansion will depend to an extent on the availability of adequate debt and equity capital. Our cash flow requirements will be based on cash flows generated by our business. Further, the actual expenditure incurred on our ongoing projects may be higher than current estimates owing to but not limited to, implementation delays, cost over runs or adverse market developments, which may require us to source external capital resources.

7. Changes in business environment could affect our expansion project adversely

The expansion plans drawn by us are based on expected business opportunities in the auto component industry. Although, our business plans have been drawn up based on our past experience and we are confident of adapting to any change in the business environment, any change in the market conditions could adversely affect our profitability.

B. RISKS INTERNAL TO THE COMPANY**1. Under utilization of installed capacity in the Financial Year 2005 – 06, 2006 – 07 and 2007-08**

Our capacity utilization during the Financial Year 2005 – 06, 2006 – 07 and 2007-08 was as under:

Particulars	2005 – 06	2006 – 07	2007-08
Installed Capacity (MT)	5400	7200	9000
Actual Production (MT)	2906	5048	5756
Capacity Utilization (%)	54	70	64

Capacity utilization in the forging industry is measured by the weight of component to be manufactured through forging and machining. The time taken in the forging operations for manufacturing the components depends upon its design, shape, weight, etc. As such, the production in weight gives misleading information about the overall production and consequently the capacity utilization. Apart from above, the overall installed capacity remains idle at times for various reasons. Notable among them are change in the product, the dies, time required for machine setting, machinery cleaning, preventive & routine maintenance, etc. on account of which the capacity utilization is also reduced. Further, at times our company has also faced problem of inadequate power due to which we were required to reduce our operations either totally or partially resulting in overall under-utilization of the installed capacity. Therefore, our capacity utilization in the year 2005 -06 was only 54%. However, in the subsequent years, we have taken corrective action which resulted in the improvement of the capacity utilization. During the year 2007-2008, the capacity utilization was at 64% as against 70% in the previous year 2006-2007 mainly on account of inadequate power supply and shifting of one of the forging press from shikrapur unit to Bhosari unit in order to take advantage of available power at Bhosari unit.

2. Our name and logo is not registered trademark and any misuse of the same may result in loss of our business

For registration of our name and logo, we had made application with Intellectual Property Office, Trademark Registry Division, Mumbai and we have received the provisional registration number 1623593 for our name "TRINITY" in Class 12 and an application for the registration of our logo is pending with the said authority.

3. Requirement of machinery based on business opportunity and any variation in the market conditions could adversely affect the profitability of the Company.

The requirement of machineries and expansion plans drawn by us has been crystallized anticipating the future market conditions, growth in demand, etc. However, any downward variation in our assumptions may adversely affect our profitability and results of operations.

4. Fluctuation in foreign exchange may have adverse impact on the profitability of the company

Our exports are billed mainly in Euro and US Dollar currency and a small part in Great Britain Pound currency. As such, we are exposed to exchange rate fluctuation risk. However, we mitigate this risk to some extent by entering into forward contracts to hedge the exchange rate exposure. Furthermore, due to weakening of US Dollar against the Indian Rupee in the recent past, we were insisting our customers for switching over to Euro



currency instead of US Dollar, so as to reduce the loss on exchange fluctuation. Nevertheless, any adverse movement in foreign exchange rates may have adverse impact on the profitability of the company and consequently results of operations and financial condition.

5. Contingent liabilities could adversely affect the financial condition of the company

The Company has not provided for the following as on 31.03.2008

Particulars As On	(Rs. in Lacs)	
	31.03.2008	31.03.2007
Bank Guarantees given by Company	-	18.49
Sales Tax under dispute	2.72	2.72
Octroi under dispute	9.25	3.11
Excise under dispute	13.39	13.39

Note: The total dispute amount of excise was Rs. 20.89 lacs less ad-hoc paid Rs.7.50 Lacs

In terms of the audited financial statements as on March 31, 2008 and March 31, 2007, we have contingent liabilities that we have not accounted for aggregating Rs. 25.36 Lacs and Rs. 37.71 Lacs respectively. The aforesaid contingent liabilities are outstanding in the normal course of business of our company and any liability crystallizing on account of the said contingent liability will not affect our financial condition significantly. For further information please see section titled "Financial Statement" on page [●] of the DRHP.

6. Changes in technology and trends in the industry may affect our ability to compete

Technology plays a vital role in the forging industry. Failure or inability to incorporate any change in technology might place competitors at an advantage in terms of costs, efficiency and timely delivery of the final products. Therefore, we are committed to implant the best technology for manufacturing of our products. We also keep ourselves abreast with the latest technology and update our operations accordingly on a continuous basis so as to remain cost effective and competitive in the business.

7. Improper handling of machineries could result in accidents

Improper handling of machineries used in our business line can result into accidents and we could face liabilities that may adversely affect our profits. However, we undertake adequate safety measures in our manufacturing process whereby occurrence of such improper handling is minimal. We have employed skilled manpower to properly handle the machinery and also provide in-house training to our employees for operating the same.

8. We are vulnerable to volatility in prices of our raw materials which could adversely affect our business and financial results

The main raw materials used in the manufacture of our forged products are various grades of steel. The prices of steel we purchase from our suppliers may fluctuate due to changes in demand and supply conditions for steel. In the event of any significant increase in the prices of steel and if we are unable to pass on fully such increase in the prices of steel to our customers, our profitability will be adversely affected. However our company fixes the selling prices of our finished products keeping in view increase in the cost of steel from time to time.

9. We are exposed to interruptions in the supply of electricity

Our production processes at all our manufacturing plants require a continuous and adequate supply of electricity. We rely on the Maharashtra State Electricity Distribution Company Limited (MSEDCL) for the supply of electricity to all our units. The prices of electricity are determined by MSEDCL from time to time and are beyond our control. Though we also have DG sets at 4 out of 5 units, the cost of electricity from DG sets is higher. Any shortage or interruption in the future to the supply of electricity for extended periods of time will disrupt our operations or increase our production costs. However, we expect improvement in the power availability in Maharashtra in the near future which may reduce power cuts.



10. Our business is dependent on our manufacturing facilities. The loss of or shutdown of operations at any of our manufacturing facilities may have a material adverse effect on our business, financial condition and results of operations.

Our main manufacturing units at Bhosari, Shikrapur and new unit at Talegaon-Dhamdhere, Tal. Shirur, Dist – Pune are subject to operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, labour disputes, strikes, lock-outs, continued availability of services of our external contractors, earthquakes and other natural disasters, industrial accidents and the need to comply with the directives of relevant Government authorities. The occurrence of any of these risks could significantly affect our operating results. We carry out planned shutdowns of our plants for maintenance. Although we take precautions to minimize the risk of any significant operational problems at our facilities, our business, financial condition and results of operations may be adversely affected by any disruption of operations at our facilities, including due to any of the factors mentioned above.

11. Our results of operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees.

The number of our employees will increase with our proposed expansion plans. While we consider our current labour relations to be good, there can be no assurance that we will not experience future disruptions to our operations due to disputes or other problems with our work force, which may adversely affect our business and results of operations.

12. Our success depends largely on our senior management and our ability to attract and retain our key personnel. Any significant changes in the key managerial personnel, may affect the performance of the Company.

Our success depends on the continued services and performance of the members of the senior management team and other key employees. The loss of the services of our senior management or other key personnel could seriously impair our ability to continue to manage and expand our business which may adversely affect our financial condition.

13. Delay in fund raising through this Issue may impact the company adversely

The expansion project is proposed to be funded mainly from the funds to be raised through this Issue. Any delay/failure of the Issue will adversely impact our business. However, our management is in position to make alternate funding arrangements through the right mix of secured/unsecured loans, internal accruals and additional contribution from the promoters, in case there is delay or failure of this Issue.

14. We depend significantly on our key customers who contribute more than 50% of our revenues. Loss of any of these customers could adversely affect our operations.

The table below indicates the percentage of the total revenue derived from our top customers comprising Tata Motors Ltd., Ford Motor Company, Maruti Suzuki Ltd etc., during the last 3 years.

Customer Category	31/03/2008	31/3/2007	31/3/2006
Top 3 customers	67.75%	65.38%	62.44%
Top 5 customers	75.91%	76.54%	74.71%
Top 10 customers	91.73%	89.52%	89.94%

We have been deriving more than 75% of our revenues from our top 5 customers. Though we have been maintaining cordial relationship with them, no assurance can be given that we would continue our sales to any of these customers or they will continue to meet their requirements from us, which could adversely affect our operations.



C. RISKS EXTERNAL TO THE COMPANY

1. Certain factors beyond the control of our Company could have a negative impact on our Company's performance, such as:

Auto component sector growth is highly dependent on the Government policies. Changes in technology may render Company's current machinery obsolete or require it to make substantial capital investments for latest machinery. Increasing employee/labour compensation in India may erode some of our Company's competitive advantage and may reduce the profit margin.

2. Performance of our Company is linked to stability of policies and political situation in India

There is no assurance that the liberalization policies of the government will continue in future. Protests against privatization could slow down the pace of liberalization and the deregulation. The rate of economic liberalization could change and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in securities could change as well. A significant change in India's economic liberalization and deregulation policies could disrupt the Company's business and economic conditions in India. South Asia has, from time to time, experienced instances of civil unrest and hostilities among neighbouring countries, if it continues to happen in future then it will affect our Company and the industry as a whole. The present government is formed by coalition of several parties. Due to which if there is any instability in the government then it might affect the industry and our Company.

3. Changes in domestic tax laws

Any change in tax laws in India particularly income tax might lead to increased tax liability of the Company thereby putting pressures on profitability.

4. After this Issue, the price of our Equity Shares may be highly volatile, or an active trading market for our Equity Shares may not develop.

The prices of our Equity Shares on the Indian stock exchanges may fluctuate after this Issue as a result of several factors, including:

- a. our results of operations and performance;
- b. perceptions about our future performance or the performance of auto component companies generally;
- c. performance of our competitors in the industry and the perception in the market about investments in the auto component sector;
- d. adverse media reports on the Company or the industry;
- e. changes in the estimates of our performance or recommendations by financial analysts;
- f. significant development in India's fiscal and environmental regulations.

There has been no public market for our Equity Shares and the prices of our Equity Shares may fluctuate after this Issue. There can be no assurance that an active trading market for our Equity Shares will develop or be sustained after this Issue, or the prices at which our Equity Shares are initially traded will correspond to the prices at which our Equity Shares will trade in the market subsequent to this Issue. Our share price is likely to be volatile and may decline.

5. There is no standard valuation methodology

There is no standard methodology or accounting practices in the auto component industry. The current valuations may not be sustainable in the future and may also not reflect the future valuation of the Industry.

6. Our growth is dependant on the Indian economy

Our performance and the growth of our business is dependant on the performance of the Indian economy. India's economy could be adversely affected by a general rise in interest rates, currency exchange rates, adverse conditions affecting agriculture, commodity and electricity prices or various other factors. A slowdown in the Indian economy could adversely affect our business, including our ability to implement our strategy and increase our participation in the auto component sector. The Indian economy is currently in a state of transition and it is difficult to predict the impact of certain fundamental economic changes upon our business. Conditions



outside India, such as slow downs in the economic growth of other countries or increases in the price of oil, has an impact on the growth of the Indian economy, and government policy may change in response to such conditions. Any downturn in the macroeconomic environment in India or in auto component sector could adversely affect the price of our shares, our business and results of operations

7. If the rate of Indian price inflation increases, our results of operations and financial condition may be adversely affected.

In 2006, India's wholesale price inflation index indicated an increasing inflation trend compared to recent years. An increase in inflation in India could cause a rise in the price of transportation, wages, raw materials or any other expenses. If this trend continues, we may be unable to reduce our costs or pass our increased costs on to our consumers and our results of operations and financial condition may be adversely affected.

8. Natural calamities could have a negative impact on the Indian economy and cause our business to suffer.

India has experienced natural calamities such as earthquakes, tsunami, floods and drought in the past few years. The extent and severity of these natural disasters has an impact on the Indian economy. Any negative impact of natural disasters on the Indian economy could adversely affect our business and the market price of our Equity Shares.

9. Terrorist attack, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and our business.

Terrorist attacks and other acts of violence or war may negatively affect the Indian economy and financial markets and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence and ultimately adversely affect our business. Diplomatic relations between India and some of its neighboring countries have been strained in the past. Any deterioration in relations between India and its neighbouring countries might result in investor concern about stability in the region, which could adversely affect the market price of the Equity Shares. India has also witnessed civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic and political events in India could have an adverse impact on us. Regional or international hostilities, terrorist attacks or other acts of violence or war could have a significant adverse impact on international or Indian financial markets or economic conditions or in government policy. Such incidents could also create a perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the price of our Equity Share

Notes to risk factors:

1. Public issue of 4,800,000 Equity Shares of Rs. 10 each at a price of Rs. [●] for cash aggregating Rs. [●] Lacs (referred to as the "Issue") of Rs. 10 each. The Issue will constitute at least 25% of the fully diluted post issue paid-up capital of the Company.
2. The net worth of the Company was Rs. 2,054.53 Lacs as on March 31, 2008 as per our restated financial statements under Indian GAAP.
3. The net asset value per Equity Share of Rs. 10 each was Rs.37.15 as on March 31, 2008 as per our restated financial statements under Indian GAAP.
4. Investors are advised to refer to the section titled "Basis for Issue Price" on page [●] of this Red Herring Prospectus.
5. The average cost of acquisition of our Equity Shares by our Promoters, is as under :

Name of the Promoter	Average cost of Acquisition per Equity Share (in Rs.)
Mr. J.C. Basu	11.68
Mr. Deepankar Basu	11.70
Mr. Ranjan Bannerjee	10.75
Mr. Y.C. Kurle	10.88

6. Trading in Equity Shares of our Company for all the investors shall be in dematerialized form only.



7. All information shall be made available by the BRLM and the Company to the public and investors at large and no selective or additional information would be available only to a section of the investors in any manner whatsoever.
8. Investors may contact the “BRLM” for any complaints, clarification or information pertaining to this Issue. For contact details of BRLM, please refer to the cover page of this DRHP. For details of the related party transactions, refer to Section titled “Related Party Transaction” on page [●] of this DRHP.
9. The Issue is being made through a 100% Book Building Process in which upto 50% of the Issue will be allotted on a proportionate basis to QIBs, 5% out of which shall be available for allocation on a proportionate basis to Mutual Funds. Mutual Funds participating in the 5% share in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. Further, at least 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and at least 35% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.
10. Investors may note that in case of over-subscription in the Issue, allotment to Qualified Institutional Investors, Non-Institutional Bidders and Retail Bidders shall be on a proportionate basis. For more information, please refer to the section titled “Basis of Allotment” on page [●] of this Red Herring Prospectus.
11. In addition to the BRLM, we are obliged to update the prospectus and keep the public informed about any material changes till listing and trading commences in respect of the shares issued through this issue.
12. Under-subscription, if any, in any category would be met with spill-over from other categories at our sole discretion, in consultation with the “BRLM”.
13. The company has changed its name to Tinity India Limited from Trinity Die Forgers Limited with effect from 29.02.2008. The name was changed as exports of the company were routed through Trinity India Limited which was merged with the company and therefore foreign customers of the company were acquainted with this name. The change in the name of the company does not reflect any new activity or change in business.



SECTION III: INTRODUCTION

SUMMARY

This is only a summary and does not contain all the information that should be considered before investing in the Equity Shares of the Company. You should read the following summary with the risk factors beginning on page [●] of this Draft Red Herring Prospectus and the more detailed information about the Company and its financial statements included in this Draft Red Herring Prospectus before deciding to invest in Equity Shares.

Industry Overview

Overview

The automobile industry largely comprises two wheeler, three wheeler and four wheeler vehicles. Four wheelers may be further segmented into passenger cars, utility vehicles (UV), commercial vehicles (CV) and tractors. The manufacturers of these vehicles are often referred to Original Equipment (Vehicle) Manufacturers (OEM). The OEMs are responsible for providing the final shape to vehicles and making it viable for use. Initially, the OEMs manufactured vehicles from scratch i.e. including the components that are assembled to form a vehicle. Over the years, the same model proved uneconomical for OEMs and hence the manufacturing of auto components was outsourced by them to companies that focused purely on manufacturing of automotive components. Since then, the performance of auto components industry has been directly related to the OEMs preferences and sourcing patterns. Today, the auto components industry is segmented into Drive Transmission and steering parts, Engine parts, Suspension and braking parts, Equipment, Electrical Parts, Chassis and other interior / exterior components.

The Global Automobile Industry

The automotive industry worldwide is highly capital intensive in nature. Although the major volume producers are based out of relatively smaller number of countries, their manufacturing facilities are spread out in many other countries around the world. The countries in the west have traditionally housed the major manufacturers but recently the Asia Pacific region has generated major growth in the world automobile industry. Existing global auto majors are re-aligning their production bases and coming closer to the Asia Pacific region. Also, constant pressure for cost reduction on OEMs is compelling them to outsource more and more components from low cost countries.

The Indian Automobile Industry

The Indian automobile market can be divided into 2 broad segments – passenger vehicles and commercial vehicles. The Indian passenger vehicles sector is the 9th largest in the world with a growth rate of 18% over the last 5 years. The commercial vehicle sector is the 5th largest market in the world and the same has been growing at 27% over the last 5 years. The projected growth rate in both these categories is around 10%.

Industry framework of the Indian Auto Component industry

While OEM offtake continues to make up the largest share of auto components demand, exports are increasingly gaining importance. Going ahead, cars and utility vehicles (Uvs) are expected to drive demand for the OEM segment. The proportion of cars and Uvs and two-wheelers procuring auto components from component manufacturers is relatively high vis-à-vis other segments. While this phenomenon could be partly attributed to design orientation, it is observed that there is a rising trend towards outsourcing the manufacturing of components rather than producing them in-house.

Size of the industry

Automotive component production in India grew by 25 per cent in 2005-06 and is estimated to have grown by 31 per cent in 2006-07. The 5-year CAGR for production has been pegged at 23 per cent. The auto component industry is expected to be worth Rs 597 billion (\$14.5 billion at the rate of Rs 41 per dollar) in 2006-07.



The Indian auto component industry has seen consistent buoyancy in component exports at a 5-year CAGR of 31 per cent between 2002-03 and 2006-07. Export production accounts for 20 per cent of total auto component production in 2006-07 vis-à-vis 8 per cent in 2000-01. Major export destinations include USA and large European countries.

The demand for auto components industry is expected to grow at a CAGR of around 16 per cent over a 5-year period, driven by exports which are expected to grow in share from 13 per cent in 2006-07 to 23 per cent in 2011-12 of total auto components production. While exports would continue to grow at a robust pace of 30 per cent over the next 5 years (2007-08 to 2011-12), OEM off-take is expected to grow at a CAGR of 12 per cent during the same period. In 2007-08, growth is estimated to be about 20 per cent (in production value terms) after a buoyant 30 per cent growth in 2006-07, due to the slowdown in both domestic and export demand with slowdown in demand.

Source – CRISIL Research

Production in the auto components industry is estimated at Rs 597 billion in 2006-07 (Rs 850 billion in terms of turnover) – a growth of 31 per cent over Rs 455 billion in 2005-06 (Rs 690 billion in turnover terms). OEM offtake in production value terms is estimated at Rs 397 billion, the largest offtake segment comprising 67 per cent of total production value, followed by exports and replacement offtake constituting 20 per cent and 13 per cent, respectively. It is further expected that industry will grow at a CAGR of 13 per cent over the next 5 years (2006-07 to 2011-12), which is expected to reach a production value of Rs 1,155 billion (Rs 1,650 billion in turnover terms). While the domestic market is expected to grow at a moderate pace, buoyancy in export demand would help sustain growth and enable diversity in revenues.

Business Overview

TIL, a die forging and machining company engaged in the manufacture and sales of automotive and non automotive components, is promoted by 3 technocrats and first generation entrepreneurs, namely, Mr. J.C Basu, Mr. Ranjan Bannerjee and Mr. Y.C Kurle. Prior to incorporating TIL, the promoters started their business venture in the name and style of Trinity Fasteners and Forging (TFF) in Pune on January 1974, as a partnership firm to carry out manufacturing of forged components with an installed capacity of 300 MTPA mainly for automobile industry. TFF with its technical competence established its name in the automobile industry as a preferred vendor in a short time. With an increased demand on account of its quality, TFF continued to expand and upgrade its installed capacity and process to cater to automobile and oil engine industry. On February 1982, the name of TFF was subsequently changed to Trinity Forge (TF).

On 31st December 1990, the aforesaid promoters along with Mr. Deepankar Basu incorporated Trinity Die Forgers Private Limited (TDFPL) for manufacturing forged components and also to acquire assets together with debt and liabilities of the partnership firm namely, TF. The assets of TF were taken over by TDFPL with effect from 31st December 1990. The operations of TDFPL were satisfactory and TDFPL had already increased its installed capacity to 2400 MTPA. Subsequently, TDFPL was converted into a public limited company with effect from 15th December 1992 and the name was changed to Trinity Die Forgers Limited (TDFL). As TDFL was known for its quality in the automobile industry and with the liberalization in the Indian economy, demand for supply of quality forged components was increasing and therefore TDFL decided to invite certain strategic investors for investing in TDFL by way of equity shares. As a result of this, TDFL was successful in getting investment from the Investment Corporation of India Ltd. (now known as Tata Investment Corporation Ltd), Altina Finance Pvt. Ltd and others. Thereafter, TDFL upgraded its technology by replacing hammer technology with press technology and also installed CNC machines for machining and finishing the forged components so as to realize higher margins and value addition. TDFL received ISO 9000 and ISO 14000 certification in the year 1997 and 1998 respectively. With the receipt of above certification and setting up of manufacturing base in India by international automobile manufacturers, TDFL's operations started increasing and it not only catered to domestic manufacturers but also started exporting its forged components to various renowned automobile manufacturers across the globe.

In the meantime, on 31st October 1985, the promoters of TDFL started a group company, namely, Trinity Auto Components Limited (TACL), for manufacturing forged components for HCVs and other heavy industries at Pune, near to its unit. For the purpose, it acquired heavy duty forging hammers with a capacity of 750 MTPA.

Due to growing demand of forged components both from domestic and international manufacturers and as the existing unit facilities were not adequate to take care of its growing operations, TDFL, in 1st June 2005, set up a new unit with latest technology at Shikrapur, Dist. Pune, about 35 kms from its existing unit, so as to expand its operations both in forged and machined components. The expansion was partly financed by term loan from UTI



Bank Ltd (now Axis Bank Ltd.), Kotak Mahindra Bank Ltd and The Saraswat Co-operative Bank Ltd. and promoters' contribution by way of internal generations.

One of the group companies of TDFL namely, Trinity Thermal Private Limited (TTPL), was engaged in the heat treatment process for the forged components. In order to integrate entire forging operations under one entity, and to eliminate the administrative and other costs, TTPL was merged with TDFL with a share exchange ratio of 1:1 i.e. one share of Rs.10 of TDFL against 1 share of Rs.10 of TTPL with effect from 1st April 2005 with the approval of Bombay High Court at its hearing held on 4th August 2006.

Again in the year 2007, one of the group companies of TDFL namely, Trinity India Ltd. (TIL), engaged in merchant export activities of the group was merged with TDFL with a share exchange ratio of 1:1 i.e. one share of Rs.10 of TDFL against 1 share of Rs.10 of TIL with effect from 1st April 2007, with the approval of Bombay High Court at its hearing held on 30th November 2007. Thereafter, the name of TDFL has been changed to Trinity India Limited (TIL) with effect from 29.02.2008. TIL's main activities comprise fully heat treated closed die steel forgings that can be converted into machined components which are ready to assemble for cars and trucks, high pressure fluid application, material handling and other general engineering industries. TIL emphasizes on quality along with focus on customer satisfaction and believes in continuous improvement. At present, TIL has five units, four located at Bhosari and one at Shikrapur. Among the Bhosari units, one has heat treatment facility, two have machining facilities and one unit has hammer forging facility while the Shikrapur unit has press forging, heat treatment as well as machining facility. The present installed capacity of TIL is 12,500 MTPA of forging facility.

At present, TIL's exports about 50% of its total sales. TIL is a globally recognized supplier which operates in a niche segment consisting of Front Wheel Hubs and Rear Wheel Spindles for all front wheel driven car. To this effect, TIL has built up a strong and repetitive order book position with prestigious clients like Ford Motor Car Co., Bosch, Germany, etc in the international market and Tata Motors, Maruti Suzuki Ltd, Ford India Ltd, Force Motors Ltd, Turbogears Ltd, Iljin Auto Motors Ltd etc. in domestic market. TIL's reputation, both domestic and overseas, is supported by its quality certificates which include ISO 9001:2000, ISO / TS 16949:2002 and various other certifications. TIL has also won various recognition and performance awards from its customers TIL also received status of 'Export House' from the Ministry of Commerce & Industry, in 2006.

TIL, over the years, has strengthened its manufacturing capacity by undertaking expansion from time-to-time. Due to overall surge in the economy in general and in automobile sector in particular, the demand for auto components have been rising and the present capacity of TIL is not adequate to meet the rising demand. With this view in the backdrop; TIL proposes to enhance its forging and machining capacity at its Talegaon-Dhamdhere, Tal. Shirur, Dist – Pune unit, so as to increase its forging capacity from present level of 12,500 MTPA to 28,100 MTPA and also increasing Machining capacity to meet the requirements arising out of proposed expansion for forging.

Our Strengths

- Promoted by well qualified and experienced technocrats in the auto component industry
- Latest state-of-the art plant and machinery for manufacturing auto components and other engineering products of international standards
- Located in and in the vicinity of Pune which is a hub for Domestic & International automobile manufacturers as also auto component manufacturers
- Long term association with key domestic and international customers
- Established product quality and the product acceptance from major international customers with zero rejection rate in exports market so far.
- Exports more than 50% of the total revenue during the year 2007-08 to the leading automobile manufacturers in the world.
- One of the major manufacturers with the significant market share in Hubs & Spindles
- Tata Investment Corporation Limited, an investment company of Tata Group has been one of the major investor in our company since January 1993

Our strategy

- Focus on capacity expansion to attain economies of scale
- Continued focus on consistently meeting international quality standards so as to ensure product acceptance by customers
- To retain customer base in the export and domestic market
- To manufacture value added auto components.



SUMMARY OF FINANCIAL DATA

The following information should be read together with the information contained in the Auditor's Report included on page [●] of this Draft Red Herring Prospectus.

SUMMARY OF ASSETS AND LIABILITIES (RESTATED)

Rs. In Lacs

		31.03.08	31.03.07	31.03.06	31.03.05	31.03.04
I.	Fixed Assets					
	Gross Block	3,270.31	2,395.20	1,548.37	1,333.92	913.98
	Less : Depreciation	1,073.86	883.03	746.71	685.66	637.24
	Net Block	2,196.45	1,512.17	801.66	648.26	276.74
	Capital Work-in-Progress	599.18	245.36	26.84	34.96	0.00
	Total	2,795.63	1,757.53	828.50	683.22	276.74
II	Investments	42.60	42.35	39.87	39.87	39.87
III	Current Assets, Loans and Advances					
	Inventories	2,215.70	1,494.30	1,206.57	1,011.82	655.99
	Sundry Debtors	1,362.01	749.45	344.60	323.28	296.08
	Cash and Bank Balances	266.58	119.61	72.16	70.56	42.98
	Loans and Advances	616.19	361.48	180.09	119.08	64.71
	Total	4,460.48	2,724.84	1,803.42	1,524.74	1,059.76
IV	Less : Liabilities and Provisions					
	Current Liabilities and Provisions	2,078.12	1,710.09	1,061.95	986.49	523.97
	Secured Loans	2,846.42	1,528.24	747.62	531.97	241.74
	Unsecured Loans	44.74	84.74	57.72	35.02	26.32
	Deferred Tax (Asset)/Liability (net)	274.90	153.22	92.98	70.00	39.01
	Total	5,244.18	3,476.29	1,960.27	1,623.48	831.04
	Net Worth (I+II+III-IV)	2,054.53	1,048.43	711.52	624.35	545.33
	Net Worth represented by:					
V	Equity Share Capital	677.24	502.21	132.02	132.02	132.02
VI	Reserves and Surplus					
	Share Premium	660.82	185.83	138.00	138.00	138.00
	General Reserve	78.47	86.17	238.70	236.20	229.88
	Profit and Loss Account	670.44	278.83	202.80	118.13	45.43
	Total	1,409.73	550.83	579.50	492.33	413.31
VII	Miscellaneous Expenditure to written off	32.44	4.61	-	-	-
VIII	Net Worth (V+VI-VII)	2,054.53	1,048.43	711.52	624.35	545.33



SUMMARY OF PROFIT AND LOSS (RESTATED)

Rs. In Lacs

Particulars	Year Ended				
	31.03.08	31.03.07	31.03.06	31.03.05	31.03.04
INCOME					
Sales					
Domestic – Gross Sales	3,829.89	3,779.97	2,973.68	3,180.23	2,676.47
Less : Duties & Taxes paid	565.05	574.20	498.55	529.61	455.20
Domestic – Net Sales	3,264.84	3,205.77	2,475.13	2,650.62	2,221.27
Exports	3,676.51	1,680.25	933.45	798.09	317.96
Total	6,941.35	4,886.02	3,408.58	3,448.71	2,539.23
Other Income	30.57	27.94	10.65	11.04	9.99
Total Income	6,971.92	4,913.96	3,419.23	3,459.75	2,549.22
EXPENDITURE					
Raw Materials consumed	3,218.61	2,197.31	1,566.22	1,585.71	1,113.55
Other Manufacturing Expenses	1,415.63	1,347.23	1,042.62	1,141.34	824.48
Staff Cost	427.96	484.21	292.64	274.25	273.57
Administrative Expenses	136.19	82.14	55.85	66.58	50.55
Selling and Distribution Expenses	431.50	163.99	123.68	98.34	45.28
Interest	285.38	132.38	77.71	53.79	53.83
Depreciation	255.60	147.37	108.01	83.83	95.95
Total Expenditure	6,170.87	4,554.63	3,266.73	3,303.84	2,457.21
Net Profit Before Tax	801.05	359.33	152.50	155.91	92.01
Current Tax	159.56	58.90	28.00	18.60	23.00
FBT	8.32	5.72	2.36	-	-
Deferred Tax	118.33	60.24	22.97	34.81	2.88
Profit for the year	514.84	234.47	99.17	102.50	66.13
Less : Prior period (Income) / Expenses	-	(2.55)	(0.84)	3.03	10.81
Adjusted Profit / (Loss) After Tax before Extraordinary items	514.84	237.02	100.01	99.47	55.32
Others – Extraordinary	-	(8.78)	(5.22)	6.22	7.78
Adjusted Profit / (Loss) After Tax after Extraordinary items	514.84	245.80	105.23	93.25	47.54
Brought forward Profit from Previous Year	278.83	202.80	118.13	45.43	17.14
Balance of profit on merger b/fd	37.22	50.47	-	-	-
Available for Appropriation	830.89	499.07	223.36	138.68	64.68
APPROPRIATIONS					
Proposed Dividend	93.14	35.03	15.84	15.84	15.84
Tax on Dividend	15.83	5.96	2.22	2.22	2.03
Capitalisation of Reserves	-	167.40	-	-	-
General Reserve	51.48	11.85	2.50	2.49	1.38
Profit transferred to Balance Sheet	670.44	278.83	202.80	118.13	45.43

**THE ISSUE**

Public Issue of Equity Shares	4,800,000 Equity Shares of face value of Rs. 10 each for cash at a premium of Rs. [●] aggregating to Rs. [●] Lacs
Of which:	
Qualified Institutional Buyers Portion *	2,400,000 Equity Shares of Rs. 10 each for cash at a premium of Rs. [●] aggregating up to Rs. [●] Lacs (Allocation on a proportionate basis)
- Of which 5% is available for allocation to Mutual Funds [The unsubscribed portion, if any, in the Mutual Fund reservation will be available to QIBs] - Balance for all QIBs including Mutual Funds	Up to 120,000 Equity Shares of Rs. 10 each for cash at a premium of Rs. [●] aggregating up to Rs. [●] Lacs Up to 2,280,000 Equity Shares of Rs. 10 each for cash at a premium of Rs. [●] aggregating up to Rs. [●] Lacs
Non Institutional Portion	Not Less than 720,000 Equity Shares of Rs. 10 each for cash at a premium of Rs. [●] aggregating up to Rs. [●] Lacs (Allocation on a proportionate basis)
Retail Portion	Not Less than 1,680,000 Equity Shares of Rs. 10 each for cash at a premium of Rs. [●] aggregating up to Rs. [●] Lacs (Allocation on a proportionate basis)
Equity Shares outstanding prior to the Issue	67,72,358 Equity Shares of face value of Rs. 10 each
Equity Shares outstanding after the Issue	11,572,358 Equity Shares of face value of Rs. 10 each
Objects of the Issue	Please see the section entitled “Objects of the Issue” on page [●] of this Draft Red Herring Prospectus.

We confirm and undertake that the issue to the public shall be atleast 25% of the post issue paid up capital.

* As per the recent amendments to the SEBI Guidelines, allocation to QIB’s is proportionate as per the terms of this Draft Red Herring Prospectus. 5% of the QIB portion shall be available for allocation to Mutual Funds. Mutual Funds participating in the 5% reservation in the QIB portion will also be eligible for allocation in the remaining QIB portion.

Our Company is proposing issue through 100% Book Building Process and up to 50% of Issue size is to be allotted to Qualified Institutional Buyers (QIB).

Under-subscription, if any, in any of the above categories would be allowed to be met with spill over inter-se from any other categories, at the sole discretion of our Company and BRLM.

**GENERAL INFORMATION****Registered Office of our Company**

Trinity India Limited,
Plot No. J/5, 'S' Block,
MIDC, Bhosari,
Pune – 411 026
Maharashtra, India
Tel: +91-20-2712 0873, +91-20-2712 0527,
Fax: -91-20-2712 0554
Email: cosec.tgu@forge-trinityindia.com
Website: www.forge-trinityindia.com

Registration No. of Company

Our Company is registered with the Registrar of Companies, Pune, Maharashtra with Registration No. 11-59618 of 1990 and Corporate Identity Number (CIN) U28910PN1990PLC059618. The address of the ROC is as follows:

Registrar of Companies, Pune

3rd Floor, PMT Building,
Deccan Gymkhana,
Pune – 411 004
Tel: +91-20-2553 0042
Fax: +91-20-2553 0042
Email: vishnu.katkar@mca.gov.in

Board of Directors

Our Board of Directors as on date of filing this DRHP with SEBI comprise of the following members:

Name, Designation	Nature of Directorship
Mr. J.C. Basu, Chairman & Managing Director	Executive and Non Independent Director
Mr. Deepankar Basu, Executive Director	Executive and Non Independent Director
Ms. Moushumi Basu, Whole-time Director*	Executive and Non Independent Director
Mr. Rasamoy Chakraborty	Independent Director
Mr. K. Ramchandra	Independent Director
Mr. Prabir Biswas	Independent Director
Mr. Jack Treier	Independent Director
Mr. Keshav Bhalchandra Gokhale	Alternate Director to Mr. Jack Treier

* - Re-designated as Vice Chairperson and Whole-Time Director w.e.f August 1, 2008

Mr. Jagadishchandra Basu, age 77 Years, our Chairman and Managing Director, graduated from Institute of Mechanical Engineers, England (G.I. Mech, England). Mr. Basu has over four decades of experience in Auto and Auto Components Sector having worked with reputed companies like M/s. Daimler Benz A.G., West Germany (now known as Daimler Chrysler A.G.), Tata Engineering & Locomotive Company (now known as TATA Motors Limited), Wyman Gordon Ltd. and M/s. Bharat Forge Limited. As the Chairman and Managing Director of our Company, Mr. Basu is responsible for the overall working of the Company and is instrumental in making strategic decisions for the Company. He has been associated with our company from its inception as a Promoter.

Mr. Deepankar Basu, age 45 years, our Executive Director, graduated with Master of Science (MSc) Degree from Sheffield Polytechnic, U.K. Since incorporation, Mr. Deepankar Basu is associated with our company and apart from heading the group company namely, Trinity Auto Components Limited as Chairman and Managing Director, he looks after Quality Control Department, Domestic Marketing Department and Technical Services Department.

Ms. Moushumi Basu, age 43 years, our Whole Time Director, possess a post graduate degree in MBA Finance, from the Oklahoma City University, USA. Ms. Basu joined our Company on 01.01.1992. Prior to the appointment as Whole Time Director, she was General Manager (Exports) of our company and was responsible



for international business. Ms. Basu presently looks after operations of Thermal Division, Export Marketing and Human Resources Development Department.. She joined our Board of Directors on 01.04.2001.

For further details of the Board of Directors, please refer to Chapter titled “Our Management” on page no. [•] of this Draft Red Herring Prospectus.

Company Secretary and Compliance Officer

Mr. Vijay Shirole

J/5, ‘S’ Block, MIDC, Bhosari,
Pune – 411 026
Maharashtra
Tel: +91-20-2712 0873, +91-20-2712 0527,
Fax: -91-20-2712 0554
Email: cosec.tgu@forge-trinityindia.com

Registrar to the Issue

Intime Spectrum Registry Limited

C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (W),
Mumbai, India 400078
Tel: +91-22-25960320(9 Lines)
Fax: +91-22-25960329
Email: til.ipo@intimespectrum.com
Contact Person: Mr. Sachin Achar

Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allotment, non-credit of allotted shares in the respective beneficiary account, refund orders etc.

Bankers to the Company

AXIS Bank Limited

Pune Sterling Plaza, 1262/B,
J M Road, Deccan Gymkhana,
Pune – 411 004

Kotak Mahindra Bank Limited

Bakre Avenue, F P No. 226/3,
Bhandarkar Road,
Pune – 411 004

Citibank NA

2413, Kumar Capital
East Street
Pune – 411001

The Saraswat Co-operartive Bank Limited

Hotel Surya Kiran,
MIDC Industrial Estate,
Mumbai-Pune Road,
Pimpri – 411 019

Book Running Lead Manager

Fortune Financial Services (India) Limited

K.K. Chambers, 2nd Floor, Sir P.T. Marg
Fort, Mumbai – 400 001
Tel: +91-22-2207 7931; Fax: +91-22-2207 2948
E-mail: til.ipo@ffsil.com
Website: <http://www.ffffil.com>
Contact Person: Mr. Chintan Hefa

**Legal Advisors to the Issue****India Law Services**

205-206, Maker Chambers V,
Nariman Point, Mumbai – 400021
Tel: +91-22-6633 679; Fax: +91-22-6633 6790
E-mail: mumbai@indianlawservices.net

Syndicate Members**Fortune Equity Brokers (India) Limited**

K.K. Chambers, 2nd Floor, Sir P.T. Marg
Fort, Mumbai – 400 001
Tel: +91-22-2207 7931; Fax: +91-22-2207 2948
E-mail: ipo@ffsil.com
Website : <http://www.ffsil.com>
Contact Person : Mr. Hiten Mehta

Auditors to the Company**S.A. Foujdar & Co.**

Chartered Accountants
Siddharth Towers, 7th Floor, Office No. 705,
Opp. Sangam Press, Kothrud,
Pune – 411 038 Maharashtra, India
Tel. No. +91-20-25451508
E-mail: safandcopune@hotmail.com

Statement of Inter-se Allocation of Responsibilities for the Issue

No.	Activities	Responsibility	Co-ordinator
1	Capital Structuring with relative components and formalities such as type of instruments, etc.	FFSIL	FFSIL
2	Due diligence of Company's operations/ management/ business plans/ legal etc. Drafting and approval of Draft Red Herring Prospectus and of statutory advertisement including memorandum containing salient features of the Prospectus. The BRLM shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including organization of Prospectus and RoC filing.	FFSIL	FFSIL
3	Drafting and approval of all publicity material other than statutory advertisement as mentioned in (2) above including corporate advertisement, brochure, etc.	FFSIL	FFSIL
4	Appointment of Registrar, Bankers,	FFSIL	FFSIL
5	Appointment of Printer and Ad agency	FFSIL	FFSIL
6	Non-Institutional and Retail Marketing of the Issue, which will cover, <i>inter alia</i> , <ul style="list-style-type: none">▪ Formulating marketing strategies, preparation of publicity budget▪ Finalize Media & PR strategy▪ Finalizing centers for holding conferences for brokers, etc.▪ Follow-up on distribution of publicity and Issuer material including form, prospectus and deciding on the quantum of the Issue material▪ Finalize collection centers	FFSIL	FFSIL
7	Domestic Institutional marketing of the Issue, which will cover, <i>inter alia</i> , <ul style="list-style-type: none">▪ Finalizing the list and division of investors for one to one meetings, and	FFSIL	FFSIL



No.	Activities	Responsibility	Co-ordinator
	<ul style="list-style-type: none">Finalizing road show schedule and investor meeting schedules		
8	International Institutional marketing of the Issue, which will cover, inter alia, <ul style="list-style-type: none">Finalizing the list and division of investors for one to one meetings, andFinalizing road show schedule and investor meeting schedules	FFSIL	FFSIL
9	Finalisation of pricing in consultation with company	FFSIL	FFSIL
10	Co-ordination with Stock Exchanges for Book Building Software, bidding terminals and mock trading	FFSIL	FFSIL
10	Post bidding activities including management of Escrow Accounts, co-ordination with Registrar and Banks, Refund to Bidders, etc. The post Issue activities of the Issue will involve essential follow-up steps, which must include finalization of listing of instruments and organiza of certificates and refunds, with the various agencies connected with the work such as Registrars to the Issue, Bankers to the Issue, and the bank handling refund business. BRLM shall be responsible for ensuring that these agencies fulfill their functions and enable them to discharge these responsibilities through suitable agreements with the Company	FFSIL	FFSIL
11.	Any other activities in connection with the offering which are not covered above	FFSIL	FFSIL

The selection of various agencies like Registrars to the Issue, Bankers to the Issue, Bank Collection Centres, Domestic Legal Advisors, Underwriters to the Issue, Advertising Agencies, Public Relations Agencies etc have been finalised by the Company in consultation with the BRLM.

Credit Rating

As the Issue is of Equity Shares, credit rating is not required.

IPO Grading

The Company will obtain a grading of the Issue from a credit rating agency registered with SEBI. Pursuant to the clauses 2.5A, 5.6B and 6.17.3A of the SEBI Guidelines, the grading rationale or the description furnished by the credit rating agency will be updated at the time of filing the Red Herring Prospectus with the RoC.

Trustees

As the Issue is of Equity Shares, the appointment of Trustees is not required.

Monitoring Agency

No agency has been appointed to monitor the utilization of funds as the present issue is less than Rs. 500 crores.

Appraising Agency

The requirement of funds through this issue has not been appraised by any agency. However, Axis Bank, Pune has sanctioned term loan of Rs.800 Lacs for Phase I of the project.

Withdrawal of the Issue

Our Company, in consultation with the BRLM reserves the right not to proceed with the issue anytime after the Bid / Issue Opening Date without assigning any reason thereof.

Book Building Process

Book building refers to the process of collection of Bids from Investors, on the basis of the Draft Red Herring Prospectus within the Price Band. The Issue Price is fixed after the Bid Closing Date / Issue Closing Date.



The principal parties involved in the Book Building Process are:

1. the Company;
2. the Book Running Lead Manager, in this issue being Fortune Financial Services (India) Limited;
3. Syndicate Members who are intermediaries registered with SEBI or registered as brokers with NSE / BSE and eligible to act as Underwriters. Syndicate Members are appointed by the BRLM;
4. Escrow Collection Bank(s); and
5. Registrar to the Issue.

The Issue is being made through the 100% Book Building Process wherein up to 50% of the Issue shall be allotted to Qualified Institutional Buyers on a proportionate basis out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allotment on a proportionate basis to QIBs including Mutual Funds, subject to valid bids being received from them at or above the Issue Price. Further, not less than 15% of the Issue would be allocated to Non-Institutional Bidders and not less than 35% of the Issue would be allocated to Retail Individual Bidders on a proportionate basis, subject to valid bids being received from them at or above the Issue Price. We will comply with the SEBI Guidelines for this Issue. In this regard, the Company has appointed the BRLM to manage the Issue and to procure subscriptions to the Issue.

Pursuant to amendments to the SEBI Guidelines, QIB Bidders are not allowed to withdraw their Bid(s) after the Bid Closing Date / Issue Closing Date and for further details see the section titled “Terms of the Issue” on page [●] of this Draft Red Herring Prospectus.

The process of Book Building under the SEBI Guidelines is subject to change. Investors are advised to make their own judgment about an investment through this process prior to submitting a Bid in the Issue.

Steps to be taken for bidding:

- Check eligibility for making a Bid. See the section “Issue Procedure” of the Red Herring Prospectus;
- Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid-cum-Application Form;
- Ensure that the Bid-cum-Application Form is duly completed as per the instructions given in the Red Herring Prospectus and in the Bid-cum-Application Form; and
- Ensure that in all cases, the PAN is quoted in the Bid-cum-Application Form. For details, see the section “Issue Procedure” of the Red Herring Prospectus.

Illustration of Book Building and Price Discovery Process

(Investors should note that this example is solely for illustrative purposes and is not specific to the Issue)

Bidders can bid at any price within the price band. For instance, assume a price band of Rs. 20 to Rs. 24 per share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the bidding centers during the bidding period. The illustrative book as shown below shows the demand for the shares of the company at various prices and is collated from bids from various investors.

Bid Quantity	Bid Price (Rs.)	Cumulative Quantity	Subscription
500	24	500	16.67%
1000	23	1500	50.00%
1500	22	3000	100.00%
2000	21	5000	166.67%
2500	20	7500	250.00%

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

**Underwriting Agreement**

After the determination of the Issue Price and allocation of our Equity Shares but prior to filing of the Prospectus with the ROC, our Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through this Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLM shall be responsible for bringing in the amount devolved in the event that Syndicate Members do not fulfill their underwriting obligations.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:
(This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the ROC)

Name and Address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten(Rs. Lacs)
Fortune Financial Services (India) Limited K.K. Chambers, 2 nd Floor, Sir P.T. Marg, Fort, Mumbai – 400 001	[●]	[●]
[●]	[●]	[●]

The above-mentioned amount is indicative underwriting and this would be finalized after pricing and actual allocation. The above Underwriting Agreement is dated [●].

In the opinion of our Board of Directors (based on a certificate given by the Underwriters), the resources of all the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. All the above-mentioned Underwriters are registered with SEBI under Section 12(1) of the Securities and Exchange Board of India Act, 1992 or registered as brokers with the Stock Exchange(s).

Allocation among Underwriters may not necessarily be in proportion to their underwriting commitments.

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default, the respective Underwriter in addition to other obligations to be defined in the Underwriting Agreement will also be required to procure / subscribe to the extent of the defaulted amount.



CAPITAL STRUCTURE

The Share Capital of our company as at the date of filing of this DRHP with SEBI (before and after the Issue) is set forth below:

			Nominal Value (Rs.)	Aggregate Value at Issue Price (Rs.)
A.	Authorised Share Capital			
	12,500,000	Equity Shares of Rs. 10 each	125,000,000	
B.	Issued, Subscribed and Paid-Up Capital before the Issue			
	67,72,358	Equity Shares of Rs. 10 each	67,723,580	
C.	Issue to the Public in terms of this Draft Red Herring Prospectus			
	4,800,000	Equity Share of Rs. 10 each		[•]
D.	Equity Share Capital after the Issue			
	11,572,358	Equity Shares of Rs. 10 each		[•]
E.	Share Premium Account			
	Before the Issue		66,083,020	
	After the Issue*		[•]	[•]

* The share premium account will be determined after Book Building Process

Notes:

Sr. No.	Date of Resolution / Meeting	AGM/EGM	Increase in Authorized Equity Capital (in Rs.)		
1.	On Incorporation	-			5,000,000
2.	27.06.1992	EGM	5,000,000	To	10,000,000
3.	03.05.1994	EGM	10,000,000	To	15,000,000
4.	25.09.2006	AGM	15,000,000	To	20,000,000
5.	28.12.2006	EGM	20,000,000	To	60,000,000
6.	07.07.2007	EGM	60,000,000	To	70,000,000
7.	21.02.2008	EGM	70,000,000	To	125,000,000

Notes to the Capital Structure

1. Equity Share Capital History of our Company

The following is the history of the equity share capital of our Company through the date of this Draft Red Herring Prospectus:

History of Share Capital								
Date of Allotment of Equity Shares / when made fully paid up	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Reason for Allotment	Cumulative number of Equity shares	Cumulative paid-up capital (Rs.)	Cumulative Share Premium (Rs.)
31.12.90	40	10	10	Cash	Initial subscription to Memorandum and Article of Association	40	400	Nil
16.01.91	300,000	10	10	Other than Cash	Further allotment of Equity Shares	300,040	3,000,400	Nil



					to takeover of Business of M/s Trinity Forge			
20.06.91	60	10	10	Cash	Further allotment of Equity Shares	300,100	3,001,000	Nil
30.09.92	150,050	10	10	Bonus	Issue of Bonus Shares in the Ratio of 1:2	450,150	4,501,500	Nil
30.09.92	250,000	10	10	Cash	Further allotment of Equity Shares	700,150	7,001,500	Nil
18.11.92	30,000	10	10	Cash	Further allotment of Equity Shares	730,150	7,301,500	Nil
01.01.93	230,000	10	70	Cash	Further allotment of Equity Shares to The Investment Corporation of India Limited (now Tata Investment Corporation of India Ltd.)	960,150	9,601,500	13,800,000
27.08.94	240,035	10	10	Rights	Issue of Rights Shares in the ratio of 1:4	1,200,185	12,001,850	13,800,000
01.12.95	120,000	10	10	Rights	Issue of Rights Shares in the ratio of 1:10	1,320,185	13,201,850	13,800,000
12.09.06	114,700	10	10	In Lieu of merger (Ratio 1:1)	Equity shares allotted to the shareholders of Trinity Thermal Pvt. Limited on merger (Ratio 1:1)	1,434,885	14,348,850	13,800,000
30.11.06	190,567	10	30	Rights	Issue of Rights Shares in the ratio of 1:6	1,625,452	16,254,520	17,611,340
01.01.07	48,584	10	30	Rights	Issue of Rights Shares in the ratio of 1:6	1,674,036	16,740,360	18,583,020
01.01.07	33,48,072	10	10	Bonus	Issue of Bonus Shares in the Ratio of 2:1	5,022,108	50,221,080	18,583,020
18.08.07	227,000	10	50	Cash	Further allotment of shares	5,249,108	52,491,080	27,663,020
03.09.07	210,000	10	50	Cash	Further allotment of shares	5,459,108	54,591,080	36,063,020
28.09.07	128,120	10	50	Cash	Further allotment of shares	5,587,228	55,872,280	41,187,820



11.10.07	69,150	10	50	Cash	Further allotment of shares	5,656,378	56,563,780	43,953,820
18.10.07	199,430	10	50	Cash	Further allotment of shares	5,855,808	58,558,080	51,931,020
01.11.07	49,721	10	50	Cash	Further allotment of shares	5,905,529	59,055,290	53,919,860
21.11.07	2,000	10	50	Cash	Further allotment of shares	5,907,529	59,075,290	53,999,860
27.12.07	26,500	10	50	Cash	Further allotment of shares	5,934,029	59,340,290	55,059,860
25.01.08	8,079	10	50	Cash	Further allotment of shares	5,942,108	59,421,080	55,383,020
16.02.08	80,000	10	50	Cash	Further allotment of shares	6,022,108	60,221,080	58,583,020
16.02.08	500,000	10	25	Cash	Further allotment of shares by way of promoters' contribution	6,522,108	65,221,080	66,083,020
16.02.08	250,250	10	10	In Lieu of merger (Ratio 1:1)	Equity shares allotted to the shareholders of Trinity India Limited on merger (Ratio 1:1)	6,772,358	67,723,580	66,083,020

2. Promoters Contribution and Lock-in:

All Equity shares which are being locked in are eligible for computation of Promoters contribution and Lock-in under clause 4.6 of the SEBI Guidelines.

Name of Promoter	Date on which fully paid up Equity Shares were allotted/acquired/transferred	Nature of Transaction	Nature of payment of consideration	Face Value (Rs.)	Number of Equity Shares	Issue Price (Rs.) / Transfer Price	% of Post-Issue Paid up capital	Lock in period (Years)
Mr. J C Basu	31/12/1990	Allotment	Cash	10	10	10	0.00	3
	16/01/1991	Allotment	Firm Takeover	10	99000	10	0.86	3
	20/06/1991	Allotment	Cash	10	23	10	0.00	3
	30/09/1992	Allotment	Cash	10	48467	10	0.42	3
	30/09/1992	Allotment	Cash	10	82500	10	0.71	3
	18/11/1992	Allotment	Cash	10	9000	10	0.08	3
	12/09/2006	Allotment	Amalgamation	10	5276	10	0.05	3



	30/11/2006	Allotment	Right	10	34040	30	0.29	3
	01/01/2007	Allotment	Bonus	10	541680	10	4.68	3
	01/01/2007	Allotment	Bonus	10	10552	10	0.09	3
	16/02/2008	Allotment	Amalgamation	10	7750	10	0.07	3
		Less:						
	09/12/1991	Transfer	Cash	10	-2100	10	-0.02	3
	13/11/1999	Transfer	Cash	10	-100	10	0.00	3
				(A)	836098		7.22	
Mr. Ranjan Banerjee	31/12/1990	Allotment	Cash	10	10	10	0.00	3
	16/01/1991	Allotment	Firm Takeover	10	87000	10	0.75	3
	20/06/1991	Allotment	Cash	10	19	10	0.00	3
	30/09/1992	Allotment	Bonus	10	42514	10	0.37	3
	30/09/1992	Allotment	Cash	10	72500	10	0.63	3
	18/11/1992	Allotment	Cash	10	12000	10	0.10	3
	12/09/2006	Allotment	Amalgamation	10	23987	10	0.21	3
	30/11/2006	Allotment	Right	10	19839	30	0.17	3
	01/01/2007	Allotment	Bonus	10	347738	10	3.00	3
	16/02/2008	Allotment	Amalgamation	10	7750	10	0.07	3
		Less:						
	09/12/1991	Transfer	Cash	20	-2000	10	-0.02	3
	24/03/1993	Transfer	Cash	20	-2000	10	-0.02	3
	28/03/2002	Transfer	Cash	10	-80000	10	-0.69	3
				(B)	529357		4.57	
Mr. Y C Kurle	27/03/1996	Transfer	Cash	10	84028	10	0.73	3
	12/09/2006	Allotment	Amalgamation	10	21523	10	0.19	3
	30/11/2006	Allotment	Right	10	14005	30	0.12	3
	30/11/2006	Allotment	Right	10	3587	30	0.03	3
	01/01/2007	Allotment	Bonus	10	196066	10	1.69	3
	01/01/2007	Allotment	Bonus	10	50220	10	0.43	3
				(C)	369429		3.19	
Mr. Deepankar Basu	31/12/1990	Allotment	Cash	10	10	10	0.00	3
	16/01/1991	Allotment	Firm Takeover	10	30000	10	0.26	3
	30/09/1992	Allotment	Cash	10	15005	10	0.13	3
	30/09/1992	Allotment	Cash	10	25000	10	0.22	3
	18/11/1992	Allotment	Cash	10	5000	10	0.04	3
	30/11/2006	Allotment	Right	10	16653	30	0.14	3
	01/01/2007	Allotment	Bonus	10	183336	10	1.58	3
	16/02/2008	Allotment	Amalgamation	10	7750	10	0.07	3
				(D)	282754		2.44	



Mrs. Gita Basu	09/12/1991	Purchase	Cash	10	2100	10	0.02	3
	30/09/1992	Bonus	Bonus	10	1050	10	0.01	3
	18/11/1992	Cash	Cash	10	4000	10	0.03	3
	30/11/2006	Right	Cash	10	4498	30	0.04	3
	01/01/2007	Bonus	Bonus	10	23296	10	0.20	3
				(E)	34944		0.30	
Mrs. Pratibha Kurle	27/03/1996	Transfer	Cash	10	70000	10	0.60	3
	30/11/2006	Right	Cash	10	11667	30	0.10	3
	01/01/2007	Bonus	Bonus	10	163334	10	1.41	3
				(F)	245001		2.12	
Mrs. Dipti Banerjee	16/2/2008	Allotment	Amalgamation	10	63750	10	0.55	3
				(G)	63750		0.55	
		GRAN TOTAL		(A+B+C+D+E+G)	2,361,333		20.39	

A total of 2,361,333 Equity Shares forming 20.39% of the post Issue paid up capital of our company shall be locked in by our promoters and promoter group as mentioned in the aforesaid table. for a period of three years on a Last In First Out (LIFO) basis as minimum promoters contribution and a specific written consent in this regard has been obtained from the aforesaid promoter. The lock-in shall start from the date of allotment in the proposed Issue and the last date of the lock-in shall be reckoned as three years from the date of allotment in the public issue. The entire pre-Issue capital other than locked in as minimum promoters' contribution shall be locked in for a period of one year from the date of allotment under this Issue.

Further the aforesaid promoter has given an undertaking that securities forming part of the minimum Promoters' Contribution subject to lock-in, will not be disposed /sold /transferred by the promoter during the period starting from the date of filing the DRHP with SEBI until the date of commencement of lock-in period as stated above.

As per Clause 4.15.1 of the SEBI Guidelines, the locked-in Equity Shares held by the aforesaid promoter can be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions, provided the pledge of shares is one of the terms of sanction of loan.

Under Clause 4.16.1(a) of the SEBI Guidelines, the Equity Shares held by persons other than the promoter prior to the Issue may be transferred to any other person holding the Equity Shares which are locked-in as per Clause 4.14 of the SEBI Guidelines, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI Takeovers Regulations.

Further, under Clause 4.16.1(b) of the SEBI Guidelines, the Equity Shares held by the aforesaid promoter may be transferred to and amongst the promoter group or to a new promoter or persons in control of the Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI Takeover Regulations.



