ENDURANCE
Complete Solutions

ENDURING SUSTAINABILITY

ANNUAL REPORT 2019-20

ENDURANCE TECHNOLOGIES LIMITED

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ENDURING SUSTAINABILITY

A BUSINESS THAT CAN PLAY ON ITS STRENGTHS AND OVERCOME HURDLES, NOT JUST ONCE BUT CONTINUALLY, WINNING INCREASINGLY GREATER TRUST ALONG THE WAY, IS ONE THAT HAS ENDURED SUSTAINABILITY.

At Endurance Technologies, we have proved worthy of our name yet again in a year that presented many challenges for the world, and for India. We rose to those challenges, using them to fire up our innovation, finding new ways to create value. Our strategy, execution, and agility speak for themselves — we finished the year with a performance better than that of our industry and have maintained profitability in the face of challenges.

We have achieved this success by working extremely hard to sharpen our competitive edge on all fronts: operational efficiency; optimal use of assets; wider product range; manufacturing excellence; client base diversification; quality upgrade and improved customer service.

Our internal resilience, designed to withstand external shocks, is based on cutting-edge research and development; world-class facilities; and a proven reputation for reliability that has made us a preferred end-to-end solution provider for top original equipment manufacturers at the national and international level. The mindset and process of "first time right" are embedded in our Company culture, ensuring timeliness and cost savings for all stakeholders.

Social sustainability is demonstrated in the way we design our communities and the organisation – a place where everyone thrives and flourishes; supports collective and individual well-being; and, have the resources and resilience to respond better to challenges.

WE SHALL ENDURE AND GROW OUR BUSINESS SUSTAINABLY. THAT IS BOTH OUR GOAL AND OUR PROMISE.

INSIGHTS FROM OUR MANAGING DIRECTOR

Dear Shareholders,

I am pleased to bring you the Endurance Technologies Annual Report 2019-20. This year was certainly challenging overall but it saw us proving our mettle once more. True to our reputation as an end-to-end automotive solution provider that can compete on the world stage, we posted a good set of financial results despite the general slowdown in the automobile industry. Indeed, we have delivered 'better than industry' results, which indicates the trust that our OEM clients place in us.

We are one of India's leading automotive component manufacturing companies and the largest aluminium die casting company. The sustained demand for our products is complemented by our focus on profitable growth in the domestic and overseas markets. Our plant operations in India and Europe were suspended during the lockdown. Going forward, we expect several uncertainties in the first half of FY 2020-21 in the wake of the pandemic, and this is likely to leave an impact on the second half of the financial year too.

However, we are in it for a marathon, not a sprint, and we are working on our own capabilities to seize the opportunities that will emerge from the pandemic. We took the lockdown as an opportunity to become leaner and focused on lowering our fixed and variable costs and capital expenditure. A combination of robust top line, cost and capex control, engineering innovation, productivity and quality enhancement has allowed us to remain a financially robust Company with strong ROCE (return on capital employed) and ROE (return on equity), and with positive cash and cash equivalent. Today, we are better prepared to face the auto market slump and are also working on austerity measures to face industry challenges. Regardless of the macro-economic conditions, we shall remain committed to the enduring sustainability of our business.

Profitable and Sustainable Growth

During the year under review, the automotive industry in India and Europe reported negative growth. Amidst this scenario, we continued our trend of outperforming the industry, as we reported Consolidated Total Income of ₹ 69,653 million, compared to ₹ 75,375 million in the previous year. Our Net Profit stood at ₹ 5,655 million, up 14.2% compared to ₹ 4,950 million in the previous year. EBITDA was at ₹ 11,784 million, as against ₹ 11,558 million a year earlier.

Consolidated EBITDA margin was at 16.9%, ROCE at 21.7% and ROE at 20.3%. For the first time in our history, there was no consolidated net debt; instead we had net cash of ₹ 361 million. We had new orders worth ₹ 5,860 million during the financial year ended 31st March, 2020. In addition, ₹ 12,770 million worth of order enquiries received from OEMs are currently under discussion.

The Indian business contributed 71.4% to the Consolidated Income and recorded Total Sales of ₹ 49,386 million, compared to ₹ 54,175 million a year ago. Sales in the Aftermarket segment at ₹ 2,977 million grew 10%. Our Exports stood at ₹ 2,167 million. The European operations contributed 28.6% to our Consolidated Income. Total Sales in Europe stood at €251.3 million, compared to €258.6 million in the previous year.

Despite a challenging market environment, we reported a satisfactory performance during the year. In fact, we earned better profit margins in spite of de-growth in the automobile industry. In brief, although total sales fell, our profitability increased by a fairly good margin – both in absolute terms and percentage. During the year, we lowered our costs, including raw material costs, which led to better profit margins. Our value-added products drove margin expansion. Further, we exercised greater control over our capital expenditure and working capital.

> "Despite a challenging market environment, we reported a satisfactory performance during the year"

Consolidated Total Income

₹ 69,653 million

Net Profit

₹ 5,655 million

14.2% ↑

All major 2-wheeler and 3-wheeler OEMs in India are our customers today. In the overseas markets, we continue to be associated with major OEMs and have been supporting them in their value-addition journey, as they drive forward to produce state-of-the-art vehicles, including electric and hybrid vehicles. We also grew our presence in the replacement market.

Towards Better Product Mix with more Value-adds

The year under review was a challenging one even before the impact of the Coronavirus pandemic began to shut down markets. Even so, we were ahead of the industry, winning new business and supplying all four product categories to existing customers, gaining business share, being on their new product platforms, and getting orders for higher value-added parts.

Our focus continued to be on more value adds and a profitable product mix in our future business. These included the 200cc-plus motorcycle brakes and clutch assemblies; paper-based clutch assemblies for motorcycles; continuous variable transmissions or automatic clutches for scooters; anti-lock brake system for 150cc-plus motorcycles; inverted front forks and adjustable rear mono shock absorbers for 200cc-plus motorcycles, front forks and shock absorbers for electric two-wheelers and three-wheelers; and fully-finished machined castings for two, three and four-wheelers.

Our recent investments in companies with strengths in braking and clutch technologies will help us offer further value addition to our customers. We have won significant orders for automotive components of electric and hybrid cars, which we have begun manufacturing this year.

Strengthening Our Presence

We have continued to establish the Endurance brand and our leadership position. During the year, we scaled up and strengthened our product offerings, expanded our presence by leveraging our relationships with OEM manufacturers, and won significant new business. Today, we command a 31% share in front forks, 34% in shock absorbers, 16% in clutch assemblies and 24% in brake systems in the domestic market.

In the overseas market, we continue to nurture strong relationships with our OEM customers. Our largest customer today is a German group, which has key ICE, hybrid and electric vehicles in its stable, and we serve them in all these categories.

In the Aftermarket segment, we forayed into two more countries and now we serve 28 countries overseas. Our distribution network spans to 335 dealers in India and 40 distributors overseas. During FY 2020-21, we plan to foray into three more countries and add at least 35-40 new dealers.

One of the ways in which we are strengthening the organisation is by diversifying our client base and reducing dependence on a few major clients. This will help us withstand the stressed macro-economic conditions that may prevail from time to time.

New Product Platforms

We are entering a new product area, that of aluminium forging, which will enable us to integrate backwards. Today, we are importing Axle clamps from Western Europe for our inverted front forks. With our new venture, we will begin manufacturing of such clamps in-house, the production of which is aimed to start in April 2021. For this, we have signed a technical collaboration with a leading company in Italy. This will give us an opportunity to grow the aluminium forging proprietary business for other usage in 2-wheelers, 3-wheelers, 4-wheelers, and electric vehicles.

Acquiring New Technologies

We are constantly on the lookout for acquisition and collaboration opportunities to launch new products, in India and overseas, to gain technology and market share. We have acquired ownership of two of our long-standing technology partners recently. Our Italian subsidiary, Endurance Overseas Srl, acquired 99% stake in two-wheeler clutch company Adler SpA in April this year, to become Endurance Adler SpA. Adler is a leader in systems solutions for clutches, gears, friction plates, with a niche in R&D, engineering services and product development for customers in Europe. This is indeed a strategic acquisition, as it gives us complete access to Adler's technical knowhow and its intellectual property rights. Furthermore, it provides us growth opportunities for the domestic market and for exports. With Adler's manufacturing plant at Rovereto, Italy, our Group today has 10 manufacturing plants in Europe, of which 7 are in Italy and 3 in Germany.

In May 2020, Endurance Adler SpA acquired the two-wheeler brake company, Grimeca Srl, which specialises in designing of brake systems for motorcycle applications. The transaction involves the acquisition of "G Grimeca" brand, intellectual property, patents and know-how for brake systems for two-wheelers and three-wheelers. Grimeca has several years of development expertise and design of high-tech solutions for large series motorcycles and for innovative and high-performance applications.

Both Adler and Grimeca have been our technology partners in the past and have been an important part of our journey of growing our clutch and brakes business in India in the last 15-17 years. These acquisitions give a new impetus to our technological leadership, with the prospect of creating a centre of excellence in Italy for designing and manufacturing of motorcycle components. It gives us access to improved technology in braking and transmissions, and also access to new customers. Both these acquisitions will help us get new business for clutch assemblies and brakes mainly for 200cc-plus motorcycles in our Indian operations. Further, these acquisitions are expected to get us new business from the European market too.

Endurance has successfully deployed technology sourced from overseas in the Indian markets. Our R&D teams engage in value engineering exercises, to ensure that the imported technology serves the end customer on Indian roads, driving conditions, and also provides value in terms of better performance, durability and cost.

Strategic Priorities

Through our technological capabilities, we maintain our focus on supplying "first time right" products to OEMs. Our recently commissioned 29-acre test track (proving ground) goes a long way in achieving this objective.

Stringent focus is being maintained on QCDDM (Quality, Cost, Delivery, Development, and Management) parameters to the satisfaction of our customers for keeping our sales growth higher than industry average, gaining business share in the markets we serve, and increasing wallet share from our customers.

Meanwhile, through the Endurance Vendor Association, we work with our suppliers to improve quality of their components and satisfy us in QCDDM.

We are also improving operational efficiency and ROCE by utilising our assets better and reducing the need for further capital expenditure.

Sweating Existing Assets

Our focus continues to be on sweating the existing assets more in lean times. Today, we have 17 plants in India that are running optimally. Our new plant at Vallam near Chennai, for supplying machined aluminium castings, is expected to get commissioned by October, 2020. Our emphasis is on enabling multi-product development at these plants, depending upon orders received from customers. This will help us optimise our operations and reduce capex. Any new capex will now be taken up only based on business demand and size of the opportunity.

Replacement Market

In keeping with our commitment to offer end-to-end solutions, we augmented our range of offerings and have lined up the launch of value-added products. In a strategic approach to make core and new products available across India, we continued our channel expansion drive to Tier 2 & 3 cities and rural India. Moving forward, we expect the aftermarket business to be our strategic growth driver. In the overseas market, we will maintain our foothold in the existing 28 countries. Our aim is to expand our presence to at least two new countries during FY 2020-21. We are considering geographies like Latin America and South East Asia. Going ahead, we are targeting three key segments: private branding; launch of products for international make of 2-wheelers; and launch of value-added products.

Moving Forward

Over the years, we have managed to build a robust organisation and strong financials. We have established a reputation of manufacturing products that are designed to last longer, and have set up business relationships that have stood the test of time. Our emphasis on safety, community welfare and the environment continues.

Moving forward, we will continue our single-minded aim on technology and new product-oriented organic and inorganic growth. We aim to increase the share of business with existing clients, add new clients, add and upgrade latest technologies through product collaborations and in-house R&D, growth in new product areas, increase aftermarket and exports business, and look at inorganic opportunities in India and Europe.

> **"Our focus continued to be on more value adds and a profitable product mix in our future business"**

Today, we have the ability to sustain ourselves in the market by virtue of some of our sustained efforts: ensuring better control on capex; maintaining a strong focus on quality; control on costs; and continuing to hold customer centricity as our core value.

We will do all this while reaffirming our long-standing reputation for leadership, trust and integrity. We will continue to build momentum and find innovative ways to add value for our clients. With our highly differentiated capabilities and disciplined management of the business, I am very confident about gaining market share and satisfying all the stakeholders.

On behalf of the management and the Board of Directors, I thank all our shareholders, customers, supply chain members, technology partners and all our employees for helping us build a sustainable and technological future together.

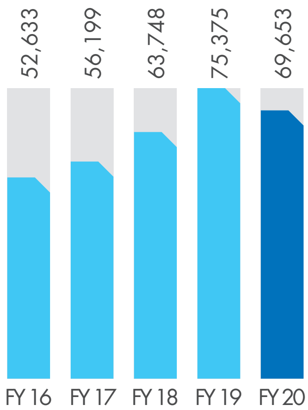
Thank you for being a part of our ongoing success story.

Sincerely,

Anurang Jain
Managing Director

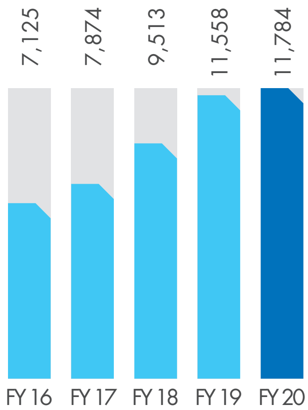
PURSUING SUSTAINABILITY-DRIVEN GROWTH

Total Income
(₹ Million)



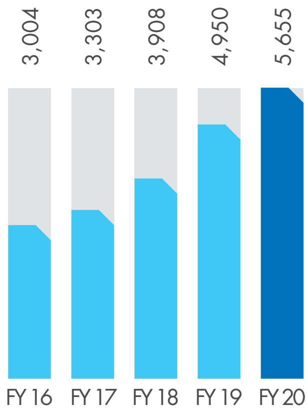
CAGR FY 2016-20: **7.3%**

EBITDA
(₹ Million)



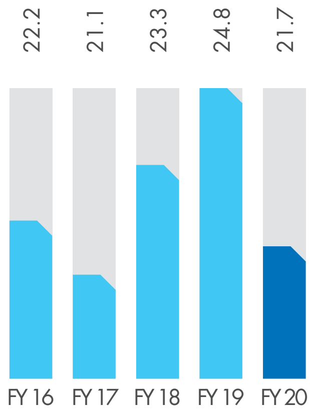
CAGR FY 2016-20: **13.4%**

Profit After Tax
(₹ Million)

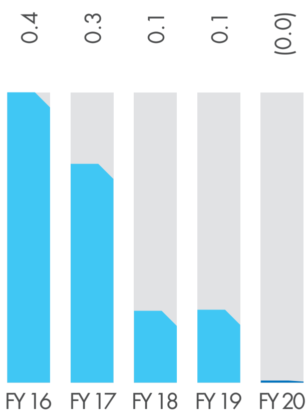


CAGR FY 2016-20: **17.1%**

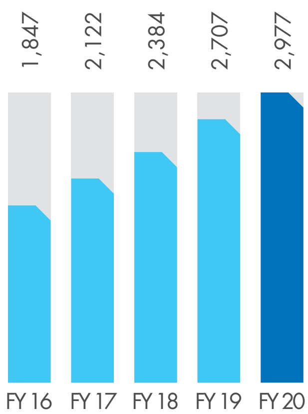
Return on Average Capital Employed
(%)



Net Debt/Equity Ratio (No. of Times)

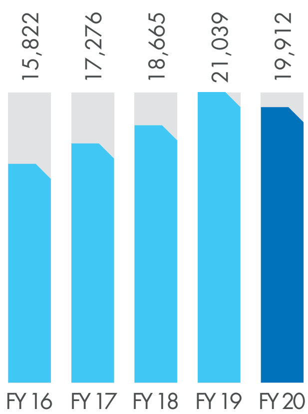


Expansion of Aftermarket Sales
(₹ Million)



CAGR FY 2016-20: **12.7%**

Total Income in European business
(₹ Million)



CAGR FY 2016-20: **5.9%**

OUR BOARD OF DIRECTORS

Standing from left to right

Soumendra Basu
Independent Director

Anurang Jain
Managing Director

Partho Datta
Independent Director

Satrajit Ray
Director and Group Chief Financial Officer

Ramesh Gehaney
Director and Chief Operating Officer

Sitting from left to right

Massimo Venuti
Non-Executive Director

Anjali Seth
Independent Director

Naresh Chandra
Chairman

Falguni Nayar
Independent Director

Roberto Testore
Independent Director

OVERVIEW OF ENDURANCE TECHNOLOGIES

We are a leading Tier 1 advanced automotive component manufacturer, catering to mainly the 2-wheeler and 3-wheeler markets in India, and to the 4-wheeler market in Europe. Our end-to-end solutions include Aluminium Die Casting, in which we are ranked first in the Indian market, and also Suspension, Transmission and Braking Systems.

No. 1
Aluminium Die Casting Company in India

Tier 1
Supplier to Major OEMs

11
Patents Granted in India

07
Designs Registered

27
Manufacturing Plants Globally (17 in India; 7 in Italy; 3 in Germany)

THE CIRCLE OF ENDURANCE

Mission
To achieve and maintain leadership with a focus on technology and product reliability, environment and safety through a participative work culture of transparency and ownership.