3. Shareholding Pattern of our Company

The table below presents our shareholding pattern before the proposed Issue and as adjusted for the Issue:

Name Of The Shareholder	Pre-Issue (As on the date of filing of this DRHP)		Post-Issue	
	Number of Equity Shares	Percentage equity share capital (%)	Number of Equity Shares	Percentage equity share capital (%)
Promoters				
Mr. J. C. Basu ¹	1,053,098	15.55	1,053,098	9.10
Mr. Ranjan Banerjee ²	529,357	7.82	529,357	4.60
Mr. Y. C. Kurle ³	399,429	5.90	399,429	3.50
Mr. Deepankar Basu	327,754	4.84	327,754	2.80
Sub Total A	2,309,638	34.10	2,309,638	20.00
Persons Acting In Concert				
Mrs. Pratibha Y. Kurle ⁴	273,275	4.04	273,275	2.40
Mr. Ratul Banerjee ⁵	270,000	3.99	270,000	2.30
Mr. Nitin Kurle ⁶	157,048	2.32	157,048	1.40
Mrs. Gita Basu ⁷	147,694	2.18	147,694	1.30
Ms. Moushumi Basu ⁸	142,375	2.10	142,375	1.20
Ms. Sancharika Banerjee ⁹	120,000	1.77	120,000	1.00
Mrs. Debarati Basu ¹⁰	77,751	1.15	77,751	0.70
Mrs. Dipti Banerjee	63,750	0.94	63,750	0.60
Mast. Darius Kabraji Through Ms. Moushumi Basu	14,439	0.21	14,439	0.10
Sub Total B	1,266,332	18.70	1,266,332	10.90
Total Promoter & PAC Holding (C=A+B)	3,575,970	52.80	3,575,970	30.90
Public Shareholding				
Non-Institutions				
Private Corporate Bodies				
Tata Investment Corpn.	596,049	8.80	596,049	5.15
Altina Finance Pvt.Ltd	455,000	6.72	455,000	3.93
Dil Vikas Finance Ltd	384,705	5.68	384,705	3.32
Oregon Commercials Ltd.	175,701	2.59	175,701	1.52
Victor Impex Ltd	146,534	2.16	146,534	1.27
Anukaran Comm. Enterprises Ltd.	117,134	1.73	117,134	1.01
Canox Trading Pvt.Ltd.	64,119	0.95	64,119	0.55
Max Consultancy Pvt.Ltd.	20,000	0.30	20,000	0.17
Amoha Traders Private Limited	15,000	0.22	15,000	0.13
Arma Financial Services Ltd.	10,000	0.15	10,000	0.09
Sub Total D	1,987,242	29.30	1,987,242	17.15
Other Shareholders – Not related to Promoter/ Promoter Group	1,212,146	17.90	1,209,146	10.47
Public	-	-	4,800,000	41.48
Sub Total E	1,212,146	17.90	6,009,146	51.95
Total Non Promoter Holding (F=D+E)	3,196,388	47.20	7,996,388	69.10
Total (C+F)	6,772,358.00	100.00	11,572,358	100.00



- 1-Out of above 15,828 shares held jointly with Mrs. Gita Basu
2-Out of above 521607 shares held jointly with Mrs. Dipti Banerjee
3-Out of above 294099 shares held jointly with Mrs. Pratibha Kurle
4- Out of above 265001 shares held jointly with Mr. Yeshwant Kurle and 8274 shares held jointly with Mr. Nitin Kurle
5- Out of above 255000 shares held jointly with Mr. Ranjan Banerjee
6- Out of above 147048 shares held jointly with Mr. Yeshwant Kurle and 10000 shares held jointly with Mrs. Pratibha Kurle.
7-Out of above 58944 shares held jointly with Mr. J C Basu and 25000 shares held jointly with Mr. Deepankar Basu.
8-Out of above 106625 shares held jointly with Master Darius Kabraji
9-Shares are jointly held with Mr. Ranjan Banerjee
10- Out of above 14001 shares held jointly with Mr. Deepankar Basu

4. We, nor our Directors / Promoters / Promoter Group, nor their respective Directors and the “BRLM” have entered into any buy-back and/or standby or similar arrangements for purchase of Equity Shares of our Company from any person.
5. An over-subscription to the extent of 10% of the Issue can be retained for the purposes of rounding off while finalising the basis of allotment.
6. Securities offered through this Issue shall be made fully paid up or may be forfeited within 12 months from the date of allotment of securities in the manner specified in Clause 8.6.2 of the SEBI DIP Guidelines.
7. The list of our top ten shareholders and the number of Equity Shares held by them is as under:
- a. Our top ten shareholders and the number of Equity Shares of Rs.10 each held by them on the date of filing the Draft Red Herring Prospectus with SEBI is as follows:

Sr. No.	Name of the Shareholder	No. of Shares	% of Shareholding
1	Mr. J. C. Basu ¹	1053098	15.55
2	Tata Investment Corporation Ltd.	596049	8.80
3	Mr. Ranjan Banerjee ²	529357	7.82
4	Altina Finance Private Ltd.	455000	6.72
5	Mr. Yeshwant C. Kurle ³	399429	5.90
6	Dil Vikas Finance Ltd	384705	5.68
7	Mr. Deepankar Basu	327754	4.84
8	Mrs. Pratibha Kurle ⁴	273275	4.04
9	Mr. Ratul Banerjee ⁵	270000	3.99
10	Oregon Commercials Ltd	175701	2.59
TOTAL		4464368	65.93

¹Out of above 15,828 shares held jointly with Mrs. Gita Basu.

²Out of above 521607 shares held jointly with Mrs. Dipti Banerjee

³Out of above 294099 shares held jointly with Mrs. Pratibha Kurle

⁴Out of above 265001 shares held jointly with Mr. Yeshwant Kurle and 8274 shares held jointly with Mr. Nitin Kurle

⁵ Out of above 255000 shares held jointly with Mr. Ranjan Banerjee

- b. Our top ten shareholders and the number of Equity Shares of Rs. 10 each held by them 10 days prior to date of filing this Draft Red Herring Prospectus with SEBI is as follows:

Sr. No.	Name of the Shareholder	No. of Shares	% of Shareholding
1	Mr. J. C. Basu ¹	1053098	15.55
2	Tata Investment Corporation Ltd.	596049	8.80
3	Mr. Ranjan Banerjee ²	529357	7.82
4	Altina Finance Private Ltd.	458000	6.76
5	Mr. Yeshwant C. Kurle ³	399429	5.90
6	Dil Vikas Finance Ltd	384705	5.68
7	Mr. Deepankar Basu	327754	4.84
8	Mrs. Pratibha Kurle ⁴	273275	4.04
9	Mr. Ratul Banerjee ⁵	270000	3.99
10	Oregon Commercials Ltd	175701	2.59
TOTAL		4467368	65.97



1 Out of above 15,828 shares held jointly with Mrs. Gita Basu.

2 Out of above 521607 shares held jointly with Mrs. Dipti Banerjee

3 Out of above 294099 shares held jointly with Mrs. Pratibha Kurle

4 Out of above 265001 shares held jointly with Mr. Yeshwant Kurle and 8274 shares held jointly with Mr. Nitin Kurle

5 Out of above 255000 shares held jointly with Mr. Ranjan Banerjee

- c. Our top ten shareholders and the number of equity shares held by them two years prior to date of filing of this Draft Red Herring Prospectus with SEBI is as follows:

Sr. No.	Name of the Shareholder	No. of Shares	% of Shareholding
1	Mr. J. C. Basu	236800	17.94
2	M/s Tata Investment Corporation Ltd.	170300	12.90
3	Mr. Ranjan Banerjee ¹	130043	9.85
4	M/S Altina Finance Pvt. Ltd	128300	9.72
5	M/s Dil Vikas Finance Ltd	128235	9.71
6	Mr. Yeshwant C. Kurle ²	84028	6.36
7	Mr. Deepankar Basu	75015	5.68
8	Mrs. Pratibha. Y. Kurle ³	70000	5.30
9	M/S Victor Impex Ltd	62800	4.76
10	Mr. Ratul Banerjee ⁴	52500	3.98
Total		1138021	86.20

1 Shares are held jointly with Mrs. Dipti Banerjee.

2 Shares are held jointly with Mrs Pratibha. Y. Kurle

3 Shares are held jointly with Mr. Yeshwant C. Kurle

4 Shares are held jointly with Mr. Ranjan Banerjee.

8. There are no outstanding financial instruments or any other rights, which would entitle promoters or shareholders or any other person any option to acquire our Equity Shares after the IPO.
9. None of our Promoters, members of our promoter group have purchased or sold any Equity Shares, during a period of six months preceding the date on which this Draft Red Herring Prospectus is filed with SEBI except as under

S.No.	Date	Promoters & Persons Acting in Concert	No. of Shares	Purchase / Sale	Avg Price (Rs.)
1.	16/02/2008	Mr. J. C. Basu	217000	Purchase	25
2.	16/02/2008	Mr. Deepankar Basu	45000	Purchase	25
3.	16/02/2008	Mr. Ratul Banerjee ¹	60000	Purchase	25
4.	16/02/2008	Mr. Y. C. Kurle ²	30000	Purchase	25
5.	16/02/2008	Mrs. P. Y. Kurle ³	20000	Purchase	25
6.	16/02/2008	Mr. N. Y. Kurle ⁴	10000	Purchase	25
7.	16/02/2008	Mr. Ratul Banerjee	15000	Purchase	25
8.	16/02/2008	Mrs. Gita Basu ⁵	49000	Purchase	25
9.	16/02/2008	Ms. Moushumi Basu	20000	Purchase	25

1 – Equity Shares held jointly with Ranjan Banerjee

2 – Equity Shares held jointly with Pratibha Kurle

3 – Equity Shares held jointly with Yashwant Kurle

4 – Equity Shares held jointly with Pratibha Kurle

5 – 24,000 Equity Shares held jointly with J.C. Basu and 25,000 Equity Shares held jointly with Deepankar Basu



10. A Bidder cannot make a Bid for more than the number of Equity Shares offered through the Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
11. Except as disclosed in this Draft Red Herring Prospectus, none of our Directors and key managerial personnel holds any Equity Shares.
12. Except as disclosed herein, there would be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue, and exercise of employee stock options or in any other manner during the period commencing from submission of this Draft Red Herring Prospectus with SEBI until the Equity Shares issued have been listed.
13. Except as disclosed herein, we presently do not intend or propose to alter our capital structure for six months from the date of opening of the Issue, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise. However, during such period or at a later date, we may issue Equity Shares or securities linked to Equity Shares to finance an acquisition, merger or joint venture by us or as consideration for such acquisition, merger or joint venture, or for regulatory compliance or such other scheme of arrangement if an opportunity of such nature is determined by our Board to be in the interest of the Company, subject to compliance with appropriate guidelines, regulations, etc.
14. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. We shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
15. The Company has not raised any bridge loans against the proceeds of the Issue.
16. In the case of over-subscription in all categories, upto 50% of the Issue shall be available for allocation on a proportionate basis to QIBs, of which 5% shall be reserved for Mutual Funds. Mutual Funds participating in the 5% portion in the QIB category will also be eligible for allocation in the remaining QIB portion. Further, not less than 15% of Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above this Issue Price. Under-subscription, if any, in the Non Institutional and Retail categories would be allowed to be met with spill-over from any other category at the sole discretion of our Company in consultation with the BRLM.
17. Our Company does not have any Employee Stock Option or Employee Stock Purchase Scheme.
18. The Company has not revalued its assets since inception.
19. As on the date of filing of this Draft Red Herring Prospectus, the total number of holders of Equity Shares is 241.
20. There are no payments, direct or indirect, in the nature of a discount, commissions, allowance or otherwise, shall be made either by the Company or the Promoters in any public issue, to the persons who have received firm allotment in this issue.

**OBJECTS OF THE ISSUE**

The Company intends to utilize the proceeds of this Issue towards the following purposes:

- For expansion of forging capacity of 3000 MTPA at Shikrapur Unit under Phase I and 12600 MTPA at Dhamdhere, Tal. Shirur, Dist – Pune unit under Phase II thereby taking the total installed capacity of forging to 28100 MTPA from present level of 12500 MTPA and also increasing Machining capacity at both our locations to meet the requirements arising out of proposed expansion.
- To part-finance incremental working capital requirement
- To meet the general corporate purposes
- To meet the issue related expenses
- To achieve the benefits of listing

The main objects clause of the Memorandum of Association of our Company enables us to undertake our existing activities and the activities for which the funds are being raised by us, through the present issue.

Requirements of Funds

- **Project**

1. Proposed product and type of project	Expansion of Forging and Machining capacity to manufacture forged & machined auto component products such as Front Wheel Hubs, Rear Wheel Spindles, Gear Blanks, etc; Hydraulic Pump components like Cylinder Blocks etc; Material Handling System components like Chain Links & Chain Pins etc; and components for earthmoving equipments like Cylinder & Rod Ends, etc.
2. Plant Location	Phase I – Forging & Machining Expansion – Gat No. 1425, Shikrapur, Tal. – Shirur, Dist. Pune Phase II – Forging & Machining Expansion – Gat No. 2514, Talegaon, Dhamdhere, Tal. Shirur, Dist – Pune unit
3. Installed capacity	Phase I – Forging expansion – 3000 MTPA at Gat No. 1425, Shikrapur, Tal. – Shirur, Dist. Pune Phase II – Forging expansion – 12600 MTPA at Gat No. 2514, Talegaon, Dhamdhere, Tal. Shirur, Dist – Pune unit Machining Organization both the above mentioned units

- **Cost of the project**

Our expansion project has been assisted by Axis Bank Limited who have sanctioned term loan of Rs. 800 Lacs for Phase I vide their sanction letter dated 19.12.2007. The details of the cost of expansion project are given as under:

Rs. In Lacs				
Sr. No	Particulars	Phase I	Phase II	Total
1	Land and Land Development	-	325.00	325.00
2	Buildings	110.00	605.00	715.00
3	Plant & Machinery			
	Forging & related machinery	458.00	1062.00	1520.00
	Machining & related machinery	422.00	2078.00	2500.00
	Service Utility	40.00	350.00	390.00
4	General Corporate Purpose	-	[•]	[•]
5	P&P expenses (Incl. Issue Expenses)	-	[•]	[•]
6	Incremental margin money for Working Capital	-	837.00	837.00
7	Contingency	70.00	393.00	463.00
	Total Cost	1100.00	[•]	[•]



▪ **Means of Finance**

Our total funds requirements for the aforesaid expansion project are estimated as under:

Means of Finance	Rs. In Lacs		
	Phase I	Phase II	Amount
I. Issue Proceeds	-	[●]	[●]
II. Term Loan from Axis Bank	800.00	-	800.00
III. Private Placement of Equity Shares	300.00	200.00	500.00
IV. Promoters Contribution by way of Equity Shares	-	125.00	125.00
V. Internal Generations of the company	-	[●]	[●]
Total	1100.00	[●]	[●]

We confirm that firm arrangements of finance through verifiable means towards 75% of the stated means of finance, excluding the amount to be raised through the proposed public issue has been made.

▪ **Appraisal**

The requirement of funds through this issue has not been appraised by any agency. However, Axis Bank, Pune has sanctioned the term loan of Rs.800 Lacs for Phase I of the project.

Our assessment of fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution or any independent organization. The above cost estimates are indicative and based on estimates based on prevailing rates and previous orders for similar equipments. The actual costs would depend upon the negotiated prices with the suppliers/contractors and may vary from the above estimates. The fund requirement as stated above is based on the current business plan of our Company approved by our Board of Directors. Our business, by its very nature, is dynamic and competitive in nature, which may necessitate changes in our business plan to avail of new opportunities or to meet competitive threats, including those that we may not currently envisage. The changes, if any, in our business plan, shall be made keeping in mind investor's interest.

▪ **Brief note on the means of finance**

a. **Term Loans of Rs. 800 Lacs sanctioned by ABL**

Term Loans of Rs 800 Lacs has been sanctioned by ABL vide its letters dated December 19, 2007 for the Phase I of the proposed expansion project. The details of various terms & conditions for the aforesaid loan are given as under:

Sr.No.	Terms & Condiions	Term Loan of Rs.800 Lacs
1.	Processing fee	0.50% + Service Tax to be paid upfront (Non Refundable)
2.	Rate of Interest	2.5% below BPLR i.e. 12.5% p.a. payable monthly
3.	Security	<u>Primary:</u> First pari-pasu charge (Hypothecation/ Equitable Mortgage) on the fixed assets of the company, both present & future with Saraswat Bank and Kotak Mahindra Bank. <u>Collateral:</u> Second pari-pasu Hypothecation charge on the current assets of the company with Saraswat Bank and Kotak Mahindra Bank.
4.	Creation of Equitable Mortgage (EM)	The Company to arrange extention of EM within 60 days from the day of first disbursement of this term loan. Any delay in EM creation shall attract penal charge @ 2% p.a payable monthly.
5.	Guarantee	Personal gurantee of Directors, Mr. J.C Basu & Mr. Deepankar Basu
6.	Tenor & Repayment	50 equal monthly instalment of Rs 16 lacs each starting from 01.10.08. Interest to be serviced



		separately
7.	Margin	20%
8.	Insurance	All the tangible assets will be insured for full value covering all risks All assets charged to the bank should be adequately insured against prescribed risk with bank clause.
9.	Unsecured Loans	Unsecured loans should not be withdrawn during the currency of the loan
10.	Other Conditions	All other general terms and conditions of advances stipulated by bank remain applicable.

b. Private Placement of Equity Shares

Our company has already raised Rs. 500 Lacs by way of private placement of 1,000,000 equity shares of Rs 10/- for cash at a premium of Rs. 40/- per share for financing our proposed expansion project. The said private placement of equity shares has been made with certain non-promoter group investors. Our company has already received the entire amount and the same is being utilized on the proposed expansion project.

c. Promoters Contribution by way of Equity Shares

The Promoters & Promoter Group of our company have subscribed to the additional equity share capital of 500,000 equity shares of Rs. 10/- each for cash at a premium of Rs. 15/- per share being their contribution so as to part finance the proposed expansion project.

d. Internal Generations of the company

Our company is profit making company and has made net profit of Rs. 514.84 Lacs (Cash Profit of Rs. 770.44 lacs) for the year ended March 31, 2008. Therefore, after meeting the repayment and other obligation, our company would deploy Rs. [●] Lacs without any strain on Company's liquidity.

▪ Details of Cost of Project

1. Land and Land Development

The proposed expansion project is implemented partly at our existing Shikrapur unit and partly at the Talegaon –Dhamdhere, Tal. Shirur, Dist – Pune unit on account of inadequate space available at our Shikrapur and other units. Accordingly, need based expansion is proposed at our existing Shikrapur unit and the major expansion is proposed to be undertaken at Dhamdhere, Tal. Shirur, Dist – Pune unit.

Our company has purchased 8.5 acres (34398 Sq. Mts.) of land at Gat No. 2514, Talegaon-Dhamdhere, Tal. Shirur, Dist – Pune. The land is industrial land and is about 7 Kms from our Shikrapur Unit & about 55 Kms from our Registered Office. The land has approach road from the main Pune-Ahmednagar State Highway. The land is also well developed and MSEB power line passes from nearby area. The cost of the land works out to Rs. 225 Lacs including expenses towards Legal Fees, Stamp Duty, Registration and other miscellaneous expenses. Further, we would be required to spend about Rs. 100 Lacs towards land development which consists of land leveling, compound wall, plantation, etc.

2. Building

The details of the cost of building construction for Phase I and Phase II are given as under:



Phase I (Shikrapur Unit)

Sr. No.	Particulars	Size (Mtrs)	Area (in Sq. Mtr)	Rate (Rs./ Sq. Mtr)	Amount (Rs. Lacs)
1.	Extention of Forge Shop	18 x 10	180.00	4,500.00	8.10
2.	Extension of Heat Treatment Shop	30 x 18	540.00	6,000.00	32.40
3.	Construction of Machine Shop				
	I) Ground Floor	33 x 18.46	609.18	7,500.00	45.69
	II) First Floor	33 x 9.46	312.18	7,500.00	23.41
4.	Pit work for Heat Treatment	-	-	-	0.40
	Total				110.00

Phase II (Talegoan – Dhamdhere, Tal. Shirur, Dist – Pune unit)

Sr. No.	Particulars	Type	No. of Units	Size (Mtrs)	Area (in Sq. Mtr)	Rate (Rs./ Sq. Mtr)	Amount (Rs. Lacs)
1	Machine Shop	RCC structure with ground & first floor	Three	33 x 18.5	3,663.00	6,500.00	238.10
2	Press Shop	Structural steel work with M.S. precoated sheet roofing and cladding	One	95 x 40	3,800.00	6,500.00	247.00
3	Utility For Press Shop	RCC structure with ground floor only	One	82 x 6	492.00	6,000.00	29.52
4	Shop Office (above Utility)	RCC structure at First floor only	One	22.5 x 6	135.00	5,000.00	6.75
5	Office Building	RCC structure with ground and first floor	One	30 x 20	1,200.00	5,500.00	66.00
6	Utility for Machine Shop	Structural steel work with M.S. pre-coated sheet roofing	One	53.61 x 6.23	334.00	5,000.00	16.70
7	Misc. Exp						0.93
	Total						605.00

3. Plant & Machinery

Phase I (Shikrapur Unit)

Sr. No.	Description	Supplier	Quotation / P.O. & Date
1	Forging Press HasenClever VER 1250	Presstrade AG	2008CH.99.999-03 dtd. 11.01.2008
2	Accessories for Forging Press VER 1250	Presstrade AG	2008CH.99.999-02 dtd. 11.01.2008
3	Forging Press HasenClever VEPES 200	Presstrade AG	2008CH.99.999-01 dtd. 11.01.2008
4	Induction Heater for 1250 ton press	ELIND	14.01.2008
5	Bandsaw Machines	Niran Tools & Machinery	NTM/NSR/FQ/2007/173 9 dtd. 12.12.2007
6	Bolster for 1250 ton	Amrut Engineers	TDFL/OTH/07-08/340 dtd. 26.02.2008
7	Induction Heater for press	ELIND	TDFL/OTH/07-08/267 dtd. 4.12.07



Sr. No.	Description	Supplier	Quotation / P.O. & Date
8	Rigi Broach – 15 ton	Productivity Elements Pvt. Ltd.	TDFL/07-08/PRO dtd. 04.12.07
9	Vickers Hardness Tester	Future-Tech Corpotation	14.12.07
10	Accessories of Microhardness tester	Metatech Industries	Dtd. 07.12.2007
11	Hardening & Tempering Plant	Radial Engineers	TDFL/07-08/118 dtd. 19.12.2007
12	Chimney for heat treatment furnace	Enviclean Technologies	TDFL/07-08/120 dtd. 19.12.2007
13	Brinell Hardness Tester	Fine Testing Machines	TDFL/07-08/119 dtd. 19.12.2007
14	HR Steel trays for furnace	Shreeram Engineers	TDFL/07-08/121 dtd. 22.12.2007
15	Piping for heat treatment	Omkar Enterprises	TDF-0712025 dtd. 25.12.2007
16	Electricals	Omkar Enterprises	TDF-0712026 dtd. 25.12.2007
17	Induction Hardening	Inducto Therm	16.01.2008
18	Steel Blocks for Bolster for press	Durga Alloys	TDF/STL/07/153 dtd. 17.01.2008
19	3 Co-ordinate Measuring Machine	Accurate Gauging & Instruments P Ltd	A/20 dtd. 25.10.2007
20	Vertical Machining Center	Jyoti Automation P Ltd	TDFL/07-08/PRO dtd. 25.09.2007
21	CNC Lathe PUMA	Doosan Infracore Co. Ltd	TDFL/07-08/PRO-II/561 dtd. 21.11.07
22	Bolster Machining	Amrut Engineers	Dtd 17.01.2008
23	Midi Broach – 6 ton	Productivity Elements P L:td	TDFL/07-08 /PRO/674 dtd. 12.01.2008
24	CNC Turning Machine	LMW Limited	VP/2K7/152 dtd. 15.01.2008
25	CNC Drill Tap Machining Center	ACE Manufacturing System Ltd	DTC300:01 dtd. 01.01.2008
26	Thread Rolling Machine	MTE Industries Pvt. Ltd	MTEIPL/TDFPL/294 dtd. 05.01.2008
27	Instruments & Gauges	BAKER	Q/A/484/08 dtd. 07.01.2008
28	Ventilation & Air Cooling system	Purafil Engineers India Pvt. Ltd	TDFL/07-08/PRO dtd. 12.12.2007
29	Stabilzers	Servomax India Pvt. Ltd	TDFL/07-08/PRO dtd. 04.12.2007

Phase II (Talegaon- Dhamdhere, Tal. Shirur, Dist – Pune unit)

Sr.No.	Description	Supplier	Quotation / P.O. & Date
1.	Transport Facility	Pandit Automotive Pvt. Ltd.	PAL / BUS/QUT/07-08/001/ 12.01.2008
2.	Forging Presses & Trimming Presses	Press Trade	06H2007.1293 / 10.12.2007
3.	Induction Heater	ELIND	14.01.2008
4.	Bandsaw Machines	Niran Tools & Machinery	NTM/NSR/FQ/2007/1739 dtd. 12.12.2007
5.	Air Compressor	Rohan Enterprises	TDFL/RE/RSN/094 dtd. 09.01.2008
6.	Hardening & Tempering Plant	Radial Engineers	05.06.2007
7.	Chimney	Enviclean Technologies	17.12.2007
8.	HR Steel Trays	Shreeram Engineers	22.12.2007
9.	Hardness Testing	S.M.Engineers	SM/FINE/QT/07-08/233/15.12.2007
10.	Crack Detection System	Vinze Magnafield Controls P Ltd	VMFC/TDFL/47 / 04.07.2007
11.	Material Handling	Hindustan Automation	21-HA/TDFL020806/. 03.01.2008
12.	EOT Cranes	Shri Crane Fab Pvt Ltd	SCFL/S-285/08 / . 23.01.2008
13.	CNC Turning Lathe	LMW	VP/2K7/152/15.01.2008
14.	Stabilizers	Servomax India Pvt. Ltd	SIL/TDF/PNE/MP/232/2007-08/ 11.11.2007



15.	VMC Machines	Jyoti CNC Automation P Ltd	JCAPL/QUT/07/02/06/PN02 /15.09.2007
16.	Broaching Machine	Productivity Elements (P) Ltd.	04-04/REVISED/04.10.2007
17.	Air compressor	Rohan Enterprises	TDFL/RE/RSN/086/ 08.12.2007
18.	CNC Grinding	PMT Machines Ltd	AWH-TDFL:PUN:E-1203/ 18.01.2008
19.	CNC Machine for Die Shop	Electronica Hitech Engineering P. Ltd.	Doosan / MTT/2007-2008/SVM/02/20.11.2007
20.	Stamping Machine	Purshottam Co. Pvt. Ltd.	SAR/Trinity180107/01/07-08/18.01.2008
21.	Chamfering SPM	Excellent Engineering Ind. P. Ltd	0509/08.12.2007
22.	Air Ventilation System	Purafil Engineers (India) Pvt. Ltd	PFE-399-08/R-1/14.01.2008
23.	Electric Forklift	Voltas Limited	MHBD/QTN/6414/06.11.2007
24.	Thread Rolling	MTE Industries	MTEIPL/TDFPL/294/2007-08/05.01.2008
25.	Induction Hardening	Inductotherm	OHOH/070356/16.10.2007

Service Utility:

We propose to acquire utilities estimated to cost Rs. 390 Lacs for the proposed projects as under:

Particulars	Quantity
Electrical Installation : 3000 KVA	Lumpsum
DG Set : 630 KVA	3
DG Set : 375 KVA	3
Cooling Tower Set Up : -	3
Air Compressor : -	6
Air Cooling For Machine Shop : -	Lumpsum
Electrical Expenses : -	Lumpsum
Electricity Board Deposit : 4000 KVA	Lumpsum
Transformer : 2500 KVA	2
Breaker With Ctpt : -	2
Sub Stn Work, Cable Etc : -	Lumpsum

Source: Company estimates

4. General Corporate Purposes:

Our company is aiming to increase the exports by catering to the requirement of auto components of multinational passenger car manufacturers. To this end, we always need to incur expenditure on brand building through advertising, short films, etc for strengthening our capabilities for manufacturing of quality auto components, investment in technology, etc. Besides above, we need to renovate our offices at our registered office and Shikrapur unit for export marketing. Accordingly, we propose to incur Rs [●] lacs for the general corporate purpose. Our management, in accordance with the policies of our Board will have flexibility in utilizing the proceeds earmarked for general corporate purposes.

5. Preliminary & Pre Operative Expenses

Preliminary and pre-operative expenses are as under:

(Rs. In Lacs)

A.	Preliminary Expenses	
	Issue Related Expenses	[●]
B.	Pre-Operative Expenses	
	Insurance during construction	8.25



	Mortgage/Commitment charges	12.50
	Interest on proposed Term Loan during construction period	28.25
	Travelling expenses, Drawings, Designs, Erection, etc	19.50
	Start-up and Trial run expenses	12.50
	Total	[●]

6. Contingency

The contingency provision of about [●]% i.e., Rs. 463 Lacs has been considered on overall cost of Rs. [●] lacs which is considered to be in order keeping in view implementation period of 15 months.

7. Incremental Margin Money for Working Capital

Our company would require additional margin money of Rs. 837.00 Lacs on the completion of the proposed projects as per the working given below:

Rs. In Lacs

Particulars	Margin	Stock in	2009-10	2010-11
	%	Months	Req.	Req.
Current Assets:				
Raw Materials – Indigenous	25	1.73	704.91	872.12
Spares	25	4.58	264.26	355.33
Work-in-process.	25	0.68	320.76	270.51
Receivables				
a) Book Debts (Domestic)	25	1.80	798.54	1038.10
b) Bills discounting (Export)		1.05	627.39	784.24
Total (a)			2715.86	3320.30
Less: Current Liabilities:				
Creditors			752.95	970.25
Total (b)			752.95	970.25
Working capital (c = a-b)			1962.91	2350.05
Bank finance (d)			1200.00	1200.00
Margin money (c-d)			762.91	1150.05
Existing Margin			312.91	762.91
Incremental Margin Money			450.00	387.14
Say			837.00	

The incremental margin money arising out of implementation of phase I and II of expansion project would be Rs. 837 lacs. The incremental margin money for working capital on account of higher capacity utilization during the year 2011-12 and 2012-13 will be met from internal generations and our company does not envisage any difficulty in this regard.

▪ Issue Related Expenses

The expenses of the Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement and listing fees. The total expenses for this Issue are as estimated to be approximately Rs. [●] Lacs which is [●] % of the issue size.

All the issue related expenses shall be made out of the proceeds of the issue and break up of the same is as follows:



Sr. No.	Particulars of Expenses	Amount Rs. In Lacs	% of total expenses	% to the total issue size
1	Issue Management Fees (Inclusive of Underwriting)	[•]	[•]	[•]
2	Registrars Fee and Postage / Other Charges	[•]	[•]	[•]
3	Stock Exchange Charges	[•]	[•]	[•]
4	Legal Fee	[•]	[•]	[•]
5	Advertisement and Publicity	[•]	[•]	[•]
6	Printing of Prospectus, Application Forms and Distribution	[•]	[•]	[•]
7	Brokerage for Distribution	[•]	[•]	[•]
8	Miscellaneous Expenses/ Contingencies	[•]	[•]	[•]
	Total Amount / Issue Expenses (as % of Amount to be raised)	[•]	[•]	[•]

▪ **Present and Proposed Capacity**

After implementing the proposed projects, our installed capacity would be as under:

Facility	Present annual capacity	Expansion of annual capacity through the proposed Project	Total expected annual capacity post expansion
Forging			
J5 MIDC Bhosari, Pune	2700 MTPA	-	2700 MTPA
Shikrapur Dist. Pune	9800 MTPA	3000 MTPA	12800 MTPA
Dhamdhere, Tal. Shirur, Dist – Pune unit	-	12600 MTPA	12600 MTPA
Total	12500 MTPA	15600 MTPA	28100 MTPA

▪ **Proposed schedule of implementation – Time wise**

Our company proposes to implement the Phase I of expansion project by September 2008 and Phase II of the expansion project by March 2010 in 9 months and 15 months (from December 2008) respectively. Our company has already incurred an expenditure of Rs. 697 Lacs as on 20.06.2008 on the expansion project which has been financed by term loan, private placement of equity shares, promoters’ additional equity and internal accruals.

The time wise and activity wise schedule of implementation is given as under:

S.No.	Activity	Commencement	Completion
A.	Land & Land Development		
	Phase I	-	-
	Phase II	Feb 2008	Sep 2009
B.	Buildings		
	Phase I	Jan 2008	Jul 2008
	Phase II	Jan 2009	Dec 2009
C.	Plant & Machinery Orders/ Delivery		
	Phase I (Forging)	Feb 2008	Jul 2008
	Phase II (Forging)	Jan 2009	Dec 2009
	Phase I (Machining)	Feb 2008	Jul 2008
	Phase II (Machining)	Jan 2009	Dec 2009
D.	Plant & Machinery Erection		
	Phase I (Forging)	Mar 2008	Aug 2008
	Phase II (Forging)	Jan 2010	Feb 2010



	Phase I (Machining)	Apr 2008	Aug 2008
	Phase II (Machining)	Jan 2010	Feb 2010
E.	Trial Production		
	Phase I (Forging & Machining)	Sep 2008	Sep 2008
	Phase II (Forging & Machining)	Mar 2010	Mar 2010
F.	Commercial Production		
	Phase I (Forging & Machining)	Oct 2008	-
	Phase II (Forging & Machining)	Apr 2010	-

▪ Proposed schedule of implementation – Cost Wise

							Rs. In Lacs
S. No	Particulars	1.1.2008 to 31.3.2008	1.4.2008 to 30.09.2008	1.10.2008 to 31.3.2009	1.4.2009 to 30.09.2009	1.10.2009 to 31.3.2010	Total
1	Land & Land Development						
	Phase I	-	-	-	-	-	-
	Phase II	175.00	75.00	25.00	25.00	25.00	325.00
2	Building						
	Phase I	75.00	35.00	-	-	-	110.00
	Phase II	-	-	25.00	250.00	330.00	605.00
3	Plant & Machinery						
	Phase I	478.00	442.00	-	-	-	920.00
	Phase II	-	-	300.00	2000.00	1190.00	3490.00
4	General Corporate Purposes		[•]	[•]	[•]	[•]	[•]
5	P and P Expenses (incl. Issue expenses)	[•]	[•]	[•]	[•]	[•]	[•]
6	Incremental WC Margin	-	-	100.00	100.00	637.00	837.00
7	Contingency	-	50.00	40.00	60.00	313.00	463.00
	Grand Total						[•]

▪ Funds Deployed

As per the certificate dated June 24, 2008 of M/s S.A.Foujdar & Co., Chartered Accountants we have deployed Rs.697.00 Lacs till 20.06.2008. The same has been financed from private placement of equity shares, promoters' additional equity and internal accruals.

Sr. No	Particulars	Phase I	Phase II	Total
		(Rs in Lakhs)	(Rs in Lakhs)	(Rs in Lakhs)
1	Land and Land Development	-	159.00	159.00
2	Buildings	71.00	-	71.00
3	Plant & Machinery	425.00	-	425.00
	i) Forge Shop	192.00	-	-
	ii) Machine Shop	203.00	-	-
	iii) Service Utility	30.00	-	-
4	General Corporate Purpose	-	-	-
5	P&P Expenses	17.00	-	17.00
6	Issue Expenses	25.00	-	25.00
7	Contingency	-	-	-
8	Working Capital Margin	-	-	-
	Total Cost	538.00	159.00	697.00



▪ **Interim Use of Proceeds**

Pending utilization for the purposes described above, the company intends to invest the funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks, for the necessary duration or for reducing overdraft.

▪ **Monitoring of Utilisation of Funds**

As the issue size is less than Rs. 500 crores, there is no requirement for appointment of monitoring agency as per clause 8.17.1 of the SEBI (Disclosure and Investor Protection) Guidelines, 2000.

We will disclose the utilization of the proceeds of the issue under separate head in our balance sheet for FY 2008-09 and FY 2009-10, clearly specifying the purpose for which such proceeds have been utilized or otherwise disclosed in accordance with the disclosure requirements of listing agreement with the stock exchange. We shall also in our balance sheet for the FY 2008-09 and FY 2009-10, provide details, if any, and disclose in accordance with the disclosure requirements of listing agreement in relation to all such proceeds of the issue that have not been utilized thereby also indicating investment, if any, of such unutilized proceeds of the issue.

**BASIS FOR ISSUE PRICE**

The Issue Price will be determined by our Company, in consultation with the BRLM, on the basis of the assessment of market demand for the offered Equity Shares by the Book Building Process. The face value of our Equity Shares is Rs. 10 each and the issue price is [•] times the face value at the lower end of the price band and [•] times the face value at the higher end of the price band.

Qualitative Factors

- Promoted by well qualified and experienced technocrats in the auto component industry
- Latest state-of-the art plant and machinery for manufacturing auto components and other engineering products of international standards
- Located in and in the vicinity of Pune which is a hub for Domestic & International automobile manufacturers as also auto component manufacturers
- Long term association with key domestic and international customers
- Established product quality and the product acceptance from major international customers with zero rejection rate in exports market so far.
- One of the major manufacturers with the significant market share in Hubs & Spindles
- Awarded quality certifications namely TS 16949, ISO 9001:2000, ISO 14001, QS 9000, etc
- Exports more than 50% of the total revenue during the year 2007-08 to the leading automobile manufacturers in the world.
- Tata Investment Corporation Limited, an investment company of Tata Group has been one of the major investor in our company since January 1993

For further details of aforesaid qualitative factors investors should see “Our Business” on page [•] of the DRHP

Quantitative Factors**1. Adjusted earnings per share (EPS) weighted**

Year ended	EPS (Rs.)	Weight
March 31, 2006	7.58	1
March 31, 2007	10.35	2
March 31, 2008	9.31	3
Weighted Average	9.37	

2. Price Earnings ratio (P/E ratio) in relation to the Issue Price of Rs. [•] per share

Particulars	P/E
Based on March 31, 2008 EPS	[•]
Based on weighted average EPS	[•]

Industry P/E

Particulars	P/E
Highest	
▪ Hindustan Composites Limited	80.90
Lowest	
▪ Bharat Gears Limited	3.00
Average	16.00

Source: Capital Market XXIII/08, Jun 16 -29, 2008

**3. Average Return on Net worth (RoNW)**

Year ended	RoNW (%)	Weight
March 31, 2006	14.06	1
March 31, 2007	22.61	2
March 31, 2008	25.06	3
Weighted Average	22.41	

4. Minimum return on total Net worth after issue needed to maintain pre-issue EPS of Rs. [●] is [●] % (at an issue price of Rs. [●] per share)**5. Net Asset Value (NAV) per share (Rs.)**

NAV as at March 31, 2008	Rs. 37.15 per Equity Share
NAV after the Issue	Rs. [●] per Equity Share
Issue Price	Rs. [●] per Equity Share

6. Comparison with other listed companies in Auto Ancillary Segment

Company	FV (Rs.)	EPS (Rs.)	P/E as on 09/06/2008	RoNW (%)	NAV (Rs.)	Sales (Rs. In crs)
Trinity India Limited	10	9.31	N.A.	25.06	37.15	69.72
Amtek Auto Limited	2	16.00	14.20	15.70	147.40	1104.10
Amtek India Limited	2	10.30	7.90	22.50	96.30	749.90
Autoline Industries Limited	10	13.70	10.80	24.90	113.30	183.50
Automotive Stamp Limited	10	2.70	21.50	7.60	42.10	301.00
IP Rings Limited	10	3.60	15.90	9.40	60.90	54.00
KEW Industries Limited	10	3.60	6.20	11.40	38.80	62.70
Samkrp Pistons Limited	10	6.00	8.50	20.00	33.40	83.30

Source: Capital Market XXIII/08, Jun 16 -29, 2008 – Auto Ancillaries

Note: More than 90% of our company's products are finished auto components like spindles and hubs used in passenger cars through the process of forging and finishing. As such the comparison by product to product in the auto ancillary industry is not available. Therefore, the comparison with other auto component manufacturing companies is given in the above table.

7. The face value of Equity shares of TIL is Rs. 10/- and the issue price is [●] time of face value

The BRLM believes that the issue price of Rs. [●] is justified in view of the above Qualitative and Quantitative parameters. The investors may want to pursue the risk factors and financial of the company including important profitability and revenue ratios, as set out in the Auditors reports in this prospectus to have more informed view of the investment proposition.



STATEMENT OF TAX BENEFITS

To,
The Board of Directors
Trinity India Limited
J-5, MIDC,
Bhosari, Pune

Dear Sir/s,

We hereby report that the enclosed statement states the possible tax benefits available to the Company and to the shareholders of the Company under the current Tax Laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed statement are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws and the fact that the Company will not distinguish between the shares offered for subscription and the share offered for sale by the Selling shareholders, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

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

- i) the Company or its shareholders will continue to obtain these benefits in future; or
- ii) the conditions prescribed for availing the benefits have been / would be met with.

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

For **S. A. Foujdar & Co.**
CHARTERED ACCOUNTANTS

S A. FOUJDAR
Partner
Membership No.40943

Place: Pune
Date : 10.07.2008

**1. BENEFITS TO THE COMPANY UNDER THE INCOME TAX ACT, 1961 ('THE ACT'):**

The Company will be entitled to deduction under the sections mentioned hereunder from its total income chargeable to Income Tax.

1.1. Dividends exempt under Section 10(34)

Dividends (whether interim or final) declared, distributed or paid by domestic companies are exempt in the hands of the Company as per the provisions of Section 10(34) of the Act.

1.2. Dividends exempt under Section 10(35)

The Company will be eligible for exemption of dividend income in accordance with and subject to the provisions of Section 10(35) of the Act.

1.3. Set off of dividend tax under section 115(O) (1A)

The dividend tax as payable under section 115(O) (1A) shall be reduced by amount of dividend received from subsidiary as the subsidiary has paid tax under this section.

1.4. Computation of capital gains

1.4.1. Capital assets may be categorised into short term capital assets and long term capital assets based on the period of holding. Shares in a company, listed securities or units will be considered as long term capital assets if they are held for a period exceeding 12 months. Consequently, capital gains arising on sale of these assets held for more than 12 months are considered as "long term capital gains". Capital gains arising on sale of these assets held for 12 months or less are considered as "short term capital gains".

1.4.2. Section 48 of the Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition/improvement and expenses incurred in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, in respect of long term capital gains, it offers a benefit by permitting substitution of cost of acquisition/improvement with the indexed cost of acquisition/improvement, which adjusts the cost of acquisition/improvement by a cost inflation index as prescribed from time to time.

1.4.3. As per the provisions of Section 112 of the Act, long term gains as computed above that are not exempt under section 10(38) of the Act would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess). However, as per the proviso to Section 112(1), if the tax on long term capital gains resulting on transfer of listed securities or units, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long term gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 percent (plus applicable surcharge and education cess and secondary higher education cess).

1.4.4. As per the provisions of section 111A of the Act, short-term capital gains on sale of equity shares or units of an equity oriented fund where the transaction of sale is chargeable to Securities Transaction tax ("STT") shall be subject to tax at a rate of 15per cent (plus applicable surcharge and education cess and secondary higher education cess).

1.4.5. Exemption of capital gain from income tax

- According to section 10(38) of the Act, long-term capital gains on sale of equity shares or units of an equity oriented fund where the transaction of sale is chargeable to STT shall be exempt from tax.
- According to the provisions of section 54EC of the Act and subject to the conditions specified therein, capital gains not exempt under section 10(38) and arising on transfer of a long term capital asset shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer. However, if the said bonds are transferred or converted into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money.



1.5. Other specified deductions

Subject to fulfillment of conditions, the Company will be eligible, *inter alia*, for the following specified deductions in computing its business income:-

- 1.5.1. Section 35(1)(i) and (iv) of the Income Tax Act, 1961 in respect of any revenue or capital expenditure incurred, other than expenditure on the acquisition of any land, on scientific research related to the business of the Company.
- 1.5.2. Section 35 (1) (ii) and (iii) of the Income Tax Act, 1961 in respect of any sum paid to a Scientific Research Association which has as its object, the undertaking of scientific research or to any approved university, college or other institution or a company to be used for scientific research or for research in social sciences or Statistical Research to the extent of a sum equal to one and one fourth times the sum so paid.
- 1.5.3. Subject to compliance with certain conditions laid down in Section 32 to the Income Tax Act, 1961 the company will be entitled to deduction for depreciation:
 - In respect of tangible assets and intangible assets in the nature of know-how, patents, copyrights, trademarks, licenses, franchises or any other business or commercial rights of similar nature acquired on or after 1st day of April, 1998 at the rates prescribed under the Income Tax Rules;
 - In respect of machinery or plant which has been acquired and installed after 31st March 2005 for the purpose of new industrial undertaking or in respect of the existing manufacturing facilities a further sum of 20% of the actual cost of such machinery or plant as additional depreciation in the year in which the new plant and machinery is first put to use.
- 1.5.4. Under Section 115 JAA (1A) of the Act, tax credit shall be allowed of any tax paid (MAT) Under Section 115 JB of the Act. Credit eligible for carry forward is the difference between MAT paid and the tax computed as per the normal provisions of the Act. Such MAT credit shall not be available for set off beyond 7 years succeeding the year in which MAT becomes allowable.

2. TAX BENEFITS TO THE SHAREHOLDERS OF THE COMPANY

2.1. UNDER THE INCOME TAX ACT, 1961

A. Residents

1. In accordance with section 10(34), dividend income declared, distributed or paid by the Company(referred to in section 115-o) on or after April 1, 2003 will be exempt from tax.
2. Shares of the Company held as capital asset for a period of more than twelve months preceding the date of transfer will be treated as a long term capital asset. In accordance with Section 10(38), any income arising from the transfer of a long term capital asset being an equity share in a company is not includable in the total income if the transaction is chargeable to securities transaction tax.
3. In accordance with section 112, the tax on capital gains on transfer to listed shares where the transaction is not chargeable to securities transaction tax, held as long term capital asset will be lower of:
 - a. 20 percent (plus applicable surcharge and Education Cess and secondary higher education cess) of the capital gains as computed after indexation of the cost. or
 - b. 10 percent (plus applicable surcharge and Education Cess and secondary higher education cess) of the capital gains as computed without indexation.
4. In accordance with section 111A capital gains arising from the transfer of a short term asset being an equity share in a company and such transaction is chargeable to securities transaction tax, the tax payable on the total income shall be at the rate of 15 percent (plus applicable surcharge and Education Cess and secondary higher education cess).



5. In accordance with section 54EC, long term capital gains arising on transfer of the shares of the company on which securities transaction tax is not payable shall be exempt from tax if the gains are invested within six months from the date of transfer in the purchase of a long term specified asset. If only a part of the capital gain is so invested, the exemption would be limited to the amount of the capital gain so invested. If the specified asset is transferred or converted into money at any time within a period of three years from the date of acquisition, the amount of capital gains on which tax was not charged earlier shall be deemed to be income chargeable under the head 'Capital Gains' of the year in which the specified asset is transferred.
6. Under section 54F of the Act, where in the case of an individual or HUF capital gain arise from transfer of long term assets (other than a residential house and those exempt u/s 10(38) of the act) then such capital gain, subject to the conditions and to the extent specified therein, will be exempt if the net sales consideration from such transfer is utilized for purchase of residential house property within a period of one year before or two year after the date of the transfer or for construction of residential house property within a period of three years after the date of transfer.

B. Non Residents

1. In accordance with section 10(34), dividend income declared distributed or paid by the company (referred to in section 115-O) on or after April 1, 2003 will be exempt from tax.
2. In accordance with section 48, capital gains arising out of transfer of capital assets being shares in the company and such transaction are not chargeable to securities transaction tax shall be computed by converting the cost of acquisition, expenditure in connection with such transfer and the full value of the consideration received or accruing as a result of the transfer into the same foreign currency as was initially utilized in the purchase of the shares and the capital gains computed in such foreign currency shall be reconverted into Indian currency such that the aforesaid manner of computation of capital gains shall be applicable in respect of capital gains accruing, arising from every reinvestment thereafter and the sale of shares or debentures of an Indian company including the company.
3. In accordance with section 112 , the tax on capital gains on transfer of listed shares where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be at the rate of 20% (plus applicable surcharge and Education Cess and secondary higher education cess).
A non resident will not be eligible for adopting the indexed cost of acquisition and the indexed cost of improvement for the purpose of computation of long term capital gain on sale of shares
4. In accordance with section 111A capital gains arising from the transfer of a short term asset being an equity share in a company and such transaction is chargeable to securities transaction tax, the tax payable on the total income shall be at the rate of 15 percent (plus applicable surcharge and Education Cess and secondary higher education cess).
5. In accordance with section 54EC, long term capital gains arising on transfer to of the shares of the company and on which securities transaction tax is not payable, the tax payable on the capital gains shall be exempt from tax if the gains are invested within six months from the date of transfer in the purchase of a long term specified asset.

If only a part of the capital gain is so invested, the exemption would be limited to the amount of capital gain so invested.

If the specified asset is transferred or converted into money at any time within a period of three years from the date of acquisition the amount of capital gains on which tax was not charged earlier shall be deemed to be the income chargeable under head 'Capital Gains' of the year in which the specified asset is transferred.

6. Under section 54F of the Act, where in the case of an individual or HUF capital gain arise from transfer of long term assets (other than a residential house and those exempt u/s 10(38) then such capital gain, subject to the conditions and to the extent specified therein, will be exempt if the net sales consideration from such transfer is utilized for purchase of residential house property within a period of one year before or two year after the date of transfer or for construction of residential house property within a period of three years after the date of transfer.

C. Non Resident Indians

Further, a non resident Indian has the option to be governed by the provisions of chapter XII A of the income Tax act, according to which:



1. In accordance with section 115E, income from long term capital gains on transfer of shares of the company acquired out of convertible foreign exchange and on which securities transaction tax is not payable, shall be taxed at the rate of 15 % (plus applicable surcharge and Education Cess and secondary higher education cess).
2. In accordance with section 115F, subject to the conditions and to the extent specified therein, long term capital gains arising from the transfer of shares of the company acquired out of convertible foreign exchange and on which securities transaction tax is not payable, shall be exempt from capital gains tax if the net consideration is invested within six months from the date of transfer in any specified asset.
3. In accordance with section 115G, it is not necessary for a non resident Indian to file a return of income under section 139(1), if his total income consists only of investment income earned on shares of the company acquired out of convertible foreign exchange or long term capital gains earned on transfer of shares of the company acquired out of convertible foreign exchange and the tax has been deducted at source from such income under the provisions of chapter XVII-B of the income tax act.
4. In accordance with section 115 I where a non resident Indian opts not to be governed by the provisions of Chapter XII-A of any assessment year, his total income for that assessment year (including income arising from the investment in the company) will be computed and tax will be charged according to the normal provisions of the income tax act. Long - term capital gains, if securities transaction tax is not payable on the transfer of the shares and at 15% (plus applicable surcharge and Education Cess and secondary higher education cess) on short term capital gains arising on the sale of the shares of the company which is subject to securities transaction tax. Short term capital gains on the transfer of shares/debentures other than those mentioned above would be taxable @30% (plus applicable surcharge and Education Cess and secondary higher education cess)

D. Foreign Institutional Investors

1. In accordance with section 10(34), dividend income declared, distributed or paid by the company (referred to in section 115-O) on or after April 1, 2003 will be exempt from tax in the hands of foreign institutional investors (FIIs).
2. In accordance with section 115AD, FIIs will be taxed at 10% (plus applicable surcharge and Education Cess and secondary higher education cess) on long - term capital gains, if securities transaction tax is not payable on the transfer of the shares and at 15% (plus applicable surcharge and Education Cess and secondary higher education cess) on short term capital gains arising on the sale of the shares of the company which is subject to securities transaction tax. Short term capital gains on the transfer of shares/debentures other than those mentioned above would be taxable @30% (plus applicable surcharge and Education Cess and secondary higher education cess)

E. Persons Carrying On Business or Profession In Shares and Securities

In accordance with section 88E where the total income includes income chargeable under the head "profits and gains of business or profession" arising from taxable securities transaction, an amount equal to the securities transaction tax paid will be available as deduction from the amount of income tax on which income arising from the transactions subject to other applicable conditions.

F. Mutual Funds

In accordance with section 10(23D), any income of:

- i. A mutual fund registered under the Securities And Exchange Board Of India Act, 1992 or regulations made thereunder;
- ii. Such other mutual fund set up by a public sector Bank or a public financial institution or authorized by the Reserve Bank Of India subject to such conditions as the Central Government may be notified in the official gazette, specify in this behalf will be exempt from income tax.

G. Venture Capital Companies/ Funds

In terms of Section 10 (23FB) of the Act all Venture capital companies/funds/undertaking registered with Securities and Exchange Board of India, subject to the conditions specified, are eligible for exemption from Income Tax on all their income including Income from Dividend.



2.2. UNDER THE WEALTH TAX ACT, 1957

Shares in a company held by a shareholder will not be treated as an “Asset” within the meaning of Section 2(ea) of Wealth-Tax Act, 1957; wealth tax is not leviable on shares held in a company.

Notes

- a. All the above benefits are as per the current tax law and will be available only to the sole /first named holder in case the shares are held by joint holders.
- b. In respect of non-residents, taxability of capital gains mentioned above shall be further subject to any benefit available under the Double Taxation Avoidance Agreement, if any between India and the Company in which the non-resident has fiscal domicile.
- c. In view of the individual nature of tax consequence, each investor is advised to consult his/her own tax adviser with respect to specific tax consequences of his/her participation in the scheme.

**SECTION IV: ABOUT US****INDUSTRY OVERVIEW**

The information presented in this section has been extracted from publicly available documents, which have not been prepared or independently verified by the Company, the Lead Manager or any of their respective affiliates or advisors.

Industry Overview**Overview**

The automobile industry largely comprises two wheeler, three wheeler and four wheeler vehicles. Four wheelers may be further segmented into passenger cars, utility vehicles (UV), commercial vehicles (CV) and tractors. The manufacturers of these vehicles are often referred to Original Equipment (Vehicle) Manufacturers (OEM). The OEMs are responsible for providing the final shape to vehicles and making it viable for use. Initially, the OEMs manufactured vehicles from scratch i.e. including the components that are assembled to form a vehicle. Over the years, the same model proved uneconomical for OEMs and hence the manufacturing of auto components was outsourced by them to companies that focused purely on manufacturing of automotive components. Since then, the performance of auto components industry has been directly related to the OEMs preferences and sourcing patterns. Today, the auto components industry is segmented into Drive Transmission and steering parts, Engine parts, Suspension and braking parts, Equipment, Electrical Parts, Chassis and other interior / exterior components.

The Global Automobile Industry

The automotive industry worldwide is highly capital intensive in nature. Although the major volume producers are based out of relatively smaller number of countries, their manufacturing facilities are spread out in many other countries around the world. The countries in the west have traditionally housed the major manufacturers but recently the Asia Pacific region has generated major growth in the world automobile industry, as depicted by the table below. Existing global auto majors are re-aligning their production bases and coming closer to the Asia Pacific region. Also, constant pressure for cost reduction on OEMs is compelling them to outsource more and more components from low cost countries.

Total Vehicle Production (in Volumes '000)

Year	Western Countries	% of Total	Eastern Countries	% of Total	Others	World	% Increase / Decrease
1997	36152	68.06	15234	28.68	1732	53,117	
1998	36869	71.04	13696	26.39	1339	51,902	-2.29%
1999	39087	69.48	14539	25.84	2631	56,260	8.40%
2000	39975	68.51	15328	26.27	3046	58,347	3.71%
2001	37957	67.41	14905	26.47	3441	56,305	-3.50%
2002	38540	65.67	16666	28.40	4484	58,690	4.24%
2003	38280	63.10	17908	29.52	4476	60,664	3.36%
2004	39782	61.68	19216	29.79	5498	64,496	6.32%
2005	40127	60.37	20206	30.40	6133	66,465	3.05%
2006	40719	58.90	27188	39.33	1220	69,127	4.01%

Source – www.autoindustry.co.uk/statistics

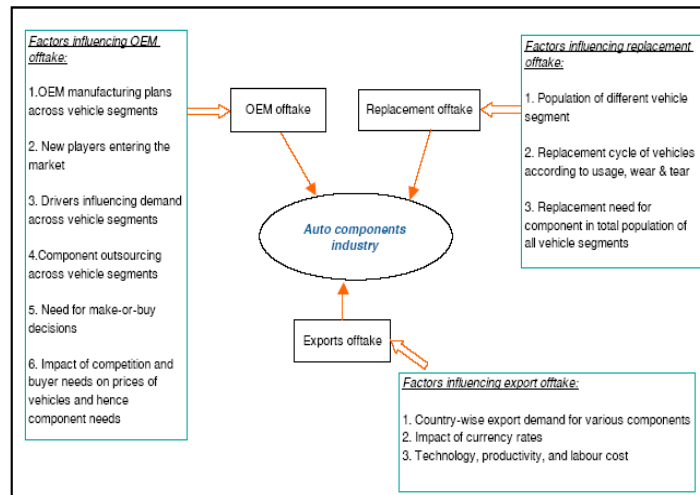
The Indian Automobile Industry

The Indian automobile market can be divided into 2 broad segments – passenger vehicles and commercial vehicles. The Indian passenger vehicles sector is the 9th largest in the world with a growth rate of 18% over the last 5 years. The commercial vehicle sector is the 5th largest market in the world and the same has been growing at 27% over the last 5 years. The projected growth rate in both these categories is around 10%. The below graph demonstrates the segmental growth in exports within the Indian automobile sector over the last 5 years.



Industry framework of the Indian Auto Component industry

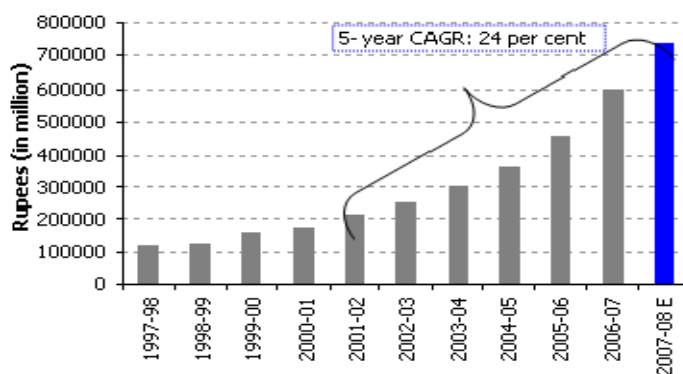
While OEM offtake continues to make up the largest share of auto components demand, exports are increasingly gaining importance. Going ahead, cars and utility vehicles (UVs) are expected to drive demand for the OEM segment. The proportion of cars and UVs and two-wheelers procuring auto components from component manufacturers is relatively high vis-à-vis other segments. While this phenomenon could be partly attributed to design orientation, it is observed that there is a rising trend towards outsourcing the manufacturing of components rather than producing them in-house. The framework for evaluating various factors is presented in the chart depicted below.



Size of the industry

Automotive component production in India grew by 25 per cent in 2005-06 and is estimated to have grown by 31 per cent in 2006-07. The 5-year CAGR for production has been pegged at 23 per cent. The auto component industry is expected to be worth Rs 597 billion (\$14.5 billion at the rate of Rs 41 per dollar) in 2006-07.

Auto components production (India)

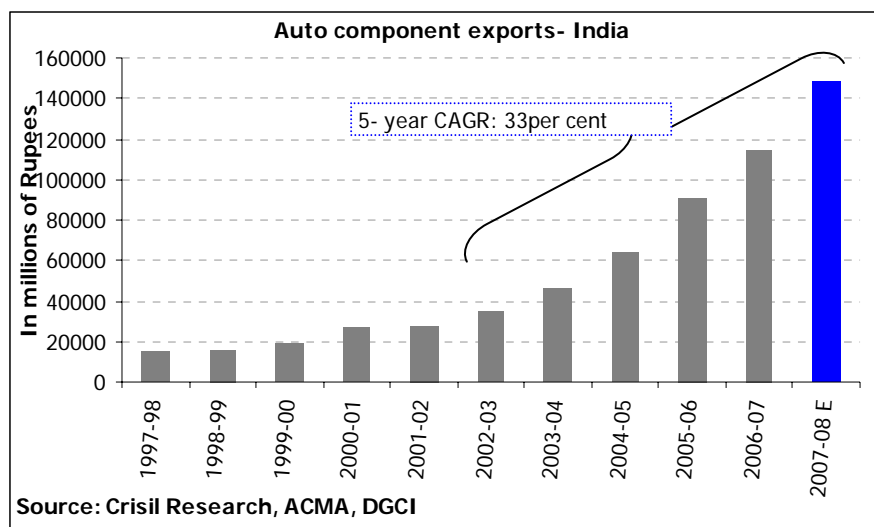


Source – CRISIL Research

The Indian auto component industry has seen consistent buoyancy in component exports at a 5-year CAGR of 31 per cent between 2002-03 and 2006-07. Export production accounts for 20 per cent of total auto component production in 2006-07 vis-à-vis 8 per cent in 2000-01. Major export destinations include USA and large European countries.



Auto components exports (India)



Source – CRISIL Research

A review of demand in the auto component industry (2006-07)

The demand for auto components has largely remained dependent on automobile production. However, with the share of auto component exports having grown from 7.8 per cent in the last decade (1990-2000) to 13 per cent during 2000-01 to 2006-07, the dependence of this sector’s growth rates on domestic vehicle production will decline further.

The industry is estimated to derive 67 per cent of production demand from automobile OEMs, 13 per cent from the replacement market, and 20 per cent from exports, in 2006-07. With the rupee’s appreciation against the dollar, while export production grew at 25 per cent, the OEM and replacement demand continued to support an overall growth of 30 per cent in auto components production.

Current growth Rates across Auto Component Segments

(per cent)	% of total	2001-02	% of total	2005-06	% of total	2006-07 CAGR (5 Yr)
OEM	70	10	75	23	67	24
Exports	11	3	12	48	20	13
Replacement	19	72	14	12	13	31
Total		21		25		23

Source – CRISIL Research

Moderate growth expected in automobile production

Growth in various vehicle segments translates into an overall growth in automobile production in volume terms. There was a 14 per cent growth in 2006-07 (24 per cent in value terms) as compared with a volume growth of 16 per cent in 2005-06 (around 20 per cent in value terms). CRISIL Research estimates overall automobile production growth of about 1.0 per cent (volume terms) in 2007-08 (about 4.0 per cent in value terms) and at a CAGR of 6.4 per cent (volume terms) during 2007-08 to 2011-12 (estimated 9.0 per cent in value terms).

Source – CRISIL Research

Outlook on demand for auto components (2007-08 till 2011-12)

The demand for auto components industry is expected to grow at a CAGR of around 16 per cent over a 5-year period, driven by exports which are expected to grow in share from 13 per cent in 2006-07 to 23 per cent in 2011-12 of total auto components production. While exports would continue to grow at a robust pace of 30 per cent over the next 5 years (2007-08 to 2011-12), OEM off-take is expected to grow at a CAGR of 12 per cent during the same period. In 2007-08, growth is estimated to be about 20 per cent (in production value terms) after a buoyant 30 per cent growth in 2006-07, due to the slowdown in both domestic and export demand with slowdown in demand. Source – CRISIL Research

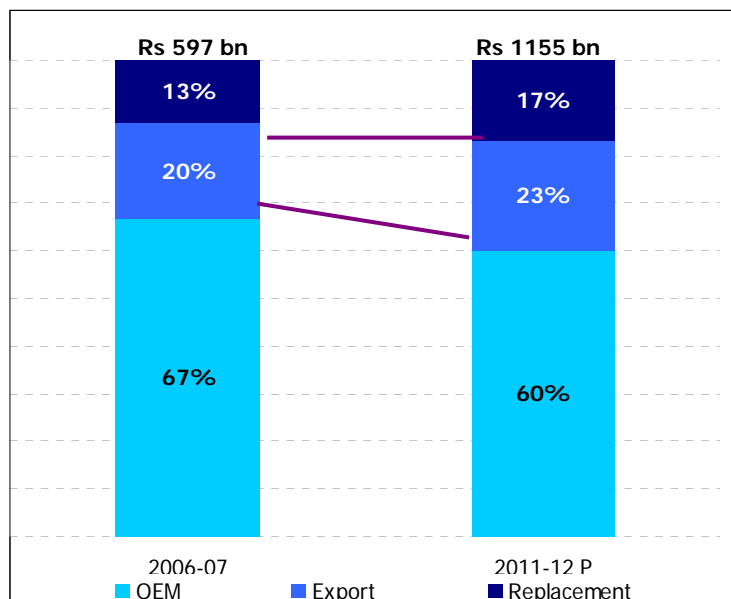


Better revenue diversity to enable healthy growth in auto components production

The overall production value of the auto component industry is expected to grow by around 25-30 per cent to Rs 730 billion (Rs 1054 billion in turnover terms) in 2007-08 and at a CAGR of 13 per cent to Rs 1,155 billion (Rs 1,650 billion in turnover terms) from 2006-07 to 2011-12. Currently, although the industry derives around 67 per cent of its demand from OEMs, with exports growing at a faster pace, a change in industry dynamics is expected over the next 5 years (2007-08 to 2011-12). Export production, which currently comprises 20 per cent of automobile production, is expected to contribute 23-25 per cent of production by 2011-12, a growth of almost four times the current rate of production.

Source – CRISIL Research

Revenue Mix



Source – CRISIL Research

OEM production offtake expected to touch Rs 693 billion by 2011-12

It is estimated that the production value of OEM offtake at around Rs 397 billion in 2006-07, constituting about 67 per cent of total components production. In the years 2004-05 and 2005-06, despite the healthy automobile demand, the proportion of OEM offtake from total auto components demand declined from 71 per cent in 2004-05 to 67 per cent in 2006-07. This trend is expected to continue in the future, with OEM demand expected to comprise not more than 60 per cent of total component production value by 2011-12, pegging OEM offtake at Rs 693 billion in production value terms. OEM offtake is estimated to grow by 6 per cent in 2007-08, following the comparatively slower pace of growth in the cars and UV and commercial vehicle (CV) segment, and at a 4-year CAGR of 10 per cent from 2007-08 to 2011-12. As greater number of global OEMs set up base in India, it will boost the demand for auto components arising from their local demand for rising levels of indigenisation and their outsourcing plans for manufacturing bases outside India.

Source – CRISIL Research

Exports to grow at 3.5 times its current production value by 2011-12

Exports accounted for 20 per cent of the total auto components production, with an estimated production of Rs 120 billion in 2006-07. After more than 30 per cent average growth during the last 4 years, exports are expected to grow at a CAGR of around 30 per cent from 2006-07 to 2011-12 to meet the Ministry of Heavy Industries (MoHI) target of \$20.25 billion worth of exports by 2015. In 2007-08, with implementation of new regulations in the US and Europe and with the appreciating rupee, a production growth of 20-25 per cent (value terms) is expected. This long-term growth is expected to be driven by the plans of major auto OEMs to source components from India.



(Rs million)	2006	2010
General Motors	264	2,200
Ford	6,600	17,600
Volvo	4,140	16,560
Fiat	250	22,000

Source – CRISIL Research

Segmental Analysis

The Indian auto component industry is split into 5 segments, namely, fuel injection equipments, power train components (excluding cylinder head, cylinder block), engine cooling systems, braking parts and steering parts. The following tables depict size, future growth and profitability across these segments.

Size and future growth across segments

Name of the segment	2006-07	Expected 5-year CAGR
Fuel injection equipments	Rs 78 billion	16 per cent
Braking system	Rs 74 billion	14 per cent
Power train components *	Rs 53 billion	13 per cent
Steering system	Rs 60 billion	15 per cent
Engine cooling system	Rs 18 billion	11 per cent

*excluding cylinder head and cylinder block

Source – CRISIL Research

Overview of margins and profitability

Name of the segment	EBDITA margins*	RoCE*
Fuel injection equipments	18-19 per cent	35-40 per cent
Braking system	14-15 per cent	20-25 per cent
Power train components #	15-20 per cent	25-30 per cent
Steering system	18-19 per cent	32-35 per cent
Engine cooling system	15-17 per cent	25-30 per cent

indicative margins of leading forging players

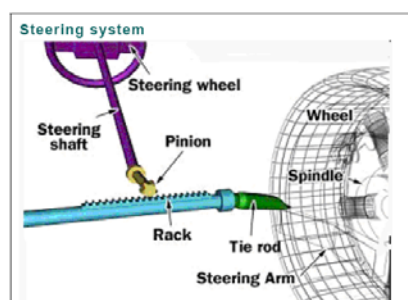
* Over past 2-3 years

Source – CRISIL Research

Steering Parts – An Overview

Our company belongs to this segment within the Indian auto component industry. Following is a basic description of the product description and function.

The basic function of a steering system is to enable the driver of a vehicle to turn the wheels as per his/her requirement. Steering parts generally comprise a steering wheel, steering column (steering shaft), tie rod and steering arm and pinion and rods or bearings depending on the kind of steering. There are different types of steering system, the most common of which are rack-and-pinion and recirculating ball. Any steering system consists of a steering wheel to define movement, a steering shaft which contains the steering gearset connected via a pinion to the rack. The gearset converts the wheels rotational movement into linear motion of the wheels. The gearset also enables ease in turning the wheels. The rack is connected to a tie rod which connects to the hub / spindle of the wheel and defines the final motion.





Industry size and structure

Steering industry is a concentrated industry, with large players like Sona Koyo, Rane and ZF steering constituting more than 80 per cent of the market. The size of the industry (excluding two wheelers) has been estimated at Rs 61 billion in 2006-07. The industry has shifted from mechanical steering to power steering industry in the past 5 years; the move towards power steering began in 2001. With rising usage of power steering fitments, the price differentials between mechanical and power steering, along with a robust export growth, would lead to the industry growing at a CAGR of 15 per cent to reach a size of Rs 124 billion by 2011-12. As regards vehicle segment-wise offtake, commercial vehicles constitute 53 per cent of demand, followed by passenger cars and utility vehicles and then tractors.

Market structure

Replacement demand in the industry is restricted to smaller parts. As the industry is technology intensive, replacement parts are provided by OEMs, who source it from organised players. Presence of unorganised market is negligible and with replacement demand being met by OEMs, the requirement on distribution network front is also less. Export potential of the segment is high; nearly 20 per cent of the revenues of domestic players is generated through exports. The major players in this segment are Rane (Madras) Ltd, ZF Steering Gear, Sona Koyo Steering and Rane NSK Steering.

Key Profitability and Cost Parameters

The operating margins of the auto component industry have remained under pressure so far in 2007-08. With the appreciation of the rupee vis-à-vis the euro and dollar affecting export market realisations, pressure from OEMs to bring down prices of components, and rising raw material costs, margin pressures are here to stay. Scale economy benefits are relatively harder to realise due to the moderation in demand from the largest contributing segment (OEMs). The pressure on OEM margins translates into greater pressure on component manufacturers to cut prices. While higher asset turnover and better working capital management translate into productivity gains, capital expenditure requirements and a slowdown in OEM demand has kept margins under pressure during the short-to-medium term.

Healthy internal accruals to support future capital expenditure requirements

Profitability Ratios

	Mar-03	Mar-04	Mar-05	Mar-06
Returns on capital employed	19.43	24.27	29.70	25.64
Returns on equity	9.08	7.33	16.18	21.47

Source – CRISIL Research

Profitability ratios above 20 per cent of capital employed on a consistent basis suggest enough cash surplus being generated to partly fund future capital requirements. Returns on equity have also improved from single-digit levels to levels above 20 per cent. Component players are facing capacity constraints and with lead times differing from 3 months to 1 year across segments, major capital expenditure requirements are expected across segments.

Export Markets – India yet to achieve true potential

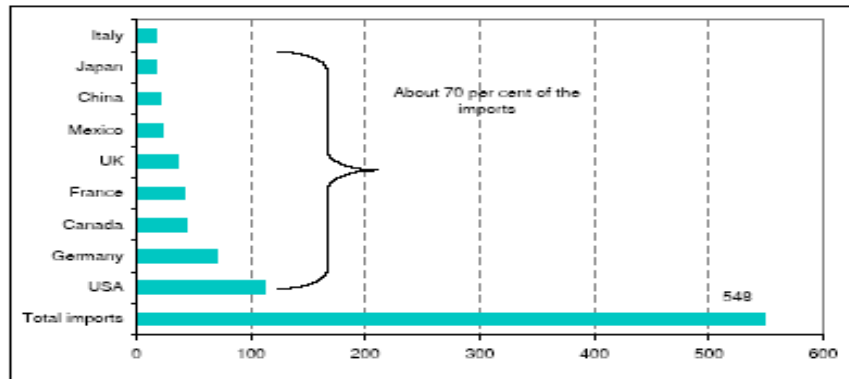
The production value of Indian auto component exports is estimated at Rs 74 billion (Rs 107 billion in turnover terms) in 2006-07. Exports are expected to grow by 20 per cent in 2007-08 over an 18 per cent growth in 2006-07 in Indian currency terms. Exports are expected to contribute 23 per cent of the total auto component production value of Rs 270 billion by 2011-12, up from the 13 per cent contribution seen in 2006-07.

Source – CRISIL Research



Countries importing auto components

Auto Component imports (US \$ billion) (2006)



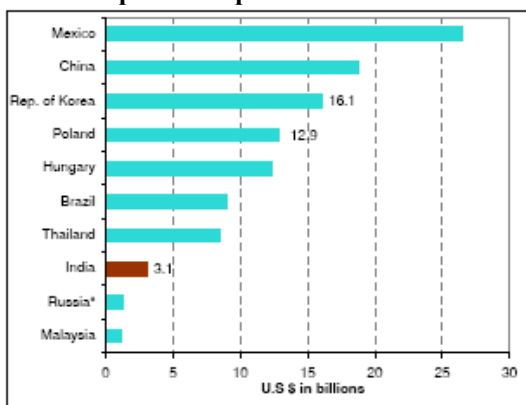
Source – US Comtrade

Of the total auto component imports of \$548 billion in 2006, approximately 70 per cent were from the top 10 countries. When analysing the composition of imports for each of the individual top three groups, namely, the US, Europe, and Japan, it may be noted that low-cost countries still do not comprise a substantial portion of these imports. Imports of auto components in the US are largely concentrated among the top 10 players, contributing approximately 90 per cent of imports. The top five countries in the US import group are Canada, Mexico, Japan, China, and Germany, in that order. Imports are also influenced by either the presence of global OEMs in the domestic markets of low-cost countries or the presence of local OEMs from the low-cost country in the importing country. While China hosts the manufacturing bases of most global OEMs in its passenger car market (which enables vendor interaction), Japan and Korea each have their country’s OEMs in the USA. India’s share in total US auto component imports is just 0.6 per cent; however, the US and Europe together account for 70 per cent of India’s exports in 2006-07. Japanese imports have approximately 40 per cent coming from low-cost countries like China, Thailand, and Eastern Europe. Although imports from developed countries contribute a substantial chunk of the rest, they are generally meant for re-exports.

Evaluation of emerging export destinations

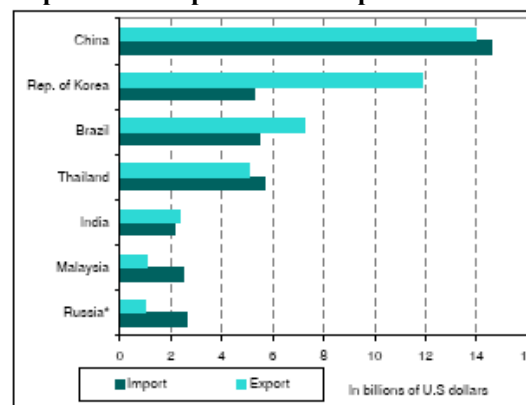
Most low-cost countries find major export destinations in the USA, Europe and Japan. Another important perspective is that while China is the largest exporter among low-cost destinations, its auto component imports are higher than its exports (in value terms). This holds true for Thailand, Malaysia, and Russia also.

Auto Component Exports



Note
Russia means Russian Federation.
Source – US Comtrade

Exports and Imports – A Comparison



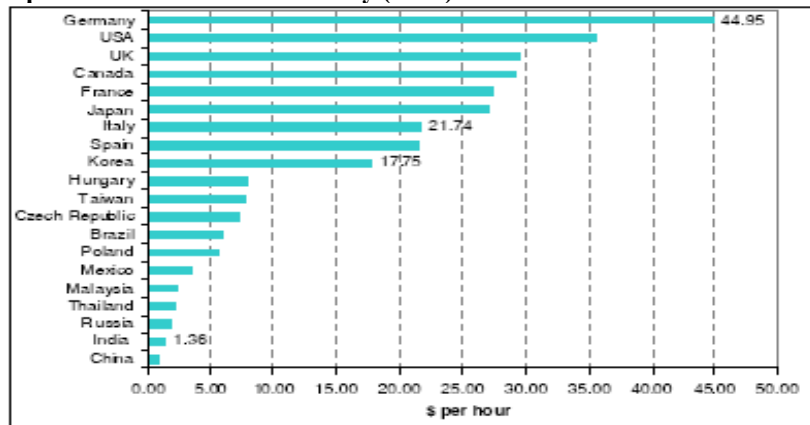
Note
Russia means Russian Federation.



Factors affecting competitiveness of countries

- **The labour cost differential continues**

Hourly Wage Compensation in the Auto Industry (2005)



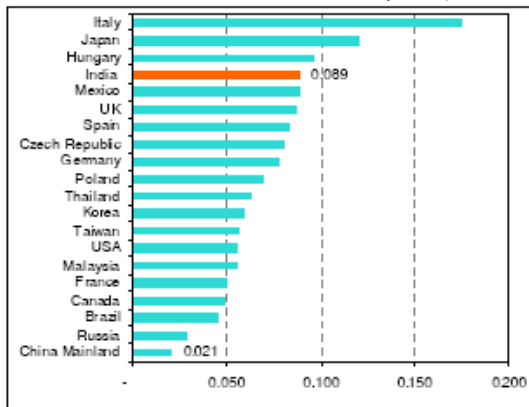
Source – ILO, CRISIL Research

Exports from low-cost countries to US and Europe draw strength from the fact that labour costs are high in these parts of the world. However, the availability of skilled workers, the absorption of technology, flexible labour laws and active labour unions, and infrastructure finally influence the sourcing decisions of OEMs. Productivity across countries is another factor that influences labour cost per unit. It is known that productivity in Thailand is better vis-à-vis China and India with the presence of a large number of Japanese OEMs. Consequently, although wage rates are higher in Thailand as compared with India, its per-unit-labour-cost is more or less equal to that in India. China’s capabilities lie on higher scale benefits due to the presence of a large domestic market.

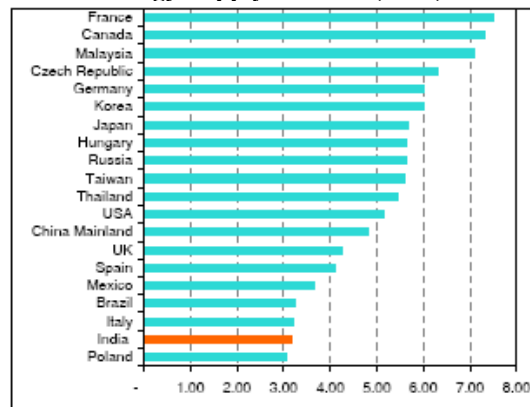
- **Other issues influencing OEM decisions**

There are multiple factors that influence OEM decisions on outsourcing like the quality of products being supplied; size of the domestic market; common models within domestic and international markets; cost of switching from current base to the new base, like tooling, moulding and die costs; productivity of local manufacturers; transportability of components; infrastructure costs, like costs of power, land; labour laws and tax incentives; and availability of skilled labour.

Power costs for industrial clients (2005; \$/kWh)



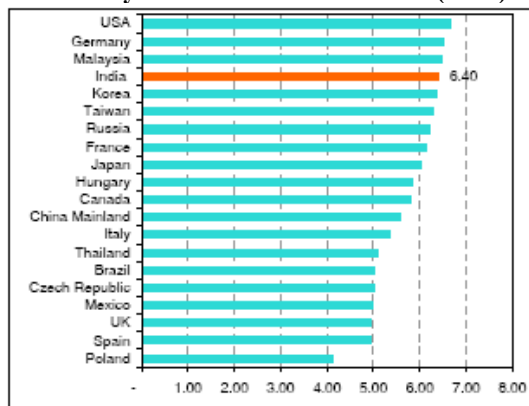
Future Energy Supply – Scores (2007)



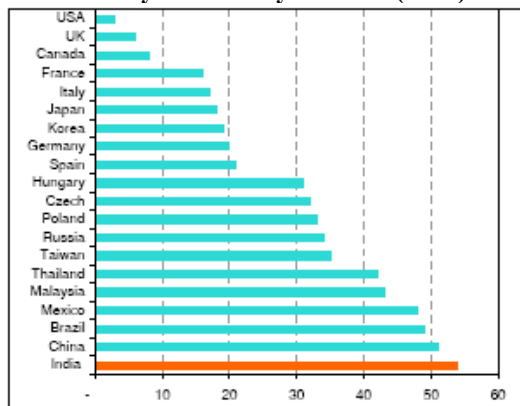
Source – CRISIL Research, IMD World Competitiveness Yearbook, 2007



Availability of skilled labour – Scores (2007)



Productivity in Industry – Ranks (2006)



Source – CRISIL Research, IMD World Competitiveness Yearbook, 2007

The impact of currency

The Rupee has appreciated by approximately 10 per cent since March 2007 against the dollar and by about 4 per cent and 12 per cent against the euro and yen, respectively. The Thai baht has also seen a similar appreciation of 13 per cent, 8 per cent, and 15 per cent against the dollar, euro and yen, respectively. Although this would definitely affect the rupee value of our exports, it is not expected to change the sourcing patterns of OEMs. Sourcing relationships by OEMs are strategic in nature and do not shift on the basis of cost benefits derived from currency rate fluctuations. With Indian players exporting more than 60 per cent of their supply to OEMs, decline in the share of exports would be limited.

Regulations in the Industry

Government policies favour the industry

In the Industrial Policy of 1991, the government abolished industrial licensing for all automobile segments (passenger cars were de-licensed in 1993), and allowed foreign investment in the automobile industry. The main objective of the policy was to build automobile production capabilities in the country with minimum foreign exchange outflows. Following this move, numerous global OEMs entered the domestic market by establishing manufacturing bases in India. The consequent boom in the market size of the automobile industry resulted in a corresponding growth in the auto components industry. The relaxation of foreign investment norms also led to a number of joint ventures (JV) and foreign collaboration agreements in the industry. To meet OEM requirements, many follow-source vendors such as Visteon and Delphi, set up manufacturing facilities in India, for domestic and global requirements.

Benefits of initial indigenisation norms

As per the Automobile Policy 1995, global OEMs setting up facilities in India had to achieve a minimum indigenisation level of 50 per cent within 3 years (70 per cent within 5 years) from the date of commercial production. Since OEMs had stringent quality standards, they were compelled to acquire a significant share of their auto component requirements from their follow-source vendors in India or through imports. Consequently, a number of global players like TRW, Allied Signal, Johnson Control, Ford ACD, ECIA, Magnetti Marelli, Visteon, and Delphi Automotive Systems set up operations in India. Gradually, OEMs as well as global Tier-I auto component manufacturers started developing local vendors and sourcing some component requirements from them, to reduce manufacturing costs, resulting in growth in demand in the domestic market. After developing relationships with good local vendors and helping them achieve satisfactory quality levels, global OEMs and Tier-I vendors have now started exporting these components to meet their global requirements. To supply to global OEMs such as Maruti Udyog Ltd, Hero Honda Ltd, Hyundai Motors, Ford India, and General Motors India, most local auto component manufacturers scaled up systems and adopted advanced processes to meet the stringent quality standards at competitive costs. They also enhanced delivery capabilities to meet the just-in-time delivery schedules of OEMs. However, under India’s commitment to the World Trade Organisation (WTO) and in accordance with the Auto Policy 2002, some of these stipulations have been withdrawn since April 01, 2001.



Auto Policy 2002: Developing India as production hub for small cars

Following the country's WTO commitments, the government announced the Auto Policy 2002, aimed at developing India as a manufacturing and export base for small cars and auto components. Accordingly, the policy enumerated several measures to develop the automobile market, including:

- Removal of the clause on minimum foreign direct investments;
- Removal of earlier stipulations on indigenisation and import-balancing requirements;
- Permitting foreign automobile manufacturers to set up wholly-owned subsidiaries in India, without requiring approval from the Foreign Investment Promotion Board;
- Providing specific fiscal incentives for cars less than 3.8 metres in length, to enable India to emerge as the Asian base for export of small cars and multi-utility vehicles,
- Providing incentives to manufacture automobiles using alternative fuel technology, such as compressed natural gas (CNG) and electric batteries;
- Proposal to discourage the use of old vehicles by levying higher taxes on older vehicles; and
- Proposal for a terminal life policy for CVs, along with incentives for the replacement of such vehicles.

The expected impact of the Auto Policy on the automobile component industry

Stringent regulations on scrap are likely to generate replacement demand for CVs in the medium term. A terminal life policy for CVs and incentives for the replacement of such vehicles are also being considered. The government is expected to introduce a legislation specifying the number of years a CV will be allowed to ply, after which it will have to be replaced by a new vehicle. The recommendation for moving towards the international system of levying road tax based on the age of the vehicle (higher taxes on older vehicles) is expected to discourage the use of old vehicles. These proposed measures, if implemented, are expected to result in a significant surge in the demand for CVs, resulting in greater demand for auto components. The government has not specified any specific fiscal incentives for promoting cars. However, in the Union Budget 2003-04, excise duty was brought down from 32 per cent to 24 per cent. This drove the demand for cars in 2003-04 and 2004-05, which was favourable for the auto components industry. In the Union Budget 2006-07, excise duty on small cars was further brought down from 24 per cent to 16 per cent. This is expected to favourably affect the demand for cars in the domestic market, and would further aid India in becoming a hub for the manufacture of compact cars. For instance, Hyundai Motors India Ltd has already made India the global base for manufacturing the Santro model targeted at global markets. Similarly, Maruti's Alto, Zen Estilo, and Swift models are exported to countries in Europe and ASEAN.

Emission norms to be in line with those in the developed world

Significant growth in the Indian automobile industry necessitated the development of emission norms and environmental standards. Consequently, the government introduced several measures to control air pollution caused by automobiles, such as:

- Mandating all new vehicles sold from 1989 to conform to emission norms (which will be periodically upgraded by the government);
- Ensuring the supply of unleaded petrol and diesel, and petrol with 0.05 per cent sulphur content;
- Allowing the use of alternate fuels such as CNG and liquefied petroleum gas (LPG); and
- Prohibiting the use of vehicles over a specified age in the NCR.

The successful enforcement of emission norms requires the support of the auto components industry, which will have to develop and deliver new auto components, such as multi-brick catalytic converters, during the scheduled period. The enforcement of Euro IV or BS IV emission norms requires the substitution of catalytic converters with multi-brick catalytic converters. These norms have fostered the growth of certain segments in the Indian auto components industry. In addition, stringent emission norms require frequent replacement of worn-out parts. Similarly, initiatives to promote the use of alternative fuels have resulted in the development and production of CNG kits for vehicles.

Safety norms to be brought on par with that of developed countries

The Indian government plans to implement stricter safety norms, which will require local automobile manufacturers to adhere to global safety norms. To implement these, the Automobile Research Association of India (ARAI) and the Society of Indian Automobile Manufacturers (SIAM) have identified around 70 European



safety norms for automobile manufacturers to comply with. The government plans to implement these norms in two phases. In the first phase, which started in 2005, manufacturers were asked to focus on providing better active safety measures like Anti Lock Braking System, mandatory anti-theft systems, improved lighting and airbags, and interiors that follow European norms. Stricter norms were also imposed to curb noise pollution caused by vehicles. In the second phase, starting 2007, stricter guidelines will be enforced to ensure that all vehicles pass the European front, lateral, and back crash norms. In addition, the quality of windscreens, special child-restraints, norms for tyres, and roll-over protection are areas that have been identified for implementation on a yearly basis. By 2010, Indian safety regulations are to be completely aligned with European norms. The norms apply to all types of vehicles from two-wheelers to cars to CVs. The implementation of these regulations will add to production costs for vehicle manufacturers, who will be expected to design stronger cabins and vehicle identification systems, and minimise external window projections of large passenger vehicles. Manufacturers may not be able to recover these costs completely due to increased competition, which will adversely affect their margins in the short term. The implementation of these safety regulations will also phase out some old models currently seen on Indian roads, since the investment for upgrading these vehicles to comply with new safety standards will be tremendous and cannot be recovered from the targeted customers of these models.

Fiscal duties have been significantly reduced over the years

Excise and customs duties on automobiles, auto components, and raw materials have been rationalised significantly in a phased manner from 1993-94 to 2006-07. In the Union Budget 2006-07, the excise duty on small passenger cars was brought down to 16 per cent from 24 per cent, while other categories like CVs, two-wheelers, and tractors continue with the 16 per cent levy. This has encouraged growth in the sales of passenger cars, consequently adding to OEM demand for auto component players. In January 2004, the government announced the extension of deemed export benefits to intermediate suppliers of auto components against the duty-free replenishment (DFR) scheme in the EXIM Policy 2004-05. This benefits all auto component manufacturers who supply to OEMs, such as Hyundai Motors India Ltd, Bajaj Auto Ltd, and Tata Motors, as they can avail of duty drawbacks, refund of terminal excise duties, and advance license for duty-free import of inputs.

Despite the significant rationalisation of duty rates across vehicle segments, the government has retained high customs duties on semi-knocked down units (SKD) and completely-built-units (CBU) of passenger motor vehicles and second-hand imports of the same, thereby sheltering the domestic automobile industry to an extent. Although the imports of new and second-hand cars are permitted by WTO norms, customs duty (excluding countervailing duty) on CBU and SKD is at 60 per cent while that on used cars is 100 per cent. The high tariff barriers are expected to restrict significant imports and dumping, which negatively affects the domestic automobile industry.

Gradual de-reservation of items for SSI augurs well for industry

Traditionally, government policies have been favourable to the small-scale industry (SSI). SSIs account for 25 per cent of the industry. The government has reserved the manufacture of certain auto components for small-scale units and has also gradually de-reserved certain auto components, allowing their manufacture by organised sector, in order to increase the competitiveness of the domestic auto component industry. In May 2002, three items, namely, bulb horns, automobile radiators, and automobile exhaust mufflers were de-reserved. In the Union Budget 2006-07, 36 components (including garage items) were de-reserved. As more items are de-reserved, organised players will enter into the manufacture of these products, making them more cost-competitive.

Conclusion

Production in the auto components industry is estimated at Rs 597 billion in 2006-07 (Rs 850 billion in terms of turnover) – a growth of 31 per cent over Rs 455 billion in 2005-06 (Rs 690 billion in turnover terms). OEM offtake in production value terms is estimated at Rs 397 billion, the largest offtake segment comprising 67 per cent of total production value, followed by exports and replacement offtake constituting 20 per cent and 13 per cent, respectively. It is further expected that industry will grow at a CAGR of 13 per cent over the next 5 years (2006-07 to 2011-12), which is expected to reach a production value of Rs 1,155 billion (Rs 1,650 billion in turnover terms). While the domestic market is expected to grow at a moderate pace, buoyancy in export demand would help sustain growth and enable diversity in revenues. Our company is well placed to utilize opportunities arising out of this growth in exports and has the ability to manufacture auto components to meet growing demand arising from customers.



BUSINESS OVERVIEW

Summary of Business, Strengths and Strategy

a. Background

TIL, a die forging and machining company engaged in the manufacture and sales of automotive and non automotive components, is promoted by 3 technocrats and first generation entrepreneurs, namely, Mr. J.C Basu, Mr. Ranjan Bannerjee and Mr. Y.C Kurle. Prior to incorporating TIL, the promoters started their business venture in the name and style of Trinity Fasteners and Forging (TFF) in Pune on January 1974, as a partnership firm to carry out manufacturing of forged components with an installed capacity of 300 MTPA mainly for automobile industry. TFF with its technical competence established its name in the automobile industry as a preferred vendor in a short time. With an increased demand on account of its quality, TFF continued to expand and upgrade its installed capacity and process to cater to automobile and oil engine industry. On February 1982, the name of TFF was subsequently changed to Trinity Forge (TF).

On 31st December 1990, the aforesaid promoters along with Mr. Deepankar Basu incorporated Trinity Die Forgers Private Limited (TDFPL) for manufacturing forged components and also to acquire assets together with debt and liabilities of the partnership firm namely, TF. The assets of TF were taken over by TDFPL with effect from 31st December 1990. The operations of TDFPL were satisfactory and TDFPL had already increased its installed capacity to 2400 MTPA. Subsequently, TDFPL was converted into a public limited company with effect from 15th December 1992 and the name was changed to Trinity Die Forgers Limited (TDFL). As TDFL was known for its quality in the automobile industry and with the liberalization in the Indian economy, demand for supply of quality forged components was increasing and therefore TDFL decided to invite certain strategic investors for investing in TDFL by way of equity shares. As a result of this, TDFL was successful in getting investment from the Investment Corporation of India Ltd. (now known as Tata Investment Corporation Ltd), Altina Finance Pvt. Ltd and others. Thereafter, TDFL upgraded its technology by replacing hammer technology with press technology and also installed CNC machines for machining and finishing the forged components so as to realize higher margins and value addition. TDFL received ISO 9000 and ISO 14000 certification in the year 1997 and 1998 respectively. With the receipt of above certification and setting up of manufacturing base in India by international automobile manufacturers, TDFL's operations started increasing and it not only catered to domestic manufacturers but also started exporting its forged components to various renowned automobile manufacturers across the globe.

In the meantime, on 31st October 1985, the promoters of TDFL started a group company, namely, Trinity Auto Components Limited (TACL), for manufacturing forged components for HCVs and other heavy industries at Pune, near to its unit. For the purpose, it acquired heavy duty forging hammers with a capacity of 750 MTPA.

Due to growing demand of forged components both from domestic and international manufacturers and as the existing unit facilities were not adequate to take care of its growing operations, TDFL, in 1st June 2005, set up a new unit with latest technology at Shikrapur, Dist. Pune, about 35 kms from its existing unit, so as to expand its operations both in forged and machined components. The expansion was partly financed by term loan from UTI Bank Ltd (now Axis Bank Ltd.), Kotak Mahindra Bank Ltd and The Saraswat Co-operative Bank Ltd. and promoters' contribution by way of internal generations.

One of the group companies of TDFL namely, Trinity Thermal Private Limited (TTPL), was engaged in the heat treatment process for the forged components. In order to integrate entire forging operations under one entity, and to eliminate the administrative and other costs, TTPL was merged with TDFL with a share exchange ratio of 1:1 i.e. one share of Rs.10 of TDFL against 1 share of Rs.10 of TTPL with effect from 1st April 2005 with the approval of Bombay High Court at its hearing held on 4th August 2006.

Again in the year 2007, one of the group companies of TDFL namely, Trinity India Ltd. (TIL), engaged in merchant export activities of the group was merged with TDFL with a share exchange ratio of 1:1 i.e. one share of Rs.10 of TDFL against 1 share of Rs.10 of TIL with effect from 1st April 2007, with the approval of Bombay High Court at its hearing held on 30th November 2007. Thereafter, the name of TDFL has been changed to Trinity India Limited (TIL) with effect from 29.02.2008. TIL's main activities comprise fully heat treated closed die steel forgings that can be converted into machined components which are ready to assemble for cars and trucks, high pressure fluid application, material handling and other general engineering industries. TIL emphasizes on quality along with focus on customer satisfaction and believes in continuous improvement. At present, TIL has five units, four located at Bhosari and one at Shikrapur. Among the Bhosari units, one has heat treatment facility, two have machining facilities and one unit has hammer forging facility while the Shikrapur



unit has press forging, heat treatment as well as machining facility. The present installed capacity of TIL is 12,500 MTPA of forging facility.

At present, TIL's exports about 50% of its total sales. TIL is a globally recognized supplier which operates in a niche segment consisting of Front Wheel Hubs and Rear Wheel Spindles for all front wheel driven car. To this effect, TIL has built up a strong and repetitive order book position with prestigious clients like Ford Motor Car Co., Bosch, Germany, etc in the international market and Tata Motors, Maruti Suzuki Ltd, Ford India Ltd, Force Motors Ltd, Turbogears Ltd, Iljin Auto Motors Ltd etc. in domestic market. TIL's reputation, both domestic and overseas, is supported by its quality certificates which include ISO 9001:2000, ISO / TS 16949:2002 and various other certifications. TIL has also won various recognition and performance awards from its customers. TIL also received status of 'Export House' from the Ministry of Commerce & Industry, in 2006.

TIL, over the years, has strengthened its manufacturing capacity by undertaking expansion from time-to-time. Due to overall surge in the economy in general and in automobile sector in particular, the demand for auto components have been rising and the present capacity of TIL is not adequate to meet the rising demand. With this view in the backdrop; TIL proposes to enhance its forging and machining capacity at its new unit at Talegaon-Dhamdhare, Tal. Shirur, Dist – Pune, so as to increase its forging capacity from present level of 12,500 MTPA to 28,100 MTPA and also increasing Machining capacity to meet the requirements arising out of proposed expansion for forging.

b. The Business

i) Products / Services

Our company manufactures various types of forged parts required by automobile industry and other engineering industry as under:

• Auto Parts

- Front wheel Hubs for cars – Fully Finished: This is used in all front wheel drive cars. The part is assembled onto the steering knuckle. The device shaft powered by the gearbox transmits power to the front wheel hub. The wheel is bolted on the front wheel hub
- Rear wheel Spindles for cars – Fully Finished: This part is assembled on the rear part of chassis and is used for mounting the rear wheel.
- Gear Blanks – Fully Finished: This is used in gear box of passenger cars, subsequent to the formation of Gear teeth at customer's end.

Other auto components manufactured by us include the following

- Connecting Rod – Forgings Only
- Rocker Lever - Forgings Only
- Shifter Fork - Forgings Only
- Track Rod Levers - Forgings Only
- Yokes - Forgings Only

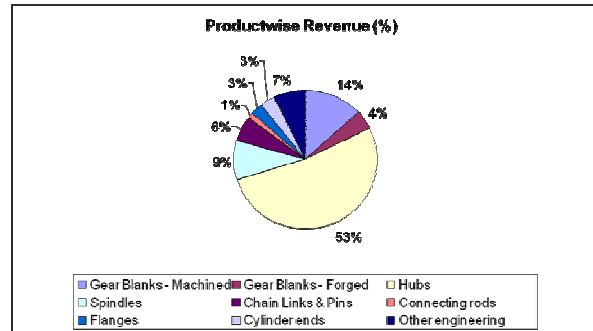
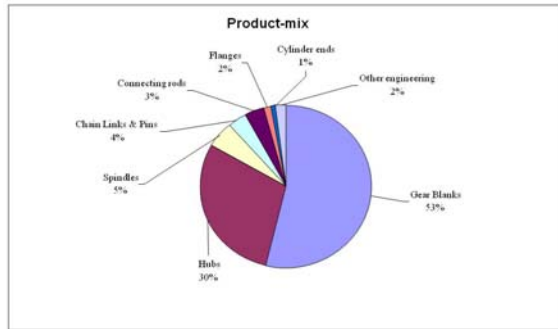
• Conveyor Systems

- Chain Links and Chain Pins - Fully Finished: These are used in material handling systems for the conveyors in mining, sugar industry, etc.

• Hydraulic Systems

- Flanges
- Valve Bodies

Our present product mix in terms of both volumes and revenues are graphically exhibited as under. It may be noted that sale of hubs contribute more than half of our revenues.



ii) Location of the plants & Installed Capacity:

Plant Location	Activities	Installed Capacity
Plot No. J/5, 'S' Block, MIDC, Bhosari, Pune 411026	Forging	1800 MTPA
Plot No. 150 - 151, 'S' Block, MIDC, Bhosari, Pune 411026	Heat Treatment	Not Applicable
Plot No. 152, 'S' Block, MIDC, Bhosari, Pune 411026	Machining	Not Applicable
Plot No. 43, 'S' Block, MIDC, Bhosari, Pune 411026	Machining	Not Applicable
Gat No. 1425, Shikrapur, Tal. Shirur, Dist. Pune	-Forging, - Machining & Heat Treatment	10700 MTPA Not Applicable
Proposed		
Gat No. 1425, Shikrapur, Tal. Shirur, Dist. Pune	Forging	3,000 MTPA
Gat No. 2514, Talegaon, Dhamdhere, Tal. Shirur, Dist -Pune	Forging	12,600 MTPA
Gat No. 2514, Talegaon, Dhamdhere, Tal. Shirur, Dist -Pune	Machining	NA
Gat No. 1425, Shikrapur, Tal. Shirur, Dist. Pune	Machining	NA

iii) Plant and Machinery

Forging

Sr No.	Description / Name Of Machine	Unit (In Nos)
1	Edm M/C 65 Amp	3
2	Fn2v Milling Machine	4
3	Lathe Machine	4
4	Planning Machine	1
5	Compressor	2
6	Welding Machine	2
7	Drilling Machine	1
8	Shaping Machine	1
9	1 Ton Hammer	2
10	150 Ton Trimming Press	2
11	Oil Fire Furnace	3
12	25 Ton Trim Press	1
13	Genset Kirloskar	1
14	Oil Pump	2
15	Water Pump	2
16	Cooling Tower	1
17	Over Head Crane 5 Ton	1
18	Linishing Machine	2
19	Bench Grinder	2
20	Magnaflux Machine	4
21	Hydraulic Press 25 Ton	1
22	Spectral Machine	1



23	Hardness Test Machine	1
24	Over Head Crane 3 Ton	1
25	Bandsaw Machine	3
26	Screw Compressor	1
27	Air Dryer	1
28	1600t Rusian Press	1
29	1600t Smeral Press	1
30	1000 T National Press	1
31	650t Emuco Press	1
32	300kw Induction Heater	2
33	500kw Induction Heater	1
34	250t Mancoo Trim Press	1
35	150t Mancoo Trim Press	2
36	250t Krupp Trim Press	2
37	Screw Compressor GA45	2
38	Screw Compressor GA37	2
39	Band Saw	9
40	Hmt CNC Lathe M/C	1
41	Shot Blasting Machine	1
42	Grinders For Polishing	1
43	O/H Crane 5 tonnes	2

Machining

Sr No.	Description / Name Of Machine	Unit (In Nos)
1	Elgi Air Compressor - 7.5 HP,Sc 75	2
2	Elgi Air Compressor - 7.5 HP, Horiezon	1
3	HMT Milling M1tr	1
4	Lmw Pilatus 20-Tonnes CNC Turning Center M/C	2
5	Tap Fast Tapping Us	2
6	Supermax Vertical Machining Center Ycm 65a	1
7	Pinnacle Vertical Machining Center 650s	1
8	Jyoti Vertical Machining Center Vmc-430	8
9	Batliboi Radial Drilling Bvr-3	1
10	Pedestal Grinder	1
11	Pedestal Belt Grinder	1
12	75 Kva D.G.Set	1
13	Murata Twin Spindle Cnc Turning Center Mw-16	1
14	Auram Drilling & Chamfering Td-20	1
15	Hmt Radial Drilling Rm-61	1
16	Accumax Drilling Spm - 40	1
17	Thakoor Drilling & Chafering	1
18	Auram Drilling & Chamfering	1
19	Eagle Pp Strpping Emc-001	1
20	Hmt Tool & Cutter Grinder	1
21	Dagger Forst Broach Sharpening Gtbr - 100	1
22	Protel Midi Broach - 6 Ton,Vertical	5
23	Ashwamedh Drilling Spm-11	1
24	Magnaflux Crack Detector	1
25	Energy Radial Drilling Rm-35	1
26	Ashwamedh Drilling Spm-32	1
27	Hmt Surface Grinder	1
28	Midas Spm Md2k	1
29	Shnehyug Radial Drilling Rm-32	1



30	Midas Spm Mdt4	1
31	Atlas Copco Screw Air Compressor -10 HP,GX7ff	1
32	Jyoti Cnc Turning Center Dx-200	1
33	Lapping Machine	1
34	Air Compressor Gx7.5ff	1
35	Air Compressor Gx12.0ff	2
36	Murata Twin Spindle Cnc Turning Cent Mw12	1
37	Jyoti Turning Cnc Sts 200 1	1
38	Haas Cnc Sl10 Big Bore 1	5
39	Haas Vmc Mini Mill	2
40	Excellent Chamfering Spm 1	5
41	Midas Bolt Pressing Machine	3
42	Sic Marking Machine 1	3
43	Air Cooled D.G.Set 125 Kva	2
44	Roots Floor Cleaning Machine	1
45	Battery Operated Fork Lift	2
46	Jyoti Turning Cnc Swifter	11
47	Jyoti Turning Cnc Dx 200	2
48	Automatic Magnaflux Machine Vertical	1
49	Air Cooling Unit	4
50	Ultra Sonic Cleaning	5
51	Drill Point Grinder	1
52	Fatigue Testing Rig	2
53	Cnc Cmm	1
54	Hydropneumatic Press	2
55	Broach Sharpning Machine	1
56	Thread Rolling Machine	2
57	500 Kva Transformer	2
58	1000 Kva Trans Former	1

Heat Treatment

Sr No.	Description / Name Of Machine	Unit (In Nos)
1	Bofco Hardening Furnace (Chf-1)	1
2	Bofco Tempering Furnace (Ctf-1)	1
3	Radial Engg. Normalising Furnace	1
4	Kirloskar (Db 125/26) Agitation Pump Of Water Tank (Chf-1)	1
5	Kirloskar (Db 50/13) Circulation Pump Of Water Tank (Chf-1)	1
6	Kirloskar (Db 125/26) Agitation Pump Of Oil Tank (Chf-1)	1
7	Kirloskar (Db 50/13) Circulation Pump Of Oil Tank (Chf-1)	1
8	Elgi Compressor Sc150	1
9	Ruston Gen Set	1
10	Excelsior Cooling Tower Of Quenching Water (Chf-1)	1
11	Nutech Cooling Tower Of Quenching Oil (Chf-1)	1
12	Elmech Grinder	3
13	Ventura Man Cooler	2
14	Atlas Copco (Gx 11) Screw Type Compressor	1
15	Kirloskar (Db 50/13) Pump (Model No: Db 50 / 13)	2
16	Therelek Electric Oven	1
17	Hardening Furnace	1
18	Tempering Furnace	1
19	Brinel Hardness Testing Machine	7
20	Cooling Towers	4



iv) Processes and Products of Forging:

Forging process is carried out in the form of Hot-forging, Warm forging and Cold Forging. Supply of end product is made in Forged, Heat Treated and partially or fully Machined Condition. Hot forging is the plastic deformation of metal at a temperature and strain rate such that re-crystallization occurs simultaneously with deformation, thus avoiding strain hardening. For this to occur, high work piece temperature (matching the metal's re-crystallization temperature) must be attained throughout the process. A form of hot forging is isothermal forging, where materials and dies are heated to the same temperature. In nearly all cases, isothermal forging is conducted on super alloys in a vacuum or highly controlled atmosphere to prevent oxidation.

Heat treatment changes the magnitude of forged products. It realigns the molecular structure of a weld, producing a more homogenous weld and heat affected zone. Preheating weld metals assists complete fusion during the welding process and reduces porosity as well as the potential for cracking. Post heating of a weld is utilized to improve machinability. It also provides corrosion resistance and reduces brittleness.

The Heat Treatment sections are equipped with electrically heated furnaces with temperature controllers and recorders for a range of heat treatments. Hardness, Tensile, Yield, Elongation, Breaking load etc. are tested after giving proper heat treatment. Quenching, Tempering, Hardening and Normalizing are done to get the desired results as per customer's requirement.

Forgings in the finish turned condition are produced on a range of automatically loaded CNC machine tools. CNC machining is done on machines that are fast, repeatable and programmable, which can function while unattended, making it possible to manufacture parts quickly and efficiently. CNC stands for Computer Numerical Control. Capabilities offered by providers of CNC machine services include milling and turning machining. The milling machine is a very versatile machine capable of doing many machining operations. Turning is performed on a lathe. The lathe is used to perform several operations almost all of which involve the rotation of the piece part.

Open Die forgings:

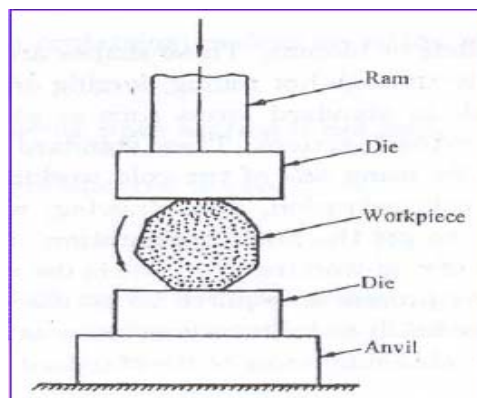
Open Die Forging process entail production of like Rings, Discs, Sleeves, Single end hubs, double end hubs, upset Blocks, Square or Rectangular Bars and round bars. These forgings aid the manufacture of machinery in industries like cement, sugar, steel, pumps, and material handling like cranes, windmill and heavy engines.

Closed Die forgings:

Two dies are brought together and the work piece undergoes plastic deformation until its enlarged sides touch the sidewalls of the die. On squeezing the die cavity get completely filled and excess material comes out around the periphery of the die as flash, which is later trimmed.

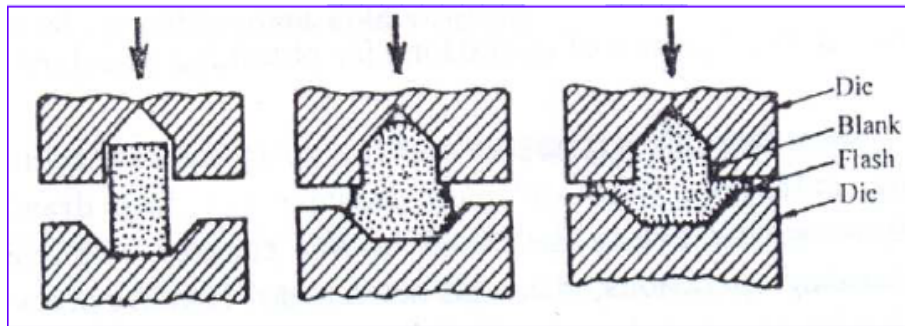
Closed die forging is undertaken either through hammer or press forging as shown in Fig 1 and Fig 2, below. Hammer forging is carried out by a succession of die impressions using repeated blows. Being a semi-automatic operation, the economy, efficiency and productivity of die depends on the tooling and skill of the operator.

Closed Die Hammer Forging





Closed Die Formation of Forged Product



Press Forging:

In a press, the stock is usually hit only once in each die impression, and the design of each impression becomes more important while operator skill is less critical. Press forging use a slow squeezing action of a press, to transfer a great amount of compressive force to the work piece. Unlike an open-die forging where multiple blows transfer the compressive energy to the outside of the product, press forging transfers the force uniformly to the bulk of the material. This results in uniform material properties and is necessary for large weight forgings. Parts made with this process can be quite large as much as 125 kg (260 lb) and 3m (10 feet) long.

Press forging has multiple advantages:

- There is a savings of wastage of excess material in forging process
- Press forging entails use of induction heating thereby considerably reducing the scale loss as compared to oil fired heating.
- There is a 4 to 5 times increase in the die life. As compared to hammer forging, this increases the productivity and decreases cost of downtime, loading-reloading and remaking of die. This ultimately reduces product costs and increases savings.

Upset Forging:

Closed Die Forging is carried out on a horizontal forging machine called an upsetter. In upsetting, stock is held between a fixed and moving die while a horizontal ram provides the pressure to forge the stock. After each ram stroke, the multiple-impession dies can open to permit transfer of stock from one cavity to another. There is a reduction in wastage and reduced flash line. It allows horizontal products such as axle shafts, bull shaft etc. to be manufactured.

Our Process

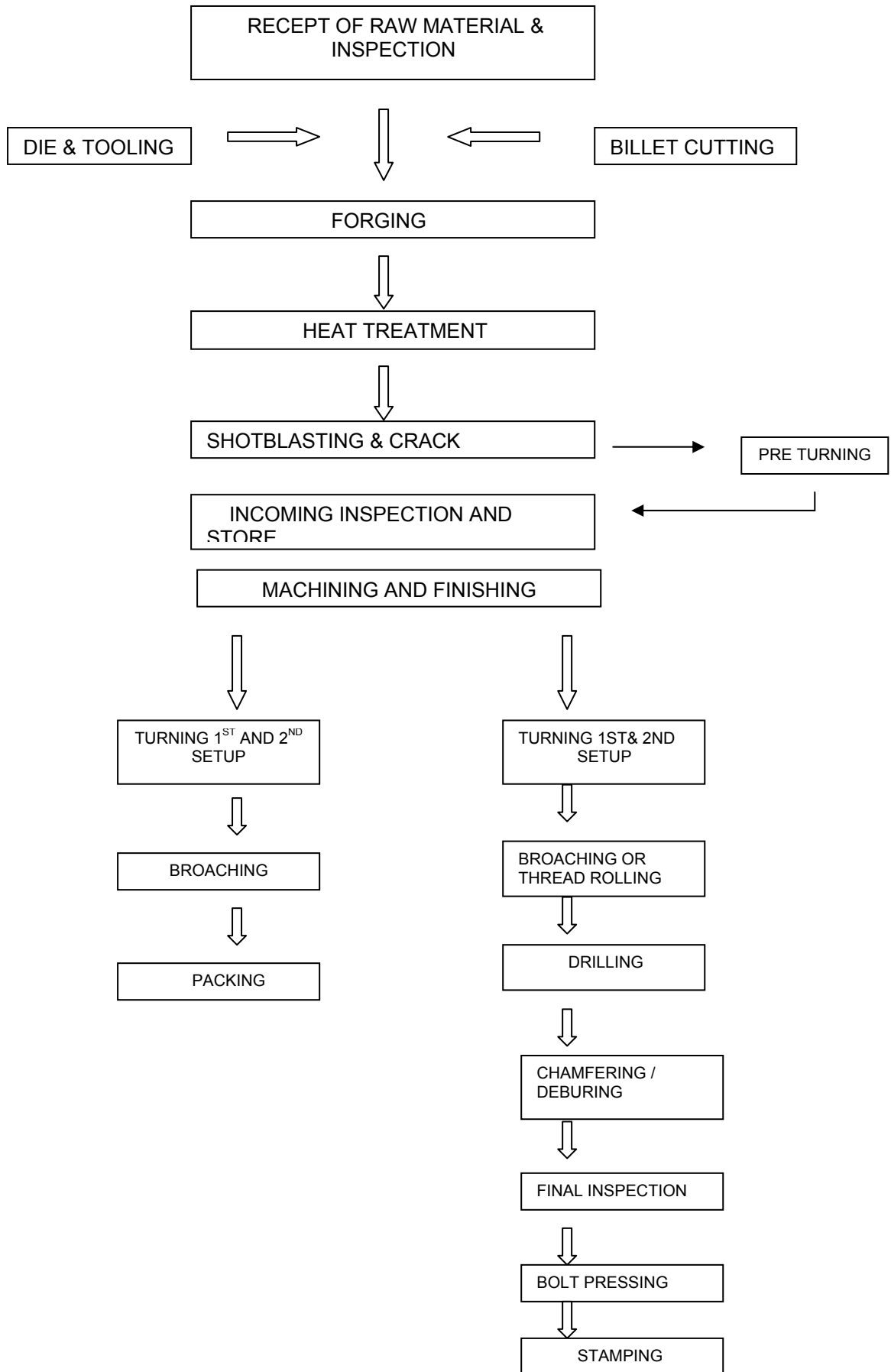
Once the enquiry is received from the customer, the same is subjected to technical feasibility by the engineering department. Upon its approval, a quotation is sent to the customer. After finalizing price and receiving the purchase order, a Works Order (in house term for channeling the order to the manufacturing section) is issued to the required plant facility by the marketing department. Simultaneously, the engineering department prepares the Die drawings and die blocks are procured. The die itself is manufactured in-house.

In the meantime, the amount of steel required is procured. The same undergoes testing on sampling basis, after which the steel is cut on a bandsaw machine as per the required length and weight. These cut pieces are then heated in the induction heating furnace as per the forging temperature. Once heated, the cut pieces are forged on the forging press and trimmed to remove the excess material. These forgings are heat treated as per the customers' requirement i.e. either it is normalized, annealed or hardened and then tempered to achieve the required hardness. These forgings are then shot blasted and inspected for forging defects like dimensions, mangafux crack test and visual defects.

Thereafter, the forgings are sent to the machine shop for machining. The machining process varies based on the type of forgings. Finish Turning is done on CNC machines. Broaching is done to form internal splines on a vertical broaching machine. Drilling, reaming and hole milling is done on a vertical machining centre. Chamfering is done on a bench drilling machine. Bolt pressing is also carried out if called for in the drawing. In the end, a final inspection like bending fatigue test for hubs and spindles, etc is carried out for critical



parameters. The components are stamped as per the drawing. Finally, the finished components are packed and dispatched as per the schedule specified by the customer.