Goal
To be present in every 2-wheeler in the world.

Philosophy
To ensure profitable growth. Endurance to be a 'First Choice' supplier to all its OEMs.

Purpose
Continuous value creation for Customers, Employees, Investors, Vendors and all other stakeholders.

Vision
To grow as a complete solutions provider of automotive components and systems having a global footprint in our chosen product portfolio.

Key Differentiators

1.
We are a top automotive components manufacturer catering to markets in India and Europe

2.
Our domestic and international OEM customers are served by plants that exemplify manufacturing excellence

3.
Our experience and expertise span high-quality components for various vehicles

4.
We are a highly trusted end-to-end multi-solutions provider, with a wide range of products

5.
Our world-class 29-acre multi-track proving ground supports our 'first time right' principle

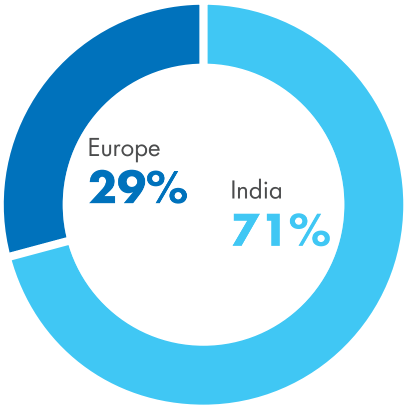
6.
Our strong focus on R&D and technological capabilities keeps us ahead in the game

7.
We nurture relationships with top OEM customers

8.
We develop relationships with Life Time Suppliers through our Endurance Vendor Association

Vehicle Type

4-Wheelers



2-Wheelers
56%

3-Wheelers & Others
12%

4-Wheelers
32%

Enduring Presence

INDIA

Manufacturing Locations, R&D Facilities and Test Track

Research and Development

Aurangabad - Maharashtra
Pune - Maharashtra

Test Track

Aurangabad - Maharashtra

Manufacturing

Aurangabad, Maharashtra - 8
Pune, Maharashtra - 3
Sanand, Gujarat - 1
Halol, Gujarat - 1
Pantnagar, Uttarakhand - 2
Chennai, Tamil Nadu - 1
Kolar, Karnataka - 1

17
Manufacturing Plants

4
DSIR approved R&D Centres

EUROPE

Manufacturing Locations, R&D Facilities and Test Track

Manufacturing Locations

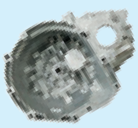
Germany
Massenbachhausen - 3

Italy
Torino - 1, Chivasso - 2, Grugliasco - 1,
Lombardore - 1, Bione - 1, Rovereto - 1

10
Manufacturing Plants

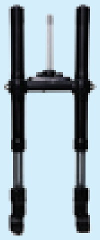
India Business

2-wheelers, and 3-wheelers

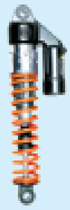


Aluminium Die Casting and Machining (including for 4-wheelers)

Aluminium Alloy Wheels

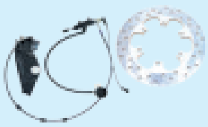


Inverted Front Fork Assembly



Gas-charged Shock Absorber

Transmissions



Braking Systems

Aftermarket Sales

Overseas Business

4-wheelers

- Aluminium Die Castings and Machining of:
  - a. Suspension and body parts
  - b. Engine parts
  - c. Transmission parts
- Assembly of other Metallic Components like Cast iron and Steel
- Transmission Systems (for 2-wheelers)
- Speciality Plastic Components

We are an End-to-End Solutions Provider

Design

Our designs across product ranges are innovative and cost-competitive, enabled by our technological edge.

Develop

Our focus is on developing 'first time right' products that save time and cost for us and our customers.

Testing and Validation

We have state-of-the-art in-house facilities, including a test track, for material, component, products, and vehicle level testing.

Manufacture

International standard machinery and processes enable us to manufacture a wide range of products for various customer requirements.

Deliver

Our manufacturing facilities both in India and Europe are in close proximity to our customers, enabling timely delivery.

Service

We provide end-to-end services from design and conception to the final delivery along with robust aftersales service.

CREATING, SUSTAINING AND DELIVERING ENDURING VALUE

In our efforts to stay ahead of the competition, we create value even amidst challenging times by constantly investing in research, design, manufacturing, and technological excellence. Our strategy is based on both organic and inorganic growth in order to maximise the potential of current and future footprint.

Being an end-to-end solutions provider

From design to delivery, we offer a wide range of products under a single roof. Our OEM customers can fully trust our quality, timeliness, and aftersales support.

Manufacturing excellence

Our cost-effective manufacturing and enhanced process efficiency through TPM methodology enable us to lead the market in automotive components in our respective segments in India and Europe.

Through next-gen technologies

Our state-of-the-art technologies ensure product performance and durability, deliver best-in-class quality and reliable products, and also enable weight optimisation.

Applying QCDDM approach across operations

We constantly aim to improve quality, cost, and technology and become increasingly competitive, leading to sustained profitability. We align, adjust, and improve efficiency at all levels across the organisation.

Building the right culture

We drive a high-performing culture across the organisation, and aim to hire the right talent and promote an innovation-driven mindset.

Enhancing content per vehicle

Through premium products that follow new safety regulations and meet the needs of discerning end-users, we augment our content per vehicle.

R&D capabilities

We have four DSIR-approved R&D facilities and more than 200 dedicated R&D personnel globally. We have received 11 patents and 7 design registrations, while 65 patent applications are under process.

Maintaining relationships with OEM customers

We leverage our relationships with OEM customers in India and overseas to increase our product range and wallet share with each customer. We partner with our customers in their value addition journey and become their preferred suppliers.

Having a strong balance sheet

We are a financially robust company with strong ROCE (return on capital employed) and ROE (return on equity). We have a strong liquidity position with net cash.

De-risking through diversification

We are constantly de-risking by expanding the product mix and customer base. One of the pillars of our growth strategy is creating more diversification in our client base.

SERVING CUSTOMERS ACROSS THE AUTOMOTIVE INDUSTRY

Products Manufactured in India

Tier 1 Supplier of diverse range of technology-intensive products for two, three and four-wheeler OEMs in India and Overseas; and for aftermarket

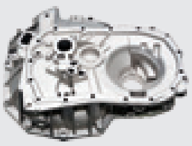
ALUMINIUM DIE CASTING PRODUCTS

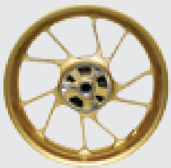
- HPDC - High Pressure Die Casting
- LPDC - Low Pressure Die Casting
- GDC - Gravity Die Casting
- Machining


Fly Wheel Housing


Front Housing


Clutch Housing

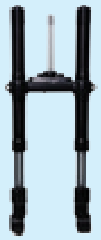

Clutch Housing


Alloy Wheel (Front)

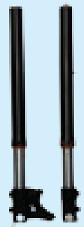

Alloy Wheel (Rear)

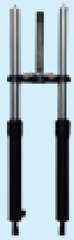
SUSPENSIONS

- Shock absorbers – (hydraulic, mono & oleo pneumatic)
- Front forks – (Conventional & inverted)


Inverted Front Fork Assembly (750cc)


Front Fork Leg Assembly (200cc)


Adjustable Front Fork Leg Assembly (690cc)


Front Fork Assembly (Moped)


Gas-charged Shock Absorber (750cc)


Shock Absorber (Electric vehicle)

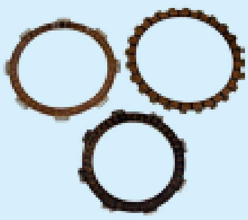

Shock Absorber (Electric vehicle)


Mono Shock Absorber

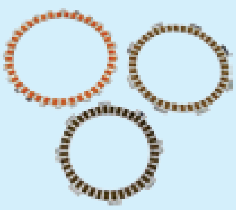
TRANSMISSIONS

- Clutch assemblies
- Friction plates (cork /paper)
- Continuous Variable Transmissions (CVT)


Clutch Assemblies


Cork friction plates


CVTs

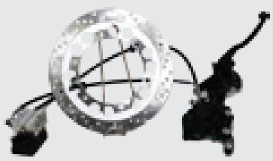

Paper friction plates

BRAKING SYSTEMS

- Tandem Master Cylinder assemblies
- Hydraulic disc brake assemblies
- Hydraulic drum brake assemblies
- Rotary discs


Rear Disc Brake Assembly


Brake Discs


Front Disc Brake Assembly (ABS)


Tandem Master Cylinder

Products Manufactured Overseas

Tier 1 Supplier of diverse range of multiple technology-intensive products to 4-Wheeler OEMs in Europe

ALUMINIUM DIE CASTING AND MACHINING

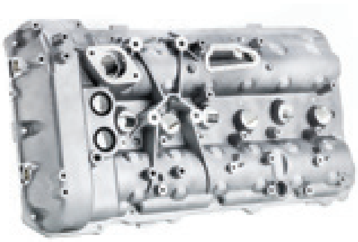
Suspension and Body Parts
- Steel Wheel hubs
- Head Axles
- Cross member
- Steering housing

Engine Parts
- Cam carrier
- Exhaust manifold
- Oil pan
- Various brackets

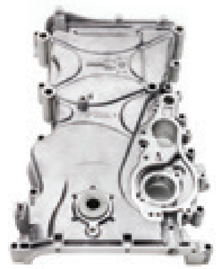
Transmission Parts
- Transmission housing
- Gear Box housing
- Torque Convertor housing
- Housings, Oil Modules for Electric Vehicles

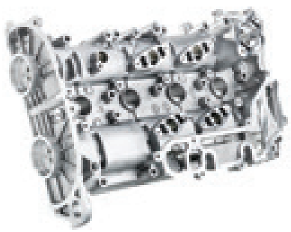
OTHER BUSINESSES

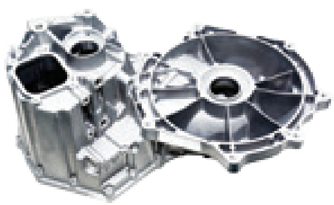
- Transmission Systems for Two-wheelers
- Speciality plastic components, including engine covers

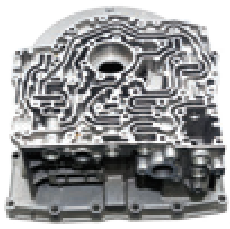

Engine cover

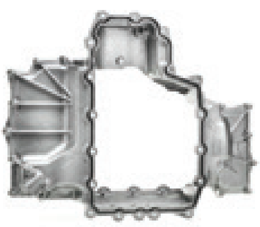

Differential case

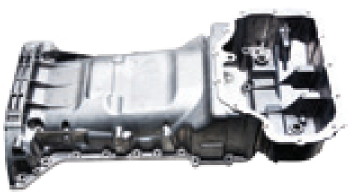

Twin Air front cover


Cam carrier with bearing frame


Clutch Housing


Clutch Housing


Upper oil pan


Flange Mission


Oil Pan

ENDURING PROFITABILITY

With a 'better than industry' performance yet again, we have proved that a well-defined strategy with continuous reviews can lead to profitability, even in difficult times. Our organisational strength and foresight have helped us endure and acquire new capabilities despite external uncertainties and a slump in the automobile sector during the year.

With efficient working capital management and judicious capex spend, we continue to maintain a strong liquidity and ending the year with a cash balance.

We are a financially robust organisation with strong ROCE, ROE and cash generation. With efficient working capital management and judicious capex spend, we continue to maintain a strong liquidity and ending the year with a cash balance. Despite automobile sales declining during the financial year, because of a global economic slowdown and followed by the COVID-19 pandemic in March 2020, our profitability increased and we reported higher profit margins. We are now prepared to resolutely face the slump in the automobile industry, having recorded a 'better than industry' performance.

Focus on sustaining profitable growth

As we work on even more efficient cost control measures, our focus will continue to be on profitable growth and on achieving sales growth higher than the industry average, gaining business and wallet share. We also aim for greater operational efficiencies by reducing manpower and maintaining consistency in quality, developing world-class products, reducing costs, increasing margins, and achieving economies of scale.

Having made significant capital investments in increasing capabilities over the past 3-4 years, our aim now is to keep a tight rein on our capital expenditure due to the uncertain and overall volatile business situation. We plan to achieve this by sweating our assets more and by continuously ensuring that any new capex is taken up only based on emerging demand and opportunity.

Moving towards business sustainability

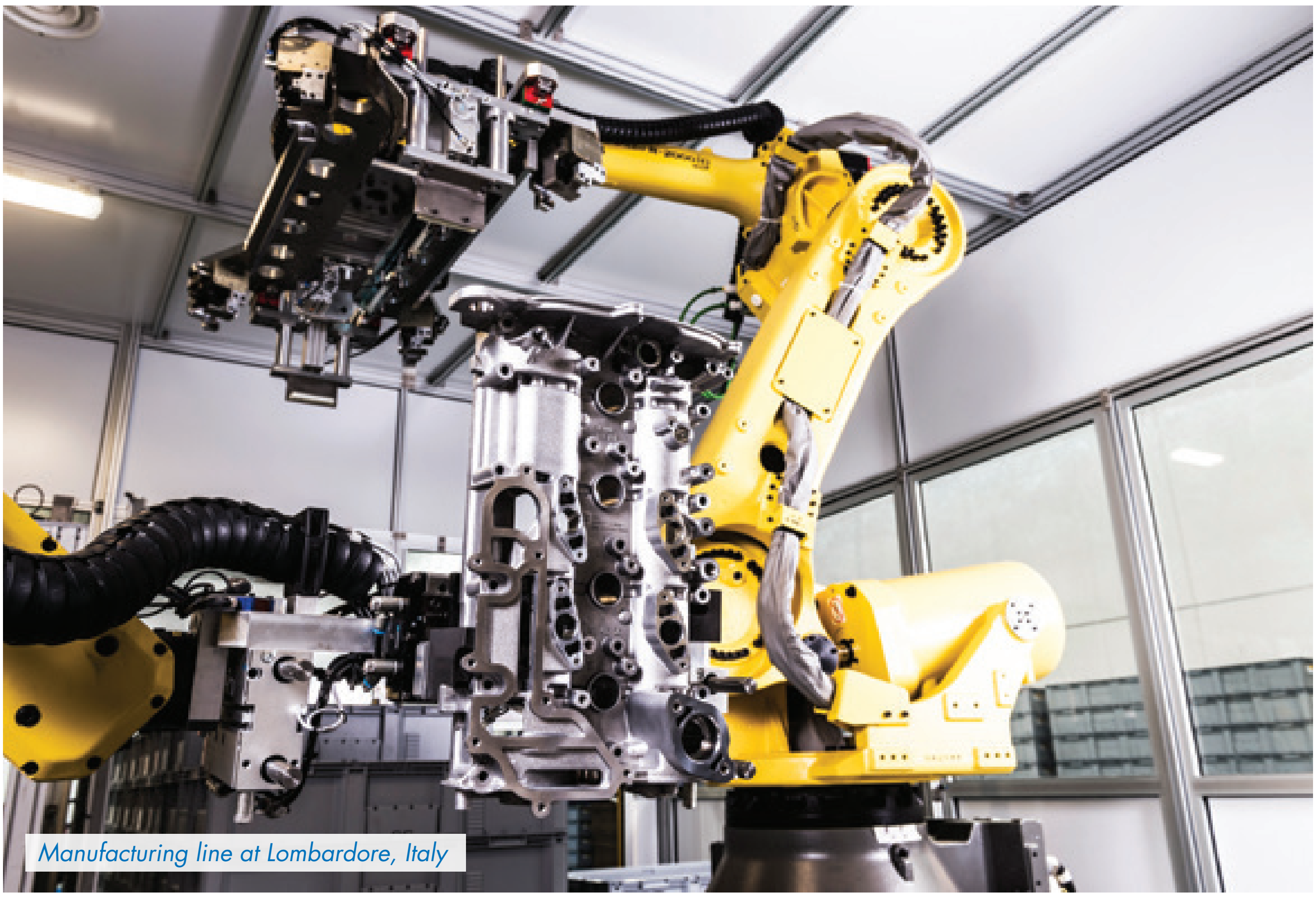
- By increasing business and wallet share
- With better control on capex
- By sweating assets more in lean times
- With a strong focus on quality
- By maintaining control over cost and working capital
- By value engineering of products to become more competitive

Products driving margin expansion

- Fully machined aluminium castings
- Inverted front forks
- Combined braking systems
- Paper-based clutch assemblies
- Launch of anti-lock braking systems

ENDURING FOCUS ON TECH LEADERSHIP

Our competitive edge comes from being a technology leader in the automotive components sector. In-house research and development has been augmented through tie-ups with companies with knowhow or through acquisition of companies having a strong technology footprint. This is targeted at offering products with best-in-class performance and durability at competitive prices. The key differentiating factors of our products – performance, ride comfort and safety – give us an edge in winning customer confidence and bringing in higher results and new business wins.



Manufacturing line at Lombardore, Italy

We are driving change, not just adapting to change, through our collaboration with international technology majors and by seizing inorganic growth opportunities in the technology space. We are in continuous search of new technology tie-ups and upgradation of existing industry technology. Collaborations and acquisitions always help us stay ahead in the race for best auto components in a fast-evolving landscape. Our overseas ventures with tech frontrunners are helping us gather expertise and constantly improve our product quality.