**iv) Raw Materials**

The main raw material required for our business is steel bars of forging quality steel suitable for forging process. TIL's suppliers are TS16949 certified steel companies mainly located in Pune and adjoining districts in Maharashtra. Major suppliers are as under:

- M/s Mahindra UGINE Company Ltd. - Khopoli, District Raigad, Maharashtra
- M/s Mukund Ltd – Kalve, District Thane, Maharashtra
- M/s Sunflag Iron Ltd – Bhandara, District Nagpur, Maharashtra
- M/s Kalyani Carpenter Ltd. – Pune, Maharashtra

TIL's present consumption of steel is about 9250 MT p.a which will increase to 15000 MT p.a after Phase I and 25000 MTPA after completing Phase II of the proposed expansion.

v) Technical and Financial Collaboration

The company does not have any technical collaboration as the technical process for manufacturing Forged Products and Machining of the same are established and proven process.

vi) Infrastructure Facilities**1. Power**

The present and proposed power requirement of our company is given as under:

Plant Location	Present Sanctioned Power -KW	Proposed Additional Power - KW	Total Proposed Demand – KW
Shikrapur Unit	1933	1200	3133
J-5, Bhosari, MIDC	905	-	905
S-43, Bhosari, MIDC	100	-	100
S-152, Bhosari, MIDC	125	-	125
S-150/151, Bhosari, MIDC	176	-	176
Talegaon -Dhamdhere, Tal. Shirur, Dist. Pune	-	4500	4500
Total	3239	5700	8939

It is observed from above that our company would require additional power of 1200 KW for Shikrapur Unit and 4500 KW for proposed new unit. At Present our company gets the required power from Maharashtra State Electricity Distribution Company Limited (MSEDCL). Our company has already applied for additional power for both the units to MSEDCL. Our company does not envisage any difficulty in getting the additional power sanctioned from MSEDCL. However to avoid any disruption in the power supply, our company has already installed DG sets aggregating of 453.5 KVA at 4 out of 5 units. Further, our company has also proposed to install 3 DG sets of 750 KVA capacity at Dhamdhere, Tal. Shirur, Dist - Pune unit.

2. Fuel

Our company mainly requires furnace oil and Light Diesel Oil (LDO) for operating the heating furnace, tempering and hardening furnace and DG sets. The present monthly consumption of fuel is an about 1.10 lakh liter, which is expected to increase to 2.00 lac liters after implementation of expansion project proposed under this issue. Furnace and diesel oil are being supplied by M/s Indian Oil Ltd., M/s Bharat Petroleum Ltd., M/s Hindustan Petroleum Ltd. The furnace oil and LDO are easily available from the aforesaid companies.



3. Water

Water is basically required for drinking and other domestic purpose. Our present requirement at our existing units is about 6000 liters per day. Our five manufacturing units located at Bhosari in MIDC estate receives water supply from Maharashtra Industrial Development Corporation (MIDC) and our Shikrapur unit meets its water requirements from own bore well. The water supply is regular and sufficient to meet entire requirements.

The proposed expansion of TIL will require additional 11,000 liters of water per day. There is no difficulty in obtaining this because of the presence of a number of bore well and the water level in the area being high due to proximity to nearby canal and a river.

vi) Manpower

Category	Units										Total
	J5, Bhosari		S43/152, Bhosari		Shikrapur Unit		S150/151, Bhosari		Dhamdhare, Tal. Shirur, Dist - Pune Unit		
	Curr	Add	Curr	Add	Curr	Add	Curr	Add	Curr	Add	
Top Management	7	-	3	-	2	2	1	-	-	6	21
Managerial & Supervisory Staff	57	-	20	-	44	6	8	-	-	55	190
Office Staff	11	-	1	-	3	2	6	-	-	21	44
Skilled Workers	58	-	32	-	124	50	20	-	-	563	847
Unskilled Workers	29	-	20	-	30	-	-	-	-	-	79
Contract Labour	-	-	-	-	-	20	45	-	-	150	215
Total	162	-	76	-	203	80	80	-	-	795	1396

Curr – Current; Add - Additional

Our company has adequate manpower at all levels at present and does not envisage any difficulty in getting the requisite personnel for our proposed expansion project at existing and new location.

4. Effluent Treatment and Disposal

The company does not generate any industrial effluents which is hazardous to the environment. The waste produced during the forging and machining operations comprised of steel scrap which is re-used or recycled. The company has received consent from Maharashtra Pollution Control Board (MPCB) for all 5 units for disposal and treatment of waste, as under:

	Plant Location	Authority	Valid upto
1	Consent to operate unit located at Plot No. J/5, Block S, MIDC, Bhosari, Pune 411026	Maharashtra Pollution Control Board	30.09.2010
2	Consent to operate unit located at Plot No. 43, Block S, MIDC, Bhosari, Pune 411026	Maharashtra Pollution Control Board	31.12.2008
3	Consent to operate unit located at Plot No. 150-151, Block S, MIDC, Bhosari, Pune 411026	Maharashtra Pollution Control Board	30.11.2010
4	Consent to operate unit located at Plot No. 152, Block S, MIDC, Bhosari, Pune 411026	Maharashtra Pollution Control Board	30.04.2012
5	Consent to operate unit located at Gat No. 1425/2/3, Shikrapur, Tal. Shirur, Dist, Pune	Maharashtra Pollution Control Board	31.12.2010



5. Environmental Clearance

For the existing operations at 4 units at MIDC, Bhosari and Shikrapur unit, our company has necessary approvals of MPCB. Our company would require no objection certificate from MPCB for our proposed expansion project at new location which would be obtained in due course of time.

c. Market Overview

Our company’s main activities comprised of fully heat treated closed die steel forgings that can be converted into machined components ready to assemble for passenger cars and trucks, high pressure fluid application, material handling and other general engineering industries.

Our company is a globally recognized supplier which operates in a niche segment consisting of Front Wheel Hubs and Rear Wheel Spindles for all front wheel driven passenger cars. Other products like gear blanks, manufactured by our company, find application in the automobile industry both in the domestic as well as foreign markets.

The manufacturing of automobiles in India has been growing at a robust rate over the last few years and is expected to increase further due to affordability and changing life styles of the people. Further, the foreign car manufacturers are opting for Indian auto component manufacturers due to inherent quality and cost effectiveness. As such, demand for auto components has been increasing and therefore our company has proposed to expand our manufacturing capacity so as to meet the increased demand both in domestic and foreign markets.

d. Competition

Our company operates in competitive environment and has a number of competitors who are engaged in the forging activity, namely M/s. Kalyani Forge, Trinity Engineers, Amforge, Adico Forge, Ahmednagar Forge, etc. Our company’s major emphasis is on manufacturing of technologically superior and critical components such as Front Wheel Hubs & Rear Wheel Spindles for all front wheel driven passenger cars. However, due to consistent emphasis on quality, our company has been receiving repeated orders from renowned multinational companies. The following table describes our market share in domestic and the export market for the various products manufactured:

DOMESTIC			
Product Category	Product	Market Share	Major Clients
Forgings Only	Connecting Rod	30%	Ashok Leyland TATA Motors
Finish Turned Gear Blanks (prior to Gear cutting)	Gear Blanks	20%	TATA Motors Ashok Leyland Iljin - Tier I supplier to Hyundai Motors
Auto Components	Front Wheel Hubs	43%	TATA Motors
	Rear Wheel Spindles		Maruti
			Ford
			General Motors Mitsubishi
EXPORTS			
Geography	Product	Market Share	Remarks
European Market			
	Front Wheel Hubs	6.5%	Of total small / mid size car segment
	Rear Wheel Spindles	2.3%	
North America Market	-	-	Supplies started recently

Source: Company

**e. Marketing and Selling Arrangements**

Our products are manufactured as per the designs given by the OEMs. Therefore, it is essential to have a different kind of marketing approach. We are required to contact leading auto manufacturers in the country and world apart from other engineering manufacturing companies.

Our auto component products are critical safety parts and any failure on these parts may cause loss of human life. Hence the OEMs are in constant touch with activities being carried out at our facilities and new developments that we require to do from time to time. We also have our own testing facilities for such parts. Therefore, the selling has to be done directly between the OEM and ourselves and there is no selling agent or any intermediary between us and the OEMs.

One of the major marketing efforts is achieved for our auto component products are to create visibility for our products through the internationally recognized fairs held at Hanover, Las Vegas, Paris, etc. Besides the above, we also advertise our products in leading auto magazines of the world.

In view of the above, we sell our products directly to the OEMs without any intermediaries. The sale price of the components to be manufactured is decided based on design complexities, material, process, quantity, period of supply, etc.

f. Marketing Set up

The marketing function under the overall guidance of Mr. J.C. Basu, Chairman and Managing Director, is looked after by Mr. Rajesh Singh who has 20 years experience in the marketing of auto components. He is supported by a team of qualified engineers and MBAs operating from the Corporate Office to cater to our domestic and foreign customers. We have also setup offices at Chennai and New Delhi to look after the customers in the southern and northern region respectively. For export sales, we have either appointed our sales representatives in the particular country or opened our own offices in that country. For USA, we have appointed resident American engineer Mr. Jack Treier for catering to customers in Detroit i.e. M/s Ford and M/s General Motors. In Europe, we have started our own office in Valencia (Spain), where a team of engineers are posted to cater to customers in Valencia and other parts of Europe. We also have a logistic support partner in Spain, namely M/s K H Logistics for supplies that are being made to M/s Ford for its European operations including Argentina. There is a well knit co-ordination between the marketing team at corporate office and all regional offices in the country as also foreign locations.

g. Export Obligation

Our company had purchased imported machinery aggregating Rs.315.79 lacs during December 2005 to November 2007 under Export Promotion Capital Goods Scheme (EPCG) of GOI and saved custom duty of Rs.96.10 lacs. As per the EPCG scheme, our company's obligation for exporting our products was fixed at Rs.737.51 lacs in 8 years, against which our company, up to March 31, 2008, has fulfilled the export obligation of Rs.282.70 lacs. The pending obligation of Rs.454.81 lacs will be met by our company in the remaining period which is up to November 2015 without any difficulty.

h. Quality Certifications

Our company gives utmost importance to the quality of products as in our industry one gets repeat orders only if the previous orders have passed the minimum quality standards. We have been awarded for our quality many times by our customers such as Preferred Supplier awarded in 1993 by GKN Axles Ltd, Vendor Performance Award in 1995 – 96 and Vendor Award for Overall Performance in 2000-01 from Maruti Udyog Ltd. Various regulatory organizations have certified units of our company for quality and environmental management system, details of which are given as under.

Sr. No.	Certificate	Plant	Authority	Validity up to
1	DIN EN ISO 9001 : 2000 TDFL	'S' Block, Plot No. 150-151, MIDC, Bhosari, Pune 411026	TUV Certification Authority	23.05.2010
2	DIN EN ISO 9001 : 2000 TDFL (Forge Division)	J5, S Block, MIDC, Bhosari, Pune 411026	TUV Certification Authority	08.07.2009
3	DIN EN ISO 9001 :	GAT No 1425/3, Off Pune	TUV Certification	01.05.2010



	2000 TDFL (Plant II)	Nagar Rd., Shikrapur, Taluka – Shirur, Pune 412208	Authority	
4	ISO /TS 16949 : 2002 TDFL (Machining Division)	Plot No. 43 & 152, ‘S’ Block, MIDC, Bhosari, Pune 411026	TUV Certification Authority	12.09.2008
5	ISO /TS 16949 : 2002 TDFL (Plant II)	Gat No. 1425/3, Off Pune Nagar Road, Shikrapur, Tal. Shirur, Pune 412208	TUV Certification Authority	01.05.2010
6	ISO 14001 : 2004 TDFL (Machining Division)	Plot No. 43 & 152, ‘S’ Block, MIDC, Bhosari, Pune 411026	TUV Certification Authority	31.10.2010
7	ISO 14001 : 2004 TDFL (Plant II)	Gat No. 1425/3, Off Pune Nagar Road, Shikrapur, Tal. Shirur, Pune 412208	TUV Certification Authority	19.11.2010

i. Key Strengths

- Promoted by well qualified and experienced technocrats in the auto component industry
- Latest state-of-the art plant and machinery for manufacturing auto components and other engineering products of international standards
- Located in and in the vicinity of Pune which is a hub for Domestic & International automobile manufacturers as also auto component manufacturers
- Long term association with key domestic and international customers
- Established product quality and the product acceptance from major international customers with zero rejection rate in exports market so far.
- One of the major manufacturers with the significant market share in Hubs & Spindles
- Awarded quality certifications namely TS 16949, ISO 9001:2000, ISO 14001, QS 9000, etc
- Exports more than 50% of the total revenue during the year 2007-08 to the leading automobile manufacturers in the world.
- Tata Investment Corporation Limited, an investment company of Tata Group has been one of the major investor in our company since January 1993

j. Business Strategy

Our company is one of the major players in the forged auto component industry and intends to become a leading manufacturer of forged auto component in the world. Our company is not only catering to major auto manufacturers in the country but also to foreign multinational auto manufacturers. Further, we have also made inroads to other engineering products and have received lifetime supply contract from M/s Bosch, Germany. Our company wants to leverage this strength to its benefit in future so as to become a market leader in the forged auto component industry. With this view as the backdrop, our company has proposed to expand capacity of our forging and machining capacity at existing and new location.

The key components of our strategy to drive profitable growth and to maximize value are to continuously enhance customer satisfaction, engage in continuous research and development activities to achieve best-in-class manufacturing, attract, develop and retain qualified employees and maintain stringent standards of environmental safety and corporate responsibility. Keeping in view the above, the business strategy of our company is as under.

i) Focus on capacity expansion to attain economies of scale

We are one of the leading manufacturers of forged auto components for domestic as well as foreign car manufacturers. There has been increasing demand for these products and we are in the process of continuously receiving orders from domestic as well as international customers. In order to cater to such orders, it is not only important to maintain high quality standards but also to do so at competitive cost levels which can be achieved by reducing the fixed cost component of products by expanding the capacity. Economies of scale will benefit our company to improve the profit margins and consequently profits. Accordingly, expansion of forging and machining capacity is proposed to be financed through this issue.



ii) Continued focus on consistently meeting international quality standards so as to ensure product acceptance by customers

Our company supplies auto components to leading manufacturers of passenger cars, both within India and abroad. These customers demand high quality products and repeat orders are received only after our products meet their minimum quality standards. Therefore, we do not compromise on quality while manufacturing our products. To this end, we follow strict quality norms for our products so as to comply with the international quality standards so as to ensure product acceptance.

iii) To retain customer base in the export and domestic market

With India becoming a preferred sourcing destination for global automobile manufacturers, the last 2 years has witnessed setting up of passenger car manufacturing facilities by multinational auto manufacturers. Their strategy is to produce passenger cars in India at lower cost compared to their existing cost abroad. They plan not only to sell cars in the domestic market but also to export such products worldwide. Therefore, manufacturing auto components required by world famous car manufacturers, in the domestic market is as important as exporting auto components to the same buyers overseas. Therefore, our company intends to occupy the prime position in this segment by manufacturing auto components for such passenger car manufacturers.

iv) To manufacture value added auto components

The association with renowned domestic and foreign automobile manufacturers will help our company to introduce latest technology auto components as these manufacturers are willing to accept such products if it suits their requirements and purpose. As such we plan to introduce value added products like third generation hubs integrated with bearings for the front wheel cars and hubs pre-fitted with bolts which would reduce the assembling time of the car manufacturers. This would help our company to improve the profit margins.

k. Capacity and Capacity Utilization

Particulars	2005-06 (Actual)	2006-07 (Actual)	2007-08 (Actual)	2008-09 (Projected)	2009-10 (Projected)	2010-11 (Projected)
A. Existing						
Installed capacity of Forging	5400	7200	9000	-	-	-
Capacity Utilisation (%)	54	70	64	-	-	-
Production (MT)	2906	5048	5756	-	-	-
B. Proposed Expansion						
Installed capacity of Forging	-	-	-	12500	15500	28100
Capacity Utilisation (%)	-	-	-	70	70	70
Production (MT)	-	-	-	8750	10850	19670

Capacity utilization in the forging industry is measured by the weight of component to be manufactured through forging and machining. The time taken in the forging operations for manufacturing the components depends upon its design, shape, weight, etc. As such, the production in weight gives misleading information about the overall production and consequently the capacity utilization. Apart from above, the overall installed capacity remains idle at times for various reasons. Notable among them are change in the product, the dies, time required for machine setting, machinery cleaning, preventive & routine maintenance, etc. on account of which the capacity utilization is also reduced.

During the year ended 2005-06, the capacity utilization was lower at 54% mainly due to major breakdown of one of the forging press due to which our company lost sizeable production. However, our company took corrective measures and moreover due to good demand for our products, we also increased our capacity during the year 2006-07 and achieved higher production of 5048 MT from 2906 MT during the year 2005-06 and higher capacity utilization of 70% from 54% achieved during the year 2005-06. During the year 2007-08, our company witnessed encouraging demand for our products. However, on account of power cut imposed on our various units by MSEDCL, our company reorganised forging facility between units in such a manner that the impact of the power cut be minimum and the production would be optimum. Accordingly, our company during the year 2007-08 achieved production of 5756 MT with a capacity utilization of 64%. The capacity utilization



during the aforesaid period was marginally reduced due to re-organising of forging facility. Our company is confident to achieve capacity utilization of atleast 70% for the entire year of 2008-09 on increased capacity after completing the Phase I of the expansion project. Similarly, on completion Phase II of the expansion project, our Company is confident to maintain capacity utilization of 70% on increased installed capacity.

Property

Registered Office:

Registered Office	Owned/ Leased	Date of Purchase / Lease	Activities
Plot No. J/5, 'S' Block, MIDC, Bhosari, Pune 411026	Leased	01/06/1983 on 95 years lease	Administration and Forging

Other Property owned / leased by the company are as follows:

Property Description	Owned/ Rented	Leased/	Date of Purchase / Lease	Activities
Plot No. 43, 'S' Block, MIDC, Bhosari, Pune 411026	Leased		16/06/1978 on 95 year lease, computed from '01/06/1973	Machining
Plot No. 150, 'S' Block, MIDC, Bhosari, Pune 411026	Leased		10/07/1985 on 95 year lease, computed from '01/08/1982	Heat Treatment
Plot No. 151, 'S' Block, MIDC, Bhosari, Pune 411026	Leased		27/08/1981 on 95 year lease, computed from '01/04/1979	Heat Treatment
Plot No. RM-4, Flat No. 5 & 7, D Type, 1 st Floor, Pimpri Chinchwad Municipal Corporation, Tal. Haveli, Dist. Pune	Leased		16/05/1984 on 30 years lease, computed from 01/04/1984	Accommodation for employees
Plot No. 152, 'S' Block, MIDC, Bhosari, Pune 411026	Leased		12/06/2002 on 95 year lease, computed from 01/03/1980	Machining
Gat No. 1425, Shikrapur, Tal. Shirur, Dist. Pune	Owned		Sale Deed dated 06/04/1994	Forging, Machining & Heat Treatment
E-606, Surya Vihar, Delhi Gurgaon Road, Village Dundaheera, District. Gurgaon, Haryana	Owned		21/ 06/ 2002	Sales & Marketing
Cervantes Road No. 3, Flat No. 2 First Floor, Almussafes 46440 Valencia (Spain)	Rented		18/02/2006	Sales & Service
4/14, 1 st floor, Vishwanathan Street, West Mambalam, Chennai 600033	Rented		11/06/2008 for 36 months	Sales & Marketing
Gat No. 2514, Talegaon, Dhamdhere, Tal. Shirur, Dist – Pune	Owned		Sale Deed dated 25/01/08	Forging, Machining & Heat Treatment
A-67, Palam Vihar, Tehsil Gurgaon, Dist. Gurgaon	Leased		31 st January 2008 for 11 months	Accommodation for employees.

Insurance

Our Company has taken up a range of insurance policies including:

1. Fire policies for our units, buildings and offices, raw materials, work-in-progress and finished goods;
2. Marine policy for transit of raw materials and finished products in India and Marine Export policy;
3. Machinery break-downs policies for our production equipment;
4. Workmen compensation policy under the Workmen Compensation Act.

These insurance policies are reviewed annually to ensure that the coverage is adequate. All the policies are in existence and the premiums have been paid thereon.

Regulations and Policies

Apart from the regulations applicable to all industries in general, no special industry-specific regulations are applicable to the industry in which our Company operates.

**HISTORY AND CERTAIN CORPORATE MATTERS**

We were originally incorporated on December 31, 1990 as a private limited company namely, Trinity Die Forgers Private Limited. Our name was changed to Trinity Die Forgers Limited with effect from December 15, 1992. Further, after the merger of Trinity India Limited with our company w.e.f. 01.04.2007, our company's name was further changed to Trinity India Limited with effect from 29.02.2008

MAJOR EVENTS

The chronology of key events since our Company was incorporated is as follows:

Year	Milestones
1990-91	Incorporated on December 31, 1990 as Trinity Die Forgers Private Limited under the Companies Act, 1956
1992-93	Became public limited company namely "Trinity Die Forgers Limited"
1993-94	Upgradation of technology from hammer forging to press technology procured 1600 Tonnes forging press from Republic of Czech
1997-98	Certificate from TUV Certification Authority : Management system as per DIN EN ISO 9001 : 2000 (Forge Division) Pune
1998-99	Certificate from TUV Certification Authority: ISO 14001: 1996 (Machining Division) at Plot No. 43 & 152, 'S' Block, MIDC, Bhosari, Pune 411026.
2004-05	Certificate from TUV Certification Authority: Management system as per DIN EN ISO 9001: 2000 (Thermal Division) 'S' Block, Plot No. 150-151, MIDC, Bhosari, Pune 411026
2004-05	Certificate from TUV Certification Authority : ISO 14001:2004 of S 43 & 152 Machining Division, 'S' Block, MIDC, Bhosari, Pune 411026
2005-06	Establishment of a new unit at Shikrapur with forging presses and International Standard Machine Shop to cater requirements of Ford, other major customers in the automobile industry and other industries globally
2005-06	Certificate from TUV Certification Authority : ISO /TS 16949 : 2002 (Machining Division) at Plot No. 43 & 152, 'S' Block, MIDC, Bhosari, Pune 411026
2006-07	Trinity Thermal Private Limited got merged with Trinity Die Forgers Limited.
2006-07	Engineering Export Promotion Council (EEPC): Certificate of appreciation for their participation of Hannover Messe 2006
2007-08	Certificate from TUV Certification Authority: Management system as per DIN EN ISO 9001: 2000 at Gat No. 1425/3, Off Pune Nagar Road, Shikrapur, Tal. Shirur, Pune 412208
2007-08	Certificate from TUV Certification Authority: Management system as per ISO /TS 16949: 2002 Gat No. 1425/3, Off Pune Nagar Road, Shikrapur, Tal. Shirur, Pune 412208
2007-08	Certificate from TUV Certification Authority: Management system as per ISO 14001: 2004 at Gat No. 1425/3, Off Pune Nagar Road, Shikrapur, Tal. Shirur, Pune 412208
2007-08	Trinity India Limited got merged with Trinity Die Forgers Limited.
2007-08	Name of Trinity Die-Forgers Limited changed to Trinity India Limited w.e.f. 29.02.2008

Our Main Objects

The main objects of our Company as contained in our Memorandum of Association are:

- a. To carry on in India or elsewhere the business to manufacture, produce by means of cutting, shaping, hammer forging, press forging, stamping, casting, heat treatment, shotblasting, machining, turning, grinding, milling, induction hardening, surface coating, fabricating, flame cutting, sub assembly, assembly, mould, roll, re-roll, improving, altering, cleaning, laminating, reconditioning, renovating, designing, developing, modifying, finishing, and to act as agent, broker, importer, exporter, buyer, seller, reseller, trader, foundry-man, consultant, engineer, metallurgist, stockist, supplier contractor, distributor, job worker, vendor or otherwise to deal in all shapes, sizes, descriptions, specifications, capacities and varieties of forging items of iron, steels and their alloys used in automobiles, hydraulic, material handling, pumps & valves, agriculture equipment, railways, waterworks, defence, power plants, boiler, pressure vessels, oil wells, mines, public utilities, constructions, vessels, pollution, transmissions and for other commercial, domestic and industrial purposes and otherwise to deal in ferrous and non ferrous forgings in all its branches including precision forging, casting of grey iron, chilled and malleable iron casting, special alloy castings, steel forging, ductile-iron forging, aluminum forging, brass forging, copper forging, gun-metal



forging, forging of any ferrous and non ferrous metal and its alloys ,cast sections and other allied items used in industries, transportation, water supply, machine tools, railways, navy, agriculture, aviation, defence or otherwise to deal in Ferro alloys of all grades present or future and other allied items or otherwise to deal in all shapes, sizes, uses, capacities, specifications, descriptions and varieties of products whether made of iron and steel or in combination with any ferrous and non ferrous materials, and to act as stockist, franchisers, agent, brokers, lessor, warehouse, wholesalers, retailers, job workers or otherwise to deal in all types, varieties, models, shapes, sizes, specifications, descriptions, applications, and uses of replacement parts, spare parts, systems, assemblies, accessories, tools, implements, motors, power units, transmission & propulsion systems, chassis, bodies, substances, equipments, dies, jigs, structures, mould, gauges, beams and other allied goods, articles & things for motor cars, trawler, trucks, tankers, buses, cycle, cars, race cars, defence vehicles, ambulances, tempos, tractors, motor lorries, heavy and light commercial vehicles, motorcycles, omnibuses, vans, jeeps, scooters, locomotives, tanks, mopeds, three wheelers and other vehicles of all kinds and descriptions used for defence and transporting, passengers, goods and animals, Railways parts components, parts and products used by and for machineries and other industrial and consumer products.

- b. To acquire assets together with debts and liabilities of the partnership firm M/s Trinity Forge, Plt No. J/5, "S" Block, Bhosari MIDC, Pune – 411 026

Changes in Memorandum of Association

Since our incorporation, the following changes have been made to our Memorandum of Association:

Date of Shareholder Approval	AGM/EGM	Changes
27 th June 1992	EGM	Increase in Authorised Capital of the company from Rs. 50 Lacs to Rs. 1 Crores
3 rd May 1994	EGM	Increase in Authorised Capital of the company from Rs.1 Crores to Rs. 1.5 Crores
25 th September 2006	AGM	Increase in Authorised Capital of the company from Rs.1.5 Crores to Rs.2 Crores
28 th December 2006	EGM	Increase in Authorised Capital of the company from Rs.2 Crores to Rs. 6 Crores
7 th July 2007	EGM	Increase in Authorised Capital of the company from Rs.6 Crores to Rs. 7 Crores
21 st February 2008	EGM	<ul style="list-style-type: none"> • Main Object Clause of the Company • Increase in authorized Capital of the company from Rs. 7 Crores to Rs. 12.5 Crores

Our Subsidiaries

There are no subsidiaries of our company as on the date of filing of this DRHP.

Shareholder Agreements in Relation to the Company

There are no shareholders agreements involving our Company to which either our promoters or our company is a party as on the date of this DRHP.

Other Material Agreements

There are no other material agreements as required in terms of Clause 6.9.4.5 of the SEBI DIP Guidelines

Strategic Partners

Our company does not have any strategic partners.

Financial Partners

Our company does not have any financial partners.



OUR MANAGEMENT

Board of Directors

The following table sets forth details regarding our Board of Directors as at the date of this Draft Red Herring Prospectus:

Name of the Director, Father's/ Husband's Name, Designation, Occupation and Term	Age	Address	Other Directorships
Mr. J.C. Basu S/o Mr. Raisahib Basu Chairman & Managing Director Business Term – 01.04.2008 to 31.03.2013	77 Years	45, Anand Park, Aundh, Pune 411007	Nil
Mr. Deepankar Basu S/o Mr. Jagadishchandra Basu, Executive Director Business Term – Rotational	45 Years	F No. 18, Kanchanjunga co op hsg soc., Gaikwadnagar, Aundh, Pune 411007	Trinity Auto Components Limited
Ms Moushumi Basu* D/o Mr. Jagadishchandra Basu Whole Time Director Business Term – From 01.04.2007 to 31.03.2012	43 Years	45, Anand Park, Aundh, Pune 411007	Trinity Auto Components Limited
Mr. Rasamoy Chakraborty S/o Mr. Dayamoy Chakraborty Independent Director Business Term – Rotational	63 Years	New Ajantha Avenue, Building No. II, Wing B, Paud Road, Pune – 411 029	1. RSB Transmission (I) Ltd. India 2. I-Design Engg Solutions Ltd. India 3. RSB-TEAM Transmission (I) Ltd. India
Mr. Prabir Biswas S/o Late Mr. Suresh Chandra Biswas Independent Director Business Term: Rotational	60 Years	Marathon NextGen Era III - 1102; Opp. Peninsula Corporate Park; off Ganpatrao Kadam Marg; Lower Parel (West); Mumbai – 400013	Nil
Mr. K. Ramchandra s/o Mr. Palamadai Kuppaswami Business Independent Director Term: Rotational	76 Years	408, Gera Park A, Boat Club Road, Pune 411001	1. WB Engineers International Private Limited
Mr. Jack Treier S/o Mr. Otto Treier Independent Director Business Term: Rotational	70 Years	7740 N, Sheridan Road, Unit 5, Chicago, USA	Nil
Mr. Keshav Bhalchandra Gokhale s/o Bhalchandra Krishna Gokhale Alternate Director to Mr. Jack Treier Occupation: Business Term : During the absence of Original Director Mr. Jack Treier	82 Years	Flat B-2 Spartan Luxury Apts. 247/14B Deccan College Road, Pune, 411 006	Nil

* - Re-designated as Vice Chairperson and Whole-time Director w.e.f August 1, 2008

**Details of our Directors**

Mr. Jagadishchandra Basu, age 77 Years, our Chairman, graduated with Institute of Mechanical Engineers, England (G.I. Mech, England). Mr. Basu has over four decades of experience in Auto and Auto Components Sector having worked with reputed companies like M/s. Daimler Benz A.G., West Germany (now known as Daimler Chrysler A.G.), Tata Engineering & Locomotive Company (now known as TATA Motors Limited), Wyman Gordon Ltd. and M/s. Bharat Forge Limited. As the Chairman of our Company, Mr. Basu is responsible for the overall working of the Company and is instrumental in making strategic decisions for the Company. He has been associated with our company from its inception as a Promoter.

Mr. Deepankar Basu, age 45 years, our Executive Director, graduated with Master of Science (MSc) Degree from Sheffield Polytechnic, U.K. Since incorporation, Mr. Deepankar Basu is associated with our company and apart from heading the group company namely, Trinity Auto Components Limited as Chairman and Managing Director, he looks after Quality Control Department, Domestic Marketing Department and Technical Services Department.

Ms. Moushumi Basu, age 43 years, our Whole Time Director, possess a post graduate degree in MBA Finance, from the Oklahoma City University, USA. Ms. Basu joined our Company on 01.01.1992. Prior to the appointment as Whole Time Director, she was General Manager (Exports) of our company and was responsible for international business. Ms. Basu presently looks after operations of Thermal Division, Export Marketing and Human Resources Development Department.. She joined our Board of Directors on 01.04.2001.

Mr. Rasamoy Chakraborty, age 63 years, our non executive and independent director, graduated with B Tech (Hons) Mech Engg., IIT Kharagpur 1966 and is a gold medalist of ICWAI. Mr. Chakraborty is engaged in product development and its productivity. He has experience of over 35 years and was earlier associated with TATA Motors as Manager (Auto Projects), Division Manager (Finance), Chief Internal Auditor and Chief Strategic Sourcing (Commercial Vehicles and passenger cars). Mr. Chakraborty was also associated as an Industrial Finance Officer (Tech) in Industrial Reconstruction Corporation of India, Calcutta. He joined our Board of Directors on 17.09.2007.

Mr. Prabir Biswas, age 60 years, our non executive and independent director, is a post-graduate (M.Sc.) in chemistry, graduate (L.LB) in law, masters in economic development (University of Oxford), and is a certified associate of the Indian Institute of Bankers (CAIIB). He has 5 years of experience in teaching and 36 years of experience in the banking / financial sector in regulatory capacity as also as a Director on the Boards of three public sector banks. He has also been a Director on the Board of a Security Printing Press. Currently Mr. Biswas has started his own consultancy on human resources development, currency management, project appraisal, financing and monitoring, and risk management and strategy, and is also associated with a NGO as Chairman and with a microfinance organisation as a member of the Governing Council. He joined the Board of Directors on 16.02.2008.

Mr. K. Ramchandra, age 76 years, our non executive and independent director, is a Chartered Accountant (CA) with wide experience and expertise in Financial Management and Taxation, having worked with reputed companies like Philips India, Union Carbide India, Thermax, etc. as Chief Financial Officer and Finance Director. He has also served as a member of Taxation and Finance Committee in Chambers of Commerce. He is presently a Working Director with WB Engineers International Private Limited. He joined our Board of Directors on 16.02.2008

Mr. Jack Treier, age 70 years, our non executive and independent director, graduated with Bachelor of Science in Mechanical Engineering (B.S.M.E) degree, Syracuse University, USA. Mr. Treier has over four decades of experience in steam and power generation industry. He has been associated with some of the reputed companies and also worked as a technical consultant in the power industry. He has been representing us in the USA since 01.04.2004. He joined our Board of Directors on 16.02.2008.

Mr. Keshav Bhalchandra Gokhale, age 82years, our non-executive and alternate director to Mr. Jack Treier, graduated with B.SC (Hons), BSC (Tech). He was associated for 28 years with Burman Shell Oil Storages & Distributing Co. of India. He was a Director on the Board of Burman Shell Refineries from 1971 to January 1976. He was as an Executive Director on the Board of Thermax Limited, Pune from 1981 to July 1992. He joined our Board of Directors on 03.03.2008.



Borrowing Powers of Directors

Company vide a Special Resolution pursuant to the provisions of Section 293 (1) (d) of the Companies Act, 1956 at the extraordinary general meeting of the shareholders held on February 21, 2008, authorized the Board of Directors of the Company to borrow money from time to time at its discretion from the Bankers, Financial Institutions, or any other lending institutions or persons on such terms and conditions as may be considered suitable by the Board of Directors up to a limit not exceeding in aggregate Rs.100/- Crores (Rupees One Hundred Crores only) notwithstanding that the money to be borrowed together with moneys already borrowed by the Company [apart from temporary loans obtained from the Company's bankers in the ordinary course of business] will exceed the aggregate of the paid up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose.

Appointment and Compensation of Our Whole-Time Directors

1. Mr. J.C. Basu

Mr. J.C. Basu Chairman of the company, was appointed as the Chairman & Managing Director w.e.f. April 1, 2008 as per the terms & conditions given below and approved by Shareholders by way of special resolution at the EGM held on February 21, 2008.

SALARY :

Salary in the grade of Rs. 100000 – 50000 – 300000

PERQUISITES :

CATEGORY : A

This will comprise house rent allowance, leave travel concession, medical reimbursement, fees on clubs & personal accident insurance. These will be provided for as under :

1. House Rent Allowance : Not exceeding Rs. 24,000/- per month.

The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per the Income Tax Rules, 1962. However, this shall be subject to a ceiling of ten percent of the Salary of the Chairman & Managing Director.

2. Medical Reimbursement :

Expenses incurred for the Chairman & Managing Director and the family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.

3. Leave Travel Concession :

For the Chairman & Managing Director and his family once in a year incurred in, accordance with any rules specified by the Company, subject to Tax Deducted at Source, if applicable.

4. Club Fees :

Fees of clubs subject to a maximum of two clubs. This will not include admission & life membership fee.

5. Personal Accident Insurance :

Premium not to exceed Rs. 10000/- per annum.

Explanation : For the purpose of Category 'A' – Family means the Spouse, the dependant children, dependant parents of the Chairman & Managing Director.

**CATEGORY 'B' :**

Contribution to provident fund, superannuation fund or annuity fund will not be included in the computation of ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act. Gratuity payable will not exceed half month's salary for each completing year of service.

Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

CATEGORY 'C' :

Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephones & use of car for private purpose shall be billed by the Company to the Managing Director.

2. Mr. Deepankar Basu

Mr. Deepankar Basu has been appointed as Executive Director of the company from 22.6.2000. Since Mr. Deepankar Basu is the Chairman and Managing Director of TACL and draws the salary from TACL, he does not draw any salary from our company except sitting fees for attending the Board meeting and other committee meeting.

3. Ms. Moushumi Basu

Ms. Moushumi Basu has been designated as Whole-Time Director of the company from 01.04.2007 for the period of 5 years. The terms & conditions of her appointment are as under:

Basic	:	Rs.21,650/- p.m.
House Rent Allowance	:	Rs. 14,250/- p.m.
Conveyance	:	Rs. 1,500/- p.m.
Provident Fund	:	As per prevailing rules of the Company.
Bonus	:	As per prevailing rules of the Company.
Leave/Travel Allowance	:	Rs. 21,650/- p.a.
Medical Reimbursement	:	Rs. 21,650/- p.a.

4. Mr. Rasomay Chakraborty, Mr. Jack Treier, Mr. K Ramchandra, Mr. Prabir Biswas and Mr. Keshav Gokhale, Directors of the Company receive the sitting fees of Rs. 20000/-per meeting for attending the Board meeting and other committee meetings.

Corporate Governance

The provisions of the Listing Agreement to be entered into with the Stock Exchanges with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchanges. We are in compliance with the Corporate Governance Code in accordance to Clause 49 (as applicable) of the Listing Agreement to be entered into with the Stock Exchanges prior to the filing of the DRAFT RED HERRING PROSPECTUS with the ROC and prior to the listing of our Equity Shares. The Board has Seven Directors, of which the Chairman of the Board is an Executive Chairman. In compliance with the requirements of Clause 49 of the Listing Agreement, we have three Executive Non-Independent Directors and Four Independent Directors on our Board. Further, the company has complied with SEBI guidelines in respect of Corporate Governance specially with respect to broad basing of board, constituting the committees such as Shareholding/ Investor Greivance Committee, etc.

Audit Committee

The Audit Committee was re-constituted by our Directors at their board meeting held on 16.02.2008. The purpose of the audit committee is to ensure the objectivity, credibility and correctness of the Company's financial reporting and disclosure processes, internal controls, risk management policies and processes, tax policies, compliance and legal requirements and associated matters. The terms of reference of the audit



committee are in accordance with the requirements under Clause 49 of the Listing Agreement. The Audit Committee consists of:

Committee Members	Designation
Mr. Rasomay Chakraborty	Chairman
Mr. K. Ramchandra	Member
Ms. Moushumi Basu	Member

Remuneration Committee

The Remuneration Committee was constituted by our Directors at their Board meeting held on 16.02.2008. The Committee's goal is to ensure that the Company attracts and retains highly qualified employees in accordance with its business plans, that the Company fulfils its ethical and legal responsibilities to its employees, and that management compensation is appropriate. The Remuneration Committee consists of:

Committee Members	Designation
Mr. K. Ramchandra	Chairman
Mr. Rasomay Chakraborty	Member
Mr. Prabir Biswas	Member

The terms of reference of the Remuneration Committee are as follows:

- i. To recommend to the Board, the remuneration packages of our Company's Managing/Joint Managing/ Deputy Managing/Whole time / Executive Directors, including all elements of remuneration package (i.e. salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc.);
- ii. To be authorised at its duly constituted meeting to determine on behalf of the Board of Directors and on behalf of the shareholders with agreed terms of reference, our Company's policy on specific remuneration packages for Company's Managing/Joint Managing/ Deputy Managing/ Whole-time/ Executive Directors, including pension rights and any compensation payment;
- iii. To implement, supervise and administer any share or stock option scheme of our Company

Shareholders Transfer and Grievances Committee

The Share Transfers and Investors Grievances Committee was constituted by our Directors vide their Board meeting held on 16.02.2008. The Shareholder's Grievance committee currently consists of:

Committee Members	Designation
Mr. Prabir Biswas	Chairman
Mr. Deepankar Basu	Member
Ms. Moushumi Basu	Member

The terms of reference of the Shareholders Transfer and Grievances Committee are as follows:

- Allotment of all types of securities to be issued by the Company;
- Transfer and transmission of securities;
- Dealing with complaints about non-receipt of declared dividend, non-receipt of Annual Reports etc;
- Investigate into other investors' complaints and take necessary steps for redressal thereof;
- To perform all functions relating to the interests of Shareholders/ Investors of the Company as may be required by the provisions of the Companies Act, 1956, Listing Agreements with Stock Exchanges and Guidelines issued by SEBI or any other Regulatory Authority;
- Authorize Company Secretary or other persons to take necessary action on the above matters;

Shareholding of our Directors

Our Articles of Association do not require our Directors to hold any qualifying Equity Shares in our Company. The following table details the shareholding of our Directors in their personal capacity and either as sole or first holder as on 20.06.2008.



Sr. No.	Name of the Shareholder	Shares Held	% of Total Equity Share Capital
1.	Mr. J.C. Basu ¹	1053098	15.55
2.	Mr. Deepankar Basu	327754	4.84
3.	Ms. Moushumi Basu ²	142375	2.10
4.	Mr. Jack Treier	16371	0.24
	Total	1539598	22.73

1 out of the above 15828 equity shares are held jointly with Mrs Gita Basu.

2 out of above 106625 equity shares are jointly held with Master Darius Kabraji

Interest of Promoters, Directors and significant shareholders

Except as stated in the section titled “Related Party Transactions” on page [●] of this DRAFT RED HERRING PROSPECTUS and to the extent of their shareholding in our Company, our Promoters do not have any other interest in our business.

No other persons apart from the Company have significant rights in our Company under the terms of our Articles of Association. For additional information, please refer to the section titled “Main Provisions of Articles of Association of Trinity India Limited” on page [●] of this Draft Red Herring Prospectus.

The Directors of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and to the extent of the Equity Shares held by them in the Company, or funds controlled by them, if any.

Except as stated in the section titled “Related Party Transaction” on page [●] of Draft Red Herring Prospectus, we have not entered into any contract, agreement or arrangement during the preceding 2 years from the date of this DRAFT RED HERRING PROSPECTUS in which the Directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

Our Articles provide that our Directors and officers shall be indemnified by our Company against loss in defending any proceeding brought against Directors and officers in their capacity as such, if the indemnified Director or officer receives judgment in his favour or is acquitted in such proceeding.

Changes to our Board of Directors during the last 3 years are as follows:

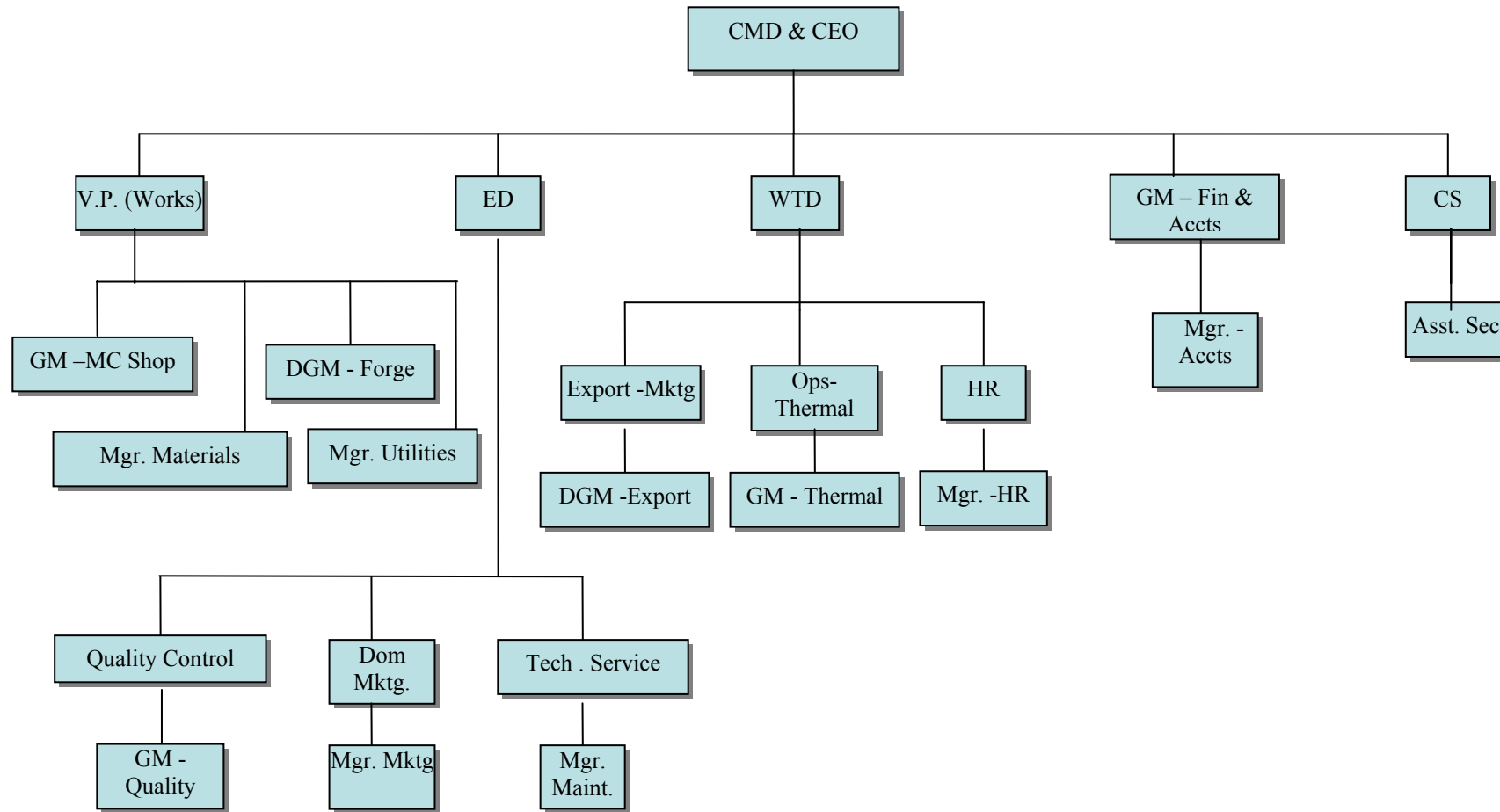
There were following changes in the board of directors during the last 3 years:

Name of Director	Nature of Change	Effective Date
Mr. J.C. Basu	Appointment	29/06/2005
Mr. Ranjan Banerjee	Resignation	23/02/2006
Mr. K D Chatterjee	Resignation	25/08/2006
Mrs. Rashmi Gadre	Resignation	24/01/2007
Mr. Mathew Varghuse	Appointment	17/09/2007
Mr. Rasomy Chakraborty	Appointment	17/09/2007
Mr. Jack Treier	Appointment	16/02/2008
Mr. Prabir Biswas	Appointment	16/02/2008
Mr. K. Ramchandra	Appointment	16/02/2008
Mr. Mathew Varghuse	Resignation	16/02/2008
Mr. Keshav Gokhale	Appointment	03/03/2008



Management Organization Structure

The organization structure of the senior management is presented below:



**Key Managerial Personnel of our Company****Other than our Chairperson and Managing Director and our Executive Directors, our Key Managerial personnel are as below:**

All the under mentioned key managerial personnel are permanent employees of our Company. The remuneration of each of our key personnel is as per the statement pursuant to Section 217(2A) of the Companies Act and the Companies (Particulars of Employees) Rules, 1975. The details of our key managerial personnel are as follows:

Sr.No.	Name of the Employee	Qualification	Designation /Nature of Duties	Age (Years)	CTC p.a (Rs.in lacs)	Date of Joining	Total Experience	Last Employment and Designation
1.	Mr. Praful Karia	M Com , Diploma in Taxation and Law	General Manager – Finance & Accounts	44	7.5	9.08.07	25 Years	Professional Advisor
2.	Mr.Samiran Das	Diploma in Elec. Engg.	General Manager - Machining	40	4.62	1.4.92	15 Years	-
3.	Mr. R.S. Nair	B.A	General Manager– Thermal Division	50	3.88	16.11.81	26 Years	-
4.	Mr.Rajesh Singh	BE (Mech)	Dy.GM-Exports	42	3.86	24.3.03	14 Years	Trinity Services - Manager
5.	Mr.S. J. Naik	B.A. (Economics)	Manager-Material	55	2.77	1.6.77	30 Years	-
6.	Mr. A.P.Pardhi	B.Sc.; LLB; MBA (Advetising & Mass Communication)	Chief Manager - HR & Admin	48	4.32	16.4.07	18 Years	Yog Group of Industries - Sr.Manager HR
7.	Mr.A.B. Nerkar	HSC / ITI	Manager-Quality Assurance	44	3.18	24.5.85	22 Years	-
8.	Mr.J. M. Patil	B.Com; MBA; DFCA; DFM	Manager-Finance & Accounts	43	5.00	15.11.07	22 Years	Vinayak Electromech P.Ltd. -Mgr Fin, Accts
9.	Mr. Vijay Shirode	B.Com, LLB, ACS	Company Secretary	27	3.60	01.10.07	1 Years	City Technology Park Pvt. Ltd. - Asst. Co.Sec.

* - Mahindra Ugine Steel Co. Limited

**Brief profile of Key Managerial Personnel:**

1. Mr. Praful Karia, age 44 years, General Manager Finance & Accounts, post graduated in Master of Commerce from the University of Pune. He also holds a diploma in Taxation and Law from the University of Pune. Mr. Karia has 25 years of experience and is responsible for Finance & Accounts of our Company.
2. Mr. Samiran Das, age 40 years, General Manager, is a Post Graduate Diploma in Electrical Engineering (DEE). Mr. Das started his career with our company and has over 15 years of experience. He is responsible for Production and Quality of Machined products.
3. Mr. R.S. Nair, age 50 years, General Manager – Thermal Division, graduated with B.A., has over 26 years of experience. He is associated with the Company since inception.
4. Mr. Rajesh Singh, age 42 years, Deputy General Manager-Exports, graduated in engineering (Mech) from Pune University. Mr. Singh was earlier associated with Trinity Services as Manager.
5. Mr. S.J. Naik, age 55 years, Manager – Material, is graduate with B.A (Economics). Mr. Naik is associated with the company from last 30 years and is responsible for procurement of materials for all our units.
6. Mr. A.P. Pardhi, age 48 years, Chief Manager – HR & Admin, is a post graduate in Business Law from Nagpur University and also a post graduate in Advertising and Mass Communication (MBA) from Nagpur University. Mr. Pardhi was earlier associated with Yog Group of Industries as Sr. Manager – Human Resources (HR). As Chief Manager – HR & Admin, Mr. Pardhi is responsible for handling daily administration and HR functions.
7. Mr. A.B. Nerkar, age 44 years, Manager – Quality Assurance, is employed with the company since May 1985 and has all-round experience in the quality control aspects of the forging industry.
8. Mr. J.M. Patil, age 43 years, Manager – Finance & Accounts, is a post graduate in Business Administration (MBA – Finance) from Institute of Management Education, Pune and also a Diploma Holder in Financial Computerised Accounting, Financial Management and Taxation. He has over 22 years of experience.
9. Mr. V.B. Shirode, age 27 years, Company Secretary, is a ACS, Institute of Company Secretaries of India (ICSI) and also a Bachelor in Business Law (LLB), Pune. Mr. Shirode is responsible for all the secretarial matters related to the company.

Shareholding of Key Managerial Personnel in our Company

Sr. No.	Name	No. of Shares Held	% of Shareholding
1.	Mr. Rajesh R Singh	8000	0.118
2.	Mr. Samiran Das	500	0.007
3.	Mr. R.S. Nair	500	0.007
	Total	9000	0.132

Bonus or Profit Sharing Plan for Our Key Managerial Personnel

We do not have any bonus or profit sharing plan for our key managerial personnel.

Employee Stock Option Structure

Our Company has not introduced any Employee Stock Option Scheme / Employee Stock Purchase Scheme.

Interest of Key Managerial Personnel

The key managerial personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.





[Except as stated in the section titled “Related Party Transaction” on page [●] of this Draft Red Herring Prospectus, we have not entered into any contract, agreement or arrangement during the preceding 2 years from the date of this Draft Red Herring Prospectus in which the key managerial personnel are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.]

**Changes in our Key Managerial Personnel during the last one year**

Sr.No.	Name	Designation	Date of Joining	Date of Cessation	Remarks
1.	Mr. A M Varade	Mgr. Pers.	1.7.07	-	Appointed
2.	Birg(Rtd) C.M. Hernal	VP - Admn.	-	27.7.07	Resigned
3.	Mr.T.K. Roy	GM Works	-	19.9.07	Resigned
4.	Mr. Praful Karia	GM – Finance & Accounts	9.8.07	-	Appointed
5.	Mr.V.B. Shirode	Company Secretary	1.10.07	-	Appointed
6.	Mr. K M Kelkar	Sr.Manager-Sales & Marketing	-	31.03.08	Resigned
7.	Mr.Mathew Varghese	Vice President	-	31.03.08	Resigned

**OUR PROMOTERS AND THEIR BACKGROUND**

Our Company has been promoted by the following four individual Promoters:

Name and Age	Qualification and Experience	Directorships Held	Identifications	Photograph
Mr. Jagadishchandra Basu, 77 Years	G I Mech E (England),	Nil	Passport No.: Z1563716 PAN: AAPPB1770R Bank Statement: Saraswat Co-op Bank Ltd., Pimpri Branch, S.B. Account No. 11649	
Mr. Deepankar Basu, 45 Years	M.SC(University of Sheffield) UK	Trinity Auto Components Limited	Passport No.: Z1563715 PAN: ABCPB7123Q Bank Statement: Bank of Maharashtra, Aundh Branch, S.B. Account No. 5468	
Mr. Ranjan Banerjee, 66 Years	Diploma in Mechanical Engineering	Trinity Auto Components Limited	Driving Licence No.: MH12 20060049359 Passport No.: F4144510 PAN: AAVPB1078L Bank Statement: UCO Bank, Ganesh Khind Branch, S.B. Account No. 000774	
Mr. Yeshwant Kurle, 68 Years	B.E. Mechanical	Nil	Driving Licence No.: MH12 20010186335 Passport No.: A7098319 PAN: ABBPK0606Q Bank Statement: Central Bank of India, Tilak Road Branch, S.B. Account No. 16162	

For details of the terms of appointment of our Directors, see the section titled “Our Management” beginning on page [•] of this Draft Red Herring Prospectus.

Common pursuits

One of our group companies / firms namely Trinity Auto Components Limited (TACL) is engaged in the manufacturing of forged and machined Auto Components for Heavy Commercial Vehicles. Although the products manufactured by TACL is through the same manufacturing route i.e., forging and machining. However products manufactured by TACL have application only in HCV while products manufactured by our Company have application in Passenger Car Segment. An agreement between TACL and TIL dated March 10, 2008 wherein TACL has confirmed to manufacture products only for HCV segment and not for Passenger Car Segment. As such application wise the products manufactured by TACL shall not have any competition directly or indirectly with TIL. Hence, there is no common pursuit between our company and TACL. .

Interest in promotion of Our Company

All the promoters and directors may be deemed to be interested to the extent of reimbursement of expenses, if any, payable to them under the articles of association. They may also be deemed to be interested to the extent of the shares, if any, held by them or by relatives or by firms or companies of which any of them is partner and the director/ member.



Payment or benefits to our Promoters during the last two years

Except as stated in the section titled “Related Party Transactions” beginning on page [●] of this Draft Red Herring Prospectus, there has been no payment or benefits to our Promoters during the last two years from the date of filing of this Draft Red Herring Prospectus.

Other Confirmations

We confirm that the details of the permanent account numbers, bank account numbers and passport numbers of our Promoters, namely, Mr. J.C Basu, Mr. Deepankar Basu, Mr. Ranjan Banerjee and Mr. Y.C Kurlle have been submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus with the Stock Exchanges. Further, we confirm that the Permanent Account Numbers, Bank Account Numbers, the Company Registration Numbers and the address of the ROC where TIL is registered have been submitted to the Stock Exchanges on which our securities are proposed to be listed. Further, our Promoters have confirmed that they have not been detained as willful defaulters 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.

Related Party Transactions

For details please refer to the Annexure titled ‘Related Party Transactions’ in the section titled “Financial Statements” beginning on page [●] of this Draft Red Herring Prospectus.

**OUR PROMOTER GROUP ENTITIES**

Our Promoters, Mr. J.C. Basu, Mr. Deepankar Basu, Mr. Ranjan Banerjee and Mr. Y.C. Kurlle have direct and indirect ownership control of the companies/ firms given below. Financial data for each group company has been derived from their audited financial statements prepared in accordance with Indian GAAP.

The details of the aforesaid Indian promoter group companies/ firms have been described in the following order:

- A. Trinity Auto Components Limited
- B. Trinity Services
- C. GDM Companies

A. Trinity Auto Components Limited (TACL)

Trinity Auto Components Limited was incorporated on October 31, 1985 as a private limited company. Subsequently, the name of the company was changed to Trinity Auto Component Limited on November 26, 1992 with the object amongst other things –

- To manufacture, fabricate, assemble, deal, sell, buy, import, export semi-finished, finished and machined automobile components, spare parts, accessories and automotive agricultural implements of all kinds and descriptions, as also engineering items and other related items for the use in all types of automobile industry, under different conditions and out of all materials
- To manufacture, buy, sell, give on hire, retain in custody, on behalf of clients, dies, tools and other accessories required from time to time for the purpose of manufacturing, repairing, fabricating, assembling and rectifying automobile parts, components and accessories required by automobile industry and for defence services.
- To accept and carry out all job work of manufacturing, fabricating, assembling and rectifying of automobile parts, components and accessories.

Its registered office is located at 1419/2, Shikrapur, Pune-Nagar Road, Taluka Shirur, District Pune – 412 208.

Board of Directors:

Name of the Directors	Designation
Mr. Deepankar Basu	Chairman & Managing Director
Mr. Ranjan Banerjee	Director
Ms Moushmi Basu	Director
Mr. Prashant Prasad	Director
Mr. Ramesh Vasudevan	Director
Mr. S. Vasudevan	Alternate Director to Mr. Ramesh Vasudevan

Shareholding Pattern:

Particulars	As on 20.06.2008	
	No. of Shares	% of Shareholding
PROMOTERS		
Mr. J. C. Basu	252497	11.26
Mr. Deepankar Basu	101321	4.52
Mr. Ranjan Banerjee	52240	2.33
Mrs. Moushumi Basu	12736	0.57
TOTAL A	418794	18.67
PERSONS ACTING IN CONCERT		
Mrs. Gita Basu	39828	1.78
Mr. Debarati Basu	33219	1.48
Mr. Ratul Banerjee	29195	1.30
Mrs. Dipti Banerjee	20500	0.91



Ms. Sancharika Banerjee	8195	0.37
Master Darius Kabraji ¹	5500	0.25
TOTAL B	136437	6.08
TOTAL C (A+B)	555231	24.75
OTHERS		
PRIVATE CORPORATE BODIES		
Trinity Die Forgers Ltd.	418220	18.64
M/s. Variety (Agents) Pvt. Ltd.	300000	13.37
Badwe Engineers Pvt. Ltd.	5000	0.22
Vishwakumar Vishwanath Architechts Pvt. Ltd.	5000	0.22
TOTAL D	728220	32.46
NRI	650000	28.97
INDIAN PUBLIC	309924	13.82
TOTAL E	959924	42.79
TOTAL F(C+D+E)	2243375	100.00

1 – Jointly held by Ms Moushmi Basu

Financial Statements

(Rs. In Lacs)

Particulars	Audited			
	2003-04	2004-05	2005-06	2006-07
Sales & Other Income	3044.00	4760.70	5559.10	6216.10
PAT	98.20	164.00	165.50	33.60
Equity Capital	224.30	224.30	224.30	224.30
Reserves *	106.70	267.80	464.40	577.60
EPS(Rs.)	43.80	73.10	73.80	15.00
Net Worth	331.00	492.10	688.70	801.90
Book Value (Rs.)	147.50	219.40	307.00	357.50

*- net of revaluation reserves and Misc. Expenditure not w/off

B. M/s Trinity Services

M/s Trinity Services, a partnership firm formed on November 30, 1979 with the object to –

- Shot Blasting of forgings, castings and such ferrous and non-ferrous and metallic products as may be necessary.
- Machining and fabricating of all or any type of engineering components including forgings, castings, etc.
- Purchase, sale and dealing in forgings of all types of finished, semi-finished and in any other condition including scrap of all types.
- Manufacture and fabrication of dies, etc of all types as may be necessary by the engineering industry in general.
- Any other business (es) as may be considered necessary by the partners from time to time.