Combining our market leading abilities across design, engineering, materials and product lifecycle management, we are uniquely positioned to support and improve the competitiveness of our OEM customers. We are also making use of the Industrial Internet of Things (IIoT) to unlock new value in the auto component space.

Combining our market leading abilities across design, engineering, materials and product lifecycle management, we are uniquely positioned to support and improve the competitiveness of our OEM customers.

Strengthened Offerings

We continue to deliver leading-edge tech solutions and engineering breakthrough products. Our constant aim is to enhance our product mix through higher-end technology. We have acquired the capability to take on new business with an increased focus on futuristic products. Our product mix has been enriched with more variety, latest technology, and smarter pricing, leading to sustained profitability.

Expanded Product Mix

Some noteworthy new products include paper-based clutches, combined braking systems, high-end inverted front forks, and rear mono shock absorbers for higher CC motorcycles. We produce fully machined castings for 2/3/4 wheelers. Besides adding new technologies for suspension, we are tapping a key business segment of aluminium forging, in collaboration with an Italian company.

Partnering with Customers

As our OEM customers gravitate towards tech-advanced vehicles, including higher CC and electric and hybrid vehicles, our expertise makes us their preferred supplier. We have an internationally acclaimed tech partner for suspension and in-house technical expertise for transmission and brakes. We recently acquired Adler SpA, our long-term technology partner based in Italy, to get complete access to its knowhow and intellectual property rights. Adler is a leader in transmission systems solutions, and has also established a niche in R&D, engineering services, and product development.

Through Endurance Adler SpA, we also acquired the Italian braking solutions specialist Grimeca Srl. to further strengthen our foothold in the braking business. Grimeca specialises in designing of brake systems for motorcycles and light vehicles, including co-design with OEM customers. It has been our technology provider for braking solutions since 2015. The acquisition will further strengthen our technological prowess in the areas of braking systems. It is expected to bring competitive advantages, while ensuring low costs, stable production cycles and also help in achieving safety and performance targets.

High on Automation

A high level of automation is maintained at our manufacturing facilities, enabling us to create low-cost solutions and ensure optimal process efficiency. To reduce manual intervention as much as possible, IIoT is utilised in several of our operations. We are expanding the application of IIoT with an eye on transforming the manufacturing of automotive components. Automation not only minimises costs and accident risks, but also improves product quality.

ENDURING RESILIENCE THROUGH RESEARCH

R&D is the springboard of our technological expertise, the enabler for products with better aesthetics, enhanced functions, and upgraded quality. With a constant endeavour to improve the content per vehicle, we continue to deliver increasingly better results on performance, durability, and cost.

Frame screwing station at Lombardore, Italy

Through advanced engineering, we fulfil our objective of evaluating and ascertaining product performance on the entire vehicle.

With the internal goal of improving the content per vehicle, we constantly work on lean designs created through value and advanced engineering. Our R&D capabilities are a very important factor in attaining this goal.

R&D Capabilities

Our four R&D centres in India have been approved by the Department of Scientific and Industrial Research (DSIR). We also have a castings product engineering department in Italy that focuses on product design, optimisation and development, and virtual process simulation. The Tech Centre for clutches is under the aegis of our new subsidiary, Endurance Adler SpA. Our CAE (Computer Aided Engineering) Analysis department helps in virtual evaluation before making prototypes. Further, rapid prototyping helps achieve accelerated durability evaluation in our technologically advanced and state-of-the-art laboratories, which are under 24x7 observation through a central monitoring and control system and assists in reducing NPD (new product development) time.

Our R&D capabilities lead us to provide value engineering solutions to our customers, which helps us produce lightweight products. This optimises design and cost, and helps manufacture the same product on a lower capacity die casting machine. Through value engineering, our aim is to offer products with similar competitive advantages to our customers at much lower cost. We leverage our technological strength, foreign collaborations and improved R&D to come up with different ways to optimise our manufacturing cost by letting go of certain sub-parts, without impacting the product's performance and providing the desired level of quality. Similarly, our R&D team helps achieve the same level of performance in suspension and transmission components either with lesser number of expensive sub-parts or by manufacturing indigenous machines, thus saving on cost and yet fully serving our purpose and performance.

Advanced Engineering

Through advanced engineering, we fulfil our objective of evaluating and ascertaining product performance on the entire vehicle. This enables delivery of improved quality and reliable products, and helps in weight optimisation. Our advanced engineering comprises state-of-the-art technologies such as virtual engineering simulation, best-in-class data loggers and sensors, field usage pattern, failure analysis and material analysis. As a part of advanced engineering, we work with raw material suppliers to ensure it comes with the desired characteristics.

Backward-integrated Products

During the year, we entered into two backward integration product areas, which are also import substitutes, and will help us in future profitable growth. The first product is the aluminium forging axle clamps required for inverted front forks. For this, we entered into a technical collaboration with a leading company in Italy and production of this will start at our plant in Aurangabad. The second product is wire-braided hoses required for ABS brakes, the production of which will start in the ongoing year.

Accelerating a Culture of Innovation

We reiterate our innovation commitment by creating an innovation framework and centres of technological excellence, channelling resources to cutting-edge research, employing R&D specialists, investing in testing infrastructure, and by strengthening our collaborative engagement with customers. Our in-house R&D pulls all of these threads together. We also have an Intellectual Property Rights cell to safeguard IP and track patents in the existing and new areas. As on 31st March, 2020, we had 11 patents granted and 7 designs registered.

COMMISSIONING A WORLD-CLASS PROVING GROUND

Our recently developed 29-acre world-class proving ground (test track) facility, near our Aurangabad plants, is the first of its kind in India's auto component space. The proving ground enables us to undertake comprehensive testing and evaluation of brakes, suspension, and transmission parts for 2-wheelers and 3-wheelers.

Our state-of-the-art 29-acre proving ground at Aurangabad

This world-class facility supports us in our "first time right" endeavour and in our aim of becoming the 'most preferred' end-to-end solutions provider to OEMs. The facility is crucial for developing advanced technologies in braking systems, such as the anti-lock braking systems (ABS) and suspension products, as it helps us and our customers in evaluating products on vehicles on the proving ground, in addition to the bench testing.

The proving ground helps in shortening the product development cycle and also facilitates in improving quality, reducing product failures, and avoiding duplication of testing, thus honing our competitive edge. With 8 different test surfaces for testing auto parts on different types of road surfaces and environments, the facility makes it easier for an OEM also to evaluate the durability and performance of Endurance products.

Joint Testing

The proving ground lets OEMs test the entire vehicle according to relevant standards. With OEMs participating in the testing process, product development becomes a combined effort. The depth and breadth of joint testing helps us deliver "first time right" products.

Reducing Product Development Cycle

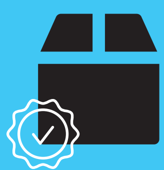
Designed by Horiba-MIRA, a UK-based renowned automotive engineering company, the track testing saves time at each product development stage. For future business, depending on how fast we partner with the OEMs on their new product introduction, this proving ground is set to become a vital part of our growth story, as it shortens the product development cycle and supports quicker go-to-market.

Test Track	Track	Function
T1	High-Speed Performance Track	Designed to test lane change, braking at high speed, clutch burn test, vehicle type approval test and other R&D tests
T2	Ride & Evaluation Track	Helps in testing suspension harshness and transmissibility, load durability, suspension bottoming and topping on speed breakers as on a city road
T3	ABS and Brake Evaluation Track	Offers the opportunity for homologation and driving under low/high grip conditions
T4	Handling Track	Helps in vehicle handling evaluation
T5	Gradient Track	Helps evaluate vehicle gradeability, clutch/CVT evaluation and parking brake evaluation
T6	Steering Pad	Undertakes steady-state tests, testing of steer ability, cornering properties and turn-ability
T7	Mud, Water Trough & Dust Tunnel	To evaluate suspension, brake, clutch, CVTs and e-vehicles under extreme weather and dusty environment
T8	Country Track	To evaluate products under the rural road environment, durability, stone chip resistance testing

Testing of our components on vehicles on the Endurance Proving Ground

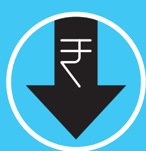
CREATING AN EFFECTIVE CUSTOMER-CENTRIC STRATEGY

QUALITY



- Low rejections
- Low warranty failures
- Maintaining consistency in quality

COST



- Maintain cost leadership
- Consolidation of operations
- Exploring strategic outsourcing
- Automation
- Backward integration

DELIVERY

- On-time delivery
- Plants in proximity to key customers

CUSTOMER SATISFACTION IS OUR TOP PRIORITY AND ONE OF THE KEY FACTORS BEHIND OUR STEADY PROGRESS AND SUSTAINED PROFITABILITY. OUR APPROACH OF QUALITY, COST, DELIVERY, DEVELOPMENT AND MANAGEMENT (QCDDM) ENCOMPASSES ALL THE REQUIREMENTS OF OUR OEM CLIENTS, HELPING US EARN THEIR TRUST.

We have embedded QCDDM in our culture to retain top OEMs as customers and to further strengthen our business with them. Our emphasis on QCDDM is targeted at growing sales higher than the industry average. Our key focus areas under the QCDDM approach are Cost and Quality, which is necessary to gain an edge over competition and to achieve profitable growth.

DEVELOPMENT

- Tie-up with technology leaders
- Company's own R&D
- Proving ground (test-track)

MANAGEMENT

- Customer-centric approach with strong communication and addressing their concerns
- Financially strong

BRINGING ABOUT A PARADIGM SHIFT

While we are a highly technology-driven Company, the true value of our business lies in connecting with people. We provide a respectful, inspiring, and inclusive workplace with opportunities to learn and achieve great results. Our people strategy supports our vision and accelerates our growth.

Our values – Customer Centricity, Integrity, Transparency, Teamwork, and Innovation – form the foundation of our organisation. We constantly work on keeping our people connected to the Company's core values and purpose, and also on keeping them motivated to perform their best.

Building the Right Culture and Capability

We continue to sustain a high-performing culture-oriented towards innovation. Skill building through training and employee motivation through engagement and feedback are indispensable for our growth path. Our HR policy is focused on people development and hiring talent to create a pipeline of leadership to take care of our future business growth. Our endeavour is to build the employees of tomorrow with capabilities to take on challenging roles; thanks to this, we have one of the highest estimated retention rates in the industry.

We strive to develop a critical mass of domain experts by graduating potential tech-oriented people through development centres. We also reward employees for excellence in day-to-day work through either self-nomination or nomination by a co-worker. This helps in boosting morale and productivity. As on 31st March, 2020, there was a total of 4,856 employees in the Endurance Group. Of this, 4,089 were employed in India, 547 in Italy, and 220 in Germany.

Promoting Diversity

At Endurance, we accept diversity, be it in gender, race, ethnicity or region. This diversity is the key to challenging ourselves and fostering creativity; it is a strategic priority for Endurance and we are proud to be an equal opportunity employer. During the year, we visited the campuses of several engineering colleges across India to hire the right talent and inducted 20 new employees.

Women's Empowerment

We are focused on increasing the count of female employees. Our strong community of women include quality assurance engineers; engineers who drive innovation of new products and technologies at our R&D facilities; costing executives who develop product costing tools; sourcing executives who work with suppliers to create win-win situations; and managers across functions such as legal, HR, finance, sourcing, R&D, information technology, and operations teams.

There is a Company forum for women to come together, share their perspectives, discuss their views on relevant topics chosen by fellow women, improve leadership and communication skills, participate in mentoring and volunteering programmes, and network with peers across plants and departments. During our monthly Women at Endurance (WAE) meetings, the female employees are encouraged to present their views, enabling them to build communication skills and enhance their confidence. External trainers help the women develop behavioural skills. We track their journey of continuous improvement and work with their supervisors for their development.

Key Aspects of Transformation Roadmap

1. Learning & Development (L&D)

Our L&D approach helps employees address the real issues they face at work, their goals and targets, and the alignment of their personal advancement with the Company's business objectives. The training programmes are initiatives that are customised with coaching and assessments to deliver effective outcomes.

2. Endurance Development and Growth for Excellence (EDGE)

Programmes such as EDGE and '7 Habits of Highly Effective People' cover the key aspects of leadership. EDGE focusses on personal effectiveness, self-leadership, performance orientation and coaching, and team development. The senior leadership focuses primarily on continuous improvement, facilitating change, building organisational capability, and talent development.

Right Skilling

We put integrated talent applications to use, driving optimal employee performance. Outcome evaluation is based on the well-established Kirkpatrick model, and the results are benchmarked against other HR processes.

Soft skills, functional, and technical skills are taught, nurtured, and measured for all participants to get the best business results. Skill development is linked to strategic functions such as goal alignment, performance management, competency development, compensation and benefits, employee development, and succession planning. By linking these critical elements of talent development and progress, we aim to manage, motivate, reward and improve the skills of every individual employee.

Building Domain Knowledge

We are developing domain experts in the areas of inter-personal relationships, understanding organisational dynamics, and other functional perspectives and needs. This becomes part of the broader business strategies through structured cross-functional projects, solving business challenges, and direct coaching by senior leadership. Tremendous value is being generated from the learning experience of employees as they look at things from different perspectives and learn to consciously change their mindset.

Reward & Recognition

Employee reward and recognition is a process that shows acknowledgement of the employees' valuable contribution to business success. When their hard work and positive behaviour at the workplace are held up as examples, motivation grows among the workforce and role models are created. The 'Best of the Best' at Endurance Technologies are rewarded during the Annual MD Awards ceremony. Employees are also felicitated for demonstrating organisational values during routine work. Managers also recognise and appreciate employees 'on the spot' for suggestions on quality improvement, productivity enhancement, and cost savings, among others.

Key HR Highlights

1. Prashansa

Prashansa is a reward and recognition scheme for high-performing employees exhibiting the spirit of teamwork and integrity. At the same time, it encourages individuals to follow organisational goals to create a conducive and competitive work environment. During the year, 560 Prashansa applications were received and the best among them have been presented with Platinum, Gold, Silver, and Bronze awards.

2. ASPIRE

The ASPIRE event was conceptualised in 2013 to stimulate 'the innovative way of life' and to recognise and reward employees' contribution to innovation, value creation through patents, industrial designs, technical publications and designs. A high point of this is the thought-provoking talks, inspirational speeches, and insights on innovation and value building. Padma Vibhushan Dr Raghunath Mashelkar, Prof. Anil Gupta, Dr. Pawan Agarwal (of Mumbai Dabbawala fame), and Sindhutai Sapkal have been some of the eminent speakers at ASPIRE.

3. IdeaFest

IdeaFest invites ideas from all employees to bring about continuous and breakthrough improvement. Its core objective is to nurture innovation culture across the Company by involving people at all levels. These people together engage in thinking, sharing, and implementing ideas in a wide range of areas such as process and productivity improvement, quality enhancement and cost reduction. Every idea is captured in the database, screened for its feasibility, assessed for its merit and then taken up for implementation. Ideas received are on widespread areas such as design, manufacturing processes, machine efficiency, productivity, cycle time reduction, systems, and information technology, among others. Till date, the organisation has received 12,480 ideas on cost reduction, quality improvement, safety, systems improvement and environmental improvement.

4. Communication by Managing Director

The Managing Director conducted two interactive meetings with all the employees pan-India, in which he shared with them an overview on the business operations of the Company. The overall engagement of the employees improves as they are apprised of the Company's business updates, challenges faced by the organisation and the existence of a competitive market. This event which entails direct communication with the Managing Director leads to high motivation and energy building amongst the employees.

5. Townhall

Townhall meetings present an opportunity for senior leadership and employees to connect, collaborate and share updates about the business scenario and key achievements. During the year under review, 9 Townhall meetings were conducted.

TOWARDS INCLUSIVE GROWTH

Corporate Social Responsibility is a key pillar of our holistic development strategy. We are committed to supporting the communities in which we operate and taking everyone along the path to progress. As with the enduring sustainability of our business, we aim for sustainable livelihoods and healthy lives through our CSR initiatives.

721

Patients examined at health check-up camps

15

Cataract surgeries performed

We contribute to value creation in the lives of the underprivileged through our five main CSR areas: health and nutrition; water and sanitation; education; agriculture and livelihood; and community development. Under the aegis of our partner Sevak Trust, we have undertaken multiple activities to uplift communities around us.

Village Development Project (VDP)

Aimed at the holistic development of villages located within a 50 km radius of our Aurangabad plants. The VDP initiatives are undertaken in villages located near the manufacturing locations and are planned after a thorough assessment of developmental requirement, in consultation with Gram Panchayats. Area residents are encouraged to participate in the implementation of our initiatives. During the year, VDP activities were conducted in 20 villages and 8 tandas near Aurangabad plants and one village near Pantnagar plant. Villagers were also made responsible for maintenance of these projects.

Our Pillars for Value Creation

a. Health and Nutrition

During the year, we conducted numerous general health and eye check-up camps across villages. As part of this intervention, cataract operations were conducted and free medicines were distributed to the beneficiaries. Further, primary health care centres were upgraded and training sessions were organised for nursing staff to ensure that people have access to quality treatment.

b. Water and Sanitation

To address the issue of water scarcity and ensure availability of safe drinking water, we undertook various water conservation measures through rain water harvesting, construction of wells and soak pits, installation of 'reverse osmosis' plants, de-silting of ponds and runnels and laying down of pipeline for improving water supply in the beneficiary villages. During the year, cleanliness projects were undertaken at some villages, even as we installed gravity water filter at Shivalay Teerth, Ellora to clean and treat the water near the temple to maintain community health and hygiene.

Activities under Water & Sanitation:

- Cleanliness project was undertaken at Kachner, Khodegaon, Husenpur, Kanadgaon, Mohammadpur, Kanakshil and Padali villages
- 100 dust bins were placed in Wadod Khurd, Shekhpurwadi, Hanuman Wadi and Ellora villages
- Desilting of village ponds was carried out at Hanuman Wadi, Shekhpur Wadi and Padali to deepen water bodies and improve water table, which increased water storage by 15.6 million litres
- Completed 90 soak pits, for water conservation at Wadod Khurd, and water harvesting was done where waste water from households was used to fill pits through pipeline

c. Agriculture and Livelihood

We undertake multiple initiatives to create awareness on modern agricultural practices, enabling farmers to enhance productivity and increase their income.

During the year, we developed a dense forest area over a total of seven acres in four villages with 31 varieties of native plants. We facilitated soil analysis with distribution of Soil Health Card in two villages, which helped in evaluating the fertility status of the soil.

Apart from promoting plantation across all the villages, financial assistance was provided to villagers for installing drip irrigation system. Among the other activities, we conducted training sessions and educated farmers on new techniques of farming and allied areas. Some of these key activities included NADEP composting, setting up hydroponic units for growing cattle feed, and construction of 851 mangers across four villages.

d. Education

As part of our educational initiative, we undertook construction of a new school building in Jafarwadi. In addition to this, we continued with renovation of school buildings, installation of computers, and building libraries, among others, at Zilla Parishad schools. With this, we aim to encourage modern learning among children and provide them with better opportunities to excel in academics. We also installed solar energy producing units to ensure access to electricity round-the-clock to enable online learning. Teachers received training in facilitating digital education and other aspects of their jobs.

World on Wheels (WoW)

The HP WoW bus was delivered in September, 2019. The project, in collaboration with Hewlett Packard, helped improve digital literacy among children and provided local farmers with primary computer education. This enabled the farmers in understanding weather forecast and taking decision on seed harvesting for better agricultural produce. A training programme on digital literacy was rolled out in Kachner village covering 665 villagers, which included 525 students, 60 youth and 80 farmers. Specific curriculum was designed to cater all the three categories of the audience. Training programmes were followed by validation test to check the level of understanding of concepts for target learners and certificates were awarded to the participants.

Vocational Training Centre

The Endurance Centre of Vocational Empowerment (ECoVE) is a vocational training centre that provides effective training and education to school dropouts, children of workers, and the economically under-privileged youth. Our aim is to hone their skills and improve their employability. ECoVE education comprises domain-related subjects, basic computer knowledge, communication, presentation skills and physical education.

Courses Offered

Retail Marketing
Machine Maintenance
Computer
Tailoring
Die Casting

295
Students graduated from ECoVE

218
Students employed

₹ 22.6 mn
Economic value added

e. Community Development

Our community development initiatives promote a self-sustained society and entrepreneurship, and also extends financial assistance.

To promote menstrual hygiene practices among women, a unit was set up in Sanjhkheda village to manufacture sanitary napkins. These are being supplied and sold in Aurangabad, Ahmednagar, and Jalna districts by the self-help group from within the villages. Further, an alcohol de-addiction project was undertaken at these villages to improve living standards.

Our female employees are involved with the CSR team to conduct these activities. They also interact with children and adolescent girls on a regular basis and educate them on skill development as well as the importance of health and hygiene.

₹ 3.95 mn
Financial assistance extended to 261 low-income families

CORPORATE INFORMATION

Board of Directors
Naresh Chandra
Chairman

Anurang Jain
Managing Director

Partho Datta
Soumendra Basu
Roberto Testore
Ramesh Gehaney
Satrajit Ray
Anjali Seth
Falguni Nayar
Massimo Venuti

Audit Committee
Partho Datta
Soumendra Basu
Anjali Seth

Nomination and Remuneration Committee
Soumendra Basu
Partho Datta
Anjali Seth

Corporate Social Responsibility Committee
Anurang Jain
Soumendra Basu
Ramesh Gehaney

Risk Management Committee
Anurang Jain
Partho Datta
Ramesh Gehaney
Satrajit Ray

Stakeholders' Relationship Committee
Anjali Seth
Anurang Jain
Satrajit Ray

Subsidiary Companies
Endurance Overseas Srl, Italy
Endurance SpA, Italy
Endurance Engineering Srl, Italy
Endurance Castings SpA, Italy
Endurance Adler SpA, Italy
Grimeca Srl, Italy
Endurance Amann GmbH, Germany

Management Team
Ramesh Gehaney
Director and Chief Operating Officer

Satrajit Ray
Director and Group Chief Financial Officer

Ravindra Kharul
Chief Technology Officer

Sunil Kolhe
Chief Sourcing Officer

Biswajit Choudhury
President - Aftermarket and Exports

Manoj Rajimwale
Chief Human Resource Officer

Pravin Saraf
President - Operations

Company Secretary
Sunil Lalai
Company Secretary and Executive Vice President – Legal

Auditors
S R B C & Co. LLP
Chartered Accountants

Secretarial Auditor
Sachin Bhagwat
Practicing Company Secretary

Bankers
Citibank N.A.
Corporation Bank
ICICI Bank Ltd.
IDBI Bank Ltd.
Standard Chartered Bank

Registrar and Transfer Agent
Link Intime India Private Limited
C 101, 247 Park, L.B.S Marg,
Vikhroli (West), Mumbai – 400 083
Tel.: +91 22 49186270
Fax: +91 22 49186060
E-mail id: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

Registered Office
Plot No. E-92, MIDC Industrial Area,
Waluj, Aurangabad – 431 136
CIN: L34102MH1999PLC123296
Email for investors:
investors@endurance.co.in

Plants

Aurangabad (Maharashtra)
Plot Nos. B-2, E-92 & 93, K-120, K-226/1 & 227, K-226/2, K-228 & 229, and L-6/3, MIDC Industrial Area, Waluj, Aurangabad – 431 136

Plot No. L-20, MIDC Industrial Area, Vitawa Village, Gangapur, Tal. Aurangabad – 431 109

Pune (Maharashtra)
Plot Nos. B-1/2 & 1/3, B-20 and B-22, MIDC Industrial Area, Chakan, Village Nighoje, Taluka Khed, Dist. Pune – 410 501

Pantnagar (Uttarakhand)
Plot Nos. 3 and 7, Sector 10, I.I.E. Pantnagar, Dist. U.S. Nagar – 263 153

Chennai (Tamil Nadu)
Plot No. F-82, SIPCOT Industrial Park, Irungattaukottai, Pennaur Post, Sriperumbudur Taluk, Kanchipuram Dist. Chennai – 602 105

Sanand (Gujarat)
Plot No. E4 & E21, GIDC, Phase 2, Industrial Estate, Sanand, Ahmedabad – 382 110

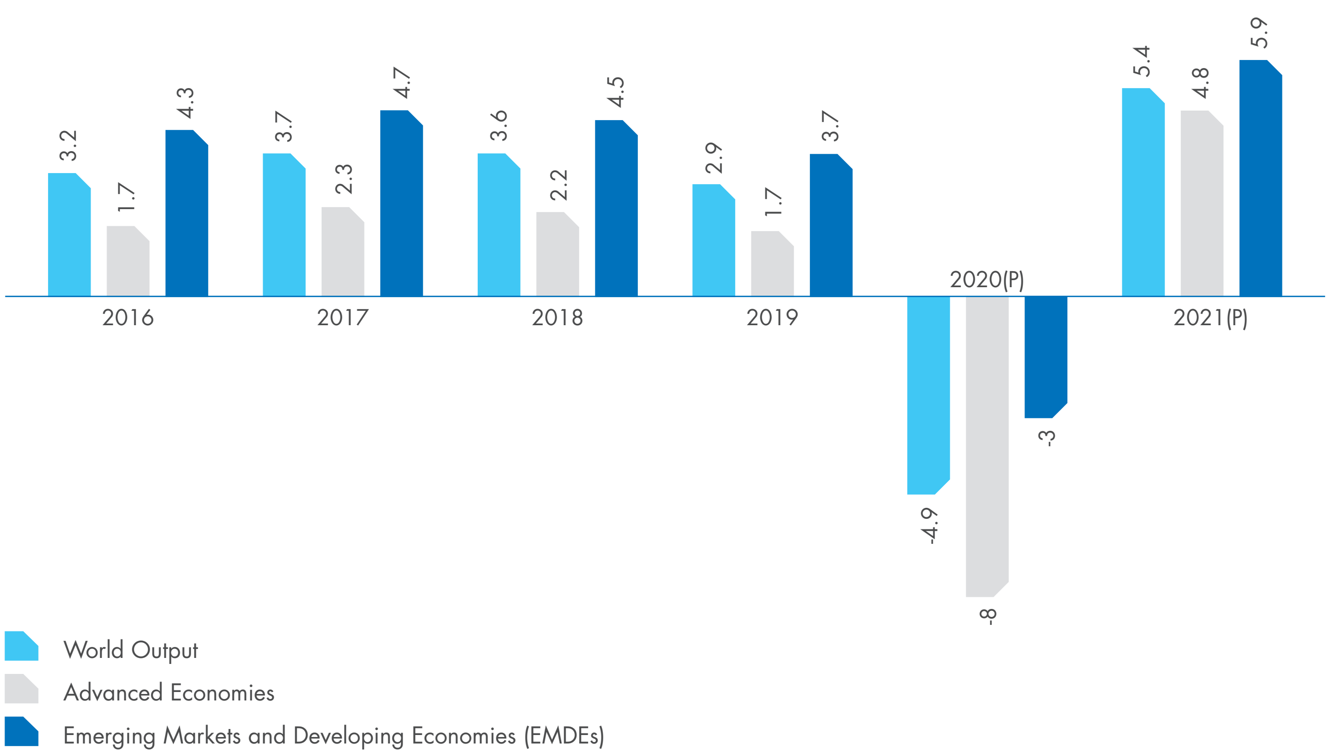
Halol (Gujarat)
Plot 103/6, GIDC, Halol -2 & Halol Maswad Industrial Estate, Taluka – Halol, Dist. Panchmahal - 389 350

Kolar (Karnataka)
Survey Nos. 28/4A, 28/4B, 28/5, 28/6, 28/7, 28/8 & 34/5, within village limit of Karinayakanahalli, Kasaba Hobli, Malur Taluka, Kolar District, 563 130

MANAGEMENT DISCUSSION AND ANALYSIS

After a growth spurt in 2016 and 2017, the world economy had been on a decelerating growth path consecutively for two years. The International Monetary Fund (IMF), in its World Economic Outlook (WEO), June 2020, calculated a global economic growth of 2.9% in 2019, down from 3.6% in 2018. The slower growth was attributed to a lag in global manufacturing and trade caused by negative growth in a few Emerging Markets and Developing Economies (EMDEs) and trade clash between the US and China. While the Advanced Economies grew by 1.7% in 2019, EMDEs registered a growth of 3.7%. There were a few tentative growth indicators for next fiscal such as an accommodative monetary policy, fiscal easing, fading negative sentiments over Brexit and positive trade developments. However, these were clouded by the outbreak of the Coronavirus pandemic.

Global Economic Growth: Actuals and Projections (%)



Source: IMF's World Economic Outlook, June 2020
P = Projections

COVID-19 Challenges and Growth Outlook

In the first quarter of 2020, the world economy received an unprecedented shock with the serious outbreak of Coronavirus (COVID-19). The virus outbreak, which started in China in December 2019, was declared a pandemic by the World Health Organization in March 2020, after its quick spread across the world. The medical and humanitarian crisis brought about by the pandemic, and the partial halt to economic activities, moved all the growth parameters out of track. Lockdowns, quarantines, ban on travel and social distancing measures drove a sharp drop in consumption, investment and trade, indicating a recession. According to World Trade Organization's (WTO) latest forecast, the volume of world trade may contract by 13% to 32% in 2020, under an 'optimistic to pessimistic' scenario, depending on the virus trajectory.

The intensification of the pandemic and the resulting economic recession in H1-2020 compelled global economic experts like World Bank and IMF to revise their projections for 2020. According to World Bank, the COVID-19 recession witnessed the steepest downgrades in growth projections among all the global recessions since 1990.

In its June outlook, IMF estimated a global negative growth of 4.9% in 2020, which is deeper than its earlier projection of -3.0% in April 2020. However, policy counter-measures and the resumption of economic activities in the European countries have been keeping the hope of a rebound alive in the long run. IMF projects the global economy to rebound in 2021, expecting it to record 5.4% growth.

Industrial Production and Oil Prices

As per the data from the Organisation for Economic Co-operation and Development (OECD), industrial production had been on a downward curve in 2019 across all the economies. Industrial production, trade flows, and investments decelerated sharply in EMDEs too. According to U.S. Energy Information Administration (EIA), the sharp reduction in global crude oil prices in the aftermath of COVID-19 pandemic will persist till the third quarter of 2020. The short-term Energy Outlook for August, 2020 estimated the worldwide crude oil prices (Brent Crude Oil) to average at USD 41.42 per barrel for 2020, before increasing in the following year, and averaging at USD 49.53 per barrel in 2021.

Source: EIA Website

India Economic Overview

The Indian growth sentiments mirrored the global pessimism. This was evident through stress in the financial sector, lower GST collections and strain on fiscal deficit during FY 2019-20. Consumption, investment and trade decelerated considerably over the year and finally culminated in a standstill during the end of the fourth quarter with the outbreak of COVID-19 and the resultant nationwide lockdown. According to the National Statistical Office (NSO) and IMF, India's Gross Domestic Product grew by 4.2% in FY 2019-20, lower than 6.1% in the previous year of FY 2018-19. However, the year witnessed a few positive developments, such as:

- An improvement in global trade and Government's push towards scaling up of logistics infrastructure
- India's jump to 63rd position in World Bank's 2020 ranking of 'Ease of Doing Business'
- Growing inflows of net foreign direct investment (FDI) into the country
- Reduction in base corporate tax rate to 15% for new manufacturing companies and 25% for existing companies
- Union Budget FY 2020-21 directed at the goal of becoming a USD 5 trillion economy by FY 2023-24
- Continuous monetary support from the Reserve Bank of India (RBI), with reduction in repo and reverse repo rate

However, the outbreak and quick intensification of COVID-19 across different states of the country shifted the Government's focus towards containing the virus and surviving the crisis with significant healthcare ramp-up, and supporting the economy.

Aatmanirbhar Bharat and Future Outlook

Despite the growth challenges, the Government continued with its recalibrated fiscal and monetary stimulus. A ₹ 20 lakh crore stimulus called the "Aatmanirbhar Bharat" package was announced as a socio-economic support to the country, with an additional objective of encouraging localisation and building a self-reliant economy. The package announced policy and liquidity support to cottage industries and MSMEs, NBFCs, labourers, farmers, middle class, and the urban and rural poor. As a support to entrepreneurship, it offered tax breaks and collateral free loans for businesses and MSMEs and incentives for domestic manufacturing.

RBI, too, came forward with its extensive support by reducing the repo rate to 4.0% and reverse repo rate to 3.75% in a few tranches till May 2020. This was intended to make loans easily available to banks and NBFCs, to make commercial banks deposit less cash with the RBI and to control liquidity and inflation. Further, it announced a loan repayment moratorium for six months till August, 2020 to inject liquidity into the economy.

The stringent lockdown pushed India's unemployment rate to a record high of 27.1% in May, 2020. Considering the severe economic impact, the Government reopened the economy in a phased manner, starting June, 2020 with strict standard operating procedures. The large-scale spread of the virus situation led IMF to revise India's growth forecast for FY 2020-21 to a negative 4.5% in its June outlook. Further, it forecasted the economy to bounce back in the following year to grow by 6.0% in FY 2021-22, backed by the Government's policy reforms.

Source: India Economic Survey Volume II for inflation rate (https://www.indiabudget.gov.in/economicsurvey/doc/vol2chapter/echap05_vol2.pdf), PWC Indian Budget Analysis(file:///C:/Users/hp/Downloads/pwc-union-budget-analysis%20(1).pdf, http://www.mospi.gov.in/sites/default/files/press_release/Presss%20note%20for%20FAE%20 2019-20.pdf, https://www.imf.org/en/Publications/WEO/Issues/2020/06/24/WEOUpdateJune2020

Industry Overview

Global Passenger Vehicle Market

Global passenger car sales experienced a significant drop in 2019 as it operated in a challenging environment amidst trade wars, lower economic growth and tougher emission regulations. As the pandemic spread across the globe, strict lockdowns in key markets and economic uncertainty are expected to lead to a further drop in 2020. The International Organisation of Motor Vehicle Manufacturers has reported a global slowdown in total passenger vehicle sales in the last three years.