Its office is located at 149, 'S' Block, MIDC, Bhosari, Pune – 411 026.

Partners:

Name of the Partners	% share of profit
Mr. V D Chandawaskar	30.0%
Mr. K R Singh	12.5%
Mr. Deepankar Basu	15.0%
Mrs. Dipti Banerjee	15.0%
Mrs. Pratibha Y Kurle	15.0%
Mr. P R Thakur	12.5%
Total	100.0%

**Financial Statements****(Rs. In Lacs)**

Particulars	Audited			
	2003-04	2004-05	2005-06	2006-07
Sales & Other Income	36.70	36.30	37.60	34.40
PAT	2.80	1.90	2.40	0.80
Equity Capital	11.00	12.90	15.30	16.10
Reserves *	0.10	0.10	0.10	0.10
Net Worth	10.00	11.10	15.40	15.50

*- net of revaluation reserves and Misc. Expenditure not w/off

C. M/s GDM Companies

M/s GDM Companies, a partnership firm was formed on July 01, 1983 with the object–

- To purchase, sell and deal in all types of metals and metallic products required for industrial use including scrap of all types.
- To act as agents and/ or stockists for selling manufacturers products etc of all types.
- To purchase, sell and let on hire furniture, electrical gadgets, machinery, two wheelers, three wheelers and four wheelers, cars and vehicles and any other asset required for use by Industrial and Commercial concerns, etc.
- Any other manufacturing and/ or trading business as may be mutually decided by and among the partners.

Its office is located at 45, Anand Park, Aundh, Pune 411 007.

Partners:

Name of the Partners	% share of profit
Mrs. Gita Basu	40.0%
Mr. Deepankar Basu	30.0%
Ms Moshumi Basu	30.0%
Total	100.0%

Financial Statements**(Rs. In Lacs)**

Particulars	Audited			
	2003-04	2004-05	2005-06	2006-07
Sales & Other Income	4.90	6.70	14.90	14.80
PAT	-0.70	-0.70	0.35	0.53
Equity Capital	0.10	0.10	0.10	0.10
Net Worth	0.10	0.10	0.10	0.10

*- net of revaluation reserves and Misc. Expenditure not w/off

Group companies/ firms making losses

M/s GDM Companies, a partnership firm had incurred a loss of Rs.0.70 lacs in FY 2004-05.

Except M/s GDM Companies, no other promoter group companies/ firms have made losses in the last 3 years ended March 31, 2007, 2006 and 2005.

Group Companies/ Firms with negative networth

None of the promoter group companies/ firms has negative net worth.

**Disassociation of Promoters from any Company(ies) / firm(s) during preceding three years****M/s Trinity Forge Private Limited**

Trinity Forge Private Limited (TFPL) was incorporated as a private limited company in the year 1978. TFPL was a medium scale company engaged in the manufacture of various critical auto components and enjoyed a good reputation in the automobile sector. TFPL was operating profitably till 1997; however, during the period between 1997 and 2000, owing to recession coupled with labour problems, TFPL suffered heavy losses and declared lock out in January 2001. By the end of the year 2001, due to the accumulated losses, the net worth of TFPL got fully eroded and it was declared a sick industrial unit as per Sick Industrial Companies Act, 1985 (SICA) and was registered as sick company with Board for Industrial and Financial Reconstruction (BIFR). Thereafter, Bank of Baroda (BOB) was appointed by BIFR as Operation Agency (OA) in order to formulate a Draft Rehabilitation Scheme (DRS). Meanwhile, a labor agreement was entered into by TFPL with the labor union and operations were restarted on 14.07.2004. However, the operations were sustained till February 2006, when it was again compelled to lock out its factory. As a result, with the direction of BIFR, OA prepared DRS by recommending to inducting an investor namely, Mr. Anil Howale and Associates as the new promoters of TFPL in place of the existing promoters. DRS comprised cost towards additional machinery, one time settlement of dues to the secured creditors and margin money for working capital which was to be financed by Equity share capital from new promoters and Term Loan from Bank. BIFR sanctioned the rehabilitation scheme at its hearing held on 27.02.2007. In the meantime, the existing promoters of TFPL i.e., Mr. J.C. Basu, Mr. Ranjan Banerjee and Mr. Y.C. Kurle had entered into an agreement with the new promoters, Mr. Anil Howale and Associates, on 23rd December, 2006 and transferred their entire shareholding and withdrew from the management of TFPL. Thereafter, the management control of TFPL was handed over to Mr. Anil Howale and Associates. On satisfying the dues payable under OTS by the new promoters/management of TFPL, the erstwhile promoters of TFPL, Mr. J.C. Basu, Mr. Ranjan Banerjee and Mr. Y.C. Kurle were relieved from their obligations to the secured creditors and no dues certificates were issued. This resulted in the complete disassociation of the promoters of TIL with TFPL.

**DIVIDEND POLICY**

The declaration and payment of dividends on our equity shares will be recommended by our Board of Directors and approved by our Shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements and overall financial conditions. The dividend and dividend tax paid by our company during the last five fiscal years is presented below:

Particulars	31.03.2008	31.03.2007	31.03.2006	31.03.2005	31.03.2004
No. of equity shares (in Lacs)	67.72	50.22	13.20	13.20	13.20
Rate of Dividend (%)					
Interim	-	-	-	-	-
Final	16%*	15%	12%	12%	12%
Amount of Dividend (Rs. in Lacs) :					
Interim	-	-	-	-	-
Final	93.14*	35.03	15.84	15.84	15.84
Total Dividend tax relating to equity shares (Rs. In Lacs)	15.83*	5.96	2.22	2.22	2.22

* - Proposed

The amounts paid as dividends in the past are not necessarily indicative of our dividend policy or dividend amounts, if any, in the future.

**SECTION V : FINANCIAL STATEMENTS****AUDITORS' REPORT**

To,
The Board of Directors
Trinity India Limited
J-5, MIDC,
Bhosari, Pune

At your request, we, S.A. Foujdar & Co. , Chartered Accountants ('SAFCA') auditors of Trinity India Limited ('TIL' or 'the Company') have examined the financial information annexed to this report which has been prepared in accordance with the requirements of:

- a. Paragraph B(1) of Part II of Schedule II to the Companies Act, 1956 ('the Act');
- b. The terms of reference received from the Company, requesting us to carry out work, proposed to be included in the Issue Document of the Company in connection with its Initial Public Offering ('IPO'); and
- c. The Guidance Note on reports in Company Prospectuses and Guidance Note on Audit Reports/Certificates on Financial Information in Issue Documents issued by the Institute of Chartered Accountants of India ('ICAI').

Financial information as per audited financial statements

1. We have examined the attached restated summary statement of assets and liabilities of the Company as at March 31st, 2004, 2005, 2006, 2007 and 2008 and the attached restated summary statement of profits and losses for the years ended on those dates ('Summary Statements') (See Annexure I and II) as prepared by the Company and approved by the Board of Directors. These profits have been arrived at after making such adjustments and regroupings as in our opinion are appropriate and more fully described in the notes on adjustments appearing in Annexure III to this report. These Summary Statements have been extracted from the financial statements for the years ended 31st March, 2004 , 31st March, 2005, 31st March 2006 and 31st March, 2007 and 31st March, 2008 audited by us and have been adopted by the members for the respective years.

Based on our examination of these Summary Statements, we confirm that:

- The impact arising on account of changes in accounting policies and estimates adopted by the Company as at March 31, 2008 and for the year ended March 31, 2008 have been adjusted with retrospective effect in the attached Summary Statements;
- The material prior period items have been adjusted in the Summary Statements in the years to which they relate;
- There are no extraordinary items which need to be disclosed separately in the Summary Statements; and
- There are no qualifications in the auditors' reports, which require any adjustments to the Summary Statements.

2. The summary of significant accounting policies adopted by the Company pertaining to the audited financial statements for the year ended March 31, 2008 are enclosed as part of Annexure III to this report.

Other Financial Information

At your request, we have also examined the following other financial information of the Company proposed to be included in the Offer Document as approved by you and annexed to this report:

Annexure I	Statement of Restated Assets and Liabilities as at March 31, 2008, March 31, 2007, March 31, 2006, March 31, 2005 and March 31, 2004
Annexure II	Statement of Restated Profit & Loss for the years ended March 31, 2008, March 31, 2007, March 31, 2006, March 31, 2005 and March 31, 2004
Annexure III	Restated Cash Flow Statement
Annexure IV	Details of Related Party Transactions
Annexure V	Summary of Accounting Ratios
Annexure VI	Capitalization Statement



Annexure VII	Statement of changes in Share Capital
Annexure VIII	Statement of Dividend Declared
Annexure IX	Statement of Secured Loans and Statement of Unsecured Loans
Annexure X	Summary of Other Income
Annexure XI	Statement of Tax Shelter
Annexure XII	Details of Loans and Advances
Annexure XIII	Principal terms of Loans and Assets charged as security
Annexure XIV	Significant Accounting Policies and Standard Notes on accounts

- In our view, the financial information as per audited financial statements and other financial information mentioned above have been prepared in accordance with Part II of Schedule II of the Act and the Guidelines.
- This report should not be in any way construed as a reissuance or redating of any of the previous audit reports issued by us nor should this report be construed as a new opinion on any of the financial statements referred to herein.
- This report is intended solely for your information and for inclusion in the issue document in connection with the proposed IPO of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Place: Pune
Date: 10.07.2008

For **S. A. Foujdar & Co.**
Chartered Accountants

S A. Foujdar
Partner
Membership No.40943



STATEMENT OF RESTATED ASSETS AND LIABILITIES AS AT

ANNEXURE I

(Rs. in Lac)

Particulars	31.03.08	31.03.07	31.03.06	31.03.05	31.03.04
SOURCES OF FUNDS:					
Share Capital and Reserves	2,086.97	1,053.04	711.52	624.35	545.33
Share Capital	677.24	502.21	132.02	132.02	132.02
Reserves and Surplus	1,409.73	550.83	579.50	492.33	413.31
Loan Funds	2,891.16	1,612.98	805.34	566.99	268.06
Secured Loans	2,846.42	1,528.24	747.62	531.97	241.74
Unsecured Loans	44.74	84.74	57.72	35.02	26.32
Deferred tax Liability (Net)	274.90	153.22	92.98	70.00	39.01
TOTAL	5,253.03	2,819.24	1,609.84	1,261.34	852.40
APPLICATION OF FUNDS:					
Fixed Assets (Gross Block)	3,270.31	2,395.20	1,548.37	1,333.92	913.98
Less: Depreciation	1,073.86	883.03	746.71	685.66	637.24
Net Fixed Assets	2,196.45	1,512.17	801.66	648.26	276.74
Capital works in progress	599.18	245.36	26.84	34.96	0.00
Investments	42.60	42.35	39.87	39.87	39.87
Current Assets, Loans and Advances	4,460.48	2,724.84	1,803.42	1,524.74	1,059.76
Inventories	2,215.70	1,494.30	1,206.57	1,011.82	655.99
Receivables	1,362.01	749.45	344.60	323.28	296.08
Cash & Bank Balances	266.58	119.61	72.16	70.56	42.98
Loans & Advances	616.19	361.48	180.09	119.08	64.71
Less: Current Liabilities and Provisions	2,078.12	1,710.09	1,061.95	986.49	523.97
Current Liabilities	1,834.00	1,669.10	1,043.89	968.43	504.40
Provisions	244.12	40.99	18.06	18.06	19.57
Net Current Assets	2,382.36	1,014.75	741.47	538.25	535.79
Miscellaneous Expenditure (to the extent not written off or adjusted)	32.44	4.61	0.00	0.00	0.00
TOTAL	5,253.03	2,819.24	1,609.84	1,261.34	852.40



STATEMENT OF RESTATED PROFIT & LOSS ACCOUNT FOR

Annexure II
Rs. In Lacs

Particulars	Year Ended				
	31.03.08	31.03.07	31.03.06	31.03.05	31.03.04
INCOME					
Sales					
Domestic – Gross Sales	3,829.89	3,779.97	2,973.68	3,180.23	2,676.47
Less : Duties & Taxes paid	565.05	574.20	498.55	529.61	455.20
Domestic – Net Sales	3,264.84	3,205.77	2,475.13	2,650.62	2,221.27
Exports	3,676.51	1,680.25	933.45	798.09	317.96
Total	6,941.35	4,886.02	3,408.58	3,448.71	2,539.23
Other Income	30.57	27.94	10.65	11.04	9.99
Total Income	6,971.92	4,913.96	3,419.23	3,459.75	2,549.22
EXPENDITURE					
Raw Materials consumed	3,218.61	2,197.31	1,566.22	1,585.71	1,113.55
Other Manufacturing Expenses	1,415.63	1,347.23	1,042.62	1,141.34	824.48
Staff Cost	427.96	484.21	292.64	274.25	273.57
Administrative Expenses	136.19	82.14	55.85	66.58	50.55
Selling and Distribution Expenses	431.50	163.99	123.68	98.34	45.28
Interest	285.38	132.38	77.71	53.79	53.83
Depreciation	255.60	147.37	108.01	83.83	95.95
Total Expenditure	6,170.87	4,554.63	3,266.73	3,303.84	2,457.21
Net Profit Before Tax	801.05	359.33	152.50	155.91	92.01
Current Tax	159.56	58.90	28.00	18.60	23.00
FBT	8.32	5.72	2.36	-	-
Deferred Tax	118.33	60.24	22.97	34.81	2.88
Profit for the year	514.84	234.47	99.17	102.50	66.13
Less : Prior period (Income) / Expenses	-	(2.55)	(0.84)	3.03	10.81
Adjusted Profit / (Loss) After Tax before Extraordinary items	514.84	237.02	100.01	99.47	55.32
Others – Extraordinary	-	(8.78)	(5.22)	6.22	7.78
Adjusted Profit / (Loss) After Tax after Extraordinary items	514.84	245.80	105.23	93.25	47.54
Brought forward Profit from Previous Year	278.83	202.80	118.13	45.43	17.14
Balance of profit on merger b/fd	37.22	50.47	-	-	-
Available for Appropriation	830.89	499.07	223.36	138.68	64.68
APPROPRIATIONS					
Proposed Dividend	93.14	35.03	15.84	15.84	15.84
Tax on Dividend	15.83	5.96	2.22	2.22	2.03
Capitalisation of Reserves	-	167.40	-	-	-
General Reserve	51.48	11.85	2.50	2.49	1.38
Profit transferred to Balance Sheet	670.44	278.83	202.80	118.13	45.43



RESTATED CASHFLOW STATEMENT

Annexure III
(Rs. in Lacs)

Particulars	Year Ended				
	31.03.2008	31.03.07	31.03.06	31.03.05	31.03.04
A. CASH FLOW FROM OPERATING ACTIVITIES					
Net Profit Before Tax and Extraordinary Items	801.05	359.33	152.50	155.91	92.01
Adjustment for					
-Depreciation	181.77	96.88	71.50	51.59	64.88
-Net Interest & other expenses	285.38	132.38	77.71	53.79	53.83
-Prior Period Income / (Expense)	-	11.33	6.06	(9.25)	(18.59)
-Profit on sale of Fixed Assets	6.99	(1.60)	(0.88)	(0.88)	(5.79)
-Loss on sale of fixed assets	-	2.84	-	-	-
Operating Profit before WC Changes	(0.26)	601.16	306.89	251.16	186.34
(Increase) / Decrease in Sundry Debtors	1,274.93	(322.34)	(21.32)	(27.20)	122.99
(Increase) / Decrease in Inventories	468.93	(278.14)	(194.75)	(355.83)	(107.64)
(Increase) / Decrease in Loans & Advances	(643.54)	(176.37)	(44.13)	(51.41)	2.08
Increase / (Decrease) in Current Liabilities	(274.08)	581.43	75.46	464.03	89.33
Cash Generated from Operations	(255.13)	405.74	122.15	280.75	293.10
Less: Interest Charges	571.11	132.38	77.71	53.79	53.83
Net Cashflow from Operating Activities	285.38	273.36	44.44	226.96	239.27
Less: Direct Taxes paid	285.73	69.92	47.24	23.26	17.85
Cash flow before extraordinary items	93.22	203.44	(2.80)	203.70	221.42
B. CASHFLOW FROM INVESTING ACTIVITIES					
Purchase of Fixed Assets	(1,197.11)	(972.05)	(221.98)	(458.24)	(59.05)
Miscellaneous Expenses not written off	(20.85)	(4.61)	-	-	-
Sale of Fixed assets	0.26	13.63	6.09	1.06	6.98
Net Cash Flow from Investing Activities	(1,217.70)	(963.03)	(215.89)	(457.18)	(52.07)
C. CASH FLOW FROM FINANCING ACTIVITY					
Term Loan Received	561.59	581.81	110.36	264.22	5.92
Increase / (Decrease) in Borrowings	229.61	151.61	105.29	26.01	(167.69)
Increase / (Decrease) in Unsecured Loans	(40.00)	12.05	22.70	8.70	4.88
Increase / (Decrease) in Share Capital	624.99	71.75	-	-	-
Repayment of term loan	(323.98)	-	-	-	-
Dividends paid	(40.99)	(20.02)	(18.06)	(17.87)	(14.89)
Net Cash flow from Financing Activity	1,011.22	797.20	220.29	281.06	(171.78)
Net Increase in Cash and Equivalents	(13.97)	37.61	1.60	27.58	(2.43)
Cash and Equivalents at the beginning of the period	119.61	72.16	70.56	42.98	45.41
Cash and Equivalents at the beginning of the period due to amalgamation	160.94	9.84	-	-	-
Cash and Equivalents at the end	266.58	119.61	72.16	70.56	42.98



Annexure IV – Details of Related Party Transaction

Nature of Transaction	Key Management Personnel				
	(Rs. In Lacs)				
	31.03.2008	31.03.2007	31.03.2006	31.03.2005	31.03.2004
Interest Paid	4.00	5.46	3.23	1.19	0.88
Rendering of Services	-	-	10.84	12.78	10.81
Services Received	14.35	-	-	-	-

Nature of Transaction	Relatives of Key Mgt.personnel				
	(Rs. In Lacs)				
	31.03.2008	31.03.2007	31.03.2006	31.03.2005	31.03.2004
Interest Paid	0.81	1.04	0.58	1.94	1.50

Nature of Transaction	Associates				
	(Rs. In Lacs)				
	31.03.2008	31.03.2007	31.03.2006	31.03.2005	31.03.2004
Interest Received	-	-	2.16	1.79	2.08
Purchase of Goods	761.65	125.32	157.51	198.74	182.91
Sale of Goods	6.16	2,395.15	928.01	867.12	457.36
Rendering of Services	146.67	20.26	97.27	143.19	132.32
Services Received	70.72	35.80	204.04	-	-
Corporate Guarantees	-	370.00	370.00	370.00	150.00
Sundry Debtors	171.06	376.99	147.01	83.32	70.23
Other Liabilities	3.05	54.96	97.69	88.47	68.49
Capital purchase	-	-	-	0.72	-



Statement of Accounting Ratios

Annexure V

Particulars	Year Ended				
	31.03.2008	31.03.07	31.03.06	31.03.05	31.03.04
Adjusted Profit after tax before extraordinary items (Rs.in Lac)	514.84	237.02	100.01	99.47	55.32
Earning Per Share (Rs.)	9.31	10.35	7.58	7.53	4.19
Face Value Per Share (Rs.)	10.00	10.00	10.00	10.00	10.00
Networth (Rs.in Lac)	2054.53	1048.43	711.52	624.35	545.33
Net Asset Value per Share (Rs.)	37.15	45.78	53.90	47.29	41.31
Returns on Net Worth	25.06%	22.61%	14.06%	15.93%	10.14%
Weighted Average Number of Equity Shares outstanding during the year	5,529,892	2,290,221	1,320,185	1,320,185	1,320,185
DEBTS					
Long Term Debt (Rs. in Lac)	1,328.06	1,137.47	495.57	337.19	61.27
Short Term Debt (Rs. in Lac)	1,563.10	475.51	309.77	229.80	206.79
Total Debt	2,891.16	1,612.98	805.34	566.99	268.06
SHAREHOLDERS' FUNDS					
Share Capital (Rs.in Lac)	677.24	502.21	132.02	132.02	132.02
Reserves and Surplus (Rs.in Lac)	1,409.73	550.83	579.50	492.33	413.31
Total Shareholder's Funds	2,086.97	1,053.04	711.52	624.35	545.33
Long Term Debt to Equity	0.64	1.08	0.70	0.54	0.11

Formula:

Earnings per share (Rs)

$$\frac{\text{Adjusted Profit, after tax and before extraordinary items}}{\text{Weighted average number of eq.shares outstanding during the year/period}}$$

Net Asset Value per share (Rs)

$$\frac{\text{Net Worth as at the year/period end}}{\text{Weighted average number of eq.shares outstanding during the year/period}}$$

Return on Net Worth (%)

$$\frac{\text{Adjusted Profit after tax and before extraordinary items}}{\text{Net Worth as at the year/period end}}$$

Net Worth excludes

Miscellaneous Expenditure
Deferred Revenue Expenditure



Statement of Capitalisation

Annexure VI
(Rs. in Lacs)

Particulars	Year Ended				
	31.03.08	31.03.07	31.03.06	31.03.05	31.03.04
DEBTS					
Long Term Debt	1,328.06	1,137.47	495.57	337.19	61.27
Short Term Debt	1,563.10	475.51	309.77	229.80	206.79
Total Debt	2,891.16	1,612.98	805.34	566.99	268.06
SHAREHOLDERS' FUNDS					
Share Capital	677.24	502.21	132.02	132.02	132.02
Profit and Loss Account	670.44	278.83	202.80	118.13	45.43
General Reserve	78.47	86.17	238.70	236.20	229.88
Share Premium	660.82	185.83	138.00	138.00	138.00
Total Shareholder's Funds	2,086.97	1,053.04	711.52	624.35	545.33
Profit available to Equity Shareholders	514.84	237.02	100.01	99.47	55.32
Earning Per Share (Rs.)	9.31	10.35	7.58	7.53	4.19
Face Value Per Share (Rs.)	10.00	10.00	10.00	10.00	10.00
Number of Equity Shares outstanding	5,529,892	2,290,221	1,320,185	1,320,185	1,320,185



Statement of changes in Share Capital

Annexure VII

Particulars	As At				
	31.03.08	31.03.07	31.03.06	31.03.05	31.03.04
Authorised					
Equity Shares No's	12,500,000	6,000,000	1,500,000	1,500,000	1,500,000
Face Value (in Rs.)	10.00	10.00	10.00	10.00	10.00
Value (Rs. in Lakhs)	1,250.00	600.00	150.00	150.00	150.00
Issued, Subscribed & Paid Up					
Fully paid up in Cash					
Number	2,609,286	1,109,286	870,135	870,135	870,135
Value (Rs. in Lakhs)	260.93	110.93	87.01	87.01	87.01
Bonus Shares					
Number	3,498,122	3,498,122	150,050	150,050	150,050
Value (Rs. in Lakhs)	349.81	349.81	15.01	15.01	15.01
Shares issued on Merger/ Takeover					
Number	664,950	414,700	300,000	300,000	300,000
Value (Rs. in Lakhs)	66.50	41.47	30.00	30.00	30.00
Total (Rs. in Lakhs)	677.24	502.21	132.02	132.02	132.02

Statement of rate of dividend

Annexure VIII

(Rs.in Lac)

Particulars	As At				
	31.03.08	31.03.07	31.03.06	31.03.05	31.03.04
Dividend Amount	93.14	35.03	15.84	15.84	15.84
Number of Shares	6,772,358	5,022,108	1,320,185	1,320,185	1,320,185
Rate of Dividend (%)	16.00%	15.00%	12.00%	12.00%	12.00%



Annexure IX

A) Statement of Secured Loans taken by the Company

(Rs. in Lacs)

Particulars	As At				
	31.03.08	31.03.07	31.03.06	31.03.05	31.03.04
Term Loans					
- From Banks	1,271.94	1,034.33	417.00	306.64	42.42
Total	1,271.94	1,034.33	417.00	306.64	42.42
Working Capital Facilities from:					
Bank and Financial institutions					
- Rupee Loan	1,542.95	462.66	304.92	217.65	194.64
<u>Vehicle Loans</u>	31.53	31.25	25.70	7.68	4.68
Total Secured Loan	2,846.42	1,528.24	747.62	531.97	241.74

B) Statement of Unsecured Loans taken by the Company

(Rs. in Lacs)

Particulars	As At				
	31.03.08	31.03.07	31.03.06	31.03.05	31.03.04
Long Term					
- From Otherthan Banks	24.59	71.89	52.87	22.87	14.17
Short Term					
- From Others	20.15	12.85	4.85	12.15	12.15
Total Unsecured Loans	44.74	84.74	57.72	35.02	26.32

Statement of Other Income

Annexure X

(Rs. in Lacs)

Particulars	Year ended				
	31.03.08	31.03.07	31.03.06	31.03.05	31.03.04
Interest receipts	4.84	6.05	5.06	6.06	4.02
Dividend	0.13	4.65	4.40	4.01	0.05
Miscellaneous receipts	25.34	15.64	0.31	0.09	0.13
Profit on sale of assests	0.26	1.60	0.88	0.88	5.79
Total	30.57	27.94	10.65	11.04	9.99



Statement of Tax Shelter

Annexure XI
(Rs. in Lac)

Particulars	Year Ended				
	31.03.08	31.03.07	31.03.06	31.03.05	31.03.04
Profi Before Tax	801.05	359.33	205.40	155.91	92.01
Add: Depreciation as per Profit & Loss A/c	255.60	147.37	108.01	83.83	95.95
Add: Net Disallowance	-	6.13	1.27	0.08	1.97
Add: Loss on sale of asset	-	2.84	-	-	-
Less: Depreciation under Income Tax	596.74	322.64	175.54	186.68	99.78
Less: Profit on sale of Asset	0.26	1.60	0.88	0.88	5.79
Less: Prior Period Expenses allowable	-	-	-	0.56	10.81
Less: Exempted income	-	4.60	4.36	-	-
Income under Business Head	459.65	186.83	133.90	51.70	73.55
Income other than capital Gains	459.65	186.83	133.90	51.70	73.55
Less: Deductions Under Chapter VI A	-	-	-	1.00	2.68
Taxable income other than Capital Gains	459.65	186.83	133.90	50.70	70.87
Income from Capital Gains		-	0.17	-	-
Tax rate on income other than capital gains	30%+10% +2%+1%	30%+ 10%+2%	30%+ 10%+2%	35%+ 2.5%+2%	35%+ 2.5%
Tax rate on capital gains	N.A.	N.A.	20%+ 10%+2%	N.A.	N.A.
Tax rate on Block Assessment income	N.A.	N.A.	N.A.	N.A.	N.A.
Tax on income other than capital gains	159.55	62.87	45.54	19.75	27.19
Tax on capital gains	-	-	0.04	-	-
Total Tax	159.55	62.87	45.58	19.75	27.19



Statement showing Age-wise analysis of Sundry Debtors and Details of Loans and Advances

Annexure XII
(Rs. in Lac)

Particulars	As At				
	31.03.08	31.03.07	31.03.06	31.03.05	31.03.04
Agewise Analysis of Sundry Debtors					
Debtors exceeding six months	74.28	55.91	25.30	14.51	21.83
Others	1,198.90	643.20	293.95	295.27	261.18
DEPB Receivable	88.83	50.34	25.35	13.51	13.07
Total Debtors	1,362.01	749.45	344.60	323.29	296.08
Loans and Advances					
Sales tax refund receivable	118.69	30.91	8.98	2.38	-
Excise refund receivable	113.57	92.45	14.49	5.07	2.01
Advance to Suppliers (For capex & other)	241.78	85.10	42.55	34.36	17.71
Deposits & Advances	95.18	93.16	65.16	65.77	40.37
Incometax paid & TDS	-	20.49	19.84	2.96	-
Balance with Central Excise	46.97	39.38	29.07	8.54	4.62
Total Loans and Advances	616.19	361.49	180.09	119.08	64.71

PRINCIPAL TERMS OF LOANS AND ASSETS CHARGED AS SECURITY AS AT

Annexure XIII

(Rs. in Lacs)

Name of Bank	Type of Loan	31.03.08	31.03.07	31.03.06	31.03.05	31.03.2004	Particulars
Bank of Baroda	Term Loans	-	-	-	-	3.24	Note : All loan accounts with Bank of Baroda are closed and securities are released
Bank of Baroda	Working Capital Loans	-	-	94.72	116.71	137.78	
Bank of Maharashtra	Working Capital Loans	-	-	-	-	-	Secured by bills
Cholamandalam Investments	Vehicle Loans	3.04	6.11	8.95	-	-	Secured by Hypothecation of vehicles
Citibank	Working Capital Loans	214.12	-	-	-	-	Secured by charge on stock and receivables
Kotak Mahindra Bank Ltd.	Term Loans	213.88	223.81	-	-	-	Secured by :- 1) First pari pasu charge on all existing and future current assets. 2) Second pari pasu charge on all existing and future movable fixed assets 3) Mortgage by way of second pari pasu charge on the immovable properties. 4) Personal guarantee of two directors.
Kotak Mahindra Bank Ltd.	Working Capital Loans	743.75	67.00	-	-	-	
Sarawat Co-operative Bank Ltd	Term Loans	272.23	340.77	417.00	306.64	39.18	Secured by:- 1) Equitable mortgage of factory land and building at Bhosari and Shikrapur 2) Hypothecation of plant and machinery 3) Personal guarantee of two directors
Sarawat Co-operative Bank Ltd	Vehicle Loans	28.49	25.15	16.75	7.68	4.68	Secured by Hypothecation of vehicles



TRINITY INDIA LIMITED

Sarswat Co-operative Bank Ltd	Working Capital Loans	251.51	190.87	210.20	100.94	56.86	Secured by Hypothecation of stock and debtors
UCO Bank	Term Loans	-	52.21	-	-	-	Secured by mortgage of land and building and hypothecation of plant & machinery
UCO Bank	Working Capital Loans	-	9.00	-	-	-	Secured by hypothecation of stock, book debts and personal guarantee of directors
Axis Bank Ltd	Term Loans	785.84	417.53	-	-	-	Secured by 1) First pari pasu charge on fixed assets 2) Second charge on current assets 3) Personal guarantee of two directors.
Axis Bank Ltd	Working Capital Loans	333.56	195.79	-	-	-	Secured by 1) First pari pasu charge on all current assets 2) Second charge on fixed assets 3) Personal guarantee of two directors.
Total		2,846.42	1,528.24	747.62	531.97	241.74	

**Annexure XIV****(I) SIGNIFICANT ACCOUNTING POLICIES**

i) The Company, generally, follows the mercantile system of accounting and recognises income and expenditure on an accrual basis except those with significant uncertainties.

ii) Financial statements are based on historical cost. These costs are not adjusted to reflect the impact of the changing value in the purchasing power of money.

iii) Estimates and Assumptions used in the preparation of the financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of Financial Statements, which may differ from the actual results at a subsequent date.

(II) FIXED ASSETS AND DEPRECIATION :

A) Fixed Assets are stated at their original cost of acquisitions including incidental expenses related to acquisition and installation of the concerned assets (including cost of specific borrowings). Fixed Assets are shown net of accumulated depreciation.

B) Expenditure on New Projects and Expenditure during Construction etc:

In case of new projects and in case of substantial modernisation or expansion at the existing units of the Company, expenditure incurred including interest on borrowings and financing cost of specific loan, prior to the commencement of commercial production is being capitalised to cost of assets.

C) Depreciation on Assets:

i) The Company provides depreciation on all its assets on the "Straight Line Method" in accordance with the provisions of Section 205(2)(b) of the Companies Act, 1956.

ii) Depreciation on assets sold, discarded and scrapped is being provided at their rates on pro-rata basis up to the date on which such assets are sold, discarded and scrapped.

(III) Inventories :

Cost of Inventories has been computed to include all cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

i) Raw materials are valued at cost. The costs are ascertained on FIFO basis.

ii) Stores, Spares etc. and tools are valued at cost.

iii) Work-in-process and Finished Goods are valued at the lower of cost or net realisable value.

iv) Dies are valued at cost.

v) Die Block and Die Steel are valued at material cost..

vi) Goods in transit are stated at actual cost up to the date of Balance Sheet.

(IV) Deferred Revenue Expenditure is written off over a period of five years from the date of commencement of Commercial Production.

(V) Share Issue expenses are written off over a period of five years.

(VI) Employees Retirement Benefits:

**a) Short Term Employee Benefits :**

All employee benefits payable within twelve months of rendering the service are classified as short term benefits. Such benefits include Salaries, Wages, Bonus, Short Term compensated absences, Exgratia, Performance pay etc. and same are recognised in the period in which the employee renders the related service.

b) Post Employment Benefits :**i) Defined Contribution Plans :-**

The company follows State Government Provident Fund scheme and Employee State Insurance scheme as defined contribution plans. The contribution paid / payable under the scheme is recognised during the period in which the employee renders the related service.

ii) Defined Benefit Plans :-

The Employees Gratuity Fund scheme is Company's defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of balancesheet.

(VII) Exchange Fluctuations :

Current Assets and Liabilities in Foreign Currency outstanding at the close of the financial year are valued at the contracted and / or appropriate rate at the close of the year. The loss or gain due to fluctuation of exchange rates is charged to Profit and Loss Account.

(VIII) Investments are valued at cost.

(IX) Sales

- i) Export sales are accounted on the basis of the date of Bill of Lading
- ii) Export incentives : The revenue under DEPB is recognised in the year of export, on post export basis.

(X) Borrowing Costs:

Borrowing costs are recognised in the Profit and Loss account except interest incurred on borrowings, specifically raised for projects, are capitalised to the cost of the assets until such time that the asset is ready to be put to use for its intended purpose.

(XI) Taxation :

Provision for Taxation is made on the basis of the taxable profits computed for the current accounting period in accordance with the Income Tax Act, 1961. Deferred Tax resulting from timing difference between book profits and tax profits is accounted for at the applicable rate of tax to the extent the timing differences are expected to crystallise, in case of deferred tax liabilities with reasonable certainty and in case of deferred tax assets with virtual certainty that there would be adequate future taxable income against which deferred tax assets can be realised.

(XII) Impairment of Fixed Assets:

The Management assesses for any impairment of assets or cash generating units, if indicators, external or internal, suggest possibilities of reduction in net realisable value of assets or value in use of cash generating units below their carrying costs. Impairments, if any, will be recognised in the Profit and Loss Account.

(XIII) Provisions :

Necessary provisions are made for present obligations that arise out of past events prior to the Balance Sheet date, entailing future outflow of economic resources. Such provisions reflect best estimates based on available information.



CERTIFICATE

This is to certify that Financial Statement of Accounts of M/s. **Trinity India Ltd** with their registered office situated at Bhosari, Pune – 411026 for the financial year ended 31.03.2008 and 31.03.2007 have been prepared in accordance with Generally Accepted Accounting principles in conformity with Accounting Standards issued by the Institute of Chartered Accountants of India and International Accounting Standards as applicable and to the extent applicable for the Company.

For **S. A. Foujdar & Co.**
Chartered Accountants

S A. Foujdar
Partner
Membership No.40943

Place: Pune
Date : 10.07.2008

**CERTIFICATE**

We have examined the books and records maintained by M/s. **Trinity India Ltd** in the usual course of their business and based on such examination of books and records and information and explanations given to us, we certify that debtors balances as on 31st March, 2008 considered good and recoverable, as given below, are in agreement with the books of account.

	Amount (Rs. in Lac)
Debts outstanding for more than six months	123.62
Debts outstanding for less than six months	1,238.39
Total Debts	1,362.01

Note: Debtors include DEPB receivables.

For **S. A. Foujdar & Co.**
Chartered Accountants

S A. Foujdar
Partner
Membership No.40943

Place: Pune
Date : 10.07.2008



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

The following is the management's discussion of the financial conditions and results of operations together with the audited financial statement for each of the financial years ended March 31, 2004, 2005, 2006, 2007 and 2008 including the notes thereto and reports thereon in the section titled, "Financial Statements" beginning from page no. [●] of this DRHP. These financial statements have been prepared in accordance with Indian GAAP and the Companies Act.

a. Overview of the Business of the Company

TIL, a die forging and machining company engaged in the manufacture and sales of automotive and non automotive components, is promoted by 3 technocrats and first generation entrepreneurs, namely, Mr. J.C Basu, Mr. Ranjan Bannerjee and Mr. Y.C Kurlle. Prior to incorporating TIL, the promoters started their business venture in the name and style of Trinity Fasteners and Forging (TFF) in Pune on January 1974, as a partnership firm to carry out manufacturing of forged components with an installed capacity of 300 MTPA mainly for automobile industry. TFF with its technical competence established its name in the automobile industry as a preferred vendor in a short time. With an increased demand on account of its quality, TFF continued to expand and upgrade its installed capacity and process to cater to automobile and oil engine industry. On February 1982, the name of TFF was subsequently changed to Trinity Forge (TF).

On 31st December 1990, the aforesaid promoters along with Mr. Deepankar Basu incorporated Trinity Die Forgers Private Limited (TDFPL) for manufacturing forged components and also to acquire assets together with debt and liabilities of the partnership firm namely, TF. The assets of TF were taken over by TDFPL with effect from 31st December 1990. The operations of TDFPL were satisfactory and TDFPL had already increased its installed capacity to 2400 MTPA. Subsequently, TDFPL was converted into a public limited company with effect from 15th December 1992 and the name was changed to Trinity Die Forgers Limited (TDFL). As TDFL was known for its quality in the automobile industry and with the liberalization in the Indian economy, demand for supply of quality forged components was increasing and therefore TDFL decided to invite certain strategic investors for investing in TDFL by way of equity shares. As a result of this, TDFL was successful in getting investment from the Investment Corporation of India Ltd. (now known as Tata Investment Corporation Ltd), Altina Finance Pvt. Ltd and others. Thereafter, TDFL upgraded its technology by replacing hammer technology with press technology and also installed CNC machines for machining and finishing the forged components so as to realize higher margins and value addition. TDFL received ISO 9000 and ISO 14000 certification in the year 1997 and 1998 respectively. With the receipt of above certification and setting up of manufacturing base in India by international automobile manufacturers, TDFL's operations started increasing and it not only catered to domestic manufacturers but also started exporting its forged components to various renowned automobile manufacturers across the globe.

In the meantime, on 31st October 1985, the promoters of TDFL started a group company, namely, Trinity Auto Components Limited (TACL), for manufacturing forged components for HCVs and other heavy industries at Pune, near to its unit. For the purpose, it acquired heavy duty forging hammers with a capacity of 750 MTPA.

Due to growing demand of forged components both from domestic and international manufacturers and as the existing unit facilities were not adequate to take care of its growing operations, TDFL, in 1st June 2005, set up a new unit with latest technology at Shikrapur, Dist. Pune, about 35 kms from its existing unit, so as to expand its operations both in forged and machined components. The expansion was partly financed by term loan from UTI Bank Ltd (now Axis Bank Ltd.), Kotak Mahindra Bank Ltd and The Saraswat Co-operative Bank Ltd. and promoters' contribution by way of internal generations..

One of the group companies of TDFL namely, Trinity Thermal Private Limited (TTPL), was engaged in the heat treatment process for the forged components. In order to integrate entire forging operations under one entity, and to eliminate the administrative and other costs, TTPL was merged with TDFL with a share exchange ratio of 1:1 i.e. one share of Rs.10 of TDFL against 1 share of Rs.10 of TTPL with effect from 1st April 2005 with the approval of Bombay High Court at its hearing held on 4th August 2006.

Again in the year 2007, one of the group companies of TDFL namely, Trinity India Ltd. (TIL), engaged in merchant export activities of the group was merged with TDFL with a share exchange ratio of 1:1 i.e. one share of Rs.10 of TDFL against 1 share of Rs.10 of TIL with effect from 1st April 2007, with the approval of Bombay High Court at its hearing held on 30th November 2007. Thereafter, the name of TDFL has been changed to Trinity India Limited (TIL) with effect from 29.02.2008. TIL's main activities comprise fully heat treated closed



die steel forgings that can be converted into machined components which are ready to assemble for cars and trucks, high pressure fluid application, material handling and other general engineering industries. TIL emphasizes on quality along with focus on customer satisfaction and believes in continuous improvement. At present, TIL has five units, four located at Bhosari and one at Shikrapur. Among the Bhosari units, one has heat treatment facility, two have machining facilities and one unit has hammer forging facility while the Shikrapur unit has press forging, heat treatment as well as machining facility. The present installed capacity of TIL is 12,500 MTPA of forging facility.

At present, TIL's exports about 50% of its total sales. TIL is a globally recognized supplier which operates in a niche segment consisting of Front Wheel Hubs and Rear Wheel Spindles for all front wheel driven car. To this effect, TIL has built up a strong and repetitive order book position with prestigious clients like Ford Motor Car Co., Bosch, Germany, etc in the international market and Tata Motors, Maruti Suzuki Ltd, Ford India Ltd, Force Motors Ltd, Turbogears Ltd, Iljin Auto Motors Ltd etc. in domestic market. TIL's reputation, both domestic and overseas, is supported by its quality certificates which include ISO 9001:2000, ISO / TS 16949:2002 and various other certifications. TIL has also won various recognition and performance awards from its customers TIL also received status of 'Export House' from the Ministry of Commerce & Industry, in 2006.

TIL, over the years, has strengthened its manufacturing capacity by undertaking expansion from time-to-time. Due to overall surge in the economy in general and in automobile sector in particular, the demand for auto components have been rising and the present capacity of TIL is not adequate to meet the rising demand. With this view in the backdrop, TIL proposes to enhance its forging and machining capacity at its Talegaon Dhamdhere, Tal. Shirur, Dist – Pune unit, so as to increase its forging capacity from present level of 12,500 MTPA to 28,100 MTPA and also increasing Machining capacity to meet the requirements arising out of proposed expansion for forging.

Our Strengths

- Promoted by well qualified and experienced technocrats in the auto component industry
- Latest state-of-the art plant and machinery for manufacturing auto components and other engineering products of international standards
- Located in and in the vicinity of Pune which is a hub for Domestic & International automobile manufacturers as also auto component manufacturers
- Long term association with key domestic and international customers
- Established product quality and the product acceptance from major international customers with zero rejection rate in exports market so far.
- One of the major manufacturers with the significant market share in Hubs & Spindles
- Exports more than 50% of the total revenue during the year 2007-08 to the leading automobile manufacturers in the world.
- Tata Investment Corporation Limited, an investment company of Tata Group has been one of the major investor in our company since January 1993

Our strategy

- Focus on capacity expansion to attain economies of scale
- Continued focus on consistently meeting international quality standards so as to ensure product acceptance by customers
- To retain customer base in the export and domestic market
- To manufacture value added auto components.

b. Significant developments subsequent to the last financial year

During the last financial year, erstwhile Trinity India Limited was merged with Trinity Die Forgers Limited (TDFL) with effect from 01/04/2007 and subsequently, vide Special Resolution dated 21.02.2008, the name of our company, TDFL was changed to Trinity India Limited.(TIL).

Furthermore, with the encouraging productivity and consistent demand from our existing and prospective customers, our company has planned expansion of capacity at our existing units by 3,000 MTPA and to set up a new unit at Gat No. 2514, Talegaon - Dhamdhere, Tal. Shirur, Dist - Pune with an installed capacity of 12,600 MTPA, thereby making total installed capacity of our company to 28,100 MTPA



Accordingly, our company approached Axis Bank Limited (ABL) for a term loan of Rs. 800 Lacs for part financing the proposed expansion scheme – Phase I at our existing units estimated at Rs.1100 Lacs. ABL vide its letter dated December 19, 2007 has sanctioned the term loan of Rs. 800 Lacs. Further, our company has also applied for Term Loan of Rs. 550 Lacs to ABL for part financing expansion scheme Phase II estimated at Rs. 5,900 Lacs.

In FY 2005 – 06, one of our group companies namely, Trinity Thermal Private Limited (TTPL), was engaged in the heat treatment process for the forged components. In order to integrate entire forging operations under one entity, and to eliminate the administrative and other costs, TTPL was merged with TDFL (now TIL) with a share swap ratio of 1:1 i.e. one share of Rs.10 of TDFL against 1 share of Rs.10 of TTPL w.e.f 1st April, 2005.

Our directors hereby state that in their opinion, except stated above and herein mentioned in this DRHP, there is no material development after the date of the last financial statements disclosed in this DRHP which is likely to materially and adversely affect or is likely to affect the trading or profitability of our company or the value of our assets, or our ability to pay our liabilities within the next twelve months.

c. Factors that may affect results of the Operations

Except as otherwise stated in this DRHP, the Risk Factors given in this DRHP and the following important factors could cause actual results to differ materially from the expectations include among others:

- General economic and business conditions;
- Company’s ability to successfully implement its strategy and its growth and expansion plans;
- Factors affecting industrial activity;
- Increasing competition in the industry;
- Increases in labour costs, raw materials prices, prices of plant & machineries and insurance premia;
- Mechanical problems with Company’s plants & machineries or incidents caused by human error;
- Changes in the value of the Indian rupee and other currencies;
- Cyclical or seasonal fluctuations in the operating results;
- Changes in laws and regulations that apply to the industry;
- Changes in fiscal, economic or political conditions in India;
- Social or civil unrest or hostilities with neighboring countries or acts of international terrorism;
- Changes in the foreign exchange control regulations, interest rates, and tax laws in India.

d. Discussion on Results of Operations

The following discussion on the financial operations and performance should be read in conjunction with the audited financial results of the company for the year ended March 31, 2005, 2006, 2007 and 2008.

Summary of Revenues, Expenses, and Profitability

Particulars	Audited				Rs. in Lacs
	31.03.2008	31.03.2007	31.03.2006	31.03.2005	
Income from Manufacturing	6,941.35	4,886.02	3,408.58	3,448.71	
Other Income	30.57	27.94	10.65	11.04	
Total Income	6,971.92	4,913.96	3,419.23	3,459.75	
Raw Material Consumed	3,218.61	2,197.31	1,566.22	1,585.71	
Other Manufacturing Expenses	1,415.63	1,347.23	1,042.62	1,141.34	
Staff Costs	427.96	484.21	292.64	274.25	
Administration Expenses	136.19	82.14	55.85	66.58	
Selling & Distribution Expenses	431.50	163.99	123.68	98.34	
Finance Charges	285.38	132.38	77.71	53.79	
Depreciation	255.60	147.37	108.01	83.83	
Total Expenditure	6170.87	4,554.63	3,266.73	3,303.84	



Profit before Tax	801.05	359.33	152.50	155.91
Tax				
Current	159.56	58.90	28.00	18.60
FBT	8.32	5.72	2.36	-
Deferred	118.33	60.24	22.97	34.81
Profit after Tax	514.84	234.47	99.17	102.50

Revenue

The total income of the company comprises various components: income from manufacturing; export incentive; other income and increase / (decrease) in stock. Our total income for the financial years ended March 31, 2005, 2006, 2007 and 2008 was Rs. 3459.75 Lacs, 3419.23 Lacs, 4913.96 Lacs and 6,971.92 respectively.

Expenditure

Although raw material constitutes a large part of our costs, there are other expense heads viz., other manufacturing expenses, staff costs, administrative expenses, selling and distribution expenses finance charges, depreciation etc.

Raw Material Consumed

Our main raw materials for manufacturing forged products are various grades of steel bars. Our cost of raw material expenses amounted to Rs.1585.71 Lacs, Rs.1566.22 Lacs, Rs. 2197.31 Lacs and Rs. 3218.61 Lacs for the financial years ended March 31, 2005, 2006, 2007 and 2008 respectively.

Other Manufacturing Expenses

Our other manufacturing expenses include repairs and maintenance, pollution control expenses, testing and calibration expenses, processing charges, water charges, transport and octroi. Our other manufacturing expenses amounted to Rs. 824.48 Lacs, Rs. 1141.34 Lacs, Rs. 1042.62 Lacs and Rs. 1347.23 Lacs for the financial years ended March 31, 2004, 2005 2006 and 2007 respectively. For the nine months period ended December 31, 2007, our other manufacturing & administration expenses amounted to Rs. 1135.24 Lacs.

Selling & Distribution Expenses

Selling & Distribution expenses include export clearing and forwarding expenses, packing material, transportation expenses, etc. We have incurred expenses of Rs. 98.34 Lacs, Rs. 123.67 Lacs, Rs. 163.99 Lacs and Rs. 431.50 Lacs for the financial years ended March 31, 2005 2006, 2007 and 2008 respectively towards selling & distribution expenses.

Finance Charges

The finance charges incurred by us include interest payable by us for interest on term loans, interest on working capital loans, bank & other charges, etc. We have incurred finance charges of Rs. 53.79 Lacs, Rs. 77.71 Lacs, Rs. 132.38 Lacs and 285.38 Lacs for the financial years ended March 31, 2005 2006, 2007 and 2008 respectively.

Depreciation

Depreciation is provided in accordance with the rates and rules specified in Schedule XIV of the Companies Act, 1956, under Straight – Line Method. Depreciation on land, building, plant and machinery, furniture and fixtures, etc. amounted to Rs. 83.83 Lacs, Rs. 108.01 Lacs, Rs. 147.37 Lacs and Rs. 255.60 Lacs for the financial years ended March 31, 2005 2006, 2007 and 2008 respectively.

Total Expenses

The total expenses of the company for financial year ended March 31, 2005 2006, 2007 and 2008 were Rs.3303.84 lacs, Rs.3266.73 lacs, Rs.4554.63 lacs and Rs. 6170.87 lacs respectively.

**Taxes**

Income taxes are accounted for in accordance with Accounting Standard – 22 issued by the ICAI on “Accounting for Taxes on Income”. Taxes comprise both current and deferred taxes.

Provision for current taxes is made at the current tax rates after taking into consideration the benefits available under the provisions of the Income Tax Act 1961. Please see “Statement of Possible Tax Benefits Available to the Company and its Shareholders” on page no. [●] of this DRHP for further details of tax benefits.

Deferred tax arises from the timing differences between book profits and taxable profits that originate in one period and are capable of reversal in one or more subsequent periods and is measured using the tax rates and laws applicable as of the date of the financial statements. The company provides for deferred tax liability on such timing differences subject to prudent considerations in respect of deferred tax assets. The significant timing differences include the difference in depreciation permitted under Indian GAAP and the Income Tax Act 1961.

Restatements

Paragraph B(1) of Part II of Schedule II to the companies Act and SEBI guidelines require us to restate our previous years’ financial statements included in this DRHP to conform to methods used in preparing our latest financial statements, as well as to conform to any changes in accounting policies and estimates. These adjustments had no effect on net profit for financial year ended March 31, 2005, 2006, 2007 and 2008.

Comparison of performance for FY 31.03.2006 with FY 31.03.2005**Total Income**

During the FY 31.3.2006, the total income was marginally lower at Rs.3419.23 Lacs as against Rs.3459.75 Lacs during FY 31.3.2005, mainly on account of resistance in increase of sales realization by our customers.

Expenditure

Our expenditure on raw material consumption decreased from Rs.1585.71 Lacs in FY 31.3.2005 to Rs.1566.22 Lacs in FY 31.3.2006. This was due to installation of press machines while replacing hammer forge machines. The cost incurred for press machines compared to manual hammers was comparatively lesser. For the same reason, our other operating expenses (including other manufacturing expenses) decreased by around 6% from Rs. 1482.17 Lacs in FY 31.3.2005 to Rs.1391.11 Lacs in FY 31.3.2006.

Finance Charges

Finance charges for FY 31.3.2006 were Rs.77.71 Lacs compared to Rs.53.79 Lacs for FY 31.3.2005. This increase was due to the interest paid on term loan taken for setting up the new unit at Shikrapur and also interest paid on working capital loans.

Depreciation

The depreciation for FY 31.3.2006 was Rs.108.01 Lacs compared to Rs.83.83 Lacs for FY 31.3.2005, an increase of 28%. This increase was mainly on account of addition in our Gross Block on account of commencement of Shikrapur unit during FY 2006.

Profit after Tax

The net profit for FY 31.3.2006 was marginally lower at Rs.99.17 Lacs as against Rs.102.50 Lacs during FY 31.3.2005 leading to a decline of around 3% which was mainly due to pressure on profit margins.

**Comparison of performance for FY 31.03.2007 with FY 31.03.2006****Total Income**

During the FY 31.3.2007, the total income was Rs.4913.96 Lacs as compared to Rs.3419.23 Lacs for FY 31.3.2006, an increase of around 43.7%. Due to increased demand in the industry for our products, we increased our installed forging capacity from 5400 MTPA to 7200 MTPA. Our capacity utilization levels have also improved over the last year. Both these factors contribute to higher volumes produced and thereby higher income from manufacturing activity.

Expenditure

Our expenditure on raw material consumption increased from Rs.1566.22 Lacs in FY 31.3.2006 to Rs.2197.31 Lacs in FY 31.3.2007, an increase of around 40%, mainly on account of increase in the capacity thereby leading to increase in production.

Our other manufacturing expenses increased from Rs.1042.62 Lacs in FY 31.3.2006 to Rs.1347.23 Lacs in FY 31.3.2007, an increase of around 29%. This increase was mainly on account of the increase in the production due to increase in the capacity thereby leading to increase in production.

Our expenditure on selling and distribution increased from Rs. 123.68 Lacs in FY 31.3.2006 to Rs.163.99 Lacs in FY 31.3.2007, an increase of around 33%. This was due to increase in our export sales which rose from Rs. 933.45 Lacs in FY 31.3.2006 to Rs.1680.25 Lacs in FY 31.3.2007.

The other operating expenses increased by around 62% from Rs. 348.49 Lacs in FY 31.3.2006 to Rs.556.35 Lacs in FY 31.3.2007, mainly due to increase in our capacity which has led to higher production cost, manpower cost and other manufacturing & administrative expenses .

Finance Charges

Finance charges for FY 31.3.2007 were Rs.132.38 Lacs compared to Rs.77.71 Lacs for FY 31.3.2006. This was due to interest paid on the additional long term debt utilized for purposes of capacity expansion and interest paid on working capital loans.

Depreciation

The depreciation for FY 31.3.2007 was Rs.147.37 Lacs compared to Rs.108.01 Lacs for FY 31.3.2006, an increase of around 36%. This increase was mainly on account of additions to the Gross Block.

Profit after Tax

The net profit for FY 31.3.2007 was Rs.234.47 Lacs compared to Rs.99.17 Lacs for FY 31.3.2006 leading to an increase of around 136%. This was mainly due to increase in our capacity expansion from 5400 MTPA to 7200 MTPA which led to increase in production thereby leading to higher sales revenues and at the same time, achieving economies of scale.

Comparison of performance for FY 31.03.2008 with FY 31.03.2007**Total Income**

During the FY 31.3.2008, the total income was Rs.6971.92 Lacs as compared to Rs.3779.97 Lacs for FY 31.3.2007, an increase of around 84.44%. The increase is due to the result of the merger of erstwhile TIL with TDFL (now TIL) and increased demand in the industry for our products. During the FY 31.03.2008, we increased our installed forging capacity from 7200 MTPA to 9000 MTPA due to which our production also increased.

Expenditure

Our expenditure on raw material consumption increased from Rs.2197.31 Lacs in FY 31.3.2007 to Rs.3218.61 Lacs in FY 31.3.2008, an increase of 46.48%, mainly on account of increase in the capacity



thereby leading to increase in production and increase in the prices of steel which is one of the major raw material.

Our other manufacturing expenses increased from Rs.1347.23 Lacs in FY 31.3.2007 to Rs.1415.63 Lacs in FY 31.3.2008, an increase of 5.08%. This increase was mainly on account of increase in the cost of power, fuel, etc.

Our expenditure on selling and distribution increased from Rs. 163.99 Lacs in FY 31.3.2007 to Rs.431.50 Lacs in FY 31.3.2008, an increase of 163.13%. This increase was on account of merger of erstwhile TIL which was carrying out merchant exports of our products as also other company's products and was incurring selling & distribution expenses related to merchant exports.

The other operating expenses decreased by 0.39% from Rs. 566.35 Lacs in FY 31.3.2007 to Rs.564.15 Lacs in FY 31.3.2008, mainly due to restructuring of manpower consequent upon merger of erstwhile TIL.

Finance Charges

Finance charges for FY 31.3.2008 were Rs.255.60 Lacs compared to Rs.132.38 Lacs for FY 31.3.2007. This was due to increase in financial charges on the loans availed by erstwhile TIL as also increase in working capital loans and term loans due to which the overall interest expenses during 31.03.2008 have increased.

Depreciation

The depreciation for FY 31.3.2008 was Rs. 255.60 Lacs compared to Rs. 147.37 Lacs for FY 31.3.2007, an increase of around 73.44%. This increase was mainly on account of additions to the Gross Block and also depreciation on the fixed assets added to our company's block on the account of merger of erstwhile TIL.

Profit after Tax

The net profit for FY 31.3.2008 was Rs. 514.84 Lacs compared to Rs. 234.47 Lacs for FY 31.3.2007 leading to an increase of around 119.58%. This was mainly due to merger of erstwhile TIL and increase in our capacity expansion from 7200 MTPA to 9000 MTPA which led to increase in production thereby leading to higher sales revenues and at the same time, achieving economies of scale.

An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:

1. Unusual or infrequent events or transactions

There have been no events to the best of our knowledge, other than as described in this DRHP, which may be called "unusual" or "infrequent".