Global Passenger Vehicles Sales (In million units)

	2017	2018	2019
China	24.72	23.71	21.44
North America	11.28	10.56	9.54
Europe	17.97	17.90	17.97
Rest of the World	17.03	16.83	15.05
Total Passenger Vehicles	71.00	69.00	64.00

Source: International Organisation of Motor Vehicle Manufacturers (http://www.oica.net/wp-content/uploads/pc_sales_2019.pdf)

The drop in passenger vehicle sales impacted global automobile sales, which declined to 91 million in 2019 from 95 million in 2018. The fall was partially responsible for the deceleration in world GDP and manufacturing growth. The decline in global auto sales was fuelled by negative consumer sentiment, trade disruptions and a slump in auto sales in China, the largest automobile market globally. According to the China Association of Automobile Manufacturers (CAAM), China's total car sales fell by 8.2% at 25.70 million vehicles in 2019, owing to the economic slowdown and strict fuel emission norms.

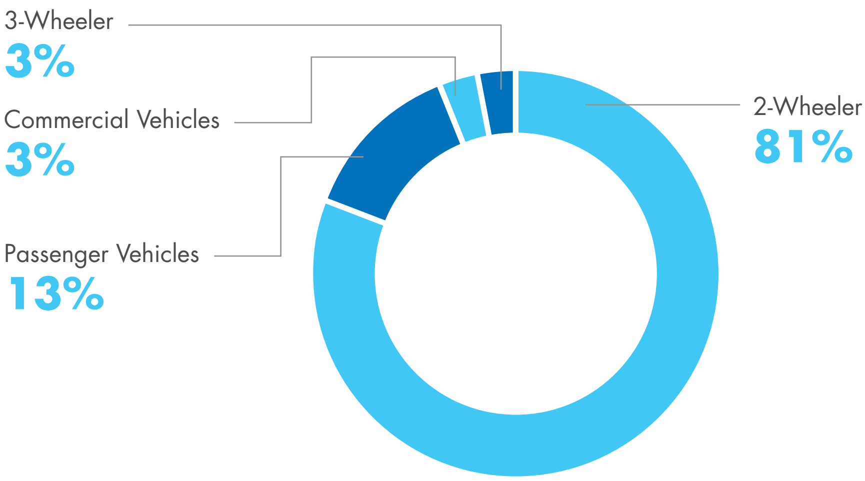
Moreover, 2020 projects a further grim outlook, led by the impact of COVID-19. Major automakers in China, Europe, United States and several other regions have already cut production in large volumes as the demand for passenger vehicles has been declining since the outbreak. This is expected to have a negative impact on the yearly production and sales volume for 2020. IHS Markit a London-based global critical information provider, has estimated worldwide vehicle sales to decline by 22.7% in 2020 to about 70.30 million units, led by a drastic fall in vehicle sales in the US.

Source: https://www.cnbc.com/2020/04/21/global-auto-sales-expected-to-plummet-22percent-in-2020-due-to-coronavirus.html

Indian Automobile Industry

India's automobile industry is the world's fourth largest automobile market in terms of sales and production and is a top employment generator in the country. In the past few years, growth in the industry has been supported by robust economic activity and large-scale infrastructure development, a growing middle class population with increasing income and availability of financing options. The sector has benefitted from factors such as the availability of low-cost skilled labour, research & development support and a strong manufacturing supply chain. Being an attractive sector for investment, the industry has been a recipient of USD 23.89 billion FDI (between April 2000 and December 2019), amounting to 5% of India's total FDI flows till date. The automotive industry, including automobile and component manufacturing, is projected to reach a market size of ₹ 16-18 trillion (USD 251-282 billion) by 2026.

Domestic Market Share for FY 2019-20 (In %)



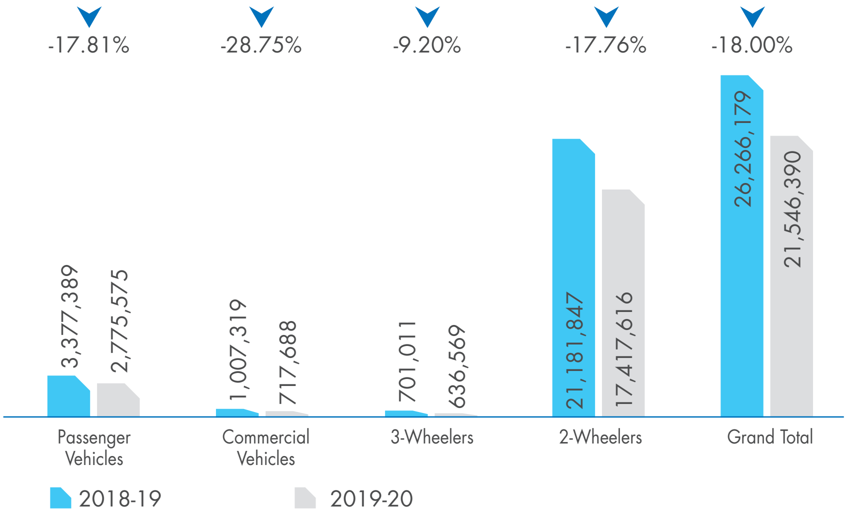
Source: http://www.siam.in/statistics.aspx?mpgid=8&pgidtrail=12

Industry Performance

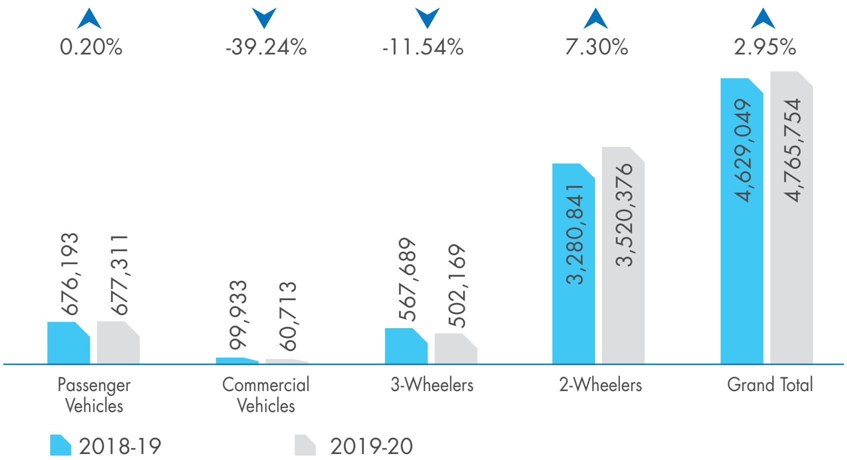
According to the data released by the Society of Indian Automobile Manufacturers (SIAM), the automobile industry produced a total 26,362,284 vehicles in FY 2019-20, which is 14.73% lower than 30,914,874 vehicles produced in FY 2018-19. Domestic automobile sales dropped 18.00% to 21,546,390 units in FY 2019-20, from 26,266,179 units in FY 2018-19. India is a key automobile exporter, and its exports stood at 4,765,754 units during FY 2019-20. As a silver lining, the overall automobile exports registered a growth of 2.95% in FY 2019-20, compared with 4,629,049 units in the previous fiscal year. The increase in exports was mostly driven by 2-wheelers, even as export of Passenger Vehicles marginally increased.

The overall automobile exports registered a growth of 2.95% in FY 2019-20, compared with 4,629,049 units in the previous fiscal year. The increase in exports was mostly driven by 2-wheelers, even as export of Passenger Vehicles marginally increased.

Domestic Sales (in Units)



Export (in Units)



SIAM attributed the fall in automobile production to declining domestic demand, mostly driven by a negative economic outlook, lower availability of NBFC financing owing to the liquidity crisis, and a change in insurance, safety and emission regulations. This was further impacted due to the pandemic striking major economies in the last quarter of FY 2019-20. The COVID-induced lockdown posed a significant challenge as it disrupted economic activities and brought production and sales of automobiles to a grinding halt. Original Equipment Manufacturers (OEMs) struggled with working capital and fixed costs as revenues were negatively hit by the unplanned shutdown. Already reeling under the pressure of disrupted supply chain with the virus outbreak in China and costs incurred owing to the conversion to Bharat Stage-VI (BS-VI) norms, the industry was further adversely impacted. Notably, Indian automakers import about 10% of their raw materials from China.

The industry is in talks with the Government on policy measures to minimise the economic impact. SIAM has already urged for an incentive-based Scrappage Policy to support the industry. While there will be challenges on the supply side, most OEMs are expected to strategise and localise their supply chain, and start procuring from Indian auto component manufacturers, cutting down their dependence on China. This is expected to open up further opportunities for Indian auto component manufacturers.

New Emission Standards

In order to improve the environmental footprint of the automobile industry and control the pollution level, the Government implemented BS-VI emission standards effective 1st April, 2020. According to the Ministry of Environment, Forest and Climate Change, this transition is expected to reduce air pollution by 80% to 90%. All the major automakers have launched BS-VI compliant models to adhere to the transition, which is likely to put India at par with the world's top automakers in terms of emission standards.

Implementation of FAME I & II

The Government introduced the National Electric Mobility Mission Plan (NEMMP) 2020 and the Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles in India (FAME India) Scheme to encourage transition to electric and hybrid vehicles in two phases. FAME I was launched on 1st April, 2015; while FAME II, which is an expanded version of the earlier scheme, was launched on 1st April, 2019, with a total projected outlay of ₹ 10,000 crore. The Electric Vehicle (EV) market in India is projected to grow by an annual rate of 36% between FY 2018-19 and FY 2025-26 owing to the momentum gained after the implementation of FAME II.

Projected EV Sales Penetration by 2030 (Post-FAME II)

Private Cars	30%
Commercial Cars	70%
Buses	40%
2-Wheelers and 3-Wheelers	80%

Source: https://rmi.org/wp-content/uploads/2019/04/rmi-niti-ev-report.pdf

FAME II scheme offers incentives to electric 2-wheelers and 3-wheelers, and to e-buses and 4-wheelers with commercial registration. Further, the Government levies a lower GST of 5% on EVs and offers interest-free loans to assist faster adoption of EV in India. Private investment inflows into EV start-ups increased nearly 170% to reach USD 397 million in 2019, compared with USD 147 million in 2018.

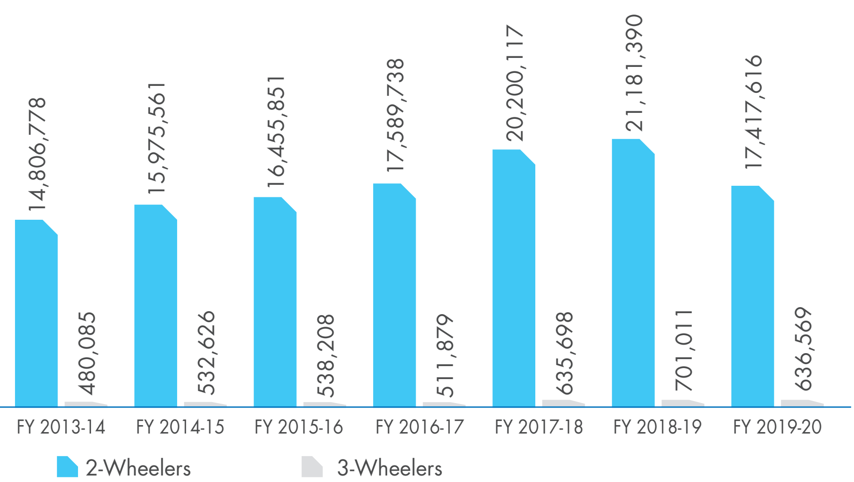
The Government is looking to build a robust e-mobility ecosystem in the country, covering domestic vehicle and auto component manufacturers, charging infrastructure companies and other service providers. A list of 20 EV parts has been released by the Government which will be indigenised under the Phased Manufacturing Program (PMP). Further, the Government is incentivising EVs that have used a higher percentage of indigenised parts.

However, the higher cost of EVs and battery components compared to internal combustion engine (ICE) vehicles remains a key hurdle for Indian EV manufacturers and the e-mobility ecosystem. The challenge can be addressed by boosting manufacturing, cutting down the cost of EV components and by providing incentives to EV buyers. With the BS-VI norms and COVID-19 exerting pressure on the industry, transition to EVs is expected to take longer and ICE is likely to exist with improved fuel emission norms.

India's 2-Wheeler Industry

2-wheeler sales in India have picked up significantly over the past few years, making the country one of the largest motorcycle markets in the world. However, in FY 2019-20, domestic sales of 2-wheelers at 17,417,616 units dropped by 17.76% in comparison with FY 2018-19. The fall is mostly attributed to reduced financing options owing to liquidity problems faced by the NBFC sector, negative consumer sentiments and the rising cost of vehicle ownership. This was further impacted by the spread of COVID-19 in India towards the end of the fiscal year. However, 2-wheeler exports increased by 7.30% in the year under review. As a positive development, with the implementation of BS-VI, the country's 2-wheeler industry will be among the world's first to follow the strict emission norms. This will give India an edge over other major 2-wheeler markets following the Euro-3 equivalent norms.

Domestic Sales Trends for 2-Wheelers and 3-Wheelers (in Units)



India's 3-Wheeler Industry

The 3-wheeler industry in India has witnessed stable sales performance over the last 6 years, supported by demand growth in the urban and rural areas. It is also one of the highly exported vehicles from India. However, during FY 2019-20, domestic sales dropped by 9.20% YoY at 636,569 units due to the overall industry and economic slowdown. Exports of 3-wheelers also registered a YoY de-growth of 11.54% during the same period.

Electric 3-wheelers

The electric 3-wheeler market is growing fast as a number of technology start-ups and vehicle manufacturers are venturing into alternative mobility. The unorganised electric 3-wheeler segment is largely dominated by Chinese imports. Most large cities in India have mandated that ICE 3-wheelers should run on CNG. Going forward, the 3-wheeler market will also be dominated by CNG and EVs.

Indian Auto Industry – Opportunities and Challenges

The automobile industry (automobile and components) in India is a key driver for macro-economic growth and technological advancement, which is being driven by strong domestic and export demand. The Government launched the Automotive Mission Plan 2026 in March 2017 with an aim to scale the automotive industry to one of the world's top three in terms of engineering, manufacturing and exports. It aims to increase its value to over 12% of India's GDP – from the current 7%, and create 65 million jobs. The industry is poised for significant changes in the near future, given the large number of reforms and policy changes coming in its way.

Some of the key industry developments which will drive large-scale changes are:

- National Electric Mobility Mission Plan (NEMMP)
- Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles in India (FAME India)
- New Green Urban Transport Scheme (GUTS)
- Bharat Stage-VI (BS-VI) emission standards
- Intelligent Transport System (ITS)
- The National Automotive Testing R&D Infrastructure Project (NATRiP)
- The Pradhan Mantri Gram Sadak Yojana (PMGSY)

Source: SIAM (http://www.siam.in/cpage.aspx?mpgid=42&pgidtrail=87)

Policy reforms

The policy reforms focus on developing value-added components and reducing dependence on imports for these components. Furthermore, a focus on R&D and testing facilities can strengthen the country's position as the preferred destination for automobiles and auto components manufacturing. Given several advantages in the form of low-cost manufacturing, higher emission norms and alternative green fuel options, the Indian auto industry remains well positioned to provide tough competition to its global peers.

Social distancing benefits for the Auto industry

With social distancing norms becoming the new normal in the wake of the pandemic, usage of individual vehicles is expected to become more of a necessity, than a luxury. An increased number of people will be seen considering the use of personal vehicles vis-à-vis shared transportation, which will positively impact the sector. This is expected to drive sales of 2-wheelers and also entry level and mid-level 4-wheelers with the reopening of commercial operations.

Auto Component Industry in India

The auto component industry or auto ancillary industry has been growing steadily over the past few years, aspiring to achieve global prominence. The sector contributes about 2.3% to India's GDP and 25% to its manufacturing GDP; and provides employment to over 5 million people. The significance of the sector lies in the fact that it bridges many industries and services. Furthermore, the industry is recognised as a critical part of the OEM value chain, rather than being mere component suppliers.

During the year under review, the auto ancillary industry was affected by the overall slump in the automobile sector and the drop in production of vehicles. This was further worsened by supply side challenges posed by COVID-19. According to the data released by the Automotive Component Manufacturers Association of India (ACMA), turnover of the automotive component industry stood at ₹ 349,000 crore (USD 49.20 billion) during FY 2019-20, registering a drop of 11.70% over FY 2018-19. Auto component exports dropped 3.20% to ₹ 102,000 crore (USD 14.50 billion) during the period. Aftermarket remained stable at ₹ 69,381 crore (USD 9.80 billion). However, sales to OEMs in the domestic market dropped 17% to ₹ 287,000 crore (USD 40.5 billion).

Indian Auto Components Industry: Annual Turnover and Growth

Years	Turnover (In ₹ Crore) (USD Billion)	YoY Growth (In %)
FY 2017-18	345,635 (51.20)	18.30%
FY 2018-19	395,902 (57.00)	14.50%
FY 2019-20	349,000 (49.20)	-11.70%

Source: The Automotive Component Manufacturers Association of India (ACMA)

During Union Budget 2020-21, India's Finance Minister Nirmala Sitharaman announced "handholding support" for the Indian automotive component industry for technology upgradation, research & development and business strategy planning, allocating a budget of ₹ 1,000 crore.

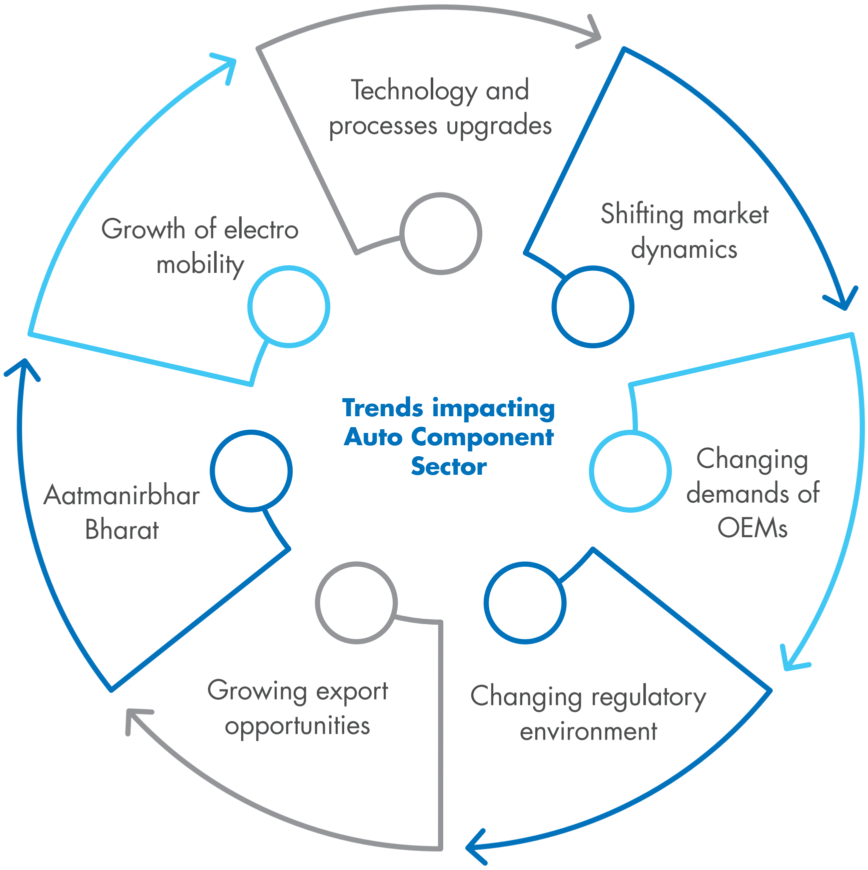
Auto Component Industry - Disruptive Challenges

The auto component industry in India is going through a disruptive transition phase, presenting a series of challenges, and at the same time, projecting business growth opportunities in the long run. Some of the key challenges faced by the industry are:

- Slowdown in domestic and international automotive sector
- Outbreak of COVID-19 pandemic in India and worldwide
- Global trade disruptions
- Constant regulatory changes
- Dual GST rates of 18% and 28%
- No regulatory framework for Aftermarket segment
- Absence of an incentive-based Vehicle Scrappage Policy

However, a few of the challenges also indicate a long-term opportunity for the industry. First and foremost, the transition to Electric Vehicles is going to create significant potential for auto component manufacturers, including the battery and charging infrastructure. The list of 20 EV parts to be indigenised under the PMP will be a major boost for the industry. According to a recent study, indigenisation of electric powertrain components and battery pack assembly can produce a 5.7% higher output value addition worth USD 2.70 billion for the industry.

Secondly, the shift from BS-IV to BS-VI norms, which is currently increasing capital costs for the industry in the current testing times, will benefit the industry in the long run. This will place the industry on par with international regulations on safety and emissions in the long term. Finally, digital technology and IoT (Internet of Things) is the future for the manufacturing sector, including the automotive sector. The current investment in technology upgradation is gradually making the industry future ready, bringing about quantum changes in efficiency and productivity.

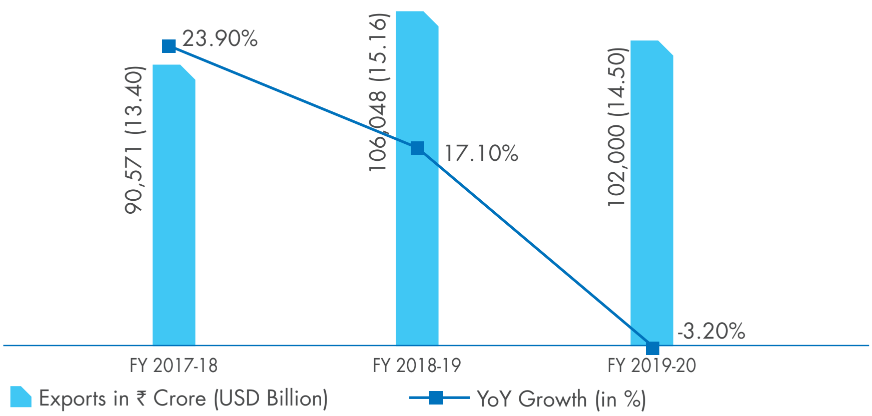


India: A Manufacturing Hub for Auto Components

India is increasingly becoming a preferred destination for auto component designing and manufacturing, as more and more global OEMs are sourcing from India. The auto component industry has grown its exports at a CAGR of 11% in last six years. Notably, despite exporting to 160 countries, India's share in global auto component exports still stood at 3.5% or USD 15.10 billion during FY 2018-19, which indicates increased scope for further growth.

The auto component industry has core capabilities to manufacture a variety of components. India manufactures several key auto components for customers in the US, EU and China. Furthermore, the gap between international and national regulations on safety and emissions has narrowed down considerably, bolstered recently by the enforcement of BS-VI emission norms from April, 2020. Asia, Europe and North America continue to be the key export destinations for Indian auto components.

Indian Auto Component Industry: Exports



Source: The Automotive Component Manufacturers Association of India (ACMA)

Company Overview

Endurance Technologies Limited (ETL) is a leading automotive component manufacturer and the largest aluminium die casting manufacturer in India in terms of total output and capacity (as per the data from the Aluminium Casters' Association of India).

Having started its operations as an aluminium die casting manufacturer in 1985, the Company is today a Tier-I supplier to India's 2, 3 and 4-wheeler OEMs. It is an established supplier of aluminium die castings and alloy wheels, suspensions, transmissions and braking systems providing end-to-end solutions right from design to aftermarket services.

Apart from creating a niche in India through its quality-driven critical automotive components, the Company has expanded its operations in Europe through its overseas subsidiaries in Italy and Germany.

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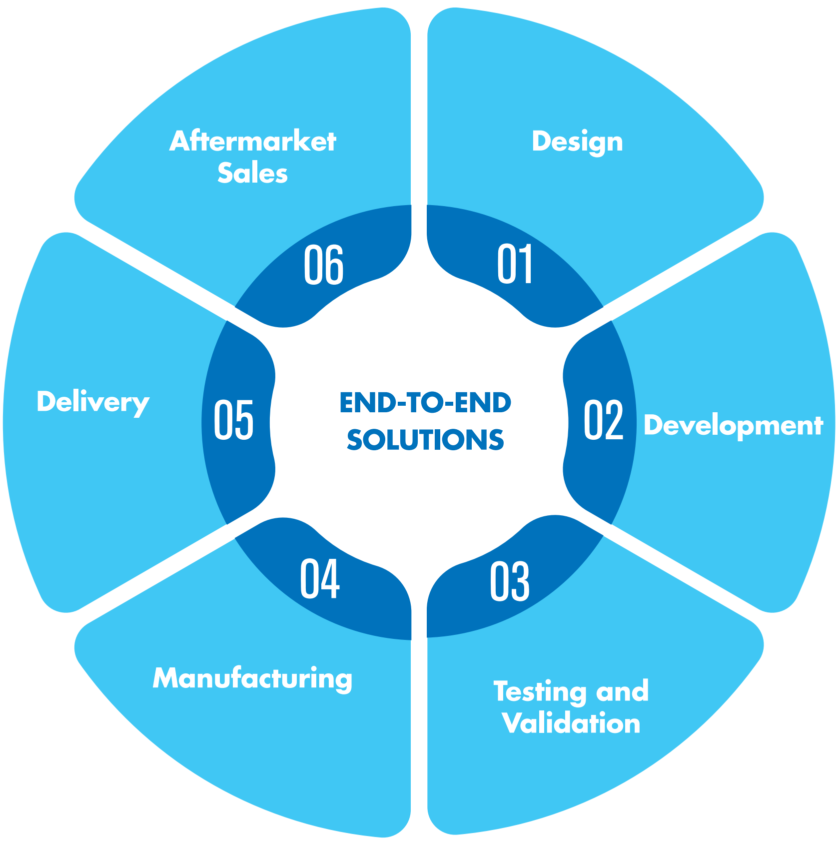



Endurance Castings SpA in Bione, Italy

A Diversified Portfolio of Products

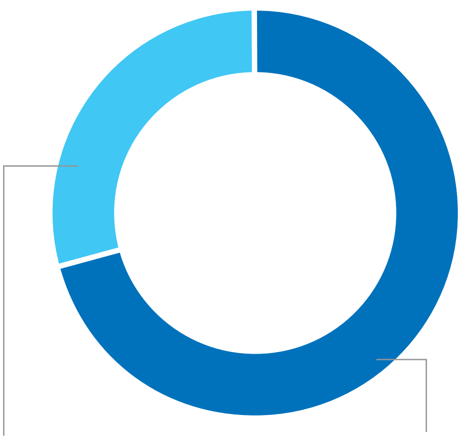
India Operations

<table>
<tr><th>Products</th><th>Application segments</th></tr>
<tr><td>1. Aluminium die cast and machined components (including aluminium alloy wheels for motorcycles)</td><td>2, 3 and 4-wheelers</td></tr>
<tr><td>2. Suspension components and assemblies</td><td rowspan="3">2 and 3-wheelers</td></tr>
<tr><td>3. Transmission components and assemblies</td></tr>
<tr><td>4. Braking systems</td></tr>
</table>

Overseas Operations

<table>
<tr><th>Products</th><th>Application segments</th></tr>
<tr><td>1. Aluminium die cast and machining of:
• Suspension and body parts
• Engine parts
• Transmission parts</td><td rowspan="2">4-wheelers</td></tr>
<tr><td>2. Assembly of other metallic components like cast iron and steel</td></tr>
<tr><td>3. Transmission components</td><td>2-wheelers</td></tr>
<tr><td>4. Engineered plastic components</td><td>Automobile and other industries</td></tr>
</table>

Business Share by Geography (In %)



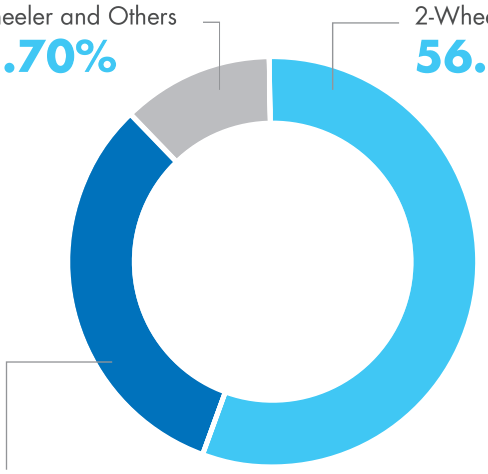
European Operations
29%

Indian Operations
71%

Business Share by End-User Market (In %) (Consolidated)

3-Wheeler and Others
11.70%

2-Wheeler
56.00%



4-Wheeler
32.30%

Manufacturing and R&D Capabilities

The Company has 27 strategically located manufacturing facilities with close proximity to OEMs cross India and Europe. Upon commissioning of a new plant at Kolar in Karnataka during the year under review, the Company now has 17 manufacturing units spread across five states in India – in Maharashtra, Gujarat, Uttarakhand, Tamil Nadu and Karnataka. It has 10 manufacturing facilities in Europe – 7 in Italy and 3 in Germany.

The Company is highly reputed for its wide range of innovative products supported by strong research and development (R&D) capabilities, the key driving force behind the consistent product quality. It has 4 R&D facilities approved by the Department of Scientific & Industrial Research (DSIR) in Aurangabad and Pune. The Company now has 2 technical engineering centres in Europe after the acquisition of Adler SpA in Italy. During the year, the Company commissioned a 29-acre test track Endurance Proving Ground (EPG) within close proximity to its manufacturing plants in Aurangabad consisting of eight tracks for testing of its products on different types of surfaces.

Business Overview

ETL continued its trend of outpacing industry growth in FY 2019-20. Despite the bearish performance by the 2-wheeler industry, which constitutes 78% of its sales in India, the Company was able to contain sales de-growth, registered return on investments and profit growth. During FY 2019-20, its total income registered a decline owing to the drop in total sales. However, consolidated EBITDA and profit after tax margin improved YoY, despite the de-growth in the industry. Further, in Europe, the Company acquired new business that supported its growth. Aftermarket sales in India registered healthy growth in both domestic and export markets.

The Company undertook several improvement initiatives that yielded results on cost saving, capex reduction, space saving and defect-free manufacturing on assembly lines due to better error detection. Low debt levels and a tight control on fixed costs and raw material cost enabled the Company to maintain a strategic focus on long-term value creation in a period when the industry registered a steady decline. Since April 2019, ₹ 5,860 million worth of business has been awarded in India, and the Company has ₹ 12,770 million "Request for quotes" in hand, covering new products and replacement business.

Acquisition of two companies

In order to serve the 2-wheeler market with technologically advanced components, the Company has recently acquired controlling stake in companies having advanced technology in transmission and braking products. Its Italian subsidiary Endurance Overseas Srl acquired a controlling stake of 99% in Adler SpA and subsequently changed the name to Endurance Adler SpA. The Italian company is a leader in systems solutions for clutches, gears and friction plates with a niche in R&D, engineering services and product development for OEM customers in Europe. It has been a long-term technology provider to the Company. Its new product technologies and technical strengths will be important for the Company. Acquisition of this stake shall give ETL total access to Adler's technical know-how and intellectual property rights. The acquisition will also provide future growth opportunities for the domestic market in India and for export opportunities.

Subsequently, Endurance Adler SpA acquired Grimeca Srl, a company in Italy specialising in designing of braking systems for motorcycle applications. The transaction involved the acquisition of "G Grimeca" brand, the Company, intellectual property rights, patents and know-how for braking systems for 2-wheelers and 3-wheelers. Grimeca has also enjoyed a long technical collaboration with ETL earlier, and has brought with it expertise and technical skills, with several years of development and design of hi-tech solutions for large series and for innovative and high-performance applications.

With these two acquisitions, the Endurance Group has given a new impetus to its technological leadership with the prospect of creating a "Centre of Excellence" in Italy for designing and manufacturing of motorcycle components.

Growth Drivers

ETL follows a clear business strategy that supports its growth and profitability even during slowing down of industry growth. Some of its key growth drivers are:

- Continuous focus on R&D, complementing technology sourced from global leaders
- Focus on diverse markets and customers for all product categories
- Increase in number of parts, share of business and wallet share with key customers
- Focus on value added products and profitable product mix
- Servicing of large orders from plants set up in close proximity to customer locations
- Expansion of Aftermarket sales through wider geographical presence, dealer network and product portfolio
- Strategic technology alliances and inorganic growth

Key Operational Highlights for FY 2019-20:

- **Endurance Proving Ground (EPG)**

  The Company commissioned its 29-acre proving ground (test track) at Aurangabad, consisting of eight tracks for testing of auto components on different types of road surfaces and environments. The proving ground is designed to evaluate handling and manoeuvrability, ride comfort, driveability, brake/ABS performance and reliability. It is a state-of-the-art infrastructure designed by Horiba-MIRA, a UK-based renowned automotive engineering company.

  This is a unique breakthrough in R&D and customer service, with no other Indian ancillary company owning such a facility to test 2-wheelers, 3-wheelers and small 4-wheelers. The investment in extensive vehicle testing capabilities is likely to be a game-changer for the industry. The testing track is projected to help the Company offer "first- time-right" products to its OEM clients, shorten the new product development cycle time and strengthen its position as a "complete solutions provider".

  The Automotive Research Association of India (ARAI) has accredited the facility after inspection of the High-speed performance track (T1), ABS and brake evaluation track (T3) and Gradient Track (T5), according to relevant standards. Apart from the Company's own R&D team, ARAI and certain OEMs have also begun the use of different test tracks for their own vehicle tests. The Company maintains absolute secrecy regarding the testing processes, considering the significance of confidentiality of automotive projects under development.

- **Commissioning of Kolar plant in Karnataka**

  The Company had received a large order for suspension products from a renowned Japanese OEM with a large presence in India. In order to meet this requirement, the Company has set up a plant at Kolar district in Karnataka, close to the customer's factory. This plant was commissioned in September 2019. The plant will be manufacturing suspension components such as front fork assemblies and shock absorbers, with an annual installed capacity of 17.74 lakh sets and 26.62 lakh numbers, respectively.