2. Significant economic changes that materially affected or are likely to affect income from continuing operations

Government's focus on forging will have major bearing on the companies involved in automotive components sector. Any major changes in the policies of the Government may have significant impact on our profitability as applicable to automotive components industry.

3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations

Other than as described elsewhere in this DRHP, particularly in the section titled "Risk Factors" starting on page [●] and "in Management Discussion and Analysis of Financial Condition and Results of Operations" on page [●], to our knowledge there are no trends or uncertainties that have or had expected to have a material adverse impact on revenues or income of the Company from continuing the operations.

**4. Future changes in relationship between costs and income**

Our company does not see substantial increase in other operating costs which include stores & spares, other manufacturing and administrative costs, employee remuneration and benefits etc. related to the product except that raw material prices and the price to procure LDO may go up in near future due to rise in prices of steel, crude etc. However, any increase in raw material prices or price to procure LDO would be duly covered in the price of the product.

5. The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices

The increase in revenues is mainly due to increased sales volume as well as increased sales prices due to more value added products. The company mainly caters to automotive components industry by supplying machined products. The demand for these products varies across customer segments and thus we need to introduce new products or services as and when demanded by our clients.

6. Status of any publicly announced new products or business segments

Company has not announced any new products or business segments.

7. Seasonality of Business

The business in which our company is engaged is not seasonal.

8. Any significant dependence on a single or few suppliers or customers

The top 3 customers of our company constitute more than 50% of our income in FY 2007. However, our company has very good relationship with our customers and is dealing with since a long time and does not foresee any problem in future. Further, the above customers are dispersed over different countries. Our company is not dependent on few suppliers for its raw material requirement. Our company has cordial relationship with all customers and suppliers.

9. Competitive Conditions

Competition for project is varied depending on the products offered and the geographical areas being chosen.

**FINANCIAL INDEBTEDNESS**

The status of loans availed by the company as on 20.06.2008 is as follows:

SECURED LOANS (Rs. In Lacs)					
	Name of Bank/FI	Currency	Sanctioned	Availed	Outstanding
1.	Axis Bank Limited	INR	1350.00	946.32	824.42
2.	Kotak Mahindra Bank Limited	INR	280.00	280.00	200.51
3.	Saraswat Co-op Bank Limited	INR	603.25	603.25	247.67
4.	Cholamandalam Investment & Finance Co. Ltd. – Vehicle Loan	INR	9.18	9.18	2.50
5.	Saraswat Co-op Bank Ltd. – Vehicle Loan	INR	43.43	43.43	29.66
6.	Tata Motor Finance	INR	6.64	6.64	6.09

WORKING CAPITAL LOANS					
	Name of Bank/FI	Currency	Sanctioned	Availed	Outstanding
1.	Axis Bank Limited	INR	400.00	400.00	399.01
2.	Kotak Mahindra Bank Limited	INR	275.00	275.00	227.65
3.	Saraswat Co-op Bank Limited	INR	215.00	215.00	214.30

UN-SECURED LOANS			
		Currency	Outstanding
1.	From Directors	INR	25.68

NON-FUND BASED LOAN:					
	Name of Bank/FI	Currency	Sanctioned	Availed	Outstanding
1.	Axis Bank Limited	INR	300.00	300.00	295.20
2.	Kotak Mahindra Bank Limited	INR	450.00	450.00	444.60
3.	Saraswat Co-op Bank Limited	INR	285.00	285.00	285.00

Notes: The details relating to project loans, please refer to page no. [●] of the DRHP.

**SECTION VI: LEGAL AND OTHER INFORMATION****Outstanding Litigations & Material Developments**

Except as described below, there are no outstanding litigations, suits or criminal or civil prosecutions or tax liabilities against the Company, its directors, Promoters or companies promoted by its promoters that would have a material impact on the business of the Company and there are no defaults, non payment or statutory dues, institutional/bank dues and dues payable to holders of debentures, bonds and fixed deposits and arrears of preference shares that would have a material adverse effect on the business other than unclaimed liabilities by the Company or its directors, its Promoters or companies promoted by its promoters. Further, the directors, promoters or companies promoted by the promoters have not been declared as willful defaulter by Reserve Bank of India, and also have not been debarred from dealing in securities and/or accessing the capital markets by SEBI and no disciplinary action has been taken against them by SEBI or any stock exchanges.

1. Cases related against the Company

- a. Outstanding Criminal cases against the Company, the Promoters of the Company and the Group Companies - NIL
- b. Outstanding Criminal cases by the Company, the Promoters of the Company and the Group Companies - NIL
- c. Outstanding Civil cases against the Company, the Promoters of the Company and the Group Companies - **Against the company** –

Sr. No.	Parties and Case No. & Date	Authority department against which pending	Claim Amount (Rs.)	Brief case history	Status of the case
1.	Bhartiya Kamgar Karmachari Mahasangh (BKMM) V/s. 1]Trinity Die Forgers Ltd./Pune 2]Shri Ranjan Banerji complaint (ULP)No.331/2005 29/11/07	Industrial Court-Pune	Nil	Company has two press machines with capacity of 1600 tons/ annum each. Company wanted to shift one press machine to Unit II located at Shikrapur as the other press machine was sufficient enough to cater the orders in hand. Union apprehended retrenchment and filed complaint for seeking interim order restraining shifting which was rejected. Union filed complaint u/s.28,30 [2]read with item 9 of sch.IV of MRTU & PULP Act 1971. Liability: Nil because case is related to shifting of machinery.	BKMM is supposed to lead the evidences in their support. The case is posted for hearing on 29-07-2008.



Sr. No.	Parties and Case No. & Date	Authority department against which pending	Claim Amount (Rs.)	Brief case history	Status of the case
2.	Bhartiya Kamgar Karmachari Mahasangh V/s. 1]Trinity Die Forgers Ltd./Pune 2]Shri Ranjan Banerji complaint (ULP)No.347/2005 29/11/07	Industrial Court-Pune	90,733/- Minimum	Due to paucity of orders with the company, the company wanted its workers to shift from the forging department to other departments till such period when the orders are in place with the company for forging. The workmen refused to switchover to other departments and thus after following due process of law the company laid them off. Further, the union claims that company has more than 100 workmen therefore previous permission was necessary before effecting such lay off but company had evidences that the workmen in the company were less than 100 and thus according to Chapter VB of Industrial Disputes Act, 1947, no prior permission was needed. Liability : 90,733/- Minimum	BKKM is supposed to led the evidences in their support. The case is posted for hearing on 29-07-2008.
3.	Ashok Shivappagauda Patil V/s. Trinity Die Forgers Ltd./Pune Misc.Application[IDA]No.91/2006 in Reference [IDA]No.259/2003	Labour Court-Pune.	8,18,307	He was employed as a supervisor in machine shop. As per the Industrial Disputes Act, 1947, no supervisor falls under the definition of workman. Also, under Model Standing Orders Act, 1946, the company reserves a right to terminate the services of its employee who donot fall under the definition of workmen and lose the lien. The Company decided to terminate the services of the complainant. Thereafter he claimed that he is a workmen and raised demand for	The hearing is pending for want of submission of statement of claim by the complainant. The case is posted for hearing on 29-07-2008.



Sr. No.	Parties and Case No. & Date	Authority department against which pending	Claim Amount (Rs.)	Brief case history	Status of the case
				<p>reinstatement. His reference was dismissed by Labour Court vide award dated 26/11/2004. Subsequently, he had applied for restoration before second labour court, Pune .</p> <p>Liability: In case if court passed the award that Mr. Ashok Patil is the workmen and if he filed a statement of claim then only liability of the company will be 8,18,307/-</p>	
4.	<p>Bhartiya Kamgar Karmachari Mahasangh V/s. Trinity Die Forgers Ltd./Pune Application [MRTU]No.6/2007 u/s.11 of MRTU & PULP Act 1971.</p>	Industrial Court, Pune	Nil	<p>The workmen of TDFL were the members of Mahasangh till May 2007 and as required by MRTU and PULP Act, 1971, they were eligible to register as a recognised union (Sole Bargaining Agent). As on the date of filing the case, TDFL had evidences to prove that the workmen were not the members of BKKM and that they had withdrawn their membership and formed an internal union. But BKKM filed a suit against the company claiming that they are the existing members of the Mahasangh and thus they cannot form a separate union.</p> <p>Liability : Nil because case is for recognition of the union and no other prayer is there.</p>	<p>Internal Union of TDFL have submitted an application before the Industrial Court, Pune claiming that BKKM has no right to file such suit in view of withdrawal of the membership by the members of the internal union.</p> <p>The case is posted for hearing on 29-07-2008.</p>
5.	<p>RamLaxan K Prasad v/s Trinity Die Forgers Limited/Pune Complaint (ULP) No. 132 of 2007</p>	Third Labour Court, Pune	35,125/- Minimum	<p>The complainant was appointed on fixed period employment after which his services were terminated automatically and thus he was out of employment. But the complainant has filed a</p>	<p>The case is posted for hearing on 30-07-2008.</p>



Sr. No.	Parties and Case No. & Date	Authority department against which pending	Claim Amount (Rs.)	Brief case history	Status of the case
				suit against the company claiming that he has been terminated while in employment and thus is eligible for reinstatement with wages. Liability: If reinstated in the employment by not considering his fixed period employment then only liability of the company will be 35,125/- Minimum	
6.	Buddhiram S. Prasad v/s Trinity Die Forgers Limited/Pune Complaint (ULP) No. 133 of 2007	Third Labour Court, Pune	35,125/- Minimum	The complainant was appointed on fixed period employment after which his services were terminated automatically and thus he was out of employment. But the complainant has filed a suit against the company claiming that he has been terminated while in employment and thus is eligible for reinstatement with wages. Liability: If reinstated in the employment by not considering his fixed period employment then only liability of the company will be 35,125/- Minimum	The case is posted for hearing on 30-07-2008.

iii. Against the promoters of the company – Nil

iv. Against the group companies: Nil

**d. Outstanding Civil cases by the Company, the Promoters of the Company and the Group Companies****iv. By the Company –**

Sr. No.	Parties and Case No. & Date	Authority department against which pending	Claim Amount (Rs.)	Brief case history	Status of the case
1.	Trinity Die Forgers Ltd. V/s.Pimpri Chinchwad Municipal Corporation- Pune. Municipal (PCMC) Appeal No.47/2004, now the appeal No. is 155/2007	Small Causes Court, Pune now transferred to Civil Judge Sr. Division, Pune	50,859/-	Based on the certificates of Chartered Accountant and Architech dated 04.01.2003, TDFL had submitted the cost sheet of Rs.5,34,749.89 for the construction of its office building at J-5, S Block, MIDC, Bhosari, Pune. The appropriate tax amount calculated on the above mentioned amount was collected and accepted by PCMC till FY 2003-04. Thereafter, without any further intimation to the company, PCMC started claiming the taxes on the construction cost (Rs.9,18,400/-) which had no base. The company is paying the tax calculated on Rs.9,18,400/- under protest, which once the hearing is analysed, the additional amount of tax is expected to be refunded. The company has filed a suit against PCMC thereby challenging the same. Liability: Nil, as company is already paying taxes under protest.	The case has been forwarded to the Higher Causes Court, Pune. The said court has no bench and thus hearing is pending. Matter is fixed for hearing on 28-07-2008.



2.	Trinity Die Forgers Ltd V/s New Standard Engineering Company Ltd. (Now NESCO Limited) Execution Petition No. 19/2005 dated 24/01/2005	Civil Judge, Sr. Division, Pune	644865/- plus future interest @ 12% from 24.01.05 till realisation.	TDFL had placed an order for 200 Tons press machine with NESCO and paid an advance of Rs.2.10 lacs vide its purchase order dated 21.11.1992. The said machine was supposed to be delivered before 15.03.1993, Since NESCO failed to provide delivery of machine within given time TDFL decided to cancel its order. Thus, TDFL filed special civil suit No. 1778/1993 for recovery of amount against NESCO for breach of contract. Since NESCO did not refund the advance even on demand. Liability : Nil as this case relates to recovery of amount for breach of contract.	Suit is decreed and execution petition is pending and is presently stayed due to stay order passed by civil Judge Sr. Division, Pune in Misc. application No. (359/2005) filed by NESCO for setting aside ex-parte decree. The case is posted for hearing on 07-08-2008.
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v. By the promoters of the company – NIL



vi. By the group companies –

Sr. No.	Parties and Case No. & Date	Authority department against which pending	Claim Amount (Rs.)	Brief case history	Status of the case
1	Trinity Auto Components Ltd V/s New Standard Engineering Company Ltd. (Now NESCO Limited) Execution Petition No. 20/2005 dated 24/01/2005	Civil Judge, Sr. Division, Pune	869084.60/-/- plus future interest @ 12% from 24.01.05 till realisation.	TACO had placed an order for 250 Tons press machine with NESCO and paid an advance of Rs.2.81 lacs vide its purchase order dated 18.11.1992. The said machine was supposed to be delivered before 15.03.1993. Since NESCO failed to provide delivery of machine within given time. TDFL decided to cancel its order. Thus, TDFL filed special civil suit No. 1779/1993 for recovery of amount against NESCO for breach of contract. Since NESCO did not refund the advance even on demand. Liability : Nil as this case relates to recovery of amount for breach of contract.	Suit is decreed and execution petition is pending and is presently stayed due to stay order passed by civil Judge Sr. Division, Pune in Misc. application (No. 360/2005) filed by NESCO for setting aside ex-parte decree. The case is posted for hearing on 07-08-2008.

e. Outstanding cases pertaining to Securities Laws against the Company, the Promoters of the Company and the Group Companies

NIL

f. Outstanding cases pertaining to Securities Laws by the Company, the Promoters of the Company and the Group Companies

NIL

g. Outstanding cases pertaining to Statutory Laws including tax disputes against the Company, the Promoters of the Company and the Group Companies

Sr. No.	Parties and Case No. & Date	Authority department against which pending	Claim Amount (Rs.)	Brief case history	Status of the case
1.	Trinity Die Forgers Limited v/s Deputy Commissioner	Deputy Commissioner of Sales Tax Appeals, P-32 Pune Division, Pune	349325/-	The Sales tax officer levied interest of Rs. 11007/- on late payment of tax. In fact the payments were made well within the prescribed time limit. The Sales Tax	The company has submitted written contentions



	of Sales Tax Appeals for the year 1.4.1996 to 31.3.97 Appeal No. P-643/99-2000			officer treated the sales of semi-finished forgings as sales of auto parts and allowed the set off under rule 41 D of BST Rules. The company has claimed that such forgings can not be used as auto parts unless further operations are carried out at the customer's end. The company has claimed set off under rule 41 E. The difference between the set off now claimed in appeal and allowed by the Sales Tax Officer is Rs.338318/- Liability : Nil as case related to refund of amount from authority.	before the appellate authority from time to time. The appellate authority has not decided the case till date.
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h. Outstanding cases pertaining to Statutory Laws including tax disputes by the Company, the Promoters of the Company and the Group Companies

Sr. No.	Parties and Case No. & Date	Authority department against which pending	Claim Amount (Rs.)	Brief case history	Status of the case
1.	Trinity Die Forgers Limited v/s Deputy Commissioner of Sales Tax Appeals for the year 1.4.1999 to 31.3.2000 Appeal No. P-65/03-04	Deputy Commissioner of Sales Tax Appeals, P-32 Pune Division, Pune	1502465/-	The assesment resulted in dues of Rs.272226/-. The company preferred appeal . Part payment of Rs. 60,000/- was made on 2.6.2003 and stay order for Rs. 212226/- has been granted by the appeallate authority. The Sales Tax officer treated the sales of semi-finished forgings as sales of auto parts and allowed the set off under rule 41 D of BST Rules. The company has claimed that such forgings can not be used as auto parts unless further operations are carried out at the customer's end. The company has claimed set off under rule 41 E. The difference	The company has submitted written contentions before the appellate authority from time to time. The appellate authority has not decided the case till date.



				between the set off now claimed in appeal and allowed by the Sales Tax Officer is Rs.1502465/- Liability : 212226/-	
2.	Trinity Die Forgers Limited v/s Joint Commissioner Sales Tax Appeal, Pune for the year 1.4.2000 to 31.3.2001 Appeal No. SA No. 125 of 2007	Joint Commissioner Sales Tax Appeal, Pune	998804/-	The Deputy Commissioner of Sales Tax as well as the first appellate authority did not allow the set off under rule 41 E. Second appeal was preferred before the Tribunal who decided the appeal vide order No.125 of 2007 on 17th October 2007 and the case is remanded back to the assessing authority to ascertain the actual process carried out by the appellant even by visiting the factory, if necessary and decide the matter in the light of the principles laid down in the order. Liability : Nil this case relates to refund of amount as per schedule.	The company has already approached the Deputy Commissioner of Sales Tax to decide the matter. This case is still pending.

**Cases filed by the Forum of member of Industries on behalf of Industry members**

Sr. No.	Parties and Case No. & Date	Authority department against which pending	Claim Amount (Rs.)	Brief case history	Status of the case
1.	Maharatta Chambers of Commerce Industries and Agricultural & Others v/s State of Maharashtra & Others	Hon'ble Supreme Court, Delhi	620113/-	PCMC had increased the octroi duty w.e.f.06.01.2002 which was levied on forged products and other consumables to the tune of 3% from 2.5% PCMC is claiming Rs. 620113/- vide its demand Notice No. Octroi/Company/672/2003 dated 18/07/2003 which was to be paid as the balance amount due to increase in the duty. Company had already paid 50% of the said amount i.e. Rs. 310056/- on 23/08/2003. Company approached to Industry forum namely Maharatta Chambers of Commerce Industries & Agriculture (MCCIA). On March 20, 2003 MCCIA, on behalf of all the industry members had filed a writ petition before Hon'ble High Court, Mumbai against the PCMC. On July 28, 2003 High Court, Mumbai dismissed the writ petition. Subsequently, in August 2003 MCCIA filed Special Leave Petition (SLP) with Supreme Court challenging the order of High Court, Mumbai. On July 19, 2006 Supreme Court directed to transmit the case to the High Court to enable it to proceed with the same. On April 16, 2008 High Court had given its decision in favour of PCMC to recover the said amount from all industry members. Subsequently, on May 2, 2008 MCCIA had again filed SLP with Supreme Court challenging the order of High Court, Mumbai. On May 9, 2008 Supreme Court had directed MCCIA to pay the principle amount within	The case is pending for further hearing.



				90 days from May 9, 2008 in 3 installments. However, on April 28, 2008 Company had paid the balance principal amount of Rs. 310,057/-. Liability: Nil	
2.	Trinity Die Forgers Limited V/s Commissioner Appeals, Central Excise, Pune I Commissionerate Appeal No. E -144/06-MUM against order in appeal No. PI/493/2005 dated 13-12-2005	Custom Excise & Service Tax Appellate Tribunal, West Zonal Bench, Mumbai 400009	20,90,683/-	A show cause notice was issued on the ground that company was sending goods to its other unit at Gurgaon claiming those to be finished goods although they were semi-finished. The notice along with demand of Rs. 20,90,683/- was confirmed by the Additional Commissioner and the appeal was rejected by the Commissioner (Appeals) also ordered pre-deposit of Rs. 7,50,000/-, which was deposited under protest. Since the order was arbitrary TDFL filed Appeal before CESTAT, who granted the stay till the matter is disposed off. The Appeal is pending before CESTAT & the company has fair chances of succeeding in the appeal. Liability: Rs. 13,39,683/- after deducting pre-deposit of Rs.. 7,50,000/- under protest.	Appeal is pending before tribunal After grant of stay tribunal did not fix the date of hearing.
3.	Trinity Die Forgers Limited V/s Pimpri Chinchwad Municipal Corporation	Pimpri Chinchwad Municipal Corporation	1274394/-	PCMC after its Octroi audit demanded for payment of Rs. 1274394/- vide their letter no.Octroi/7/kv/376 dt.2004. The said audit carried out for the period 1.4.2004 – 31.3.2005. The amount claimed by the PCMC including Rs. 620113/- which was already raised vide separate petition before High Court, Mumbai and which is pending before the H'ble High Court, Mumbai.. Also company out of the demanded amount paid agreed amount of Rs. 39767/-. PCMC with biased mind demanding for the payment of Rs. 614514/- which is under challenge. Liability : 614514/- as in the claim amount authority included amount of Rs. 620113/- which is challenged before High court, Mumbai and company had already paid Rs. 39767/-.	Matter is pending before PCMC for fixation of date of hearing.

**Material Developments**

In the opinion of our Board, there have not arisen, since the date of the last financial statements disclosed in this DRHP, any circumstances that materially or adversely affect or are likely to affect our profitability taken as a whole or the value of our consolidated assets or our ability to pay our material liabilities within the next 12 months

Government Approvals

Sr. No.	Approval	Authority	Status
	TAX		
1	E.C.C. NO. AA ACT4156HXM001	Central Excise	Active
2	E.C.C. NO. AA ACT4156HXM004	Central Excise	Active
3	E.C.C. NO. AA ACT4156HXM005	Central Excise	Active
4	PAN No. AA ACT4156H	Income Tax department	Active
5	TAN No. PNET00378A	Income Tax department	Active
6	VAT TIN NO. 27320001421V DT. 01.04.2006	Sales Tax Department	Active
7	CST TIN NO.27320001421C DT. 01.04.2006	Sales Tax Department	Active
	LABOUR		
1	Shop Act No. Bhosari/II/4697	Inspector of shops & Hotels	Active
2	Factory Licence No. PNA/2(M) (i) 33.331.9.	Government of Maharashtra	Active
3	ESIC Code No. 31-5234	ESI Regional Office	Active
4	Provident Fund No. MH/16596	Regional Povident Fund Commissioner	Active
5	Labour Welfare Fund No. 21FT38535	Labour Commissioner	Active
	POLLUTION CONTROL		
1	Consent to operate unit located at Plot No. J/5, Block S, MIDC, Bhosari, Pune 411026	Maharashtra Pollution Control Board	Active
2	Consent to operate unit located at Plot No. 43, Block S, MIDC, Bhosari, Pune 411026	Maharashtra Pollution Control Board	Active
3	Consent to operate unit located at Plot No.150-151, Block S, MIDC, Bhosari, Pune 411026	Maharashtra Pollution Control Board	Active
4	Consent to operate unit located at Plot No. 152, Block S, MIDC, Bhosari, Pune 411026	Maharashtra Pollution Control Board	Active
5	Consent to operate unit located at Gat No. 1425/2/3, Shikrapur, Tal. Shirur, Dist, Pune	Maharashtra Pollution Control Board	Active
	EXPORT		
1	Engineering Export Promotion Council, Registration-Cum-Membership Certificate	Ministry of commerce	Active
2	IEC Code No. 3191000232	Ministry of Commerce	Active
3	One Star Export House	Ministry of Commerce & Industry	Active

Some of the registrations/ licenses/approvals obtained by us may have expired in the ordinary course of business or are in the process of being applied for. We undertake to obtain all approvals, licenses, registrations and permissions from time to time as and when it may be required to operate our projects and related business activities.

**SECTION VII : OTHER REGULATORY AND STATUTORY DISCLOSURES****Authority for the Present Issue**

The Board of Directors have, pursuant to a resolution passed at its meeting held on January 25, 2008 authorised the issue, subject to the approval of the shareholders of our Company under section 81(1A) of the Companies Act, 1956.

Our shareholders have authorized the issue by a special resolution adopted pursuant to section 81(1A) of the Companies Act, 1956 passed at the Extraordinary General Meeting held on February 21, 2008

Prohibition by SEBI

Neither our Company, nor our Promoters, our directors, any of our Promoter Group Companies or our persons acting in concert, the Companies or entities with which our directors are associated with, as directors or promoters, have been prohibited from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or directions passed by SEBI.

Neither our Company nor our Directors, our Promoters, Promoter Group Companies, relatives of Promoters or persons acting in concert have been detained as willful defaulters by RBI/ Government authorities and there are no proceedings relating to violations of securities laws pending against them and there are no violations of securities laws committed by them in the past except as disclosed in the “Risk Factors” appearing on page no. [●] of this Draft Red Herring Prospectus.

Eligibility for the Issue

Our Company is eligible for the Issue in accordance with Clause 2.2.1 of the SEBI DIP Guidelines as explained under, with the eligibility criteria calculated in accordance with financial statements under Indian GAAP:

- Our Company has net tangible assets of at least Rs. 300 lacs in each of the preceding three full years (of 12 months each) of which not more than 50% is held in monetary assets and is compliant with Clause 2.2.1(a) of the SEBI DIP Guidelines;
- Our Company has a track record of distributable profits in accordance with Section 205 of Companies Act, for at least three of the immediately preceding five years and is compliant with Clause 2.2.1(b) of the SEBI DIP Guidelines;
- Our Company has a net worth of at least Rs. 100 lacs in each of the three preceding full years and is compliant with Clause 2.2.1(c) of the SEBI DIP Guidelines;
- The aggregate of the proposed Issue size and all previous issues made in the same financial year in terms of size (i.e. offer through the offer document + firm allotment + promoter’s contribution through the offer document) is not expected to exceed five times the pre-Issue net worth of our Company as per the audited balance sheet of the last financial year and is compliant with Clause 2.2.1(e) of the SEBI DIP Guidelines.
- Our company has changed its name from Trinity Die-Forgers Limited to Trinity India Limited w.e.f 29.02.2008, but there has been no change in our business activities.

Our net tangible assets, monetary assets, net profits(as restated) and net worth (as restated) as derived from the financial statements (restated), as per Indian GAAP and included in this Draft Red Herring Prospectus under section titled, “Financial Statements” as at, and for the last five years ended 31 March, 2007 is set forth below:

	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005	March 31, 2004
Net tangible assets *	5220.59	2814.63	1609.84	1261.34	852.40
Monetary assets **	266.58	119.61	72.16	70.56	42.98
Distributable Profits***	830.89	499.07	223.36	138.68	64.68
Net worth, as restated	2054.53	1,048.43	711.52	624.35	545.33



*Net tangible assets is defined as the sum of all net assets of the company, excluding 'intangible assets', as defined in Accounting Standard 26 (AS 26) issued by the Institute of Chartered Accountants of India.,

**Monetary assets include cash on hand and bank. Detailed figures are given in the section titled "Financial Statements" on page [●] of the Draft Red Herring Prospectus.

*** The distributable profits of our Company as per Section 205 of the Companies Act have been made calculated from the audited financial statements of the respective years/period after making adjustments for restatement of financial statements.

Further, in accordance with Clause 2.2.2A of the SEBI Guidelines, we undertake that the number of Allottees, i.e. Persons receiving allotment in the Issue shall be atleast 1,000 failing which the entire application money will be refunded forthwith. In case of delay, if any, in refund, our Company shall pay interest on the application money at the rate of 15% per annum for the period of delay.

SEBI DISCLAIMER CLAUSE

“AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, FORTUNE FINANCIAL SERVICES (INDIA) LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES 2000, AS FOR THE TIME BEING IN FORCE. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER - FORTUNE FINANCIAL SERVICES (INDIA) LIMITED HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JULY 9, 2008 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992 WHICH READS AS FOLLOWS:

(1) “WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIALS IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE;

(2) ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PROJECTED PROFITABILITY, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY.

(3) WE CONFIRM THAT:

- A. THE DRAFT RED HERRING PROSPECTUS FORWARDED TO SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THIS ISSUE;**
- B. ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE SAID ISSUE, AS ALSO THE GUIDELINES, INSTRUCTIONS, ETC. ISSUED BY SEBI, THE GOVERNMENT AND**



ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH;

- C. THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE;**
- D. BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATIONS ARE VALID; AND**
- E. WE HAVE SATISFIED OURSELVES ABOUT THE WORTH OF UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS.**

(4) WE CERTIFY THAT A WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SECURITIES AS A PART OF PROMOTERS CONTRIBUTION SUBJECT TO LOCK-IN AND THE SECURITIES PROPOSED TO FORM PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN, WILL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING OF THE DRAFT RED HERRING PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF THE LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.

ALL LEGAL REQUIREMENTS PERTAINING TO THE ISSUE WILL BE COMPLIED WITH AT THE TIME OF FILING OF THE DRAFT RED HERRING PROSPECTUS WITH THE REGISTRAR OF COMPANIES, PUNE, MAHARASHTRA IN TERMS OF SECTION 56, SECTION 60 AND SECTION 60B OF THE COMPANIES ACT, 1956.

THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTIONS 63 OR 68 OF THE COMPANIES ACT, 1956 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI, FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGERS, ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.”

All legal requirements pertaining to the issue will be complied with at the time of filing the Red Herring Prospectus with the RoC in terms of section 60B of the Companies Act. All legal requirements pertaining to the issue will be complied with at the time of registration of the Prospectus with the RoC in terms of section 56 and section 60 and section 60B of the Companies Act.

DISCLAIMER FROM THE ISSUER AND THE BOOK RUNNING LEAD MANAGER

Our Company, our Directors and the Book Running Lead Manager accepts no responsibility for statements made otherwise than in this DRAFT RED HERRING PROSPECTUS or in any advertisement or any other material issued by or at instance of the above mentioned entities and anyone placing reliance on any other source of information, including the website, www.forge-trinityindia.com, would be doing so at his or her own risk.

The Book Running Lead Manager accepts no responsibility, save to the limited extent as provided in the Memorandum of Understanding entered into between the Book Running Lead Manager and our Company dated March 11, 2008 and the Underwriting Agreement to be entered into between the Underwriters and us.

All information shall be made available by us and the Book Running Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, research or sales reports or at Bidding centres or elsewhere.

Neither our Company nor BRLM or Syndicate Members shall be liable to the Bidders for any failure in downloading the Bids due to faults in any software/ hardware system or otherwise.

**Minimum Subscription**

If our Company does not receive the minimum subscription of 90% of the issue to the public including devolvement of underwriters within 60 days from the Bid/ Issue Closing Date, our Company shall forthwith refund entire subscription amount received. If there is a delay beyond 8 days after our Company is liable to pay the amount, our company shall pay interest prescribed u/s 73 of the Companies Act 1956.

Further in terms of Clause 2.2.2A of the SEBI Guidelines, we shall ensure that the number of prospective allottees to whom Equity Shares will be allotted will not be less than 1,000.

Investors that bid in this Issue will be required to confirm and will be deemed to have represented to our Company, and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares. Our Company, and the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is being made in India to Persons resident in India (including Indian nationals resident in India), who are majors, Hindu Undivided Families, Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with SEBI, Indian Financial Institutions, Commercial Banks, Regional Rural Banks, Co-operative Banks (subject to RBI permission), Trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other Trust law and who are authorized under their constitution to hold and invest in shares, permitted insurance companies and pension funds and to permitted non residents including Eligible NRIs, FIIs and other eligible foreign investors (viz. FVCIs, multilateral and bilateral financial institutions). This DRAFT RED HERRING PROSPECTUS does not, however, constitute an offer to sell or an invitation to subscribe to or purchase Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this DRAFT RED HERRING PROSPECTUS comes is required to inform himself or herself about and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Pune, Maharashtra, India only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this DRAFT RED HERRING PROSPECTUS has been filed with SEBI for observations and SEBI has given its observations and the RED HERRING PROSPECTUS has been filed with ROC as per the provisions of the Act. Accordingly, the Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and this DRAFT RED HERRING PROSPECTUS may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this DRAFT RED HERRING PROSPECTUS nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the US Securities Act (“the Securities Act”) or any state securities laws in the United States and may not be issued or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being issued and sold (i) in the United States to “qualified institutional buyers”, as defined in Rule 144A of the Securities Act in reliance on Rule 144A under the Securities Act and (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those issues and sales occur.

DISCLAIMER CLAUSE OF BOMBAY STOCK EXCHANGE LIMITED (BSE, the Designated Stock Exchange)

The Bombay Stock BSE Limited (hereinafter referred to as BSE) has given vide its letter no. [●] dated [●] permission to this Company to use the BSE’s name in this DRHP as one of the stock exchanges on which this



company's securities are proposed to be listed. The BSE has scrutinised this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The BSE does not in any manner:-

- i) warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- ii) warrant that this Company's securities will be listed or will continue to be listed on the BSE; or
- iii) 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 offer document has been cleared or approved by the BSE. Every person who desires to apply for or otherwise acquires 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.

DISCLAIMER CLAUSE OF THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED (NSE)

As required, a copy of this DRHP has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter No. [●] dated [●] permission to the Issuer to use the NSE name in this DRHP as one of the stock exchanges on which this Company's securities are proposed to be listed subject to the Company fulfilling the various criteria for listing including the one related to paid up capital and market capitalization (i.e. the Paid up capital shall not be less than Rs 10 crore and market capitalization shall not be less than 25 crore at the time of listing) The NSE has scrutinized this DRHP for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed to mean that this offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this DRHP: nor does it warrant that the Issuer's securities will be listed or will continue to be listed on the Exchange: nor does it take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquires any of the securities of the Company may do so pursuant to independent enquiry, investigation and analysis and shall not have any claim against the NSE 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 any other reason whatsoever.

DISCLAIMER CLAUSE OF THE IPO GRADING AGENCY

[●]

FILING OF PROSPECTUS WITH THE SEBI AND ROC

A copy of this DRAFT RED HERRING PROSPECTUS has been filed with SEBI at SEBI Bhavan, Block G, Plot No. C – 4A, Bandra – Kurla Complex, Bandra East, Mumbai 400 051.

A copy of Draft Red Herring Prospectus, along with the documents to be filed under Section 60B of the Companies Act, 1956 will be delivered for registration to the Registrar of Companies, Pune situated at 3rd Floor, PMT Building, Deccan Gymkhana, Pune – 411 004. A copy of the Prospectus, required to be filed under section 60 of the Companies Act, 1956 would be delivered for registration to the Registrar of Companies, Pune situated at 3rd Floor, PMT Building, Deccan Gymkhana, Pune – 411 004.

IMPERSONATION

As a matter abundant caution, attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, 1956 which is reproduced below:

“Any person who:

- a) makes in a fictitious name, an application to a Company for acquiring or subscribing for, any shares therein, or



- b) otherwise induces a Company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name;

shall be punishable with imprisonment for a term which may extend to five years.”

LISTING

The initial listing applications have been made to the BSE and the NSE for permission for listing of the Equity Shares being issued through this Draft Red Herring Prospectus. Bombay Stock Exchange Ltd. will be the Designated Stock Exchange.

In case the permission for listing of the Equity Shares and for official quotation of the Equity Shares is not granted by any of the above mentioned Stock Exchanges, our company shall forthwith repay, without interest, all monies received from the applicants in pursuance of this DRAFT RED HERRING PROSPECTUS and if such money is not repaid within eight days after the day from which our Company becomes liable to repay it from the date of refusal or within 15 days from the Bid/Issue Closing date whichever is earlier,, then the company and every director of our company who is an officer in default shall, on and from the expiry of eight days, be jointly and severally liable to repay the money with interest at the rate of 15% p.a. prescribed under Section 73 of the Companies Act 1956.

Our company with the assistance of the Book Running Lead Manager shall ensure that all steps for the completion of necessary requirements for listing and commencement of trading at the Stock Exchange mentioned above are taken within seven days of finalization and adoption of the Basis of Allotment for the Issue.

CONSENTS

Consents in writing of: (a) our Directors, the Company Secretary, Compliance Officer, the Auditors, the legal advisors, Bankers to our company, Bankers to the Issue; and (b) Book Running Lead Managers to the Issue and Syndicate members, the Escrow Collection Banks, Registrars to the Issue, [●] as the IPO Grading agency to act in their respective capacities, have been obtained and shall be filed along with a copy of the DRAFT RED HERRING PROSPECTUS with the Registrar of Companies, Pune, Maharashtra as required under Sections 60 of the Companies Act, 1956 and such consents have not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus, for registration with the Registrar of Companies, Pune, Maharashtra.

M/s S.A. Foujdar & Co., the Statutory Auditors, have also given their written consent to the inclusion of their report in the form and context in which it appears in this DRAFT RED HERRING PROSPECTUS and also tax benefits accruing to our Company and to its members in the form and context in which it appears in this DRAFT RED HERRING PROSPECTUS and such consent and report have not been withdrawn up to the time of delivery of this DRAFT RED HERRING PROSPECTUS for registration with the Registrar of Companies, Pune, Maharashtra.

EXPERT OPINION

We have obtained a grading of this Issue from [●], a credit rating agency registered with SEBI.

ISSUE RELATED EXPENSES

The total expenses for this Issue includes issue management fees, selling commission, distribution expenses, legal fees, fees to advisors, stationery costs, advertising expenses and listing fees payable to the Stock Exchanges, among others. The total expenses for this Issue are estimated as under at Rs.519 lacs, details of which are as under:

Activity	Rs. in Lacs	% of the Issue Expenses	% of total Issue Size
Estimated lead management, underwriting and selling commission*	[●]	[●]	[●]
Advertisement and marketing expenses*	[●]	[●]	[●]
Printing, stationery including transportation of the same*	[●]	[●]	[●]
Others (Registrar's fees, Legal fees, listing fees, etc.) *	[●]	[●]	[●]
Total	[●]	[●]	[●]

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

**Fees Payable to the Book Running Lead Manager, Brokerage and Selling Commission**

The total fees payable to the Book Running Lead Manager including brokerage and selling commission for the Issue will be as per the Memorandum of Understanding executed between our Company and the Book Running Lead Manager dated March 11, 2008, copy of which is available for inspection at the Registered Office of our Company.

Fees Payable to the Registrar

The total fees payable to the Registrar to the Issue will be as per the Memorandum of Understanding executed between our Company and the Registrar dated March 18, 2008 copy of which is available for inspection at the Registered Office of our company.

Adequate funds will be provided to the Registrar to the Issue to enable them to send refund order(s) or Allotment advice by registered post or speed post or under certificate of posting.

Previous Rights and Public Issues

This is an Initial Public Offering by the Company. Except as stated in the DRHP under section “Capital Structure”, our company has not made any rights issue.

Previous Issues of Shares otherwise than for Cash

Except as stated in the DRHP under section “Capital Structure” our company has not issued any Equity Shares for consideration other than for cash.

Commission and Brokerage paid on previous Issues

Since this is an initial Public Issue of the Equity Shares, no sum has been paid/ is payable as commission or brokerage for subscribing to or procuring for, or agreeing to procure subscription for any of the Equity Shares of the Company since its incorporation.

Companies under the same Management

There are no listed companies under the same management within the meaning of Section 370 (1B) of the Companies Act, 1956.

Promise vis-a-vis Performance

Our Company has not made any public issue since incorporation.

Listed ventures of Group Companies

There are no listed ventures in our Company’s group companies.

Outstanding Debentures, Bonds, Redeemable Preference Shares or other Instruments

Our Company, since its incorporation has not issued any Redeemable Preference shares and debentures, bonds or other instruments.

Stock Market Data for our Equity Shares

This being the Initial Public Issue of our company, no Stock Market Data is available.

Mechanism for Redressal of Investor Grievances

The Memorandum of Understanding between the Registrar to the Issue and our Company, provides for retention of records with the Registrar to the Issue for a period of atleast one year from the last date of dispatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for the redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the Bidder, application number, number of shares applied for, amount paid on Bid, depository participant number and beneficiary account number, and the bank branch or bidding center where the Bid was submitted.

Disposal of Investor Grievances

Our Company estimates that the average time required by us or the Registrar to the Issue for the redressal of the routine investor grievances should be ten days from the date of receipt of the complaint. In case of non-routine



complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Mr. Vijay Shirode, Company Secretary as Compliance Officer and he may be contacted in case of any pre issue/post issue related problems. The Compliance Officer can be contacted at the following address:

Trinity India Limited

J/5, 'S' Block,
MIDC, Bhosari,
Pune – 411 026
Maharashtra

Tel: +91-20-2712 0873, +91-20-2712 0527,

Fax: -91-20-2712 0554

Email: cosec.tgu@forge-trinityindia.com

Changes in Auditors in the last three years and the reasons thereof

There have been no changes in the statutory auditors in the last three years.

Capitalization of Reserves or Profits during the last five years

Our Company has not capitalized its profits or reserves at any time except as stated in the Section titled “Capital Structure” on page no. [●] of this Draft Red Herring Prospectus.

Revaluation of Assets during the last five years

Our Company has not revalued its assets during the last five years.



SECTION VIII : ISSUE RELATED INFORMATION

TERMS OF ISSUE

The Equity Shares being offered are subject to the provisions of the Companies Act, our Memorandum and Articles of Association, the terms of the Draft Red Herring Prospectus, Red Herring Prospectus, the Prospectus, the Bid cum Application Form, the Revision Form, the CAN and other terms and conditions as may be incorporated in the Allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, Government of India, BSE, NSE, the RBI, ROC and/ or other authorities, as in force on the date of the Issue and to the extent applicable.

Ranking of Equity Shares

The Equity Shares being offered shall be subject to the provisions of our Memorandum and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares including rights in respect of dividend. The Allottees will be entitled to dividend or any other corporate benefits, if any, declared by the Company after the date of allotment. See the section titled “Main Provisions of the Articles of Association of the Company” beginning on page [●] for a description of the Articles of Association of the Company.

Mode of Payment of Dividend

We shall pay dividend to our shareholders as per the provisions of the Companies Act.

Face Value and Issue Price

The face value of the Equity Shares is Rs. 10 each and the Floor Price is Rs. [●] and the Cap Price is Rs. [●] per Equity Share. At any given point of time there shall be only one denomination for the Equity Shares subject to the applicable laws.

Compliance with SEBI Guidelines

We shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, regulations, rules and guidelines and the Memorandum and Articles of Association, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a show of hands in person or a poll either in person or by proxy;
- Right to receive annual reports and notices to members;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act and the Memorandum and Articles of Association.

For a detailed description of the main provisions of our Articles of Association dealing with voting rights, dividend, forfeiture and lien, rescission, transfer and transmission and/or consolidation/splitting, see “Main Provisions of Articles of Association of the Company” on page [●].

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares of the Company shall be allotted only in dematerialized form. In terms of existing SEBI Guidelines, the trading in the Equity Shares of the Company shall only be in dematerialized form for all investors.

Since trading of our Equity Shares will be in dematerialised mode, the tradable lot is one equity share. Allocation and allotment of Equity Shares through this Issue will be done only in electronic form in multiples of [●] Equity Share to the successful Bidders subject to a minimum Allotment of [●] Equity Shares. For details of allocation and allotment, see “Issue Procedure” on page [●].

**Nomination Facility to the Investor**

In accordance with Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidder(s), may nominate any one person in whom, in the event of death of the sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. A fresh nomination can be made only on the prescribed form available on request at the Registered Office of the Company or at the Registrar and Transfer agents of the Company.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by our Board, elect either:

- a. to register himself or herself as the holder of the Equity Shares; or
- b. to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with, within a period of 90 days, our Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue will be made only in dematerialised mode, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue to the public including devolvement of underwriters within 60 days from the Bid/ Issue Closing Date, our Company shall forthwith refund entire subscription amount received. If there is a delay beyond eight days after our Company is liable to pay the amount, our company shall pay interest prescribed u/s 73 of the Companies Act 1956.

Further in terms of Clause 2.2.2A of the SEBI Guidelines, we shall ensure that the number of prospective allottees to whom Equity Shares will be allotted will not be less than 1,000.

Application to the Issue

Equity Shares being issued through the DRHP can be applied for in the dematerialized form only.

Withdrawal of the Issue

Our Company, in consultation with the BRLM, reserves the right not to proceed with the Issue at anytime after the Bid/ Issue Opening Date but before Allotment, without assigning any reason thereof.

Arrangements for Disposal of Odd Lots

The Company's Equity shares will be traded in dematerialized form only and therefore the marketable lot is one share. Therefore there is no possibility of odd lots.

Letters of Allotment or Refund Orders

We shall give credit to the beneficiary account with Depository Participants and submit the documents pertaining to the allotment of Equity Shares to the Stock Exchanges within two working days from the date of finalisation of basis of allotment of Equity Shares with the Designated Stock Exchange. Applicants having bank accounts at any of the 68 centres where clearing houses are managed by the RBI will get refunds through ECS only, except where applicant is otherwise disclosed as eligible to get refunds through direct credit or RTGS. In case of other applicants, the Company shall ensure dispatch of refund orders, if any, of value up to Rs. 1,500 by 'Under Certificate of Posting', and shall dispatch refund orders of Rs. 1,500 and above, if any, by registered post or speed post. Applicants to whom refunds are made through Electronic transfer of funds will be sent a letter (refund advice) through 'Under Certificate of Posting' intimating them about the mode of credit of refund, the



bank where the refunds shall be credited along with the amount and the expected date of electronic credit of refund within 15 days of closure of Issue.

The Company shall ensure dispatch of refund orders/refund advice, if any, by 'Under Certificate of Posting' or registered post or speed post or Electronic Clearing Service or Direct Credit or RTGS or NEFT, as applicable, only at the sole or First Bidder's sole risk within 15 days of the Bid Closing Date/Issue Closing Date, and adequate funds for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar by the Issuer.

In accordance with the requirements of the Stock Exchanges and SEBI Guidelines, the Company undertakes that:

- a. Allotment shall be made only in dematerialised form within 15 days from the Issue Closing Date
- b. Despatch of refund orders/ refund advice shall be done within 15 days from the Issue Closing Date; and
- c. The Company shall pay interest at 15% per annum (for any delay beyond the 15-day time period as mentioned above), if allotment is not made, refund orders/ credit intimation are not dispatched and in case where a refund is made through electronic mode, the refund instructions have not been given to the clearing system, and demat credit within the 15-day time prescribed above, provided that the beneficiary particulars relating to such Bidders as given by the Bidders is valid at the time of the upload of the electronic transfer.

The Company will provide adequate funds required for the cost of dispatch of refund orders/ refund advice / allotment advice to the Registrar to the Issue.

Save and except refunds effected through the electronic mode i.e. ECS, direct credit or RTGS or NEFT, refunds will be made by cheques, pay orders or demand drafts drawn on a Bank appointed by us as a Refund Bank and payable at par at places where Bids are received. The bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Interest in case of delay in Despatch of Allotment Letters/Refund Orders in case of Public Issues

The Company agrees that allotment of securities offered to the public shall be made not later than 15 days after the closure of the Public Issue. The Company further agrees that it shall pay interest at rate of 15% per annum if the allotment letters/refund orders have not been dispatched to the applicants within 15 days from the date of closure of the Issue.

Application by Non Residents/NRIs/FIIs/ Foreign Venture Capital Funds registered with SEBI

As per the extant policy of the GoI, OCBs cannot participate in this Issue. As per the current provisions of Foreign Exchange Management (Transfer or Issue of Security by a person outside India) Regulations, 2000 there exists a general permission for the NRIs, FIIs and Foreign Venture Capital Investors registered with SEBI to invest in shares of an Indian Companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the RBI and/or SEBI regulations as may be applicable to such investors. Based on the above provisions, it will not be necessary for the investors to seek separate permission from FIPB/RBI for this specific purpose. However, it is to be distinctly understood that there is no reservation for Non Residents, NRIs, FIIs and Foreign Venture Capital Funds and all Non Residents, NRI, FII and Foreign Venture Capital Fund applicants will be treated on the same basis as other categories for the purpose of allocation.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account of benefit of, "U.S. Persons" (as defined in the Regulations of the Securities Act), except pursuant to any exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.



ISSUE STRUCTURE

The present issue of 4,800,000 Equity Shares of face value of Rs.10/- each at a premium of Rs. [●] per Equity Share for cash, aggregating to Rs. [●] Lacs (herein after referred to as the 'Issue') is being made through the 100% Book Building process. The issue would constitute [●] % of the post issue paid up capital of our Company.

	QIBs	Non-Institutional Bidders	Retail individual Bidders
Number of Equity Shares*	Up to 2,400,000 Equity Shares must be allotted to QIB	Not less than 720,000 Equity Shares shall be available for allocation.	Not less than 1,680,000 Equity Shares shall be available for allocation.
Percentage of Issue Size Available for allocation	Up to 50% of the Issue (of which 5% shall be reserved for allocation for Mutual Funds)*. Mutual Funds participating in the 5% reservation in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion, if any, in the Mutual Fund reservation will be available to QIBs.	Not less than 15% of the Issue*	Not less than 35% of the Issue*
Basis of Allocation if respective category is over-subscribed	Proportionate	Proportionate	Proportionate
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds Rs. 1,00,000/- and in multiples of [●] Equity Shares thereafter.	Such number of Equity Shares that the Bid Amount exceeds Rs. 1,00,000/- and in multiples of [●] Equity Shares thereafter	[●] Equity shares and in multiples of [●] Equity Share thereafter
Maximum Bid	Such number of Equity Shares not exceeding the size of the Issue subject to the regulations as applicable to the Bidder.	Such number of Equity Shares not exceeding the size of the Issue subject to the regulations as applicable to the Bidder	Such number of Equity Shares per Retail Individual Bidder so as to ensure that the Bid amount does not exceeds Rs. 1,00,000/-
Mode of Allotment	Compulsorily in dematerialized form	Compulsorily in dematerialized form	Compulsorily in dematerialized form
Trading Lot	One Equity Share	One Equity Share	One Equity Share
Bidding Lot	[●] Equity Shares	[●] Equity Shares	[●] Equity Shares
Who can Bid**	Public financial institutions, as specified in Section 4A of the Companies Act, Scheduled Commercial Banks, Mutual Funds registered with SEBI, Foreign Institutional Investors registered with SEBI, Multilateral and Bilateral Development Financial Institutions, Venture Capital Funds registered with SEBI, Foreign Venture Capital Investors registered with SEBI and State Industrial Development Corporations, permitted Insurance Companies registered with the Insurance Regulatory and Development Authority, Provident Funds with minimum corpus of Rs. 2500 lacs (subject to applicable laws) and Pension Funds with minimum corpus of Rs. 2500 lacs in accordance with applicable laws.	Resident Indian Individuals, HUF (in the name of Karta), Companies, Corporate Bodies, NRIs, Societies and trusts.	Individuals (including NRIs and HUFs in the name of Karta) applying for Equity Shares such that the Bid amount does not exceed Rs. 100,000/- in value.
Terms of Payment	Margin amount applicable to QIB Bidders shall be payable at the time of submission of Bid cum Application Form to the Syndicate Member.	Margin amount applicable to Non Institutional Bidders shall be payable at the time of submission of Bid cum Application Form to the Syndicate Member.	Margin amount applicable to Retail Individual Bidders shall be payable at the time of submission of Bid cum Application Form to the



	QIBs	Non-Institutional Bidders	Retail individual Bidders
			Syndicate Member.
Margin Amount	10% of the Bid Amount on Bidding	100% of the Bid amount on Bidding	100% of the Bid amount on Bidding

* Subject to valid Bids being received at or above the Issue Price. Under-subscription, if any, in any category except in the QIB category would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company, in consultation with the BRLM and subject to the applicable provisions of the SEBI Guidelines.

** In case the Bid cum Application Form is submitted in joint names, the Investors should ensure that the demat account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form.

After the Bid / Issue Closing Date, depending upon the level of subscription, additional margin amount, if any, may be called from the QIB Bidders.

If the aggregate demand by Mutual funds is less than 120,000 Equity Shares the balance Equity shares available for allocation in the Mutual fund reservation will first be added to the QIB portion and be allocated proportionately to the QIB Bidders in proportion to their bids

Bidding period/Issue Period

Bid/ Issue Opens on	[•], 2008
Bid/ Issue Closes on	[•], 2008

Bids and any revision in Bids shall be accepted **only between 10.00 a.m and 3.00 p.m.** (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centers mentioned on the Bid cum Application Form **except that on the Bid/Issue Closing Date, Bids shall be accepted only between 10.00 a.m and 1.00 p.m (Indian Standard Time)** and uploaded till (i) 5.00 p.m. in case of Bids by QIB Bidders and Non-Institutional Bidders where the Bid Amount is in excess of Rs. 100,000 and (ii) till such time as permitted by the NSE and the BSE, in case of Bids by Retail Individual Bidders, where the Bid Amount is up to Rs. 100,000. Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 1.00 p.m (Indian Standard Time) on the Bid/Issue Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will only be accepted on working days, i.e., Monday to Friday (excluding any public holiday).

Our Company reserves the right to revise the Price Band during the Bidding Period in accordance with SEBI Guidelines. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with immediately preceding sentence the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band advertised at least one day prior to the Bid/Issue Opening Date.

In case of revision in the Price Band, the Bidding/Issue Period will be extended for such number of days after revision of the Price Band, subject to the Bidding / Issue Period not exceeding ten working days. Any revision in the Price Band and the revised Bidding/ Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE by issuing a press release, and also by indicating the change on the web site of the BRLM and at the terminals of the members of the Syndicate.

**ISSUE PROCEDURE****BOOK BUILDING PROCEDURE**

This Issue is being made through a 100% Book Building Process wherein upto 50% of the Issue shall be allotted on a proportionate basis to QIB. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder of the QIB portion shall be available for allocation on a proportionate basis to all QIBs including Mutual Funds, subject to valid bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price.

Bidders are required to submit their Bids through Syndicate members. However, the Bids by QIBs shall be submitted only to the BRLM. In case of QIB Bidders, our Company in consultation with the BRLM may reject Bids at the time of acceptance of the Bid-Cum-Application Form provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Bids under the Non-Institutional Portion, Bids under the Retail Portion, Bids would not be rejected except on technical grounds listed in this Draft Red Herring Prospectus.

Investors should note that Equity Shares will be allotted to successful Bidders only in the dematerialized form. Bidders will not have the option of allotment of Equity Shares in physical form. The Equity Shares, on allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Bid-cum-Application Form

Bidders shall only use the specified Bid-cum-Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of this Draft Red Herring Prospectus. The Bidder shall have the option to make a maximum of three Bids in the Bid-cum-Application Form and such options shall not be considered as multiple bids. Upon the allocation of Equity Shares, dispatch of the Confirmation of Allocation Note, (“CAN”), and filing of the Prospectus with the RoC, the Bid-cum-Application Form shall be considered as the Application Form. Upon completing and submitting the Bid-cum-Application Form to a member of the Syndicate, the Bidder is deemed to have authorized the Company to make the necessary changes in this DRHP and the Bid-cum-Application Form as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

Category	Colour of Bid cum Application Form
Resident Indians, Eligible NRIs applying on a non-repatriation basis	White
Eligible Non-residents, NRIs, FIIs or Foreign Venture Capital Funds registered with SEBI, Multilateral and Bilateral Development Financial Institutions applying on repatriation basis	Blue

Who can Bid?

1. Persons eligible to invest under all applicable laws, rules, regulations and guidelines.
2. Indian nationals resident in India who are not minors, or in the name of their minor children as natural or legal guardians in single or joint names (not more than three).
3. Hindu Undivided Families or HUFs in the individual name of the *Karta*. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid-cum-Application Form as follows: “Name of sole or first Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*”. Bids by HUFs would be considered at par with those from individuals.
4. Eligible NRIs on a repatriation basis or a non-repatriation basis subject to compliance with applicable laws. NRIs, other than Eligible NRIs, are not permitted to participate in this Issue.



5. FIIs registered with SEBI.
6. State Industrial Development Corporations.
7. Insurance companies registered with the Insurance Regulatory and Development Authority, India.
8. Provident Funds with a minimum corpus of Rs.25 crore and who are authorized under their constitution to invest in equity shares.
9. Pension funds with a minimum corpus of Rs.25 crore and who are authorized under their constitution to invest in equity shares.
10. National Investment Fund.
11. Companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in equity shares.
12. VCFs registered with SEBI.
13. FVCIs registered with the SEBI.
14. Mutual Funds.
15. Indian financial institutions, scheduled commercial banks (excluding foreign banks), regional rural banks, cooperative banks (subject to the RBI regulations and the SEBI Guidelines and regulations, as applicable).
16. Multilateral and bilateral development financial institutions.
17. Trusts registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts and who are authorized under their constitution to hold and invest in equity shares.
18. Scientific and/or industrial research organizations in India authorized to invest in equity shares.
19. Any other QIBs permitted to invest, subject to compliance with all applicable laws, rules, regulations, guidelines and approvals in the Issue.

As per existing regulations, OCBs cannot Bid in the Issue.

The information below is given for the benefit of the Bidders. The Company and the BRLM do not accept responsibility for the completeness and accuracy of the information stated. The Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for does not exceed the limits prescribed under laws or regulations.

Participation by associates of the BRLM and the Syndicate Members

The BRLM and Syndicate Members shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the BRLM and Syndicate Members may subscribe for Equity Shares in the Issue, including in the QIB Portion and Non- nstitutional Portion where the allocation is on a proportionate basis. Such bidding and subscription may be on their own account or on behalf of their clients.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

Bids by Mutual Funds

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Fund portion. In the event that the demand is greater than 120,000 Equity Shares, allocation shall be made to Mutual



Funds proportionately, to the extent of the Mutual Fund portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the QIB portion, after excluding the allocation in the Mutual Fund portion.

The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with the SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made.

In accordance with current regulations, the following restrictions are applicable for investments by Mutual Funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its scheme should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by NRIs

Bid cum Application Forms have been made available for NRIs at the registered and corporate office of the Company and Registrar to the Issue and Syndicate Members.

NRI applicants may note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under the NRI category. The NRIs who intend to make payment through Non-Resident Ordinary (NRO) Account shall use the form meant for Resident Indians (white in colour).

Bids by FIIs

In accordance with the current regulations, the following restrictions are applicable for investment by FIIs:

No single FII can hold more than 10% of the post-Issue paid up capital of the Company. In respect of an FII investing in the Equity Shares of the Company on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the total issued capital or 5% of the total issued capital of the Company, in case such sub-account is a foreign corporate or an individual. As of now, the aggregate FII holding in the Company cannot exceed 24% of the total issued capital of the Company. With the approval of the Board of Directors and the shareholders by way of a special resolution, the aggregate FII holding can go up to 100%. However, as on this date no such resolution has been recommended to the shareholders of the Company for adoption.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended, an FII or its sub-account may issue, deal or hold, offshore derivative instruments such as Participatory Notes, equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favour of those entities or their investment manager or advisor which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "know your client" requirements. An FII or sub-account shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

Associates and affiliates of the Underwriters, including BRLM, that are FIIs or its sub account may issue offshore derivative instruments against Equity Shares allocated to them in the Issue.

Bids by NRIs or FIIs on Repatriation Basis

Bids and revision to bids must be made:

- On the bid cum application form or Revision Form, as applicable, (Blue in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.
- In a single or joint names (not more than three).
- Bids by NRIs for a Bid amount of up to or less than Rs 1,00,000/- would be considered under the Retail Individual Bidders Portion for the purposes of allocation and Bids for a Bid amount of more than Rs.



1,00,000/- would be considered under Non-Institutional Bidder Portion for the purposes of allocation; by FIIs or Foreign Venture Capital Fund, Multilateral and Bilateral Development Financial Institutions for a minimum of such number of Equity shares and in multiples of [●] Equity Shares thereafter so that the Bid amount exceeds Rs. 1,00,000/-. For further details please refer to the sub-section titled “Maximum and Minimum Bid size” on page no. [●] of the DRHP.

- In the names of individuals or in the names of FIIs or in the names of Foreign Venture Capital Fund, Multilateral and Bilateral Financial Institutions but not in the names minors, firms or partnerships, foreign nationals or their nominees or OCBs.
- Refunds, dividends and other distributions, if any, will be payable in India Rupees only and net of bank charges and / or commission, in case of Bidders who remit money payable upon submission of the Bid cum Application Form or Revision form through INR drafts purchased abroad, such payments in INR will be converted into USD or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by the space provided for this purpose in the Bid Cum Application Form. The Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

In accordance with the current regulations, the following provisions are applicable for investments by SEBI registered Venture Capital Funds and Foreign Venture Capital Investors:

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investors) Regulations, 2000 prescribed investment restrictions on Venture Capital Funds and Foreign Venture Capital Investors registered with SEBI. Accordingly, the holding by any individual venture capital fund registered with SEBI in one company should not exceed 25% of the corpus of the venture capital fund. Further, Venture Capital Funds can invest only up to 33.33% of the investible funds by way of subscription to an initial public offer.

The SEBI has issued a notification dated October 16, 2006 stating that the shareholding of SEBI registered Venture Capital Funds and Foreign Venture Capital Investors held in a company prior to making an initial public offering would be exempt from lock-in requirements only if the shares have been held by them for at least one year prior to the time of filing the draft red herring prospectus with SEBI.

The above information is given for the benefit of the Bidders. The Bidders are advised to make their own enquiries about the limits applicable to them. The Company and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. The Company and the BRLMs are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may happen after the date of the DRHP. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares bid for do not exceed the applicable limits under laws or regulations.

Maximum and Minimum Bid Size

For Retail Individual Bidders

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, subject to maximum Bid amount of Rs. 1,00,000/-. In case of revision of Bids, the Retail bidders have to ensure that the Bid amount does not exceed Rs. 1,00,000/-. In case the maximum Bid amount is more than Rs. 1,00,000/- due to revision of the Bid or revision of the Price Band or on exercise of the option, then the same would be considered for allocation under the Non-Institutional Bidders category. The option to Bid at Cut-off Price is an option given only to the Retail Individual Bidders indicating their agreement to Bid and subscribe to Equity Shares at the final Issue Price as determined at the end of the Book Building Process.

For Non-Institutional Bidders and QIBs Bidders

The Bid must be for a minimum of such number of Equity Shares, so as to ensure that the minimum Bid amount exceeds Rs.1,00,000/-. Above this minimum Bid Amount, the Bid should be in multiples of [●] Equity Shares. A Bid cannot be submitted for more than the Issue size. However, the maximum Bid by a QIB should not exceed the investment limits prescribed for them by the regulatory or statutory authorities governing them. **Under the existing SEBI guidelines a QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay QIB Margin upon submission of Bid.**

In case of revision in Bids, the Non-Institutional Bidders who are individuals have to ensure that the Bid Amount is greater than Rs. 1,00,000/-. In case the Bid Amount reduces to Rs 1,00,000/- or less due to a revision



in Bids or revision of the Price Band, the same would be considered for allocation under Retail portion. Non-Institutional Bidders and QIB Bidders are not allowed to Bid at Cut-Off Price.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

Right to Reject Bids

In case of QIB bidders, our Company, in consultation with the BRLMs / Syndicate Members may reject bids at the time of submission of the bid provided that the reasons for rejecting the same shall be provided for such bidder in writing. In case of Non Institutional Bidders and Retail Individual Bidders who bid, the Company has the right to reject bids only on technical grounds. Consequent refunds shall be made as set out in ‘Letter of Allotment or refund’ and “Mode of making refunds” on page [●] of the DRHP.

Information for the Bidders

- a. Our Company will file the Red Herring Prospectus (RHP) with the RoC, Pune at least three days before the Bid/ Issue Opening Date;
- b. The members of the Syndicate will circulate copies of the RHP along with the Bid-cum-Application Form to potential investors;
- c. Any investor (who is eligible to invest in the Equity Shares of the Company) who would like to obtain the RHP and/ or the Bid-cum-Application Form can obtain the same from the registered and corporate office of the Company or from the BRLM or Syndicate Members;
- d. The Bids should be submitted on the prescribed Bid-cum-Application Form only. Bid-cum-Application Forms should bear the stamp of the member of the Syndicate. Bid-cum-Application Forms, which do not bear the stamp of the member of the Syndicate, will be rejected;
- e. Investors who are interested in subscribing to our Company’s Equity Shares should approach the BRLM or Syndicate Members or their authorised agent(s) to register their Bids.

Method & Process of Bidding

- a. The Company and the BRLMs shall declare the Bid/Issue Opening Date, Bid/Issue Closing Date and Price Band at the time of filing the Red Herring Prospectus with RoC, Pune and publish the same in two widely circulated newspapers (one each in English and Hindi) and in a regional language newspaper circulated at the place where the registered office of the Company is situated. This advertisement shall be in the format and contain the disclosures specified in Part A of Schedule XX-A of the SEBI Guidelines, as amended from time to time. The BRLM and Syndicate Members shall accept Bids from the Bidders during the Issue Period in accordance with the terms of the Syndicate Agreement.
- b. During the Bidding/Issue Period, investors who are interested in subscribing to our Company’s Equity Shares should approach BRLM or Syndicate Member or their authorised agent(s) to register their Bid.
- c. The Bidding/Issue Period shall be minimum of three working days and not exceed 10 working days. In case the price band is revised, the revised price band and Bidding/Issue Period will be published in two widely circulated newspapers (one each in English and Hindi) and a regional language newspaper circulated at the place where the registered office of the Company is situated by indicating on the websites of the BRLM and at the terminals of the members of Syndicate. During the bidding period, the Bidders may approach the Syndicate to submit their Bid. Every Member of the Syndicate shall accept Bids from all clients/investors who place orders through them and shall have the right to vet the bids.
- d. Each Bid-cum-Application Form will give the Bidder the choice to bid for up to three optional prices (for details refer to the paragraph titled “Bids at Different Price Levels” on page no. [●] of the DRHP) and specify the demand (i.e. the number of Equity Shares bid for) in each option. The price and demand options submitted by the Bidder in the Bid-cum- Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares bid for by a Bidder at or above the Issue Price will be considered for allocation and the rest of the Bid(s), irrespective of the Bid Price, will become automatically invalid.
- e. The Bidder cannot Bid on another Bid-cum-Application Form after his or her Bids on one Bid-cum-Application Form have been submitted to any member of the Syndicate. Submission of a second Bid-cum-Application Form to either the same or to another member of the Syndicate will be treated as multiple bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point



of time prior to the allocation or allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph “Build up of the Book and Revision of Bids” on page no. [●] of the DRHP.

- f. The BRLMs and Syndicate Members will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, (“TRS”), for each price and demand option and give the same to the Bidder. Bidders should make sure that they ask for a copy of the computerized TRS for every Bid Option from the Syndicate Member. Therefore, a Bidder can receive up to three TRSs for each Bid-cum-Application Form.
- g. Along with the Bid-cum-Application Form, all Bidders will make payment in the manner described under the paragraph “Terms of Payment and Payment into the Escrow Collection Account” on page no. [●] of the DRHP.

Bids at Different Price Levels

- a. The Price Band has been fixed at Rs. [●] to Rs. [●] per Equity Share, Rs. [●] being the floor of the Price Band and Rs. [●] being the cap of the Price Band. The Bidders can bid at any price within the Price Band, in multiples of Rs. 1.
- b. In case of revision in the Price Band, the Issue Period will be extended for three additional working days after revision of Price Band subject to a maximum of ten working days. Any revision in the Price Band and the revised Bidding / Issue Period, if applicable, will be widely disseminated by notification to BSE and NSE, by issuing a public notice in two national newspapers (one each in English and Hindi) and one regional language newspaper, and also by indicating the change on the website of the BRLM and at the terminals of the Syndicate Members.
- c. The Company in consultation with the BRLMs can finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Bidders.
- d. The Bidder has to bid for the desired number of Equity Shares at a specific price. The Bidder can bid at any price within the Price Band in multiples of Re 1. Retail Individual Bidders may bid at “Cut off” Price. However, bidding at “Cut-off” Price is prohibited for QIB or Non Institutional Bidders and such Bids from QIBs and Non Institutional Bidders shall be rejected.
- e. Retail Individual Bidders who bid at the Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at Cut-off Price shall deposit the Bid Amount based on the cap Price in the Escrow Account. In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders (i.e. the total number of Equity Shares allocated in the Issue multiplied by the Issue Price), Retail Individual Bidders who bid at cut-off Price, shall receive the refund of the excess amounts from the respective refund account.
- f. In case of an upward revision in the Price Band announced as above, the Retail Bidders or who had bid at Cut-off Price could either (i) revise their Bid or (ii) make additional payment based on the higher end of the Revised Price Band (such that the total amount i.e., original Bid Price plus additional payment does not exceed Rs. 1,00,000/- for Retail Bidders or, if the Bidder wants to continue to bid at Cut-off Price), with the Syndicate Member to whom the original bid was submitted. In case the total amount (i.e., original Bid Price plus additional payment) exceeds Rs. 1,00,000 for retail Bidders the Bid will be considered for allocation under the Non-Institutional portion in terms of the DRHP. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of Allotment, such that the no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.
- g. In case of downward revision in the Price Band announced as above, Retail Individual Bidders who have Bid at Cut-Off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the respective Refund account.
- h. In the event of any revision in the Price Band, whether upwards or downwards, the Minimum Application shall remain [●] Equity Shares irrespective of whether the Bid Amount payable on such Minimum Application is not in the range of Rs.5,000/- to Rs.7,000/-.

Option to subscribe

Equity Shares being issued through the DRHP can be applied for in the dematerialized form only. Bidders will not have the option of getting Allotment in physical form. The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.



Escrow Mechanism

Escrow Account for the Issue

Our Company shall open Escrow Accounts with one or more Escrow Collection Banks in whose favour the Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the bid. Cheques or demand drafts received for the full Bid amount from Bidders in a certain category would be deposited in the Escrow Account for the Issue. The Escrow Collection Banks will act in terms of this Draft Red Herring Prospectus and an Escrow Agreement. The monies in the Escrow Accounts for the Issue shall be maintained by the Escrow Collection Bank(s) for and on behalf of the Bidders. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Bank(s) shall transfer the monies from the Escrow Account to the Public Issue Account with the Bankers to the Issue as per the terms of the Escrow Agreement with the Company. Payments of refunds to the Bidders shall also be made from the Refund Bank account as per the terms of the Escrow Agreement and the DRHP.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between the Escrow Collection Bank(s), our Company, the Registrar to the Issue, BRLM and Syndicate Members to facilitate collections from the Bidders.

Terms of Payment and Payment into the Escrow Collection Account

In case of Non-institutional Bidders and Retail Individual Bidders, each Bidder shall, with the submission of the Bid cum Application Form draw a cheque or demand draft for the maximum amount of his Bid in favour of the Escrow Account of the Escrow Collection Bank (for details refer to the paragraph "Payment Instructions" on page no. [•] of the DRHP) and submit the same to the members of the Syndicate with whom the Bid is being deposited. Bid cum Application Forms accompanied by cash and Stock invest shall not be accepted. The maximum bid price has to be paid at the time of submission of the Bid cum Application Form based on the highest bidding option of the Bidder.

The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Bank(s), which will hold the monies for the benefit of the Bidders till such time as the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account. The balance amount after transfer to the Issue Account shall be transferred to a refund account and held for the benefit of the Bidders who are entitled to refunds on the Designated Date, and not later than 15 days from the Bid Closing Date / Issue Closing Date, the Refund Bank shall refund all monies to unsuccessful Bidders and also the excess amount paid on bidding, if any, after adjustment for Allotment to the Bidders.

Each category of Bidders i.e. QIB Bidders, Non Institutional Bidders, Retail Individual Bidders would be required to pay their applicable Margin Amount at the time of the submission of the Bid cum Application Form. The Margin Amount payable by each category of Bidders is mentioned in the section titled "Issue Structure" beginning on page no [•] of the DRHP. Where the Margin Amount applicable to the Bidder is less than 100% of the Bid Amount, any difference between the amount payable by the Bidder for Equity Shares allocated at the Issue Price and the Margin Amount paid at the time of Bidding, shall be payable by the Bidder not later than the Pay-in-Date, which shall be a minimum period of two days from the date of communication of the allocation list to the members of the Syndicate by the BRLMs. If the payment is not made favouring the Escrow Account within the time stipulated above, the Bid of the Bidder is liable to be cancelled. However, if the applicable Margin Amount for Bidders is 100%, the full amount of payment has to be made at the time of submission of the Bid cum Application Form. However, if the applicable Margin Amount for Bidders is 100%, the full amount of payment has to be made at the time of submission of the Bid cum Application Form.

Where the Bidder has been allocated lesser number of Equity Shares than he or she had Bid for, the excess amount paid on bidding, if any, after adjustment for allocation, will be refunded to such Bidder within 15 days from the Bid/Issue Closing Date, failing which and the Company shall pay interest at 15% per annum for any delay beyond the periods as mentioned above.

Electronic Registration of Bids

- a. The members of the Syndicate will register the Bids using the on-line facilities of NSE and BSE. There will be at least one on-line connectivity in each city, where a stock exchange is located in India and where the Bids are being accepted.



- b. NSE and BSE will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the members of the Syndicate and their authorised agents during the Bidding/Issue Period. The Members of the Syndicate can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for book building on a regular basis. On the Bid/Issue Closing Date, the members of the Syndicate shall upload the Bids till such time as may be permitted by the Stock Exchanges.
- c. Aggregate demand and price for bids registered on the electronic facilities of NSE and BSE will be downloaded on a regular basis, consolidated and displayed on-line at all bidding centres. A graphical representation of consolidated demand and price would be made available at the bidding centres during the bidding period.
- d. At the time of registering each Bid, the members of the Syndicate shall enter the following details of the investor in the online system:
 - Name of the investor (Investors should ensure that the name given in the Bid cum Application form is exactly the same as the Name in which the Depository Account is held. In case, the Bid cum Application Form is submitted in joint names, investors should ensure that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form).
 - Investor Category - Individual, Corporate, NRI, FII, or Mutual Fund, etc.
 - Numbers of Equity Shares bid for
 - Bid price
 - Bid-cum-Application Form number
 - Whether payment is made upon submission of Bid-cum-Application Form
 - Depository Participant Identification No. and Client Identification No. of the beneficiary account of the Bidder.
- e. A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. **It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate.** The registration of the Bid by the member of the Syndicate does not guarantee that the Equity Shares shall be allocated either by the members of the Syndicate or the Company.
- f. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
- g. In case of QIB bidders, members of the syndicate also have the right to accept the Bid or reject it. However, such rejection should be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing. In case of Non Institutional Bidders and Retail Individual Bidders who Bid, Bids would not be rejected except on the technical grounds listed on page [●]
- h. It is to be distinctly understood that the permission given by NSE and BSE to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by the Company, or the BRLM are cleared or approved by NSE and BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of the Company, its Promoters, its management or any scheme or project of the Company.
- i. It is also to be distinctly understood that the approval given by NSE and BSE should not in any way be deemed or construed that this Draft Red Herring Prospectus has been cleared or approved by the NSE and BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus; nor does it warrant that the Equity Shares of the Company will be listed or will continue to be listed on the NSE and BSE.
- j. Bids not uploaded to the online IPO system of NSE / BSE shall not be considered for allocations / allotment.

Build Up of the Book and Revision of Bids

- a. Bids registered by various Bidders through the members of the Syndicate shall be electronically transmitted to the NSE or BSE mainframe on a regular basis.
- b. The Price Band can be revised during the Bidding Period, in which case the Bidding Period shall be extended further for a period of three days, subject to the total Bidding Period not exceeding ten working days.
- c. Any revision in the Price Band will be widely disseminated by informing the stock exchanges, by issuing a public notice in two national newspapers (one each in English and Hindi) and one regional newspaper and also indicating the change on the relevant websites and the terminals of the members of the Syndicate.
- d. The book gets built up at various price levels. This information will be available with the BRLMs on a regular basis.



- e. During the Bidding Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the price band using the printed Revision Form, which is a part of the Bid cum Application Form.
- f. Revisions can be made in both the desired number of Equity Shares and the Bid price by using the Revision Form. Apart from mentioning the revised options in the revision form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or Earlier Revision Form. For example, if a Bidder has bid for three options in the Bid cum Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options in the Revision Form unchanged. Incomplete or inaccurate Revision Forms will not be accepted by the members of the Syndicate.
- g. The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate through whom he or she had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.
- h. Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of this DRHP. In case of QIBs, the members of the Syndicate shall collect the payments in the form of cheque or demand draft for the incremental amount in the QIB Margin Amount, if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions by the QIB Bidders.
- i. When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.
- j. Only Bids that are uploaded on the online IPO system of the NSE and BSE shall be considered for allocation/allotment. In case of discrepancy of data between the Bids registered on the online IPO system and the physical Bid cum Application Form, the decision of the BRLM based on the physical records of Bid cum Application forms shall be final and binding on all concerned.

Price Discovery and Allocation / Allotment

After the Bid/Issue Closing Date, the BRLM will analyse the demand generated at various price levels and discuss pricing strategy with our Company.

- a. Our Company in consultation with the BRLM shall finalise the “Issue Price”, the number of Equity Shares to be allotted.
- b. The allocation for QIBs would be upto 50%, of the Issue of which 5% shall be reserved for Mutual Funds on a proportionate basis. The allocation to Non-Institutional Bidders would be not less than 15% of the Issue Size and allocation for Retail Individual Bidders will be not less than 35% of the Issue Size on proportionate basis, subject to valid Bids being received at or above the Issue Price.
- c. Under subscription, if any, in the Non-Institutional Portion and / or Retail Portion, would be allowed to be met with spill over of demand from any of the other categories, at the sole discretion of the Company and BRLM. However, if the aggregate demand by Mutual Funds is less than 120,000 Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will first be added to the QIB Portion and be allocated proportionately to the QIB Bidders. In the event that the aggregate demand in the QIB Portion has been met, under-subscription, if any, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange.
- d. Allotment to NRIs and FIIs, Foreign Venture Capital Funds, Multilateral and Bilateral Development Financial Institutions registered with SEBI applying on repatriation basis will be subject to applicable laws, rules, regulations, guidelines and approvals.
- e. The BRLMs, in consultation with the Company, shall notify the members of the Syndicate of the Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders
- f. The Company reserves the right to cancel the Issue any time after the Bid/Issue Opening Date but before the allotment without assigning any reasons whatsoever. In terms of the SEBI Guidelines, QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date.
- g. Our Company in consultation with the BRLM, reserves the right to reject any Bid procured from QIB Bidders, by member of the Syndicate. Rejection of Bids made by QIBs, if any, will be made at the time of submission of Bids provided that the reasons of rejecting the same shall be provided to such Bidder in writing.
- h. The allotment details shall be put on the website of the Registrar to the issue

**Signing of Underwriting Agreement and RoC Filing**

- a. The Company, the BRLM and the Syndicate Member shall enter into an underwriting agreement on finalisation of the Issue Price and allocation(s)/allotment to the Bidders
- b. After signing the Underwriting Agreement, the Company will update and file the updated Red Herring Prospectus with RoC, Pune, Maharashtra which then would be termed 'Prospectus'. The Prospectus would have details of the Issue Price, Issue Size, underwriting arrangements and would be complete in all material respects.

Filing of the Prospectus with the RoC

The Company will file a copy of the Prospectus with the RoC, Pune, Maharashtra in terms of Section 56, Section 60 and Section 60B of the Companies Act, 1956

Announcement of Pre-Issue Advertisement

Subject to Section 66 of the Companies Act, the Company shall after receiving final observations, if any, on the Draft Red Herring Prospectus from SEBI, publish an advertisement, in the form prescribed by the SEBI Guidelines in an English National Daily with wide circulation, one Hindi National Newspaper and a regional language Newspaper with wide circulation.

Advertisements regarding Price Band and RHP/Prospectus

Our Company will issue a statutory advertisement after the filing of the Red Herring Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Price Band along with a table showing the number of Equity Shares and the amount payable by an investor. Any material updates between the date of Red Herring Prospectus and the Prospectus will be included in the statutory advertisement.

Issuance of Confirmation of Allocation Note (CAN)

- a. The BRLM or Registrar to the Issue shall send to the member of the Syndicate a list of their Bidders who have been allocated Equity Shares in the Issue. The approval of the Designated Stock Exchange for QIB Bidders may be done simultaneously with or prior to the approval of the basis of allocation for the Retail Individual and Non-Institutional Bidders. However, the investor should note that the Company shall ensure that the date of Allotment of the Equity Shares to all investors in this Issue, shall be done on the same date.
- b. The BRLM or Syndicate Member would then send the CAN to their Bidders who have been allocated Equity Shares in the Issue. The despatch of a CAN shall be deemed to be valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares allocated to such Bidder. Those QIB Bidders who have not paid the Bid amount in full into the Escrow Account at the time of bidding shall pay in full the amount payable into the Escrow Account by the Pay-in Date specified in the CAN.
- c. Bidders who have been allocated Equity Shares and who have already paid into the Escrow Account at the time of bidding shall directly receive the CAN from the Registrar to the Issue subject, however, to realisation of their cheque or demand draft paid into the Escrow Account. The dispatch of a CAN shall be deemed to be a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares to be allotted to such Bidder.

Notice to QIBs: Allotment Reconciliation and Revised CANs

After the Bid/Issue Closing Date, an electronic book will be prepared by the Registrar on the basis of Bids uploaded on the BSE/ NSE system. This shall be followed by a physical book prepared by the Registrar on the basis of Bid-cum-Application Forms received. Based on the electronic book or the physical book, as the case may be, QIBs will be sent a CAN, indicating the number of Equity Shares that may be allocated to them. This CAN is subject to the basis of final Allotment, which will be approved by the Designated Stock Exchange and reflected in the reconciled book prepared by the Registrar. Subject to SEBI Guidelines, certain Bid applications may be rejected due to technical reasons, non-receipt of funds, cancellation of cheques, cheque bouncing, incorrect details, etc., and these rejected applications will be reflected in the reconciliation and basis of Allotment as approved by the Designated Stock Exchange. As a result, a revised CAN may be required to be sent to QIBs and the allocation of Equity Shares in such revised CAN may be different from that specified in the earlier CAN. QIBs should note that they may be required to pay additional amounts, if any, by the Pay-in Date specified in the revised CAN, for any increased Allotment of Equity Shares. The CAN will constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the QIB to pay the entire Issue Price for all the Equity Shares allocated to such QIB. The revised CAN, if issued, will supersede in entirety the earlier CAN.

**Designated Date and Allotment of Equity Shares**

- a. The Company will ensure that the Allotment of Equity Shares is done within 15 days of the Bid/Issue Closing Date. After the funds are transferred from the Escrow Accounts to the Public Issue Account on the Designated Date, the Company would ensure the credit to the successful Bidders' depository account within two working days of the date of Allotment
- b. All allottees will receive credit for the Equity Shares directly in their depository account. Equity Shares will be offered only in the dematerialised form to the allottees. Allottees will have the option to re-materialise the Equity Shares so allotted, if they so desire, as per the provisions of the Companies Act and the Depositories Act
- c. After the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date, Our Company will allot the Equity Shares to ensure the allotment of Equity Shares within 15 days of Bid / Issue Closing Date and give instructions to credit to the successful Bidders' depository accounts within two working days from the date of allotment. In case the Company fails to make allotment within 15 days of the Bid/Issue Closing Date, interest would be paid to the investors at the rate of 15% per annum.
- d. Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated to them pursuant to this Issue.

GENERAL INSTRUCTIONS**Do's:**

- a. Check if you are eligible to apply having regard to applicable laws, rules, regulations, guidelines and approvals and the terms of DRHP;
- b. Read all the instructions carefully and complete the Resident Bid-cum-Application Form (white in colour) or Non- Resident Bid-cum-Application Form (blue in colour), as the case may be;
- c. Ensure that you Bid within the Price Band;
- d. Ensure that the details about your Depository Participant and Beneficiary Account are correct as Equity Shares will be Allotted in the dematerialized form only;
- e. Ensure that the DP account is activated;
- f. Investors must ensure that the name(s) given in the Bid cum Application Form is exactly the same as the name(s) in which the beneficiary account is held with the depository participant. In case, the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form;
- g. Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of a member of the Syndicate;
- h. Ensure that you have been given a TRS for all your Bid options;
- i. Submit Revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;
- j. Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects; and
- k. If you have mentioned "Applied For" or "Not Applicable" in the Bid cum Application Form in the section dealing with PAN number, ensure that you submit Form 60 or 61, as the case may be, together with permissible documents as address proof.

Dont's:

- a. Do not Bid for lower than the minimum Bid size;
- b. Do not Bid/ revise Bid to a price that is less than the Floor Price or higher than the Cap Price;
- c. Do not Bid on another Bid-cum-Application Form after you have submitted a Bid to the Syndicate member;
- d. Do not pay the Bid amount in cash or money order or postal order;
- e. Do not send Bid cum Application Forms by post; instead submit the same to a the Syndicate member only;
- f. Do not bid at Cut-off price (for Non-institutional and QIB Bidders);
- g. Do not submit the Bid without the QIB Margin Amount, in case of a Bid by a QIB;
- h. A Bid from any investor should not exceed the investment limit or maximum number of Equity Shares that can be held by a Bidder under the applicable laws or regulations or under the terms of the DRHP;



- i. Do not submit Bids accompanied by Stockinvest;

PAN/ GIR Number

Pursuant to the circular MRD/DoP/Circ-05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number (PAN) to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction with effect from July 2, 2007. Each of the bidders should mention his/her PAN allotted under the IT Act. **Applications without this information and documents will be considered incomplete and are liable to be rejected.** It is to be specifically noted that the bidders should not submit the GIR number instead of the PAN, as the bid is liable to be rejected on this ground.

UNIQUE IDENTIFICATION NUMBER (UIN) - MAPIN

SEBI has, with effect from July 2, 2007 declared that PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. Thus the use of UIN has been discontinued.

Instructions for Completing the Bid-cum-Application Form

Bidders can obtain Bid-cum-Application Forms and / or Revision Forms from the BRLM, or the Syndicate Member.

Bids and Revisions of Bids

Bids and revisions of Bids must be:

- a. Made only in the prescribed Bid cum Application Form or Revision Form, as applicable (white colour for Resident Indians and blue colour for NRI or FII or Foreign Venture Capital Fund, Multilateral and Bilateral Development Financial Institutions registered with SEBI applying on repatriation basis.)
- b. Completed in full, in BLOCK LETTERS in English and in accordance with the instructions contained herein, the Bid cum Application Form or in the Revision Form. Incomplete Bid cum Application Forms or Revision Forms are liable to be rejected.
- c. For Retail Individual Bidders, the Bids must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter subject to a maximum Bid Amount of Rs. 1,00,000.
- d. For Non Institutional and QIB Bidders, Bids must be for a minimum of such number of Equity Shares that the Bid Amount exceeds Rs. 1,00,000 and in multiples of [●] Equity Shares thereafter. Bids cannot be made for more than the Issue size. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of shares that can be held by them under the applicable laws or regulations.
- e. In single name or in joint names (not more than three).
- f. In the names of individuals or in the names of FIIs or in the names of Foreign Venture Capital Fund, Multilateral and Bilateral Development Financial Institutions but not in the names of minors, firms or partnerships, foreign nationals (excluding NRIs) or their nominees or OCBs.
- g. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Bidders Depository Account and Bank Account Details

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALIZED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT'S IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant's Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository the demographic details of



the Bidders such as address, bank account details including the nine digit Magnetic Ink Recognition (MICR) Code for printing on refund orders, and occupation (herein after referred to as Demographic Details). Hence, Bidders are advised to immediately update their Bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Bidders at the Bidders sole risk and neither the BRLM or the Registrar or the Escrow Collection Banks nor the Company shall have any responsibility and undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the refund orders/ CANs/Allocation Advice and printing of Bank particulars on the refund order and the Demographic Details given by Bidders in the Bid -cum Application Form would not be used for any other purposes by the Registrar to the Issue.

By signing the Bid-cum-Application Form, Bidder would be deemed to have authorised the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Refund orders/Allocation Advice/CANs would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/allocation advice/CANs may get delayed if the same once sent to the address obtained from the depositories are returned undelivered. In such an event, the address and other details given by the Bidder in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Bidders sole risk and neither the Bank nor the BRLM shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or is liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Bids are liable to be rejected.

Our Company in its absolute discretion, reserve the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order / CANs / allocation advice / refunds through electronic transfer of funds, the Demographic Details given on the Bid-cum-Application Form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar shall use Demographic Details as given in the Bid-cum-Application Form instead of those obtained from the depositories.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid-cum- Application Form. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids under Power of Attorney

In case of Bids made pursuant to a Power of Attorney or by limited companies, corporate bodies, registered societies, a certified copy of the Power of Attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum and Articles of Association and/or Bye Laws must be lodged along with the Bid-cum-Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

In case of Bids made pursuant to a Power of Attorney by FIIs, a certified copy of the Power of Attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be submitted along with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

In case of Bids made by Insurance Companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.



In case of Bids made by provident funds with minimum corpus of Rs.2500 Lacs and pension funds with minimum corpus of Rs.2500 Lacs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof. In case of Bids made by Mutual Funds registered with SEBI, Venture Capital Fund registered with SEBI and Foreign Venture Capital Investors registered with SEBI, a certified copy of their SEBI registration certificate must be submitted with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case without assigning any reason thereof.

The Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the Power of Attorney along with the Bid cum Application form, subject to such terms that we may deem fit, in consultation with the BRLM.

Bids by NRIs, FIIs, Foreign Venture Capital Funds registered with SEBI and Multilateral and Bilateral Development Financial Institutions on a repatriation basis

NRI, FIIs and Foreign Venture Capital funds Bidders to comply with the following:

- Individual NRI Bidders can obtain the Bid cum Application Forms from the Registrar to the Issue or the BRLM.
- NRI Bidders may please note that only such Bids as are accompanied by payment in free foreign exchange through approved banking channels shall be considered for allotment.
- NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the Bid Cum Application form meant for Resident Indians (white in colour).

Bids and revision to Bids must be made:

- On the Bid-cum-Application Form or the Revision Form, as applicable (blue in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.
- In a single name or joint names (not more than three).
- By NRIs - For a minimum of [•] Equity Shares and in multiples of [•] thereafter subject to a maximum Bid amount of Rs.1,00,000 for the Bid to be considered as part of the Retail Portion. Bids for Bid Amount more than Rs.1,00,000 would be considered under Non Institutional Category for the purposes of allocation. For further details see “Maximum and Minimum Bid Size” on page no. [•] of the DRHP.
- By FIIs - for a minimum of such number of Equity Shares and in multiples of [•] thereafter that the Bid Amount exceeds Rs. 1,00,000. For further details see section titled “Maximum and Minimum Bid Size” on page no. [•] of the DRHP.
- In the names of individuals or in the names of FIIs or in the names of Foreign Venture Capital Fund registered with SEBI, Multilateral and Bilateral Development Financial Institutions but not in the names of minors, firms or partnerships, foreign nationals (excluding NRIs) or their nominees or OCBs.

The Company does not require approvals from FIPB or RBI for the Allocation of Equity Shares in this Issue to eligible NRIs, FIIs, foreign venture capital investors registered with SEBI and multilateral and bilateral institutions. As per the RBI regulations, OCBs are not permitted to participate in the Issue.

There is no reservation for Non-Residents, NRIs, FIIs and foreign venture capital funds and all Non-Residents, NRIs, FIIs and foreign venture capital funds applicants will be treated on the same basis with other categories for the purpose of allocation.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account of benefit of, “U.S. Persons” (as defined in the Regulation S of the Securities Act), except pursuant to any exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares may be offered and sold only (i) in United States to ‘qualified institutional buyers’ as defined in Rule 144A of the Securities Act, and (ii) outside the United States in compliance with Regulations and the applicable laws of the jurisdiction where those offers and sales occur.

PAYMENT INSTRUCTIONS

The Company shall open an Escrow Account(s) with the Escrow Collection Bank(s) for the collection of the Bid Amounts payable upon submission of the Bid-cum-Application Form and for amounts payable pursuant to allocation in the Issue.



Each Bidder shall draw a cheque or demand draft for the amount payable on the Bid and/or on allocation as per the following terms:

Payment into Escrow Account to the Issue:

- i. The Bidders for whom the applicable margin is equal to 100% shall, with the submission of the Bid cum Application Form draw a payment instrument for the Bid Amount in favour of the Escrow Account of the Company and submit the same to the Members of the Syndicate
- ii. In case the above Margin Amount paid by the Bidders during the Bidding/Issue Period is less than the Issue Price multiplied by the Equity Shares allocated to the Bidder, the balance amount shall be paid by the Bidders into the Escrow Account within the period specified in the CAN which shall be subject to a minimum period of two days from the date of communication of the allocation list to the Syndicate Member by the BRLM.
- iii. The payment instruments for payment into the Escrow Account of the Company should be drawn in favour of:
 - **In case of Resident Bidders: “Escrow Account –TIL Public Issue - R”**
 - **In case of Non Resident Bidders: “Escrow Account – TIL Public Issue -NR”**
 - **In case of Resident QIBs: “Escrow Account – TIL Public Issue - QIB-R”**
 - **In case of Non-Resident QIBs: “Escrow Account – TIL Public Issue - QIB-NR”**

In case of Bids by Eligible NRIs applying on repatriation basis, the payments must be made through Indian Rupee Drafts purchased abroad or Cheques or Bank Drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident bidder bidding on a repatriation basis. Payment by Drafts should be accompanied by Bank Certificate confirming that the draft has been issued by debiting to NRE or FCNR Account.

- iv. In case of Bids by Eligible NRIs applying on non-repatriation basis, the payments must be made through Indian Rupee Drafts purchased abroad or cheques or Bank Drafts, for the amount payable on application remitted through normal banking channels or out of funds held in NRE Accounts or FCNR Accounts maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of a NRO Account of a Non-Resident Bidder bidding on a non-repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR or NRO Account.
- v. In case of Bids by FIIs, FVCIs registered with SEBI the payment should be made out of funds held in Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to Special Rupee Account.
- vi. Where a Bidder has been allocated a lesser number of Equity Shares than the Bidder has Bid for, the excess amount, if any, paid on bidding, after adjustment towards the balance amount payable on the Equity Shares allocated, will be refunded to the Bidder from the Refund Account.
- vii. The monies deposited in the Escrow Account of the Company will be held for the benefit of the Bidders until Designated Date.
- viii. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account of the Company as per the terms of the Escrow Agreement into the Issue Account and the Refund account.
- ix. On the Designated Date and no later than 15 days from the Bid/Issue Closing Date, the Escrow Collection Banks shall also refund all amounts payable to unsuccessful Bidders and also the excess amount paid on Bidding, if any, after adjusting for allocation to the Bidders

Payments should be made by cheque or demand draft drawn on any Bank (including a co-operative Bank), which is situated at, and is a member of or sub-member of the banker’s clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques /bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/ Stockinvest/ Money Orders/Postal Orders will not be accepted.

Key Features of the Payment Methods

**Payment by Stockinvest**

In terms of Reserve Bank of India Circular No. DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of Bid money has been withdrawn.. Accordingly, payment through Stockinvest would not be accepted in this Issue.

Submission of Bid-cum-Application Form

All Bid-cum-Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the Syndicate Member at the time of submission of the Bid. At the time of submission of Bid-cum- Application Form and Revision Form, each member of the Syndicate shall collect the 10% or 100% Margin Amount as may be applicable.

No separate receipts shall be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection centre of Members of the Syndicate will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

Other Instructions**Joint Bids in the case of Individuals**

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid-cum-Application Form or Revision Form. All communications will be addressed to the First Bidder and will be dispatched to his or her address as per the Demographic Details received from the depository. .

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same. The Issuer reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all portion.

Procedure for Application by Mutual Funds

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple bids provided that the Bids clearly indicate the name of scheme concerned for which the Bid has been made. The application made by the AMCs or custodians of a mutual fund shall clearly indicate the name of the concerned scheme for which application is being made.

The Company reserves the right to reject, in our absolute discretion, all or any multiple Bids in any or all categories.

Company's Right to Reject Bids

In case of QIB Bidders, the Company in consultation with the BRLM and/or their affiliates may reject Bids provided that the reason for rejecting the same shall be provided to such Bidders in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, The Company & BRLM have a right to reject bids based on technical grounds. Consequent refunds shall be made by cheque or pay order or draft and will be sent to the Bidder's address at the Bidder's risk.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected on, among others, the following technical grounds:

- a. Amount paid doesn't tally with the amount payable for the highest number of Equity Shares bid for;
- b. Age of First Bidder not given;
- c. Bids by Persons not competent to contract under the Indian Contract Act, 1872, including minors, insane Persons;
- d. PAN not given if Bid is for Rs. 50,000 or more or Copy of Form 60 or Form 61 as required not given;
- e. Bids for lower number of Equity Shares than specified for that category of investors;



- f. Bids at a price less than lower end of the Price Band;
- g. Bids at a price more than the higher end of the Price Band;
- h. Bids at Cut-off Price by Non-Institutional and QIB Bidders;
- i. Bids for number of Equity Shares which are not in multiples of [●] equity shares;
- j. Category not ticked;
- k. Multiple bids as defined in the DRHP;
- l. In case of Bid under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
- m. Bid-cum-Application Form does not have the stamp of the BRLM, or Syndicate Members;
- n. Bid-cum-Application Form does not have Bidder's depository account details;
- o. Bid-cum-Application Form is not delivered by the Bidders within the time prescribed as per the Bid-cum-Application Form, Bid/Issue Opening Date advertisement and this Draft Red Herring Prospectus and as per the instructions in this Draft Red Herring Prospectus and the Bid cum-Application Form;
- p. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations.
- q. Bids accompanied by money order/postal order/cash /Stockinvests;
- r. Signature of sole and / or joint Bidders missing;
- s. Bids by OCBs;
- t. In case no corresponding record is available with the Depositories that matches the parameters namely, names of the Bidders (including the sequence of names of joint holders), the depository participant's identification number (DP ID) and beneficiary account number.
- u. Bids by U.S residents or US persons other than "qualified institutional buyers" as defined in Rule 144A of the U.S. Securities Act of 1933.
- v. Bids by person who are not eligible to acquire Equity Shares of our Company, in terms of all applicable laws, rules, regulations, guidelines and approvals.

Equity Shares in Dematerialised Form with NSDL or CDSL

As per the provisions of Section 68B of the Companies Act, the Equity Shares in this Issue shall be allotted only in a dematerialized form, (i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, two tripartite agreements have been signed amongst the Company, Registrars to the Issue and the respective Depositories:

- a) A tripartite agreement dated [●], 2008 with NSDL, the Company and Registrars to the Issue;
- b) A tripartite agreement dated [●], 2008 with CDSL, the Company and Registrars to the Issue;

Bidders will be allotted Equity Shares only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

- a. A Bidder applying for Equity Shares must have at least one beneficiary account with the Depository Participants of either NSDL or CDSL prior to making the Bid.
- b. The Bidder must necessarily fill in the details (including the beneficiary account number and Depository Participant's Identification number) appearing in the Bid-cum-Application Form or Revision Form.
- c. Equity Shares allotted to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.
- d. Names in the Bid-cum-Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details with the Depository.
- e. If incomplete or incorrect details are given under the heading 'Bidders Depository Account details' in the Bid-cum- Application Form or Revision Form, it is liable to be rejected.
- f. The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid-cum-Application Form vis-à-vis those with his or her Depository Participant.
- g. It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.
- h. The trading of the Equity Shares of the Company would be in dematerialised form only for all investors.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or first Bidder, Bid-cum-Application Form number, details of depository participant, number of Equity Shares applied for, date of Bid cum application Form, name and



address of the member of the syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof.

The Company has appointed Mr. Vijay Shirode, Company Secretary as Compliance Officer. He can be contacted at the Registered & Corporate Office of the Company.

The Investors can contact the Compliance Officer in case of any pre-issue or post-issue related problems such as nonreceipt of letters of allotment, credit of allotted shares in the respective beneficiary account, refund orders, etc.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEY

Our Company shall give credit to the beneficiary account with depository participants within 2 working days of finalisation of the basis of allotment of Equity Shares. Applicants having bank accounts at any of the 68 centres where clearing houses are managed by the Reserve Bank of India (RBI), State Bank of India, Punjab National Bank, State Bank of Indore, Union Bank of India, Andhra Bank, Corporation Bank, Bank of Baroda, State Bank of Travancore, Central Bank of India, Canara Bank, Oriental Bank of Commerce, United Bank of India, State Bank of Hyderabad and State Bank of Bikaner and Jaipur will get refunds through Electronic Credit Service (ECS) only, except where applicant is otherwise disclosed as eligible to get refunds through direct credit or Real Time Gross Settlement (RTGS). In case of other applicants, our Company shall dispatch refund orders, if any, of value upto Rs. 1,500 by "Under Certificate of Posting", and will dispatch refund orders above Rs. 1,500, if any, by registered post only at the sole or first Bidder's sole risk within 15 days of the Bid / Issue Closing date. Applicants to whom refunds are made through Electronic transfer of funds will be sent a letter through "Under Certificate of Posting" within 15 days of closure of issue, intimating them about the mode of credit of refund, the bank where refunds shall be credited along with the amount and the expected date of electronic credit of refund.

Mode of making refunds

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository the Bidders bank account details including nine digit MICR code as appearing on a cheque leaf. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch of refund order or refunds through electronic transfer of funds as applicable, and any such delay shall be at the Bidders sole risk and neither the Company, the Registrar, Escrow Collection Banks, Bankers to the Issue nor the BRLM shall be liable to compensate the Bidders for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

The payment of refund, if any, would be done through various modes as given hereunder:

1. ECS - Payment of refund would be done through ECS for applicants having an account at any of the following 68 centers - Ahmedabad, Bangalore, Bhubneshwar, Kolkatta, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna and Thiruvanthapuram (managed by RBI); Baroda, Dehradun, Nashik, Panaji, Surat, Trichy, Trichur, Jodhpur, Gwalior, Jabalpur, Raipur, Calicut, Siliguri (Non-MICR), Pondicherry, Hubli, Shimla (Non-MICR), Tirupur, Burdwan (Non-MICR), Durgapur (Non-MICR), Sholapur, Ranchi, Tirupati (Non-MICR), Dhanbad (Non-MICR), Nellore (Non-MICR) and Kakinada (Non-MICR) (managed by State Bank of India); Agra, Allahabad, Jalandhar, Lucknow, Ludhiana, Varanasi, Kolhapur, Aurangabad, Mysore, Erode, Udaipur, Gorakpur and Jammu (managed by Punjab National Bank); Indore (managed by State Bank of Indore); Pune, Salem and Jamshedpur (managed by Union Bank of India); Visakhapatnam managed by Andhra Bank); Mangalore (managed by Corporation Bank); Coimbatore and Rajkot (managed by Bank of Baroda); Kochi/Ernakulum (managed by State Bank of Travancore); Bhopal (managed by Central Bank of India); Madurai (managed by Canara Bank); Amritsar (managed by Oriental Bank of Commerce); Haldia (Non-MICR) (managed by United Bank of India); Vijaywada (managed by State Bank of Hyderabad); and Bhilwara (managed by State Bank of Bikaner and Jaipur). This mode of payment of refunds would be subject to availability of complete bank account details including the MICR Code as appearing on a cheques leaf from the Depositories. The payment of refunds is mandatory through this mode for applicants having a bank account at any of the above-mentioned 68 centers, except where the applicant, being eligible, opts to receive refund through direct credit or RTGS or NEFT. Refunds through ECS may also be done at other locations based on operational efficiency and in terms of demographic details obtained by the Registrar from the Depository participant.



2. Direct Credit - Applicants having bank accounts with the Refund Banker(s), as mentioned in the Bid cum Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company.
3. RTGS - Applicants having a bank account at any of the abovementioned 68 centres and whose refund amount exceeds Rs. 10 lacs, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the Indian Financial System Code (IFSC) code in the Bid-cum-Application Form. In the event the same is not provided, refund shall be made through ECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.
4. NEFT (National Electronic Fund Transfer) - Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency. In the event that NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in the sections.
5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be despatched under certificate of posting for value up to Rs. 1,500 and through Speed Post/ Registered Post for refund orders of Rs.1,500 and above. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Please note that only applicants having a bank account at any of the 68 centres where clearing houses for ECS are managed by the RBI, State Bank of India, Punjab National Bank, State Bank of Indore, Union Bank of India, Andhra Bank, Corporation Bank, Bank of Baroda, State Bank of Travancore, Central Bank of India, Canara Bank, Oriental Bank of Commerce, United Bank of India, State Bank of Hyderabad and State Bank of Bikaner and Jaipur are eligible to receive refunds through the modes detailed in 1, 2, 3 & 4 hereinabove. For all the other applicants, including applicants who have not updated their bank particulars along with the nine digit MICR code, the refund orders would be despatched "Under Certificate of Posting" for refund orders of value upto Rs. 1,500 and through Speed Post / Registered Post for refund orders of Rs. 1,500 and above.

Interest on refund of excess Bid Amount

The Company shall pay interest at the rate of 15% per annum on the excess Bid Amount received if refund orders are not dispatched within 15 working days from the Bid/Issue Closing Date as per the Guidelines issued by the GoI, Ministry of Finance pursuant to their letter No.F/8/S/79 dated July 31, 1983, as amended by their letter No. F/14/SE/85 dated September 27, 1985, addressed to the stock exchanges, and as further modified by SEBI's Clarification XXI dated October 27, 1997, with respect to the SEBI Guidelines.

Basis of allotment or allocation

A. For Retail Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The allotment to all the successful Retail Individual Bidders will be made at the Issue Price.
- The Issue size, less allotment to Non Institutional Bidders, QIB Bidders shall be available for allotment to Retail Individual Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to 1,680,000 Equity Shares at or above the Issue Price, full allotment shall be made to the Retail Individual Bidders to the extent of their demand.
- If the aggregate demand in this category is greater than 1,680,000 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis subject to minimum allocation being equal to the minimum bid/ application size of [●] Equity Shares. For the method of proportionate basis of allotment, please refer to "method of proportionate basis of allotment" on page no. [●] of the DRHP.

**B. For Non Institutional Bidders**

- Bids received from Non institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The allotment to all successful Non Institutional Bidders will be made at the Issue Price.
- The Issue size, less allotment to QIBs Bidders and Retail Individual Bidders shall be available for allotment to Non Institutional Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to 720,000 Equity Shares at or above the Issue Price, full allotment shall be made to Non Institutional Bidders to the extent of their demand. In case the aggregate demand in this category is greater than 720,000 Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis subject to minimum allocation being equal to the minimum bid/application size of [•] Equity Shares. For the method of proportionate basis of allotment please refer to “method of proportionate basis of allotment” on page no.[•] of the DRHP.

C. For QIBs

- Upto 50% of the Issue to the Public i.e. 2,400,000 Equity shares shall be allotted to QIBs of which 5% is reserved for Mutual Funds i.e 120,000 Equity Shares and balance shares will be available for allocation to all QIBs including Mutual Funds on proportionate basis.
- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The allotment to all the QIBs will be made at the Issue Price.
- The Issue size, less allotment to Non Institutional Bidders, Retail Individual Bidders, shall be available for allotment to QIBs who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- Allotment shall be undertaken in the following manner
 - a. In the first instance allocation to Mutual Funds for up to 5% of the QIB Portion shall be determined as follows:
 - i. In the event that Bids from Mutual Fund exceeds 5% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion.
 - ii. In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion, then all Mutual Funds shall get full Allotment to the extent of valid bids received above the Issue Price.
 - iii. Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b.) below;
 - b. In the second instance allocation to all QIBs shall be determined as follows:
 - i. The number of Equity Shares available for this category shall be the QIB Portion less allocation only to Mutual Funds as calculated in (a) above.
 - ii. The subscription level for this category shall be determined based on the overall subscription in the QIB Portion less allocation only to Mutual Funds as calculated in (a) above.
 - iii. Based on the above, the level of the subscription shall be determined and proportionate allocation to all QIBs including Mutual Funds in this category shall be made.
 - iv. The aggregate allotment to QIB Bidders shall be upto 2,400,000 Equity Shares

Under subscription if any in the Non-Institutional and Retail Individual categories would be allowed to be met with spill over from any other category by the Company in consultation with BRLM.

Method of proportionate Basis of Allotment in the QIB, Retail, Non-Institutional Portions

In the event of the Issue being over-subscribed, the Company shall finalize the basis of Allotment in consultation with the Designated Stock Exchange. The Executive Director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLM and the Registrar to the Issue shall be responsible for ensuring that the basis of Allotment is finalized in a fair and proper manner.

The Allotment shall be made in marketable lots, on a proportionate basis as explained below:

- a. Bidders will be categorized according to the number of Equity Shares applied for.
- b. The total number of Equity Shares to be allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.
- c. Number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis, which is the total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.



- d. If the proportionate Allotment to a Bidder is a number that is more than [●] but is not a multiple of one (which is the marketable lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5, it would be rounded off to the lower whole number. Allotment to all Bidders in such categories would be arrived at after such rounding off.
- e. In all Bids where the proportionate Allotment is less than [●] Equity Shares per Bidder, the Allotment shall be made as follows:
- The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b.) above; and
 - Each successful Bidder shall be allotted a minimum of [●] Equity Shares.
- f. If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for Allotment shall be first adjusted against any other category, where the allotted Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

In case of revision in the Price Band, the Bidding/Issue Period will be extended for three additional days after revision of Price Band. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to NSE and BSE by issuing a press release, and also by indicating the change on the web site of the BRLM and at the terminals of the Syndicate.

Undertakings by the Company

The Company undertakes as follows:

- that complaints received in respect of this Issue shall be dealt with expeditiously and satisfactorily;
- that all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within seven working days of finalization of the basis of Allotment;
- that the Company shall apply in advance for the listing of the Equity Shares;
- that the funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by the Company;
- that where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of the Bid/Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- that the refund orders or Allotment advice to the Non-Resident Bidders shall be dispatched within the specified time; and
- that no further issue of Equity Shares shall be made until the Equity Shares offered through the Draft Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, undersubscription etc.

Refunds will be made by cheques/ pay orders or demand drafts drawn on a bank appointed by us as an Escrow Collection Bank and payable at par at places where bids are received, except where the refund or the portion thereof is made in electronic manner as described above. Bank charges, in any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Utilisation of Issue proceeds

The Board of Directors of the Company certify that:

- all monies received out of this Issue shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;
- details of all monies utilized out of Issue referred above shall be disclosed under an appropriate separate head in the balance sheet of the Company indicating the purpose for which such monies have been utilised; and
- details of all unutilised monies out of this Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of the Company indicating the form in which such unutilized monies have been invested. The Company shall not have recourse to the Issue proceeds until approval for trading of Equity Shares from all the stock exchanges where listing is sought is received.

**Restrictions on Foreign Ownership of Indian Securities**

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. **As per current foreign investment policies foreign direct investment in any sector not included in Annexure A to schedule 1 of the Foreign Exchange Management (Transfer or issue of security by a person resident Outside India) Regulations, 2000 is allowed up to 100% under the automatic route. Accordingly, 100% foreign direct investment is allowed in our Company.**

By way of Circular No 53 dated December 17, 2003, the RBI has permitted FIIs to subscribe to shares of an Indian Company in a public offer without prior RBI approval, so long as the price equity shares to be issued is not less than the price at which equity shares are issued to residents. Transfer of equity shares previously required the prior approval of the FIPB. However, vide a RBI Circular dated October 4, 2004, the transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment (FDI) Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (ii) the non-resident shareholding is within the sectoral limits under the FDI policy, and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

Foreign Investment

Foreign investment in India is regulated by the Foreign Exchange Management Act, 1999 (FEMA), the regulations framed by the Reserve Bank of India (RBI) and policy guidelines issued by the Ministry of Industry (through various Press Notes issued from time to time). Foreign investment in companies involved in the manufacture of forged and machined products is under the automatic route (i.e., prior approval of the Foreign Investment Promotion Board (FIPB) is not required).

Foreign investment by way of subscription to equity shares in companies in the above sector currently does not require the prior approval of the RBI or the FIPB, except for a post subscription filing with the RBI in Form FC-GPR within 30 days from the issue of shares by the Company. GoI has indicated that in all cases where foreign direct investment is allowed on an automatic basis without FIPB approval, the RBI would continue to be the primary agency for the purposes of monitoring and regulating foreign investment.

RECTIFICATION OF REGISTER OF MEMBERS

The Company under Section 111A of the Companies Act, 1956 shall have right to rectify the register of members to comply with the Companies Act.

**SECTION IX : MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF THE COMPANY**

Pursuant to Schedule II of the Companies Act and the SEBI Guidelines, the main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restriction on transfer and transmission of equity shares or debentures and or on their consolidation/splitting as detailed below. Please note that each provision herein below is numbered as per the corresponding article number in the Articles of Association and defined terms therein have the meaning given to them in the Articles of Association.

CAPITAL AND INCREASE AND REDUCTION OF CAPITAL**4. AMOUNT OF CAPITAL**

The authorised share capital of the Company is 12,50,00,000/- [Rs. Twelve Crores Fifty Lakhs] divided into 1,25,00,000 [One Crore Twenty Five Lakhs] Equity Shares of Rs. 10/- [Rupees Ten] each with power to increase or reduce such capital from time to time in accordance with the regulation of the Company and the legislative provision for the time being in force in this behalf with power to divide the shares in the capital for the time being, whether original or increased, into several classes and attach thereto any preferential, special or qualified rights, privileges and conditions. (Capital Increased from Rs. 7 Crores to Rs. 12.5 Crores vide Shareholders Resolution Passed on 21st February 2008)

5. CONSIDERATION OTHER THAN CASH

The Directors may issue fully paid up or partly paid up shares either on payment of cash or against consideration other than cash or partly by payment in cash and partly by consideration other than cash.

6. INCREASE OF CAPITAL

The Company in General Meeting may, from time to time, by an ordinary resolution increase the capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. The new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the resolution shall prescribe and in particular, such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company, and with a right of voting at General Meeting of the Company, in conformity with Section 87 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 97 of the Act.

7. NEW CAPITAL SAME AS EXISTING CAPITAL

Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

8. PREFERENCE SHARES

Subject to the provisions of Section 80 of the Act, the Company shall have the power to issue Preference Shares [Cumulative or Non cumulative, convertible or non convertible] which are or at the option of the Company are to be liable to the redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption.

9. REDUCTION OF CAPITAL

The Company may [subject to the provisions of Section 78, 80, 100 to 105 inclusive of the Act] from time to time by special resolution, reduce its capital and any capital Redemption Reserve Account or premium account in any manner for the time being authorised by law, and in particular capital may be paid off on the footing that is may be called up again or other wise. This Article, is not to derogate from any power the Company would have if it were omitted.

10. SUB DIVISION / CONSOLIDATION / CANCELLATION OF SHARES



Subject to the provisions of Section 94 of the Act, the Company in General Meeting may, from time to time sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is subdivided, may determine that, as between holders of shares resulting from such sub division one or more such shares shall have some preference or special advantage as regards dividend, capital, or otherwise over or as compared with the others or other. Subject as aforesaid the Company in General Meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by amount of shares so cancelled.

11. MODIFICATION OF RIGHTS

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 provision of Section 106 and 107 of the Act be modified, commuted, affected or abrogated or dealt with by agreement with the Company and any person purporting to contract on behalf of that class, provided that such agreement is ratified in writing by holders of atleast three fourth in nominal value of issued shares of the class or is confirmed by a special resolution passed at a separate general meeting of holders of shares of that class.

14. BUY BACK OF SHARES

Subject to the provisions of section 77A, 77AA and , company can buy back its own Shares.

SHARES AND CERTIFICATES

19. FURTHER ISSUE OF CAPITAL

[a] Subject to the provisions of the Act at any time ever after the expiry of two years from the formation of the Company or the expiry of one year from the allotment of shares made for the first time after its formation whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares, whether out of unissued share capital or out of increased share capital, then such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on these shares at the date. Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined. After the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose off them in such manner as they think most beneficial to the Company.

[b] notwithstanding anything contained in the preceding sub-clause, the Company may-

[i] by a special resolution, or

[ii] where no such special resolution is passed, if the votes cast, [whether on show of hands, or on a poll, as the case may be] in favour of the proposal contained in the resolution moved in that general meeting [including the casting vote, if any, of the Chairman] the members who being entitled to do so, vote in person, or where proxies are allowed, by proxy, exceeds the votes, if any, cast against the proposal by the members so entitled and voting and the Central Government is satisfied, on an application made by Board of Directors in this behalf, that the proposal is most beneficial to the Company.

Offer further shares to any person or persons, and such person or persons may not include the persons who, at the date of the offer, are the holders of the equity shares of the Company.

(c) Notwithstanding anything in sub clause (a) above, but subject, however to section 81(3) of the Act, the company may increase its subscribed capital on exercise of an option attached to the debentures issued or loans raised by the Company to convert such debentures or loans into shares, or to subscribe for shares of the Company.

20. SHARE UNDER CONTROL OF DIRECTORS



Subject to the provision of these Articles and of the Act, the shares shall be under the control of the Directors, who may allot or otherwise dispose of the same to such persons on such terms and conditions and at such times as the Directors think fit. Provided that the option or right to call in respect of shares shall not be given to any person except with the sanction of the Company in General Meeting.

22. RESTRICTION OF ALLOTMENT

The Board shall observe the restriction as to allotment of shares to the public contained in Sections 69 and 70 of the Act and shall cause to be made the return as to allotment provided for in Section 75 of the Act.

23. POWER ALSO TO COMPANY IN GENERAL MEET TO ISSUE SHARES

In addition to and without derogating from the powers for the purpose conferred on the Board under Articles 20 and 23 the Company in General Meeting may, subject to the provisions of Section 81 of the Act, determine that any share (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether members or not) in such proportions and on such terms and conditions and either (subject to compliance with the provisions of 78 and 79 of the Act) at a premium or at par or at a discount, as such General Meeting shall determine and with full power to give any person (whether members or not) the option to call for or be allotted shares of any class of the Company either (subject to compliance with the provisions of section 78 and 79 of the Act) at a premium or at par or at a discount, such option being exercisable at such times and for such times and for such consideration as may be directed by such General Meeting or the company in General Meeting may make any other provision whatsoever for the issue, allotment or disposal of any shares.