- **A growing customer base**

  Over the years, ETL has added new customers both in India and in Europe. All the leading 2-wheeler and 3-wheeler manufacturers had been its customers, barring a South India-based OEM which has a significant share in the Indian market. During the year, the Company has received its first order from this OEM, marking a significant accomplishment. Today, it takes pride in being a key part of the supply chain of all major 2-wheeler and 3-wheeler OEMs in the country.

- **Setting up of Vallam plant in Tamil Nadu**

  With significant quantum of orders received from renowned Korean 4-wheeler OEMs operating in the southern region of India, ETL is expanding its manufacturing presence in Tamil Nadu. In addition to its existing plant at Sriperumbudur, the Company is setting up a plant at Vallam to manufacture machined aluminium castings. The plant is expected to get commissioned by October 2020.

- **Anti-Lock Braking Systems (ABS)**

  ETL has tied up with a leading US-based global brakes company for technology relating to Anti-lock Braking System ("ABS") for application in 2-wheelers and 3-wheelers. This technology upgrade will be instrumental in helping the Company move towards high-end motorcycles that use ABS technology. Extensive product development activities have taken place between ETL, the technology provider and an anchor customer. The initial capacity of this plant is expected to be 250,000 ABS brakes per annum. The project is in its last stages of testing and validation. Despite the challenges put forth by COVID-19, ETL's US-based technology partner has been working remotely on the project and is virtually engaged with the ETL team on regular terms. The Company expects the project to be completed and production to commence during the last quarter of FY 2020-21.

- **Aluminium forging venture**

  As a part of a backward integration project, ETL is venturing into the aluminium forging business to make axle clamps and other forgings required for production of inverted front forks, aimed at replacing imported forgings. The Company has signed a technical collaboration with a leading company in Italy for the project. Going forward, it will also offer its aluminium forged products to OEMs, including to EVs and various other high-end applications. The forgings facility in Aurangabad is expected to begin production in April, 2021.

- **Wire-braided hose project**

  As part of another backward integration project, ETL is engaging itself in the manufacture of wire-braided hoses, required for manufacturing of ABS. It plans to start production of these hoses in the third quarter of FY 2020-21. Notably, these backward integration products are also import substitutes, adding more value to its production. The project is expected to help the Company in registering future growth by increasing its profit margins.

Testing of Braking systems on Endurance Proving Ground

Group Corporate Structure (As on 25th June, 2020)

- **Endurance Technologies Ltd. (ETL)**
  - **Endurance Overseas Srl (Turin, Italy)** *(Shareholding: Endurance Technologies Ltd. – 95% and Endurance Amann GmbH – 5%)*
    - Endurance SpA (Lombardore, Chivasso and Grugliasco, Italy)
    - Endurance Engineering Srl (Turin, Italy)
    - Endurance Castings SpA (Bione, Italy)
    - Endurance Adler SpA (Roverto, Italy)[1]
      - Grimeca Srl (Italy)[2]
  - **Endurance Amann GmbH** (Massenbachhausen, Germany) *(wholly-owned)*

[1] Effective 15th April, 2020, Endurance Overseas Srl, Italy acquired 99% stake in Adler SpA and name of the acquired entity was changed to Endurance Adler SpA.

[2] Effective 21st May, 2020, Endurance Adler SpA acquired 100% stake in Grimeca Srl, Italy.

Note: Adler RE Srl and VS San Marino Srl are non-operating subsidiaries of Endurance Adler SpA. The latter is under voluntary liquidation.

Domestic and Overseas Performance (FY 2019-20)

1. Endurance Technologies Limited (Standalone)

During the year under review, Total Income decreased to ₹ 49,748 million from ₹ 54,337 million in FY 2018-19, owing to sharp de-growth in vehicle sales in India. Standalone EBITDA grew by 4.00% from ₹ 7,482 million to ₹ 7,785 million with an EBITDA margin of 15.60%. The profit after tax grew 19.50% and was ₹ 4,277 million. The standalone ROCE was at 24.30% and ROE at 19.50%. There was no net debt, as standalone operations had positive cash of ₹ 100 million. Aftermarket business expanded 10.00% to ₹ 2,977 million from ₹ 2,707 million in FY 2018-19.

2. Endurance Overseas Srl, Italy (EoSrl)

EoSrl, a subsidiary of the Company, is a Special Purpose Vehicle incorporated in Italy, for the purpose of making strategic overseas investments. Endurance Technologies holds 95% share capital of EoSrl and Endurance Amann GmbH, Germany ("Amann"), a wholly owned subsidiary of the Company, holds the balance 5% share capital.

EoSrl also renders management support services to the Group's entities in Europe for certain critical functions that are centralised at EoSrl for strategic reasons.

In January 2020, EoSrl entered into a license agreement with Adler SpA (Adler) for exclusive use of patents and know-how for the production of clutch systems for motorcycles applications. This strategic arrangement with Adler was an Endurance Group initiative to create a European hub for advanced motorcycle components. Adler is a systems solutions provider for clutches, gears and friction plates with a niche in Research & Development, engineering services and product development for OEM customers in Europe. Subsequently, in April 2020, EoSrl acquired controlling equity stake of 99% in Adler. Upon this acquisition, Adler has been renamed as Endurance Adler SpA.

In May, 2020, EoSrl acquired 100% stake in Grimeca Srl, Italy, through Endurance Adler SpA.

3. Endurance SpA, Italy (ESpA)

This is a step-down operating subsidiary of the Company in Italy and primarily engaged in the production of high pressure die casting and machining components for the automotive sector such as engine, gearbox, transmission parts, and assembling of other metallic components like aluminium alloys, cast iron and steel. During the year ended 31st March, 2020, ESpA reported a total income of €173.9 million compared to €199.5 million last year. This reduction is primarily owing to reduced new car registrations in the EU market by 5% during the period under review.

The spread of COVID-19 further afflicted all of Europe and Italy in particular has negatively impacted the performance of the company. Plant operations were also suspended in compliance with the regulatory directives from 23rd March, 2020, which later resumed from 4th May, 2020.

4. Endurance Engineering Srl, Italy

Endurance Engineering Srl ("EEsrl") is a step-down operating subsidiary of the Company in Italy and is primarily engaged in the production of plastic components for automotive applications. During the year under review, EEsrl reported a total income of €14.6 million compared to €17.3 million of the previous year. EEsrl continues to support the Group to foray into offering solutions to customers in producing engineering plastic components that are replacing some of the aluminium products and align itself to the plans of OEMs to shift, albeit marginally, to alternate lighter material components.

5. Endurance Castings SpA, Italy

Endurance Castings SpA ("ECSpA") the entity acquired in January 2019, is a step-down operating subsidiary of the Company in Italy and is primarily engaged in manufacturing operation of high pressure die casting and machining components. During FY 2019-20, EC SpA reported a total income of €33.7 million. During the three-month period ended on 31st March, 2019, EC SpA had reported a total income of Euro 8.0 million. The total income is not strictly comparable with the previous year since the entity was acquired in January 2019.

6. Endurance Amann GmbH, Germany

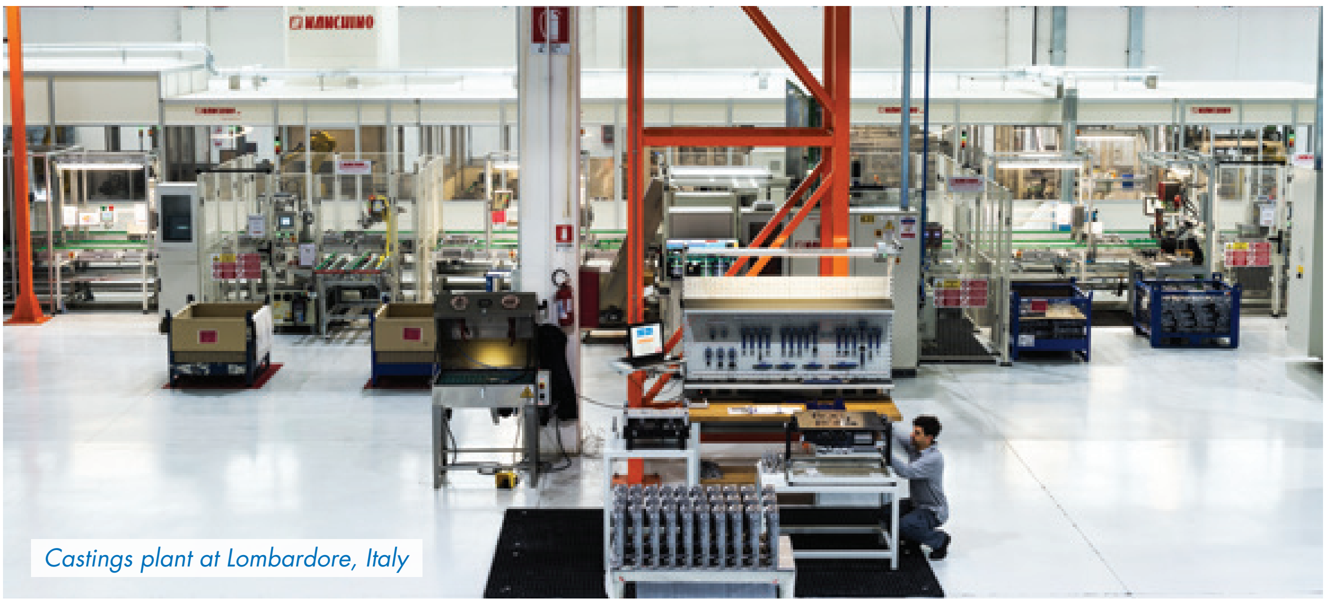
Endurance Amann GmbH ("Amann"), a wholly-owned subsidiary based in Germany, carries out manufacturing operation of high-pressure die casting and machining components. It caters to large automotive OEMs in the German market. During the year under review, Amann reported a total income of €48.8 million compared to €55.7 million of the previous year. The decrease in income of over 12.40% was mainly due to lower sales to its major OEM customer for lower volumes related to transmission applications.

Key Strengths

- QCDDM

ETL pursues excellence in QCDDM (Quality, Cost, Delivery, Development and Management) for overall business growth and maintaining its position in the

The profit after tax grew 19.50% and was ₹4,277 million. The standalone ROCE was at 24.30% and ROE at 19.50%. There was no net debt, as standalone operations had positive cash of ₹100 million.



Castings plant at Lombardore, Italy

market. This strategy has not only earned the trust of its customers and increased business share with them, it also added new clients across geographies. This strategy has helped the Company register a higher growth than the industry. With its pursuit for quality and other QCDDM parameters for satisfaction of its customers, Endurance lives up to its core values of CITTI (Customer centricity, Integrity, Transparency, Teamwork and Innovation). These values are oriented towards customer satisfaction, internal process control and improved corporate governance, aiming at long-term sustainability and stakeholder value creation. The Company also ensures that the vendors and outsourcing business partners pursue the QCDDM parameters, in order to build a robust and integrated supply chain.

- **Total Productive Maintenance (TPM)**

  ETL has built a culture of Total Productive Maintenance (TPM) across the organisation. This involves improving the integrity of production, safety and quality systems through machines, equipment, processes, and employees that add value to the Company. TPM processes give the opportunity to all members of the organisation to participate in improvement programs. Being a manufacturing company, ETL focuses on driving improvement programmes in plant operations through collective participation. The implementation of multiple improvement themes have yielded results on cost savings, manpower and capex reduction, space savings and defect-free manufacturing on assembly lines.

  ETL has also made improvements in material handling processes and lowering man dependence on critical operations in the die casting business. The Company is also moving towards zero manual trimming to hydraulic trimming operations. It has upgraded the assembly lines in one of its suspension plants to achieve 100% productivity improvement with real time monitoring of quality and reduced manpower on running operations. Such improvement programmes will be deployed horizontally across all its plants.

- **High-technology futuristic products**

  Auto OEMs prefer to partner with vendors with technological edge and proven track record because of the constant changes in vehicle technology and regulatory specifications, and also to meet the higher needs of discerning end-users. ETL has been constantly ramping up its R&D and testing facilities in order to offer a range of 'first time right' auto components for new vehicles as well as for the aftermarket. Low cost automation and Computer Aided Engineering (CAE), rapid prototyping, accelerated durability evaluation in labs, and structured & effective failure analysis is helping the Company further in developing its range of products.

- **VAVE (Value Addition and Value Engineering)**

  A dedicated Customer Focus Team (CFT) works for continuous VAVE (Value Addition and Value Engineering) activities of ETL. Value engineering involves application of alternative materials, alternate processes, yield improvement, standardisation, part count reduction and light weighting. The Company has strong in-house engineering capabilities and state-of-the-art infrastructure for design, virtual validation (CAE-Computer Aided Engineering Analysis), development, lab testing and vehicle testing on the proving ground. Leveraging these capabilities and collaborating with its key vendors, ETL optimises its products and processes. Continuous and deep technical interactions with its customers help ETL to direct VAVE efforts to ensure desired benefits to the customers. The efforts are directed towards leveraging advanced technologies to develop quality products with a cost advantage.

- **Developing products for electric and hybrid vehicles**

  The Company is gaining a foothold in the electric vehicles and hybrid vehicles space, which is potentially the future of mobility. In Europe, a significant part of the new orders are for parts that will go into the production of EVs and Hybrid vehicles. In the last two years, €110 million of European business has been received for electric and hybrid cars. This business is expected to reach peak volumes by FY 2022-23. In India, the Company supplies components to an OEM which has launched it iconic scooter brand as an EV. Further, ETL's aluminium forging project will also cater to the demand for aluminium forging from 2-wheelers, 4-wheelers and EVs.

- **Growing Aftermarket**

  The Aftermarket business expanded 10% during the year to ₹ 2,977 million, from ₹ 2,707 million in FY 2018-19. The Aftermarket segment offers products in its core segments – Suspension, Braking Systems and Transmission. It contributes 6.00% to ETL's total India business, and 10.00% to the total business of proprietary products. The Company has expanded its network to 335 distributors/dealers in India, and 40 distributors/dealers in 28 countries globally. It is a leading exporter among 2-wheeler and 3-wheeler component manufacturers in India. It has also been expanding its Aftermarket solutions and augmenting its revenue stream by including a wide range of Value Added Products (VAP) manufactured by third parties.

  In the year ahead, the Company is continuing its strategic channel expansion drive towards Tier 2 & 3 cities and the rural markets in India. In the overseas market, it is strengthening its distribution strategy to expand to new countries in Latin America, South East Asia and Africa, and also distributors in all the existing territories. As a major strategic step towards private

Manufacturing of shock absorbers at Kolar, Karnataka

branding, the Company plans to export components for international brands of 2-wheelers that are popular in those countries.

- Endurance Vendor Association

  Endurance Vendor Association has been a key initiative to ensure supply chain sustainability. It facilitates outsourcing of component manufacturing from smaller suppliers and provides a platform to resolve concerns and cut down interface losses. ETL has been increasing its list of lifetime suppliers for semi-finished materials, thereby cutting down on capital expenditure. The Company works with its suppliers to continuously improve the quality of their components and excel on QCDDM parameters. It follows a strict vendor selection process, based on various parameters such as quality, cost, environmental and legal compliance, financial stability and management capabilities.

- Strong balance sheet

  ETL has a strong balance sheet and liquidity position to support during industry slump and unpredictable events like the recent spread of COVID-19. This supports the Company in its expansion, inorganic growth, technical upgradation and R&D plans. Furthermore, this helps ETL in treating challenging industry events as opportunities for consolidating its leadership position.

Management Outlook

As a manufacturer of auto components, ETL is built on a foundation of technical capabilities, product quality, and process know-how, cost economy and a strong connect with customers, suppliers and distributors. The Company's measures towards productivity improvement, product cost control, quality enhancement and higher product performance continue to support its growth outlook.

The impact of COVID-19 on the automotive industry has been severe in the first quarter of the current fiscal, in most parts of the world. The demand revival in the second quarter is expected to be robust, partly because of the pent-up demand, and partly on account of the preference for individual mobility. The pace of demand revival for the full year will depend upon a number of factors such as the containment of the pandemic, general economic revival and measures taken by various Governments. It is widely believed that the rural economy would benefit from a good monsoon and support to the farm sector. ETL has a positive growth outlook for the second half of the fiscal. The Company has consistently won large new orders in both geographies over the last few quarters. These orders are yet to achieve full ramp-up. Further, it has a robust pipeline of requests for quotations, which is expected to further strengthen its order book. With such orders, its inherent strengths and its track record, the Company aims at growing higher than the industry average.

ETL will continue to focus on raising the bar in terms of its technological offerings. Its acquisition of controlling interest in companies having advanced technologies in transmission and braking will enable it to expedite supply of high-end clutches, CVTs and braking solutions in the Indian 2-wheeler market, where OEMs will continue to launch superior products for an increasingly discerning market.

The COVID-19 impact remains a serious concern for governments and businesses. ETL has implemented Standard Operating Procedures of social distancing, workplace sanitisation and employee health monitoring, and these are being followed strictly across all its manufacturing locations and its corporate and registered office. However, notwithstanding the challenges and the suspension of operations in India and Europe for a long time, ETL considered it as an opportunity to recalibrate a leaner model of operation by cutting down on various costs.