25. APPLICATION OF PREMIUM RECEIVED ON ISSUE OF SHARES

(a) Where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of value of the premium on those shares shall be transferred to an account to be called “the securities premium account”, and the provisions of the Act relating to the reduction of the Share Capital of the Company shall except as provided in this Article, apply as if the securities premium account were paid up share capital of the Company.

(b) The securities premium account may, notwithstanding, anything in clause (a) above, be applied by the Company:

- (i) In paying up unissued shares of the company to be issued to members of the Company as fully paid bonus share.
- (ii) In writing off the preliminary expenses of the Company.
- (iii) In writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the Company; or
- (iv) In providing for the premium payable on the redemption of any redeemable preference shares or any debentures of the Company.

26. ACCEPTANCE OF SHARES

An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein shall be an acceptance of shares within the meaning of these Articles and every person who thus or otherwise accepts any shares and whose name is on the Register of Members shall for the purpose of these Articles be a member. The Directors shall comply with the provisions of Sections 69, 70, 71, 72 and 73 of the Act in so far as they are applicable.

27. LIABILITY OF MEMBERS

Every member, or his heir, executors or administrators, shall pay to the Company the portion of the capital represented by his share or shares which may, for the time being remain unpaid thereon, in such amounts, at such time or times, and in such manner as the Board shall from time to time in accordance with the Company's regulations, require or fix for the payment thereof.

28. SHARE CERTIFICATES

Every member or allottee of shares be entitled, without payment to receive one certificate specifying the name of the persons in whose favour it is issued, the shares to which it relates and the amount paid up



thereon. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company or its letter of allotment or its fractional coupons or requisite value, save in cases of issued against letters of acceptance or of renunciation, or in cases of issue of Bonus shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other persons appointed by the Board for the purpose, and the two Directors or their attorneys and the secretary or other person shall sign the share certificate, provided that if the composition of the Board permit of it, at least one of the aforesaid two Directors shall be person other than a Managing or a wholetime Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the persons to whom it has been issued, indicating the date of the issue.

29. LIMITATION OF TIME FOR ISSUE OF CERTIFICATE

The Company shall, within three months after the allotment of any of its shares or debentures or debenture-stock, and within one month after the application for the registration of the transfer of any such shares or debentures or debenture stocks have complete and deliver the Certificate of all the shares or debentures and the Certificate of all shares or debenture or debenture stocks allotted or transferred unless the conditions of issue of the shares or debentures or debenture-stocks otherwise provide.

The expression 'transfer' for the purpose of this clause means a transfer duly stamped and otherwise valid and does not include any transfer which the Company is for any reason entitled to refuse to register and does not register.

30. RENEWAL OF SHARE CERTIFICATE

(a) No certificate of any share or shares shall be issued either in exchange for those which are sub-divided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out, or where cages on the reverse for recording transfers have be duly utilised, unless the certificate in lieu of which it is issued is surrendered to the Company. The Company shall be entitled to charge such fee, not exceeding Rupees two per certificate, issued on splitting or consolidation of share certificates or any replacement of share certificate that are defaced or torn, as the Board thinks fit, provided that if the share certificates or letters of allotment are split or consolidated into marketable units prescribed by the Stock Exchange on which the shares of the Company are quoted, no fee shall be charged.

(b) If a share certificate is lost or destroyed, a new certificate in lieu thereof shall be issued only with the prior consent of the Board and on payment of such fee, not exceeding Rupees two as the Board may from time to time fix, and on such terms, if any, as to evidence and indemnity as to the payment of out-of-pocket expenses incurred by the Company in investigating evidence, as the Board thinks fit.

31. THE FIRST NAME OF JOINT HOLDERS DEEMED SOLE HOLDER

If any share stands in the names of two or more persons, the person first named in the Register shall as regards receipt of dividends or bonus or service of notices, and all or any other matter connected with the Company, except voting at meetings, and the transfer of the shares, be deemed the sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such share and for all incidents thereof according to the Company's regulations.

32. COMPANY NOT BOUND TO RECOGNISE ANY INTEREST IN SHARE OTHER THAN THAT OF REGISTERED HOLDER

Except as ordered by a court of competent jurisdiction or as by law required, the Company shall not be bound to recognise any equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided] any right in respect of share other than an absolute right thereto in accordance with these Articles, the person from time to time registered as the holder thereof; but the Board shall be at liberty at their sole direction to register any share in the joint names of any two or more persons or the survivor or survivors of them.

33. LISTING OF SHARES



Subject to the provisions of the Securities Contract (Regulation) Act, 1956. the company shall be entitled to list its shares on any authorised Stock Exchange in India.

34. DEMATERIALISATION OF SECURITIES :-

(ii) DEMATERIALISATION OF SECURITIES

Notwithstanding anything contained in these Articles, the Company shall be entitled to Dematerialise its Securities and offer securities in a Dematerialised form pursuant to the Depositories Act, 1996.

(iii) OPTIONS FOR INVESTORS

Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficiary owner of the securities can at any time opt out of a depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall in the manner and within the time prescribed, issue to the beneficial owner the required Certificates of Securities.

If a person opts to hold his / her security, with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

(iv) SECURITIES IN DEPOSITORIES TO BE IN FUNGIBLE FORM

All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Section 153, 153A, 153B, 187B, 187C, and 372A of the Companies Act, 1956 shall be applied to a depository in respect of the securities held by it on behalf of the beneficial owners.

(v) RIGHTS OF DEPOSITORIES AND BENEFICIAL OWNERS

(a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership or security on behalf of the beneficial owner.

(b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

(c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his / her securities, which are held by the depository.

(vi) BENEFICIAL OWNER MAY OPT OUT OF A DEPOSITORY

Every person holding securities of the Company with a depository, being the beneficial owner thereof, may at any time opt out of the depository in the manner provided in the Depositories Act, 1996 and on exercise of such option and on fulfillment of the conditions and payment of the fees prescribed under the said Act, the Company shall dematerialised the relevant securities and issue to the beneficial owner thereof the requisite certificates of such securities.

UNDERWRITING AND BROKERAGE

35. COMMISSION MAY BE PAID

Subject to provision of Section 76 of the Act the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares or debentures of the company; but so that the commission shall not exceed in the case of shares five percent of the price at which the shares are issued. And in case of debentures two and half



percent of the price at which the debentures are issued. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares of partly in one way and partly in the other.

36. BROKERAGE

The Company may authorise the payment of any sum by way of brokerage which it may deem reasonable.

INTEREST OUT OF CAPITAL

37. INTEREST MAY BE PAID OUT OF CAPITAL

Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any work or building, or the provision of any plant, which can not be made profitable for a lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid up, for the period, at the rate and subject to the conditions and restrictions provided by Section 208 of the Act and may charge the same to capital as part of the cost of construction of the work or building or the provision of the plant.

CALLS

38. DIRECTORS MAY MAKE CALLS

The Board may, from time to time, subject to the terms on which any shares have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution) make such calls as it thinks fit upon the Members in respect of all moneys unpaid on the shares held by them respectively and each member shall pay the amount of every call so made on him to the person or persons and at the time and places appointed by the Board. A call may be made payable by installments.

39. NOTICE OF CALL

Not less than fourteen days notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.

40. CALLS TO DATE FROM RESOLUTION

A call shall be deemed to have been made at the time when the resolution authorising such calls was passed at a meeting of the Board.

43. DIRECTORS MAY EXTEND TIME

The Board may, from time to time at its discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the Members who from residence at a distance or other cause, the Board may deem fairly entitled to such extension but no member shall be entitled to such extension save as a matter of grace and favour.

44. CALLS TO CARRY INTEREST

If any Member fails to pay any call, due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the board but nothing in this Articles shall render it obligatory on the Board to demand or recover any interest from any such Member.

45. SUMS DUE TO BE CALLS

Any sum, which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purpose of these Articles be deemed to be call duly made and payable on the date on which by the terms of issue the same becomes payable, and in case of non-payment all the relevant provisions of these Articles as to payment of



interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

46. PROOF ON TRIAL OF SUIT FOR MONEY DUE ON SHARES

On the trial or hearing of any action or suit brought by the Company against any member or his representative for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of member in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder, at or subsequently to the date at which the money sought to be recovered is alleged to have become due on the shares on respect of which such money is sought to be recovered, that the resolution making the call is duly recorded in the Minute Book; and that notice of such call duly given to the member or his representatives sued in pursuance of these articles and it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made duly convened or constituted for other matters whatsoever, but the proof of the matters aforesaid shall be conclusive of the debt.

47. PARTIAL PAYMENT NOT TO PERCLUDE FORFEITURE

Neither the receipt by the Company of a portion of any money which shall from time to time due from any Member to the Company in respect of his shares, either by way of principle or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.

48. PAYMENT IN ANTICIPATION OF CALLS MAY CARRY INTEREST

(a) The Board may, if it thinks fit, agree to and receive from any Member willing to advance the same, all or any part of the amount of his shares beyond the sums actually called up; and upon the moneys so paid in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made, the Board may pay or allow interest at such rate as the Member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three months notice in writing provided that moneys paid in advance of calls not confer a right to dividend or to participate in profits.

(b) No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable.

LIEN

49. COMPANY TO HAVE LIEN ON SHARES

The Company shall have a lien on every share [not being a fully paid share] for all monies called or payable at a fixed time in respect of that share; but the Company shall have no general lien on such partly paid up shares.

50. AS TO ENFORCING LIEN BY SALE

For the purpose of enforcing such lien the Board may sell the shares subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorise one of their member to execute a transfer thereof on behalf of and in the name of such Member. No sale shall have been served on such Member or his representatives and default shall have been made by him or them in payment, fulfillment, or discharge if such debts, liabilities or engagements for fourteen days after such notice.

51. APPLICATION OF PROCEEDS OF SALE

The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the line exists as is presently payable and the residue, if any, shall (subject to alike lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of sale.



FORFEITURE OF SHARES

52. IF MONEY PAYABLE ON SHARES NOT PAID NOTICE TO BE GIVEN TO MEMBER

If any Member fails to pay any call or installment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may at any time thereafter during such time as the call or installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have incurred by the Company by reason of such non-payment.

53. FORM OF NOTICE

The notice shall name a day (not being less than 14 days from the date of the notice) and a place on and at which such call or installment and such interest thereon at such rate as the Directors shall determine from the day on which such call or instalment ought to have been paid and expenses as aforesaid are to be paid. The notice shall also state that, in that event of the non-payment on or before the time and at the place appointed, the shares in respect of which the call was made or installment is payable, will be liable to be forfeited.

54. IN DEFAULT OF PAYMENT SHARES TO BE FORFEITED

If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at any, time thereafter before payment of all calls or instalments, interest and expenses due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other money payable in respect of the forfeited share and not actually paid before the forfeiture.

55. NOTICE OF FORFEITURE TO A MEMBER

When any share shall have been so forfeited, notice of the forfeiture shall given to the Member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

56. FORFEITED SHARE TO BE PROPERTY OF THE COMPANY AND MAY BE SOLD ETC.

Any share so forfeited shall be deemed to be the property of the Company, and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the board shall think fit.

57. MEMBERS STILL LIABLE TO PAY MONEY OWING AT THE TIME OF FORFEITURE AND INTEREST

Any Member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture, untill payment, at such rate as the board may determine and the board may enforce the payment thereof, if it thinks fit.

58. EFFECT OF FORFEITURE

The forfeiture of a share involve extension, at the time of the forfeiture, of all the interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.

59. EVIDENCE OF FORFEITURE

A declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.

**60. VALIDITY OF SALE UNDER ARTICLES NO 50 & 56**

Upon any sale after forfeiture or for enforcing a lien purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register in respect of the shares sold, and the purchaser shall not be bound to see the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the register in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

61. CANCELLATION OF SHARE CERTIFICATES IN RESPECT OF FORFEITED SHARES

Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificate originally issued in respect of the relative shares shall [unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Member] stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto.

62. POWER TO ANNUAL FORFEITURE

The Board may at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

TRANSFER AND TRANSMISSION OF SHARES**64. FORM OF TRANSFER**

Shares in the Company may be transferred by an instrument in writing in the form prescribed by the provisions of the Act, and shall be duly stamped and delivered to the Company within the prescribed period.

65. TRANSFER FORM TO BE COMPLETED AND PRESENTED TO THE COMPANY

The Instrument of Transfer duly stamped and executed by the Transferor and the Transferee shall be delivered to the Company in accordance with the provisions of the Act. The Instrument of Transfer shall be accompanied by such evidence as the Board may require to prove the title of the transferor and his right to transfer the shares and every registered Instrument of Transfer shall remain in the custody of the Company until destroyed by the order of the Board. The transferor shall be deemed to be the holder of such shares until the name of the transferee shall have been entered in the Register of Members in respect thereof. Before the registration of a transfer the certificate or the certificates of the shares must be delivered to the Company.

66. TRANSFER BOOKS AND REGISTER OF MEMBERS WHEN CLOSED

The Board shall have power on giving not less than seven days previous notice by advertisement in some newspaper circulating in the district in which the office of the Company is situated to close the Transfer Books, the Register of Members or Register of Debenture-holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year as to it may seem expedient. The Company shall, however, inform the dates of Book Closure in advance as may be prescribed from time to time, by the Stock Exchanges.

**67. DIRECTORS MAY REFUSE TO REGISTER TRANSFERS**

Subject to the provisions of Section 111 of the Act, the Board may, at its own absolute and uncontrolled discretion and without assigning any reason, decline to register or acknowledge any transfer of shares [notwithstanding that the proposed transferee be already a member] but in such case it shall, within one month from the date of which the Instrument of transfer was lodged with the Company, send to the transferee and transferor notice of the refusal to register such transfer:

Provided that registration of a transfer shall not be refused on a ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever, except where the Board has exercised the power of lien vested in it under these Articles in respect of the shares proposed to be transferred.

68. NOTICE OF TRANSFER WHEN TO BE GIVEN

Where in the case of partly paid shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of the Section 110 of the Act.

69. DEATH OF ONE OR MORE JOINT HOLDERS OF SHARES

In the case of the death of any one or more of the persons named in the register of members as the joint holders of any share, the survivor or survivors shall be the only persons recognised by the Company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.

70. TITLE TO SHARES OF DECEASED MEMBER

The executors or administrators or holders of a succession certificate or the legal representative of a deceased member [not being one of two or more joint holders] shall be the only persons recognised by the Company as having any title to the shares registered in the name of such member, and the Company shall not be bound to recognise such executors or administrators or holders of a succession certificate or the legal representatives unless such executors or administrators or legal representatives shall have first obtained probate or letters of Administration or Succession Certificate, as the case may be, from a duly constituted Court in the Union of India; provided that in any case where the Board in its absolute discretion thinks fit, the Board may dispense with the production of Probate or Letters of Administration or Succession Certificate, upon such terms as to indemnify or otherwise as the Board in its absolute discretion may think necessary and register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member as a member.

71. REGISTRATION OF PERSONS ENTITLED TO SHARE OTHERWISE THAN TRANSFER

Subject to the provisions of the Articles 72 and 73 any person becoming entitled to shares in consequence of death, lunacy, bankruptcy or insolvency of any member, or by any lawful means other than by a transfer in accordance with this Articles, may, with the consent of the Board [which it shall not be under any obligation to give], upon producing such evidence that he sustains the character in respect of which he proposes to act under this article or of his title as the Board thinks sufficient, either be registered himself as the holder of the shares or elect to have some person nominated by him and approved by the Board registered as such holder; provided nevertheless that if such person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained, and until he does so, he shall not be free from any liability in respect of the shares.

72. PERSONS ENTITLED MAY RECEIVE DIVIDENDS WITHOUT BEING REGISTERED AS MEMBER

A person entitled to a share by transmission shall, subject to the right of the Directors to retain such dividends or money as hereinafter provided, be entitled to receive, and may give discharge for any dividends or other moneys payable in respect of the shares.



73. FEE ON TRANSFER OR TRANSMISSION

The Company shall not charge any fee in respect of the transfer or transmission or any number of shares.

74. COMPANY NOT LIABLE FOR DISREGARD OF EQUITABLE RIGHT

The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of share made or purporting to be made by any apparent legal owner thereof as shown or appearing in the Register of Members to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or referred thereto, in any book of the Company, and the Company shall not be bound or required to regard or attend or to give effect to any notice which may be given to it of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

75. NOMINATION

(i) Notwithstanding anything to the contrary in these Articles every Shareholder or Debentureholder of the Company may at any time, nominate, in the prescribed manner a person to whom his shares in, or debentures of the Company shall vest in the event of his death.

(ii) A Member may revoke or vary his nomination at any time by notifying the Company to this effect.

(iii) where the shares in , or debentures of the Company are held by more than one person jointly , the joint holders may together nominate , a person to whom all the rights in the shares or debentures of the Company as the case may be shall vest in the event of death of all joint holders in the manner prescribed under the Act, any rules and regulations made thereunder for the time being in force.

(iv) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of such shares in or debentures of the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in or debentures of the Company, the nominee shall on the death of the shareholder or debenture holder or, as the case may be on the death of all the joint holders, become entitled to all the rights in such shares or debentures or, as the case may be, to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.

(v) Where the nominee is a minor, it shall be lawful for the holders of the shares or debentures, to make the nomination to appoint, in the manner prescribed under the provisions of the Act, any person to become entitled to shares in or debentures of the Company, in the event his death during the minority.

(vi) The provisions of these Articles shall apply mutatis mutandis to a deposit of money made with the Company as per the provisions of Section 58A of the Act.

76. TRANSMISSION OF SECURITIES IN THE NAME OF THE NOMINEE.

A nominee by virtue of provisions of Article 75, upon production of such evidence as may be required by the Board and subject as hereinafter provided, shall elect either :

i) to register himself as holder of the share or debenture, as the case may be or

ii) to make such transfer of the shares or debentures as the case may be as the deceased shareholder or debentureholder, could have made.

iii) if the nominee elects to be registered as holder of the share of debenture, himself, as the case may be he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and



such notice shall be accompanied with the certificate of death of the deceased shareholder or debentureholder as the case may be, held by the deceased in the Company.

iv) A nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the shares of debentures except that he shall not before being registered as a holder in respect of his shares or debentures, be entitled in respect of it to exercise any right conferred on a member or a debentureholder in relation to meetings of the Company.

Provided further that the Board may, at any time give notice requiring any such person to elect either to be registered himself or to transfer the shares or debentures, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonus or other moneys payable or rights accruing in respect of the relevant shares or debentures, until the requirements of the notice have been complied with.

BORROWING POWERS

79. POWER TO BORROW

Subject to the provisions of Section 58A, 292 and 293 of the Act, the Board may, from time to time at its discretion by a resolution passed at a meeting of the Board, accept deposit from members either in advance of calls or otherwise and generally raise or borrow or secure the repayment 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 obtained from the Company's banker 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 moneys without the consent of the Company in General Meeting.

80. PAYMENT OR REPAYMENT OF MONEYS BORROWED

Subject to the provisions of Article 83 hereof, the payment or repayment of the moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respect as the special resolution shall prescribe including by the issue of debentures or debentures-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 debentures, debenture-stock and other securities may be made assignable free from any equities between the company and the person to whom the same may be issued.

81. TERMS OF ISSUE OF DEBENTURES

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.

82. REGISTER OR MORTGAGES ETC. TO BE KEPT

The Board shall cause a proper Register to be kept in accordance with the provisions of Section 133 and 143 of the Act of all mortgages debentures and charges specifically affecting the property of the Company and shall cause the requirements of Section 118, 125 and 127 to 144 [both inclusive] of the Act in that behalf to be duly complied with, so far as the fall to be complied with by the Board.

SHARE WARRENTS

84. POWER TO ISSUE SHARE WARRENTS

The Company may issue share warrants subject to and in accordance with, the provisions of Section 114 and 115 and accordingly the Board may in its discretion, with respect to any share which is fully paid up, on application in writing signed by the persons registered as holder of the share, and authenticated by such evidence [if any] as the Board may, from time to time, require as to the identity of the person signing the application, and on receiving the certificate [if any] of the share, and the amount of stamp duty on the warrant and such fee as the Board may from time to time require, issue a share warrant.



85. DEPOSIT OF SHARE WARRANT

[1] The bearer of a share warrant may at any time deposit the warrant at the office of the Company, and so long as the warrant remains deposited, the depositor shall have same right of signing a requisition for calling a meeting of the Company, and of attending, and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit, as if his name was inserted in the Register of Members as the holder of the share included in the deposited warrant.

[2] Not more than one person shall be recognised as depositor of the share warrant.

[3] The Company shall, on two days written notice, return the deposited share warrant to the depositor.

86. (1) Subject as herein otherwise expressly provided no person shall, as bearer of a share warrant, sign a requisition for calling a meeting of the Company, or attend, or vote or exercise any other privileges of Member at a meeting of the Company, or be entitled to receive any notices from the Company.

(2) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the shares included in the warrant, and he shall be a Member of the Company.

87. ISSUE OF NEW SHARE WARRANT OR COUPON

the Board may, from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in the case of defacement, loss or destruction.

CONVERSION OF SHARES INTO STOCK AND RECONVERSION

88. SHARES MAY BE CONVERTED INTO STOCK

The Company in General Meeting may convert any paid up shares into stock; and when any shares shall have been converted into stock, the several holders of such stock may thenceforth transfer their respective interest herein, or any part of such interest, in the same manner and subject to the same regulations as, and subject to which shares from which the stock arose might have been transferred, if no such conversion had taken place, or as near thereto as circumstances will admit. The Company may at any time reconvert any stock into paid up shares of any denominations.

89. RIGHT OF STOCK HOLDERS

The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meeting of the Company and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in assets on winding -up) shall be conferred by an amount of stock which would not, if existing in shares have conferred that privileges or advantage.

MEETING OF MEMBERS

90. STATUTORY MEETING

The statutory meeting of the Company shall be held at such place and time (within a period of not less than one month nor more than six months from the date on which the Company is entitled to commence business) as the Directors may determine and the Directors shall comply with the provision of the Section 165 of the Act relating thereto.

91. ANNUAL General MEETING



The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meeting in that year. All General Meetings other than Annual General Meetings shall be called Extraordinary General Meeting.

92. EXTRA ORDINARY GENERAL MEETING

The Board may, whenever it thinks fit, call an Extra Ordinary General Meeting and it shall do so upon a requisition in writing by any Member or Members holding in the aggregate not less than one-tenth of the paid up capital as on that date or carries the right of voting in regard to the matter in respect of which the requisition has been made.

93. REQUISITION OF MEMBERS TO STATE OBJECT OF MEETING

Any valid requisition so made by members must state the object of the meeting proposed to be called must be signed by the requisitionists and be deposited at the Office; provided that such requisition may consist of several documents in like form each signed by one or more requisitionists.

94. ON RECEIPT OF REQUISITION DIRECTORS TO CALL MEETING AND IN DEFAULT REQUISITIONIST MAY DO SO.

Upon the receipt of any such requisition the Board shall forthwith, call an Extra Ordinary General Meeting, and if they do not proceed within twenty-one days from the date of the requisition being deposited at the office to cause a meeting to be called on a day not later than forty-five days from the date of requisition, the requisitionist, or such of their number as represent either a majority in value of the paid-up share capital held by all of them or not less than one-tenth of such of the paid up share capital of the Company as is referred to in Section 169(4) of the Act, whichever is less, may themselves call the meeting, but in either case any meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.

95. MEETING CALLED BY REQUISITIONISTS.

Any meeting called under the forgoing Articles by the requisitionists shall be called in the same manner, as nearly as possible, as that in which meeting are to be called by the Board.

96. TWENTY-ONE DAYS' NOTICE OF MEETING TO BE GIVEN

Twenty-one days notice at least of every General Meeting, Annual or Extra-ordinary, and by whomsoever called specify the day, place and hour of meeting, and the General nature of business to be transacted thereat, shall be given to such persons as are entitled to receive notice from the company. Provided that in the case of an Annual General Meeting with the consent in writing of all the Members entitled to vote thereat and in case of any other meeting, with the consent of Members holding not less than 95 percent of such part of the paid-up share capital of the Company as gives a right to vote at the Meeting, a meeting may be convened by a shorter notice. There shall be annexed to the notice of the Meeting a statement setting out of material facts concerning each such items of special business, including in particular the nature of concern or interest, if any, therein of every Director, and the Manager [if any]. Where any such item of business relates to, or affects any other company, the extent of share-holding interest in that other company of every Director.

97. OMISSION TO GIVE NOTICE NOT TO INVALIDATE A RESOLUTION PASSED

The accidental omission to give any such notice as aforesaid to any of the Members, or the non-receipt thereof, shall not invalidate any resolution passed at any such meeting.

98. MEETING NOT TO TRANSACT BUSINESS NOT MENTIONED IN NOTICE

No General Meeting, Annual or Extra ordinary, shall be competent to enter into discussion or transact any business which has not been mentioned in the notice or notices upon which it was convened.

99. QUORUM



Five Members present in person shall be a quorum for a General Meeting. A body corporate being a Member shall be deemed to be personally present if it is represented in accordance with the provisions of Section 187 of the Act.

100. IF QUORUM NOT PRESENT, MEETING TO BE DISSOLVED OR ADJOURNED

If, at the expiration of half an hour from the time appointed for holding a meeting, of the Company if convened by or upon the requisition of Members, shall stand dissolved, but if any other case the meeting shall stand adjourned to the same day in the next week or if that day is a public holiday until the next succeeding day which is not a public holiday at the same time and place or to such other day and at such other time and place as the Board may determine, and if at such adjourned meeting a quorum is not present at the expiration of half an hour from the time appointed for holding the meeting, the Members present shall be a quorum and may transact the business for which the meeting was called.

101. CHAIRMAN OF GENERAL MEETING

The Chairman (if any) of the Board shall be entitled to take the chair at every General Meeting, whether annual or Extraordinary. If there be no such Chairman of the Board, or if at any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting or if he shall be unable or unwilling to take the chair then the Members present shall elect another director as Chairman, and if no Director be present or if all the Directors present decline to take the Chair, then the Members present shall elect one of themselves to be the Chairman.

102. CHAIRMAN WITH CONSENT MAY ADJOURN MEETING

The Chairman with the consent of the members may adjourn any meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished from which the adjournment took place.

DEMAND FOR POLL

103. WHO CAN DEMAND POLL

Before or on the declaration of the result of the voting on resolution on a show of hand, a poll may be ordered to be taken by the Chairman of the meeting on his own motion and shall be ordered to be taken by him on demand made by any member or members present in person or by proxy and holding shares in the Company.

a. Which confer power to vote on the resolution not being less than one tenth of the total voting power in respect of the resolution or;

b. On which an aggregate sum of not less than fifty thousand rupees has been paid up.

The demand for poll may be withdrawn at any time by the person or persons who made the demand.

104. CASTING VOTE

In the case of an equality of votes the Chairman shall both on a show of hands and at a poll (if any) have a casting vote in addition to the vote or votes to which he may be entitled as a Member.

105. TIME FOR TAKING POLL

If poll is demanded as aforesaid the same shall be taken at such time (not later than forty-eight hours from the time when the demand was made) and such place in and either by open voting or by ballot, as the Chairman shall direct, and either at once or after an interval or adjournment, or otherwise, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

107. SCRUTINEERS AT POLL



Where a poll is to be taken, the Chairman of the Meeting shall appoint two scrutineers to scrutinise the votes given on the poll and to report thereon to him. One of the scrutineers so appointed shall always be a Member (not being an officer or employee of the Company) present in the meeting, provided such a Member is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared to remove a scrutineer from office and fill vacancies in the office of scrutineer arising from such removal or for any other cause.

MANAGERIAL PERSONNEL

132. MANAGERIAL PERSONNEL

The Company shall duly observe the provisions of Section 197A of the Act regarding prohibition of simultaneous appointment of different categories of managerial personnel therein referred to.

DIRECTORS

133. NUMBER OF DIRECTORS

Until otherwise determined by a General Meeting of the Company the number of Directors (excluding Debenture and Alternate Directors, Nominee Directors) shall not be less than three nor more than twelve.

134. FIRST DIRECTORS ARE

1. SHRI JAGADISHCHANDRA BASU
2. SHRI RANJAN HARIHAR BANERJEE
3. SHRI YESHWANT CHANABASAPPA KURLE
4. SHRI DEEPANKAR JAGADISHCHANDRA BASU

135. EX-OFFICIO NOMINEE DIRECTORS

The Board shall have power to co-opt one or more Ex- Officio/Nominee Directors who may be nominated by the Central or State Government or by any financial corporation, institution or authority from whom the Company might obtain or enter into arrangements for financial , technical or other assistances and terms of appointment of such nominee Directors shall be, notwithstanding anything contained in these Regulations, as agreed to by the Board with nominating authority or person.

136. ALTERNATE DIRECTOR

The Board shall have appoint an Alternative Director to act for a Director (hereinafter called the “Original Directors”) during his absence for a period of not less than three months from the State in which meetings of the Board are ordinarily held. An Alternate Director appointed under this Article shall not hold office as such for a longer period than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to such State. If the term of office of the Original Director is determined before he so returns to that State, any provisions in the Act or in these Articles for the automatic re-appointment of retiring Directors in default of another appointment shall apply to the Original Director and not to the Alternate Director.

137. [a] ADDITIONAL DIRECTOR

Subject to the provision of section 261 & 264, the Board shall have power at any time and from time to time to appoint any other qualified person to be an Additional Director. Any such Additional Director shall hold office only up to the date of next Annual General Meeting.

[b] DIRECTORS POWER TO FILL THE CASUAL VACANCY

Subject to the provisions of Section 261 & 264 and 284 [6] the Board shall have power at any time and from time to time to appoint any other qualified person to be a Director to fill up a casual vacancy. Any



person so appointed shall hold office only up to the date to which the Director in whose place he is appointed would have held office if it had not been vacated by him.

138. NO QUALIFICATION SHARES

A Director shall not be required to hold any qualification shares.

139. APPOINTMENT OF DIRECTORS TO BE VOTED INDIVIDUALLY

(1) No motion at any general meeting of the Company shall be made for the appointment of two or more persons as Directors of the Company by a single resolution unless a resolution that it shall be so made, has been first agreed to by the meeting without any vote being given against it.

(2) A resolution moved in contravention of clause (1) hereof shall be void, whether or not objection was taken at the time of its being so moved, provided that for the automatic re-appointment of retiring Director in default of another appointment as hereinbefore provided shall apply.

(3) For the purpose of this Article, a motion for approving a person's appointment, or for nominating a person for appointment, shall be treated as a motion for this appointment.

145. SITTING FEES

The Directors for the time being of the Company may be paid a sitting fee as may be decided by the Board from time to time for every meeting of the Board or of a Committee of the Board attended by them in addition to all travelling expenses by rail, road or air as the case may be and such other allowances as the Board may decide from time to time in respect of halting and other expenses incurred by them in attending and returning from such meeting of the Board or of any Committee of the Board and also for other visits made by Director for the Company's business subject to the provisions of the Companies Act, 1956.

146. WHEN OFFICE OF DIRECTORS TO BECOME VACANT

Subject to section 283[2] and 314 of the Act the office of a Director shall become vacant if :-

- [a] he is found to be of unsound mind by a court of competent jurisdiction or;
- [b] he applies to be adjudicated to his insolvent; or
- [c] he is adjudged as insolvent; or
- [d] he fails to pay any call made on him in respect of the shares of the Company held by him, whether alone or jointly with others, within six months from the date fixed for the payment of such call unless the Central Government has by notification in the official Gazette removed the disqualification incurred by such failure; or
- [e] he is deemed to have vacated office under the provisions of Section 314 by any place of profit being held in contravention thereof; or
- [f] he absents himself from three consecutive meeting of the Directors or from all meetings of the Directors for a continuous period of three months, whichever is longer, without leave of absence from the Board; or
- [g] he becomes disqualified by an order of the court under section 203 of the Act; or
- [h] he is removed from in pursuance of Section 284; or
- [i] he [whether by himself or by any person for his benefit or on his account] or any firm in which he is a partner or any private company of which he is a director, accepts a loan or any guarantee or security for a loan, from the company in contravention of Section 295 of the Act; or
- [j] he acts in contravention of Section 299 of the Act; or



[k] he is convicted by a court of any offence involving moral turpitude and is sentenced in respect thereof to imprisonment for not less than six months; or he convicted of an offence punishable with fine and sentenced to pay a fine of Rs. 1,000/- or more.

[l] having been appointed as a Director by virtue of his holding any office other employment in the Company he ceases to hold such office or other employment in the Company; or

[m] he resigns his office by a notice in writing addressed to the Company.

151. RETIREMENT BY ROTATION

At every Annual General Meeting of the Company, one-third of such of the Directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three, the number nearest to one-third shall retire from office.

152. Subject to Section 284 [5] of the Act the Directors to retire by rotation under Article 151 at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who become Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot.

A retiring Director shall be eligible for re-election.

Subject to Section 258 of the Act the Company at the General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing a person thereto.

153. PROVISION IN DEFAULT OF APPOINTMENT

[a] If the place of the retiring Director is not so filled and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding days which is not a public holiday, at the same time and place

(b) If at the adjourned meeting also, the place of the retiring Director is not filled up and that also meeting also has not expressly resolved not to fill the vacancy the retiring Director shall be deemed to have been re-appointed at the adjourned meeting, unless-

(i) at that meeting or at the previous meeting a resolution for the re-appointment of such Director has been put to the meeting and lost;

(ii) the retiring Director has by a notice in writing addressed to the company or its Board, expressed his unwillingness to be so re-appointed;

(iii) he is not qualified or is disqualified for appointment;

(iv) a resolution, whether special or ordinary, is required for the appointment or re-appointment by virtue of any provisions of the Act; or

(v) the provision to sub-section(2) of Section 263 of the Act is applicable to the case.

154. COMPANY MAY INCREASE OR REDUCE NUMBER OF DIRECTORS

Subject to Section 258 of the Act the Company may by Ordinary Resolution, from time to time, increase or reduce the numbers of Directors, and may alter their qualifications and the Company may (subject to the provisions of Section 284 of the Act) remove any Director before the expiration of his period of office and appoint another qualified person in his stead. The person so appointed shall hold office during such time as the Director in whose place he is appointed would have held the same if he had not been removed.

MANAGING AND WHOLE- TIME DIRECTORS



157. BOARD MAY APPOINT MANAGING OR WHOLE - TIME DIRECTOR

Subject to the provisions of the Act and these Articles the Board shall have power to appoint from time to time.

(a) One of its members as Managing Director of the Company for a fixed term not exceeding five years and

(b) If the Board so desires, one or more of its members as whole-time Directors with such designation as the Board may decide upon such terms and conditions as the Board thinks fit, and subject to the provisions of Article No. 158 the Board may by resolution vest in such Managing Director and whole-time Directors such of the powers hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods, and upon such conditions and subject to such restrictions as it may determine. The remuneration of the Managing Director and the Whole-time Directors may be by way of monthly payment, or participation in profits or by any one or both these modes or any other mode not expressly prohibited by the Act. In addition, they shall be entitled to receive fees for attending meetings of the Board or Committee hereof at the rate fixed under these Articles.

158. RESTRICTION ON POWERS

The Managing Director and the whole- time director shall not exercise the powers to :-

- (a) make calls on shareholders in respect of money unpaid on their shares in the company;
- (b) issue debentures;

and, except to the extent mentioned in the resolution passed at the Board Meeting under Section 292 of the Act, shall also not exercise the powers to;

- (c) borrow money, otherwise than on debentures;
- (d) invest the funds of the Company; and
- (e) make loans.

The Company shall not appoint or employ, or continue the appointment or employment of a person as its manager, Managing or Whole-time Director (including Technical Director) who

- (a) is an undischarged insolvent, or has at any time been adjudged an insolvent.
- (b) suspend, or has at any time suspended, payment of his creditors, or makes, or has at any time made, a composition with them , or
- (c) is, or has at any time been convicted by a Court of an offence involving moral turpitude.

A Manager, Managing Director, Whole- time Director (including Technical Director) shall not while he continues to hold that office be subjected to retirement by rotation, in accordance with Articles 151 if he ceases to hold the office of Director he shall ipso facto and immediately ceases to be a Managing Director.

159. MANAGING DIRECTOR NOT TO RETIRE BY ROTATION

The Managing Director shall not while he continues to hold the office be subject to retirement by rotation. If he ceases to hold the office of Director he shall ipso facto and immediately cease to be the Managing Director.

PROCEEDINGS OF THE BOARD DIRECTORS

172. MINUTES OF BOARD MEETING



[1] The Company shall cause minutes of all proceedings of every meeting of the Board and Committee thereof to be kept by making within thirty-days of the conclusion of every such meeting entries thereof in the books kept for that purpose with their pages consecutively numbered.

[2] Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting.

[3] In no case minutes of proceedings of meetings shall be attached to any such book as aforesaid by pasting or otherwise.

[4] The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.

[5] All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.

[6] The Company may maintain Minutes of a Meeting in Loose Leaf form provided that the Minute book and the loose sheets are kept in lock and key in safe custody of and issued under control of principal officer or officers of the Company and are bound at regular interval.

[7] The minutes shall also contain-

[a] The names of the directors present at the meeting and

[b] in the case of each resolution passed at the meeting, the names of the Directors, if any, dissenting from, or not concurring in, the resolution.

[8] Nothing contained in sub-clause [1] to [7] shall be deemed to require the inclusion in any such minutes of any matter which, in the opinion of the Chairman of the meeting.

[a] is, or could reasonably be regarded as, defamatory of any person;

[b] is irrelevant or immaterial to the proceedings; or

[c] is detrimental to the interests of the Company. The Chairman shall exercise as absolute discretion in regard to the inclusion or non inclusion of any matter in the minutes on the grounds specified in this sub-clause.

[9] Minutes of the meeting kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.

173. POWERS OF THE BOARD

The Board may exercise all such powers of the company and do all such acts and things as are not, by the Act or any other Act or by the Memorandum or by the Articles of the Company required to be exercised by the Company in General Meeting subject to nevertheless to these Articles, to the provisions of the Act, or any other Act and to such regulations being not inconsistent with aforesaid regulations or provisions, as may be prescribed by the Company in General Meeting but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made; Provided that the Board shall not, except with the consent of the Company in General Meeting:-

[a] sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole, or substantially the whole, of such undertaking;

[b] remit, or give time for repayment or repayment due by a Director;



[c] invest otherwise than in trust securities the amount of compensation received by the Company in respect of the compulsory acquisition of any such undertakings as is referred to in clause [a] or of any premises or properties used for any such undertaking and without which it can not be carried on or can be carried on only with difficulty or only after a considerable time;

[d] borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company [apart from temporary loans obtained from company's bankers in the ordinary course of business], will exceed the aggregate of the paid-up capital of the company and its free reserves, that is to say, reserves not set apart for any specific purpose: Provided further that the powers specified in Section 292 of the Act shall subject to these Articles be exercised only at meeting of the board, unless the same be delegated to the extent therein stated; or

[e] Contribute to charitable and other funds not directly relating to the business of the company or the welfare of its employees, any amounts the aggregate of which will in any financial year, exceed twenty-five thousand rupees or five percent of its average net profits as determined in accordance with the provisions of section 349 & 350 of the Act during the three financial years immediately preceding, whichever is greater.

174. CERTAIN POWERS OF THE BOARD

Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Article, but subject to the restrictions contained in the last preceding Article, it is hereby declared that the board shall have following powers, that is to say, power-

[1] to pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of section 76 and 208 of the act;

[2] Subject to the sections 292 and 297 of the Act to purchase or otherwise acquire for the company any property, rights or privileges which the company authorise to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit; and any such purchase or other acquisition to accept such title as the Board may believe or may be advised to be reasonably satisfactory;

[3] at their discretion and subject to the provisions of the Act to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partly, in cash or in shares, bonds debentures, mortgages and other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds debentures, mortgages and other securities may be specifically charged upon all or any part of the property of the company and its uncalled capital not so charged;

[4] To secure the fulfillment of any contracts or engagements entered into by the company by mortgage or charge of all or any part of the property of the company and its uncalled capital for the time being or in such manner as they may think fit;

[5] To accept from any member, as far as may be permissible by law, a surrender of its shares or any part thereof, on such terms and conditions as shall be agreed;

[6] To appoint any person to accept and hold in trust for the company any property belonging to the company, in which it is interested, or for any other purposes; and to execute and to do all such deeds and things as may be required in relating to any such trust, and to provide for the remuneration of such trustee or trustees.

[7] To institute, conduct, defend, compound or abandon any legal proceedings by or against the company or its officers, or otherwise concerning the affairs of the company, and also to compound and allow time for payment or satisfaction of any debts due, and for any claims or demands by or against the company and to refer any differences to arbitration, and observe and perform any awards made thereon;

[8] To act on behalf of the Company in all matters relating to bankrupts and insolvents;

[9] To make and give receipts, releases and other discharges for moneys payable to the company and for the claims and demands of the company;



[10] Subject to provisions of sections 292, 293[1] [c], 295, 369, 370, 372, and 373 of the Act, to invest and deal with any moneys of the Company not immediately required for the purpose thereof, upon such security, [not being shares of this company] or without security and in such manner as they think fit, and from time to time to vary and realise such investments, save as provided in section 49 of the Act, all investments shall be made and held in the Company's own name;

[11] To execute in the name and on behalf of the company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the company, such mortgage of the company's property [present or future] as they think fit and any such mortgage may contain a power of sale and such other powers, provisions covenants and agreements as shall be agreed upon;

12) To determine from time to time who shall be entitled to sign ,on the company's behalf bills , notes, receipts, acceptances, endorsement, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose;

13) To distribute by the way of bonus amongst the staff of the company a share or shares in the profits of the company and to give to any officer or other person employed by the company a commission on the profits of any particular business or transaction ; and to charge such bonus or commission as part of the working expenses of the company;

14) To provide for the welfare of the directors or ex Directors or employees or ex-employees of the company and their spouses, and families or the dependents or connections of such persons by building or contributing to the building of houses ,dwellings or chawls, by or grants of money, pension gratuities, allowances, bonus or other payments ,or by creating and form time to time subscribing or contributing to provident and other associations, institutions funds or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as board shall think fit ; and subject to section 293 (i) (e) to subscribe or contribute or otherwise to assist or to guarantee money to charitable benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the company, either by reason of locality of operation, or of public and general utility or otherwise;

15) Before recommending any dividend, to set aside, out of the profits of the Company such sums as they may think proper for depreciation or to depreciation fund or to an insurance fund or as a reserve fund or sinking fund or any special fund to meet contingencies or to repay debentures or debentures- stock, or for special dividends or for equalising dividends or for repairing , improving , extending and maintaining any of the property of the company and for such other purposes (including the purpose referred to in the preceding clause,) as the Board may, in their absolute discretion, think conducive to the interest of the Company and subject to section 292 of the act , to invest the several sums so set aside or so much their of as required to invested upon such investments (other than the shares of the company) as they may think fit and from time to time to deal with and vary such investments and dispose of and apply and expend all or any part thereof of the benefit of the Company, in such manner and for such purposes as the Board in their absolute discretion, think conducive to the interests of the Company notwithstanding that the matters to which the Board apply or upon which they expend the same, or any part thereof, may be matters to or upon which the capital moneys of the company might rightly be applied or expended; and to divide the Reserve fund or division of reserve fund into another Reserve fund or division of Reserve Funds as the Board may think fit, with full power to transfer the whole or any portion, of a Reserve fund and with full power to employ the assets constituting all or any of the above funds, including the depreciation fund in the business of the company or in the purchase or repayment of debentures or debenture-stock, and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with the power however to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper.

16) To appoint, and at their discretion remove or suspend such general managers , secretaries assistants, supervisors, clerks, agents, and servants for permanent, temporary or special services as they may from time to time think fit , and to determine their powers and duties, and fix their salaries, wages, or emoluments or remuneration, and to required security in such instances and to such amounts as they may think fit; and also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit; and provisions contained in the four next following sub-clauses shall be without prejudice to the general powers conferred by this sub- clause;



17) To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with;

18) From time to time and at any time to establish any Local Board for managing any of the affairs of the company in any specified locality in India or elsewhere and to appoint any persons to be members of such Local Boards, and to fix their remuneration;

19) subject to Section 292 of the Act, from the time to time, and at any time to delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Board other than their power to make calls or to make loans or borrow moneys and to authorise the members for the time being of any such Local Board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made on such terms and subject to such conditions as the Board may think fit, and the Board may at any time remove any person so appointed, and may annul or vary such delegation;

20) At any time and from time by power of Attorney under the Seal of the company, to appoint any person or persons to be the Attorney or Attorneys of the company, for such purpose and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorised by the Board by the board the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit ; and any such appointment may (if the boards think fit) be made in favour of the members or any of the members of any Local Board, established as afore said or in favour of any company or shareholders, directors, nominees or managers of any company or firm of otherwise in favour of any fluctuating body of person whether nominated directly or indirectly by the Board and any such Power of Attorneys may contain such Powers for the protection or convenience of persons dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or the powers authorities and discretions for the time being vested in them;

21) Subject to Section 294, 297, and 300 of the Act, for in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the company as they may consider expedient;

22) From time to time to make, vary and repeal bye-laws, for the regulation of the business of the Company, its officers and servants.

DIVIDENDS

177. DIVISIONS OF PROFIT

The profits of the company, subject to any special rights relating there to created or authorised to be created by these Articles and subject to the provisions of these Articles, shall be divisible among the members in proportion to the amount of capital paid - up on the shares held by them respectively.

178. THE COMPANY IN GENERAL MEETING DECLARE A DIVIDEND

The company in General Meeting may declare Dividends, to be paid to members according to their respective rights but no dividends shall exceed the amount recommended by the board, but the Company in general Meeting may declare a smaller dividend.

179. DIVIDENDS ONLY OUT OF PROFITS

No dividend shall be declared or paid otherwise than out of profits of the financial year arrived at after providing for depreciation in accordance with the provisions of section 205 of the Act or out of the profits of the company for any previous financial year or years arrived at after providing for depreciation in accordance with those provisions and remaining undistributed or out both provided that :-

(a) If the company has not provided for depreciation for any previous financial year or years which falls or fall after the commencement of the companies (Amendment) Act, 1960, it shall, before declaring



or paying a dividend for any financial year provide for such depreciation out of the profits of that financial year or out of the profits of any other previous financial year or years ;

(b) If the company has incurred any loss in any previous financial year or years which falls or fall after the commencement of the companies (Amendment) Act, 1960, the amount of the loss or an amount which is equal to the amount provided for depreciation for that year or those years , whichever is less , shall be set off against the profits of the company for the year for which the dividend is proposed to be declared or paid or against the profits of the company for any previous financial year or years arrived at in both cases after providing for depreciation in accordance with provision of sub -section (2) of section 205 of the Act or against both .

180. INTERIM DIVIDEND

The board may from time to time , pay to the members such interim dividend as in their judgment the position of the company justifies .

181. CAPITAL PAID UP IN ADVANCE AND INTEREST NOT TO EARN DIVIDEND

Where capital is paid in advance of calls upon the footing that the same shall carry interest , such capital shall not whilst carrying interest , confer a right to participate in profits or dividends.

182. DIVIDEND IN PROPORTION TO CAPITAL PAID UP

The company shall pay dividends in proportion to the amount paid up or credited as paid upon each share, where a larger amount paid up or credited as paid up on some shares than on others .

183. RETENTION OF DIVIDEND

Subject to section 206A of the Act ,the board may retain the dividends payable upon share in respect of which any person , is entitled to become a member or which any person is entitled to transfer, until such person shall become a member in respect of such share or shares or shall duly transfer the same .

184. DIVIDEND TO JOINT HOLDER

Any one of several persons who are registered as the joint - holders of any share may give effectual receipts for all dividends or bonus and payment on account of dividends or bonus or other moneys payable in respect of such shares.

185. NO MEMBER TO RECEIVE DIVIDEND WHILST INDEBTED TO COMPANY

No member shall be entitled to receive payment of any interest or dividend in respect of his 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 member all sums of money so due from him to the Company.

No unclaimed or unpaid dividend shall be forfeited by the Board and the Company shall comply with all the provisions of Section 205A of the Companies Act, 1956, in respect of unclaimed or unpaid dividend.

186. NO INTEREST ON DIVIDENDS

No unpaid dividend shall bear interest as against the Company.

187. DIVIDEND CAN BE ADJUSTED AGAINST CALL

Any General Meeting declaring a dividend may on the recommendation of the Directors 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 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 calls.



CAPITALISATION

188. CAPITALISATION

(a) The Company in General Meeting may resolve that any moneys, investments or other assets forming part of the undivided profits of the Company standing to the credit of the Reserve Fund, or any Capital Redemption Reserve Account or in the hands of the Company and available for dividend (or representing premiums received on the issue of shares and standing to the credit of the securities premium account) be capitalised and distributed amongst such of share-holders as would be entitled to receive the same if distributed by way of dividend and in the same proportion on the footing that they become entitled thereto as capital and that all or any part of such capitalised fund be applied on behalf of such shareholders in paying up in full either at par or at such premium as the resolution may provide, any unissued share or debentures or debenture-stock of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares or debentures or debenture-stock and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalised sum. Provided that a Securities Premium Account and a Capital Redemption Reserve Account may, for the purpose of this Article, only be applied in the paying up of unissued shares to be issued to Members of the Company as fully paid bonus shares.

(b) A General Meeting may resolve that any surplus moneys arising from the realisation 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 among the Members on the footing that they receive the same as capital.

(c) For the purpose of giving effect to any resolution under the preceding paragraphs of this Article the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient and in particular may issue fractional certificates, and may fix the value for distribution of any specific assets and may determine that such cash payments shall be made to any Member upon the footing of the value so fixed or that fraction of value less than Re. 1/- may be disregarded in order to adjust the rights of all parties, and may vest any such cash or specific assets in trustees upon such trusts for the persons entitled to the dividend or capitalised fund as may seem expedient to the Board. Where requisite, a proper contract shall be delivered to the Registrar for registration in accordance with Section 75 of the Companies Act, 1956, 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.

ACCOUNTS

189. The Company shall keep at the office or at such other place in India as the Board thinks fit proper Books of Account in accordance with Section 209 of the Act with respect to

(a) all sums of money received and expended by the Company and the matters in respect of which the receipts and expenditure take place;

(b) all sales and purchases of goods by the Company;

(c) the assets and liabilities of the Company.

Where the Board decides to keep all or any of the Books of Account at any place other than the office of the Company, the Company shall within seven days of the decision file with the Registrar a notice in writing giving the full address of that other place.

The Company shall preserve in good order the Books of Account relating to a period of not less than eight years immediately preceding the current year, together with the vouchers relevant to such entries in such Books of Account.

Where the Company has branch office, whether in India or outside India, the Company shall be deemed to have complied with this Article if proper Books of Account relating to the transaction effected at the branch office are kept at the branch office and proper summarised returns, made upto dates at intervals of not more than three months, are sent by the branch office to the Company at its office or other place in India at which the Company's Books of Account are kept as aforesaid.



The Books of Account shall give a true and fair view of the state of affairs of the Company or branch office as the case may be and explain its transactions. The Books of Account and other papers shall be open to inspection by any Director during business hours.

DOCUMENTS AND NOTICES

193. SERVICE OF DOCUMENT OR NOTICES ON MEMBER

(1) A document or notice may be served or given by the Company on or to any Member either personally or by sending it by post to him to his registered address or (if he has no registered address in India) to the address, if any, in India supplied by him to the Company for serving documents or notices on him.

(2) Where a document or notice is sent by post service of the document or notice shall be deemed to be effected by properly addressing prepaying and posting a letter containing the document or notice provided that where a member has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgment due and has deposited with the Company a sum sufficient to defray the expenses of doing so services of the document or notice shall not be deemed to be effected unless it is sent in the manner intimated by the member and such service shall be deemed to have been effected in the case of a notice of a meeting at the expiration of 48 hours after the letter containing the document or notice is posted and in any other case at the time at which the letter would be delivered in the ordinary course of the post.

194. BY ADVERTISEMENT

A document or notice advertised in a news paper circulating in the neighborhood of the office shall be deemed to be duly served or sent on the day on which the advertisement appears to every member who has no registered address in India and has not supplied to the Company and address within India for the serving of documents on or the sending of notices to him.

195. ON JOINT-HOLDERS

A document or notice may be served or given by the Company on or to the joint-holders of a share by serving or giving the document or notice on or to the joint-holder named first in the Register of Members in respect of the share.

196. ON PERSONAL REPRESENTATIVES

A document or notice may be served or given by the Company on or to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through a post in a prepaid letter addressed to them by the name or by the title of representatives of the deceased or assignee of the insolvent or by any like description, at the address [if any] in India supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by serving the document or notice in any manner in which the same might have been given if the death or insolvency had not occurred.

199. SERVICE OF DOCUMENT OR NOTICE BY MEMBERS

All document or notices to be served or given by Members on or to the Company or any officer of shall be served or given by sending it to the company or officer at the office by post under a certificate of posting or by registered post, or by leaving it at the office .

WINDING UP

200. LIQUIDATOR MAY DIVIDE ASSETS IN SPECIE

The Liquidator on any winding up (whether voluntary, under supervision , or compulsory) may, with the sanction of a special Resolution, but subject to the rights attached to any preference share capital, divide among the contributories in specie any part of the assets of the Company and may with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction shall think fit.



INDEMNITY AND RESPONSIBILITY

201. DIRECTORS AND OTHERS RIGHT OF INDEMNITY

Every officer or agent for the time being of the company shall be indemnified out of the assets of the company against all liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application under Section 633 of the Act in which relief is granted to him by Court.

SECRECY CLAUSE

202. SECRECY

a) Every Director, Manager, Secretary, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the Company shall, if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the company with the customers and the state of the accounts, with individuals and the matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.

b) No Member shall be entitled to visit or inspect any works of the Company without the permission of the Directors or to require discovery of or any information respecting any detail of the companies trading, or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process or any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Directors, it would be inexpedient in the interest of the Company to disclose.

203. RIGHTS OF SHAREHOLDERS IN CASE OF SALE

Subject to the provisions of the Act, a special resolution sanctioning a sale to any other Company duly passed may, in like manner as aforesaid, determine that any shares or other consideration receivable by the Liquidators be distributed amongst the members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the members subject to the rights of dissent, if any, if such right be given by the Act.

**SECTION X : MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

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 Draft Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by our Company. These Contracts, copies of which have been attached to the copy of this Draft Red Herring Prospectus, delivered to the Registrar of Companies, Pune for registration and also the documents for inspection referred to hereunder, may be inspected at the registered office of our Company situated at J/5, 'S' Block, MIDC, Bhosari, Pune – 411 026 from 11.00 am to 3.00 pm on working days from the date of this DRAFT RED HERRING PROSPECTUS until the Bid/Issue Closing Date.

Material Contracts

1. Memorandum of Understanding, dated March 11, 2008 signed between our Company and Fortune Financial Services (India) Limited, the Book Running Lead Managers to the Issue.
2. Memorandum of Understanding, dated March 18, 2008 signed between the Company and Intime Spectrum Registry Limited, the Registrar to the Issue.
3. Copy of the Tri-partite Agreement dated [●] between NSDL, the Company and Registrar to the Issue.
4. Copy of the Tri-partite Agreement dated [●] between CDSL, the Company and Registrar to the Issue.
5. Escrow Agreement dated [●] among our Company, the BRLM, Escrow Collection Banks and Registrars to the Issue.
6. Syndicate Agreement dated [●] among our Company, the BRLM and the Syndicate Members.
7. Underwriting Agreement dated [●] among our Company, the BRLM and the Syndicate Members.

Documents for Inspection

1. Memorandum and Articles of Association of Trinity India Limited, as amended from time to time.
2. Certificate of Incorporation of Trinity India Limited formerly know as Trinity Die Forgers Pvt. Limited dated December 31, 1990.
3. Fresh Certificate of incorporation consequent to change of name from “Trinity Die Forgers Pvt. Limited” to “Trinity Die Forgers Limited” dated December 15, 1992.
4. Fresh Certificate of incorporation consequent to change of name from “Trinity Die Forgers Limited” to “Trinity India Limited” dated February 29, 2008.
5. Copy of special resolution passed at EGM dated 21.02.2008 u/s 81 (1A) authorizing the Issue of Equity Shares.
6. Copies of letters dated [●] to BSE and NSE regarding in-principle approval for Listing.
7. Copy of in-principle approval from BSE and NSE dated [●] and [●].
8. Copies of Auditors Reports issued by Statutory Auditors of the Company, M/s S.A. Foujdar & Co., Chartered Accountants, regarding reinstated financials of the company for last five financial years dated July 10, 2008.
9. Copy of Tax Benefits Certificate issued by Statutory Auditors of the Company M/s S.A. Foujdar & Co., Chartered Accountants, dated July 10, 2008.
10. Certificate from Statutory Auditors dated June 24, 2008 regarding the deployment of funds in relation to this Issue.
11. Letter from Axis Bank Limited dated December 19, 2007 sanctioning the term loan of Rs.800 Lacs for the Object of the Issue.
12. Consent letters from Promoters, Directors, Book Running Lead Manager to the Issue, Bankers to the Company, Auditors, Legal Advisors to the Issue, Registrar to the Issue, Company Secretary & Compliance Officer to act in their respective capacities and for inclusion of their names in the Draft Red Herring Prospectus.
13. Copies of Annual Reports of the Company for the last 5 accounting period i.e. FY 2004, FY 2005, FY 2006, FY 2007 and FY 2008.
14. Copies of Annual Reports of the Group Companies for the last 3 accounting periods i.e. FY 2005, FY 2006 and FY 2007.
15. Due Diligence Certificate dated July 9, 2008 issued by Book Running Lead Managers to the Issue, Fortune Financial Services (India) Limited.
16. SEBI observation letter no. [●] dated [●].



Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of the Company or if required by the other parties, without reference to the shareholders, subject to compliance with the provisions contained in the Companies Act and other relevant statutes.

**SECTION XI : DECLARATION**

All the relevant provisions of the Companies Act, 1956, and the guidelines issued by the Government of India or the guidelines issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or rules made there under or guidelines issued, as the case may be. We further certify that all disclosures & statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY ALL THE DIRECTORS OF TRINITY INDIA LIMITED

Mr. J.C. Basu Chairman & Managing Director	
Mr. Deepankar Basu Executive Director	
Ms. Moushumi Basu Whole-time Director	
Mr. Rasamoy Chakraborty Director	
Mr. K. Ramachandra Director	
Mr. Prabir Biswas Director	
Mr. Jack Treier (through his alternate director Mr. Keshav Gokhale) Director	

Mr. Praful Karia General Manager – Finance & Accounts	
Mr. Vijay Shirode Company Secretary & Compliance Officer	

Date: 10.07.2008**Place:** Pune