CRISIL's reaffirmation of ETL's credit rating of long term as "AA with Positive Outlook" and short term rating as "A1 Plus" on 29th May, 2020 stands as a proof to its strong financial and operational position.

Financial Ratio Analysis

During the year under review, there were no significant changes in the key financial ratios except Interest Coverage Ratio, Debt Equity ratio and Net Profit Margin, which varied by more than 25%, as compared to that in the previous financial year. The key financial ratios also include Debtors Turnover, Inventory Turnover, Current Ratio and Operating Profit Margin.

During the year under review, Interest Coverage Ratio increased significantly to 53.6 times from 33.5 times in FY 2018-19, primarily on account of repayment of debt and increase in cash generated. Further, repayment of debt also led to a reduction in debt-equity ratio to 0.07:1, from 0.1:1 in FY 2018-19.

The reason for significant increase in Net Profit margin to 8.60% from 6.60% in FY 2018-19, is attributable to recognition of higher grant income/ incentive under Mega Project Scheme – PSI 2013, improvement in operating margins and reduction in effective tax rate from 1st April, 2019.

The Return on Net Worth stood at 19.5% (earlier 18.5%) on a standalone basis. This improvement is due to higher net profit driven by all-round improvement.

Risks and Concerns

Auto industry downturn

A general economic slowdown and resulting drop in auto industry performance may lead to drop in business for ancillary manufacturers. Endurance Technologies continues to diversify its products, customers and geographies to be more resilient during industry slump.

Outbreak and slow containment of a global pandemic

An unexpected outbreak and quick spread of a pandemic of international scale can be a serious hindrance to the operations and profitability of the Company. The slow containment of COVID-19 and the extended lockdowns and operations shutdown posed severe risks to the industry as well as the Company. ETL protects against such risks through calculated reduction in fixed cost, variable cost, direct and indirect material cost and capital expenditure.

Volatility in commodity prices

The volatility in the prices of aluminium and steel, the important raw materials for the Company may affect its profitability. ETL has a pass on arrangement for price changes with its OEM customers to protect from price rise.

Concentration of customers

Over dependence on a few customers may lead to business loss when those few customers register drop in their performance. ETL has a long-term relation with a large base of customers. While the Company focuses on adding new products to the existing customers, it continues expanding its customer base as well.

Intensifying competition

A positive business environment for India's automotive component players has invited new players and greater competition for the established players. ETL has long-standing partnerships with its high profile customers. The Company's emphasis on technology, product quality, cost and durability gives it an edge over its completion. This is further supported by its diversification across geographies and product categories.

Attracting and retaining talent

Being a manufacturing company, attracting and retaining skilled

manpower is a key focus area and inability to do so can impact its performance. The Company provides a favourable work environment, attracting new talent and maintains a low attrition rate through a number of training and motivational programs.

Research & Development (R&D) and Intellectual Property Rights

The Company has backed up its range of products with excellent technological knowhow and R&D capabilities. It has 4 R&D centres approved by the Department of Scientific and Industrial Research (DSIR). The newly-constructed Endurance Proving Ground supports the Company to expedite its New Product Development (NPD) activities and ensures first-time right products. This facility is accredited by the Automotive Research Association of India (ARAI). Besides its own R&D capabilities, ETL has entered into technology tie-ups with leading international auto technology companies, which have provided the Company an edge in product design and manufacturing. ETL partners with OEMs in the early stages of design and works together for new designs. Following the acquisition of Adler SpA, the Company now has 2 tech centres in Italy to support its product development processes in Europe.

Being a manufacturer of technologically intensive auto components, Endurance Technologies continues to generate new designs and apply for patents and is also working towards increasing its IPR. Today, the Company has 11 Patents, 7 design registrations and 65 Patent applications in India. About 232 R&D personnel are working globally for the Group.

Health & Safety and Environment (HSE)

ETL is committed to provide a safe & healthy work environment across all manufacturing plants and offices. "Safety First" was a major HSE initiative during FY 2019-20. Programmes undertaken under this initiative are aimed to further strengthen the safety culture and sustainable manufacturing across the organisation.

Safety Champions Process

Under this programme, plant supervisors and engineers are trained to carry out safety observations in their respective plants on a daily basis. They are nominated as "Safety Champion of the Day". Observations noted are uploaded in HSE portal for necessary action. A total of almost 5,000 action points were recorded and follow-up actions were taken thereon. Employees are trained and certified as 'Train the Trainers' to ensure continuity of the programme with rigour.

Visual Safety Leadership

Cluster Business Heads and plant/ operations heads visit plants at periodic intervals and interact with persons on the shop floor to appreciate the safety conducts and warn on safety risks. As a result, over 1,200 areas of improvements were identified and actions were initiated on such observations.

Consequence Management Policy

This policy was rolled out to inculcate safety as top priority and zero tolerance for non-compliances. As a deterrent for non-adherence, disciplinary actions are taken.

Contractor Safety Management

Through this programme, the Company evaluates and selects contractors who meet the HSE standards for safe and vulnerable free workplace. They are assessed on various parameters prior to their selection.

Management of Change

This looks after HSE legal compliance during green field / brown field projects and internal layout changes.

Placards are displayed in all meeting and training rooms to remind meeting organisers to begin their meeting with safety message as part of "safety first" culture. To instil and ingrain this culture, online quiz competition is also conducted across the organisation for involvement of all in safety first awareness.

Senior management also conducts monthly HSE reviews with all Plant Heads and Operation heads to keep track of the HSE initiatives and related activities. Apart from these, activities like surprise mock drills, work system audits, EPRP (Emergency Preparedness & Response Plan) employee evaluation etc. have been carried out by the HSE team in this fiscal.

On the environment front, ETL switched over to PNG from furnace oil, a cleaner fuel at 4 plants. The Company also started co-processing of hazardous wastes and water conservation project. Other key projects were tree plantations, zero liquid discharge system, capability building program for HSE officers, and sessions on Environment Management Basics.

Best Safety Plant Award 2018-19 to the plant at L-20, Waluj, Aurangabad

Human Resources

Human Resource continues to be a key focus area for business growth. Endurance Group had 4,856 full-time employees on its payrolls as on 31st March, 2020.

Full Time Employees by Location (As on 31st March, 2020)

India	4,089
Germany	547
Italy	220

Some of the key HR highlights for ETL are given below:

Training

ETL not only focuses on hiring and retaining people with the right skills, but also prepares them to grow as leaders and accelerate their skills to be able to take up suitable senior management positions with training, customised initiatives, coaching, and assessments. It believes in transforming its workforce at every level to align with the Company's future roadmap. The Company develops employee soft skills, functional & domain/technical skills in order to maximise employee and organisational performance. Programs such as EDGE and 7 Habits of Highly Effective People cover areas like personal effectiveness, self-leadership, performance orientation, as well as coaching and team development of employees at various leadership levels.

Rewards & Recognition

ETL believes that rewards & recognition is a process not just to acknowledge excellence in work, but also as a motivational tool to boost employees' passion for continuous improvement in their respective fields. The Company recognises the efforts, hard work and dedication displayed by its employees at the workplace, as recognition is instrumental in motivating them to perform better and contribute to the organisation's success and achievements.

Employees are rewarded on an on-going basis for doing good work (related to quality improvement, productivity enhancement and cost savings) and receive 'on-the-spot' appreciation for their suggestions, for doing quality work and for their overall contribution to departmental goals. Efforts/ improvisations which have reaped significant benefits to the Company in the form of cost saving or have resulted into generation of additional revenue are recognised at the Annual MD awards ceremony. Employees are also felicitated for demonstrating the organisational values in their daily work.

Prashansa is a reward and recognition scheme at ETL, as part of which 560 employee applications were received. The best among these were awarded Platinum, gold, silver and bronze awards in FY 2019-20.

IdeaFest

ETL celebrates innovation, one of its core values, in 'IdeaFest', an event where the Company invites ideas from all employees that can bring continuous as well as breakthrough improvement in the products and/or processes in the organisation. The objective of IdeaFest is to create a sense of ownership in employees by letting them participate and implement their ideas on process / productivity improvement, quality enhancement, cost reduction and system/ process improvement to name a few.

ASPIRE and Townhalls

Townhall meetings at ETL are organised to let employees and senior leadership connect and collaborate, and share updates on the business scenario, major happenings and the organisation's achievements. In 2019, the Company conducted 9 quarterly Townhall meetings.

ASPIRE was kick-started in 2013 with an objective of stimulating 'the innovative way of life' within the organisation by rewarding employees' contribution to innovation, value creation through patents, technical publications and designs. The event hosts thought-provoking talks by eminent personalities. In the past, such speakers included Padma Vibhushan Dr. Raghunath Mashelkar, Prof. Anil Gupta, Dr. Pawan Agarwal (of Mumbai Dabbawala fame), and Sindhutai Sapkal.

Cautionary Statement

This document contains some statements about expected future events, financial and operating results of Endurance Technologies Limited, which are forward-looking. By nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements.

BOARD'S REPORT

Dear Shareholders,

Your Directors present herewith the Twenty First Annual Report on the business and operations of the Company together with financial statements for the financial year ended 31st March, 2020.

SUMMARISED STATEMENT OF PROFIT AND LOSS:

₹ in million

Particulars	Standalone		Consolidated	
	Financial Year 2019-20	Financial Year 2018-19	Financial Year 2019-20	Financial Year 2018-19
Revenue from operations	49,385.69	54,174.59	69,177.07	75,104.99
Other income	361.88	162.23	475.97	270.46
Total income	**49,747.57**	**54,336.82**	**69,653.04**	**75,375.45**
Raw Material Cost	30473.23	35,237.29	37,352.08	43,494.54
Employee Benefit expenses	2,961.28	2,777.43	6,773.25	6,527.44
Finance cost	108.15	170.73	175.39	257.32
Depreciation	1,992.48	1,756.98	4,142.83	3,762.10
Other expenses	8,528.02	8,839.77	13,744.03	13,795.25
Total expenditure	**44,063.16**	**48,782.20**	**62,187.58**	**67,836.65**
Profit before exceptional items, tax and minority interest	5,684.41	5,554.62	7,465.46	7,538.80
Exceptional Items	-	208.00	-	208.00
Profit before tax	**5,684.41**	**5,346.62**	**7,465.46**	**7,330.80**
Net Tax expense	1,407.49	1,768.01	1,810.12	2380.74
Net profit for the year	**4,276.92**	**3,578.61**	**5,655.34**	**4,950.06**

DIVIDEND:

The Board of Directors, at its meeting held on 3rd March, 2020, declared an interim dividend of ₹ 5.50 per equity share of ₹ 10 each (55%) for the financial year 2019-20 and the same has been paid to all the eligible shareholders as on record date i.e. 12th March, 2020. Interim dividend paid shall be considered as final dividend for the year ended 31st March, 2020. Dividend paid in the previous year was ₹ 5.50 per equity share of face value of ₹ 10 each (55%).

The dividend pay-out is in accordance with the Company's Dividend Distribution Policy.

Dividend Distribution Policy

This policy is effective from 26th August, 2016 and has been framed and adopted in terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The policy, *inter alia*, lays down various parameters relating to declaration/ recommendation of dividend. There has been no change to the policy during the financial year 2019-20. The policy is attached as **Annexure I** and forms part of this Annual Report and is also placed on the Company's website www.endurancegroup.com /investor/investor-relations.

Amount proposed to be transferred to reserves

The Company has not transferred any amount of profits to reserves.

COMPANY'S PERFORMANCE:

During the year under review, the Company posted a total income of ₹ 49,747.57 million on a standalone basis as against ₹ 54,336.82 million in the previous year. The total income on a consolidated basis was ₹ 69,653.04 million compared to ₹ 75,375.45 million in the previous year. The Company's total income on standalone and consolidated basis de-grew by 8.4% and 7.6%, respectively. This primarily was on account of negative growth by automotive industry followed by the nationwide lockdown in March 2020 due to COVID-19 pandemic. Despite a challenging market environment, the Company recorded a 'better than industry' performance.

The profit after tax, however, increased significantly by 19.5% in the financial year 2019-20 at ₹ 4,276.92 million as against ₹ 3,578.61 million in the previous year, on standalone basis; while consolidated profit after tax grew by 14.2% at ₹ 5,655.34 million as against ₹ 4,950.06 million in the previous year. In spite of de-growth in the automobile

BOARD'S REPORT (CONTD.)

industry, the Company earned better profit margins due to sharper focus on costs, including raw material costs and lower effective income tax rate. Further, greater control was exercised on our capital expenditure and working capital.

CONSOLIDATED FINANCIAL STATEMENTS:

As per Regulation 33 of the Listing Regulations and Section 129 of the Companies Act, 2013 ("Act") read with the rules issued thereunder, consolidated financial statements of the Company for the financial year 2019-20 have been prepared in compliance with applicable accounting standards. The audited financial statements of the Company and its subsidiaries (including step-down subsidiaries) have been approved by the Board of Directors of respective entities.

During the year, the Board of Directors reviewed the affairs of the subsidiary companies in accordance with Section 129(3) of the Act. Consolidated financial statements together with the statutory auditor's report thereon form part of this Annual Report.

SUBSIDIARIES:

During the year under review, no new subsidiary was incorporated/ acquired nor any company ceased to be a subsidiary of the Company. As at 31st March, 2020, the Company had following subsidiaries:

1. Endurance Overseas Srl, Italy (Direct subsidiary);
2. Endurance SpA, Italy (Step down subsidiary);
3. Endurance Engineering Srl, Italy (Step down subsidiary);
4. Endurance Castings SpA, Italy (Step down subsidiary); and
5. Endurance Amann GmbH, Germany (Direct subsidiary).

Following investments were made by overseas subsidiaries of the Company post 31st March, 2020:

a. Endurance Overseas Srl, Italy (direct subsidiary of the Company) purchased controlling equity stake of 99% in Adler SpA, Italy and the name of the acquired entity was changed to Endurance Adler SpA ("EA SpA"). The acquisition was for a consideration of Euro 3.5 million with an effective date of 15th April, 2020.

   Adler is a leader in systems solutions for clutches, gears and friction plates with niche in R&D, engineering services and product development for OEM customers in Europe. Their new product technologies / technical strength would be important for the Endurance Group. Adler has been a long term technology provider to the Company.

   EA SpA has two wholly-owned subsidiaries, viz. Adler RE Srl, Italy and VS San Marino Srl, San Marino.

b. EA SpA acquired 100% stake in Grimeca Srl ("Grimeca"), Italy on 21st May, 2020. The acquisition was completed for a consideration of Euro 2.25 million, which included Euro 0.9 million for the 100% stake in Grimeca and Euro 1.35 million for technical know-how and intellectual property rights and the "G Grimeca" brand.

   Grimeca is an advanced service company involved in designing and developing new braking products for motorcycle and light-vehicles, including 'co-design' with OEM customers. Grimeca has been a technology provider for braking solutions to the Company since 2015. This strategic acquisition aims to strengthen technological prowess of the Company in the area of braking systems.

In terms of Section 129(3) of the Act, a statement in Form AOC-1, containing salient features of the financial statements of the Company's subsidiaries, forms part of the Annual Report. A copy of the audited financial statements of each of the subsidiary companies and English translation thereof will be available for inspection by any shareholder of the Company at its registered office during business hours. These financial statements are also placed on the Company's website at www.endurancegroup.com/investor/investor-relations.

Details of the subsidiary companies and their performance are covered in the Management Discussion and Analysis Report, forming part of this Annual Report.

SHARE CAPITAL:

The paid-up equity share capital as on 31st March, 2020, was ₹ 1,406,628,480. There was no public issue, rights issue, bonus issue or preferential issue, etc., during the year. The Company has not issued shares with differential voting rights, sweat equity shares, neither has it granted any employee stock options nor issued any convertible securities.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

There was no change in the Board of Directors and Key Managerial Personnel during the year under review.

BOARD'S REPORT (CONTD.)

DIRECTORS:

The composition of the Board of the Company, as on 31st March, 2020, is as follows:

Sr. No.	Name of Director	Position
1.	Mr. Naresh Chandra (DIN 00027696)	Chairman (Non-Executive)
2.	Mr. Anurang Jain (DIN 00291662)	Managing Director (Executive)
3.	Mr. Roberto Testore (DIN 01935704)	Independent Director (Non-Executive)
4.	Mr. Partho Datta (DIN 00040345)	Independent Director (Non-Executive)
5.	Mr. Soumendra Basu (DIN 01125409)	Independent Director (Non-Executive)
6.	Mr. Ramesh Gehaney (DIN 02697676)	Director and Chief Operating Officer (Executive)
7.	Mr. Satrajit Ray (DIN 00191467)	Director and Group Chief Financial Officer (Executive)
8.	Ms. Anjali Seth (DIN 05234352)	Independent Director (Non-Executive)
9.	Mrs. Falguni Nayar (DIN 00003633)	Independent Director (Non-Executive)
10.	Mr. Massimo Venuti (DIN 06889772)	Director (Non-Executive)

Retirement of directors by rotation

In terms of Section 152(6) of the Act, Mr. Naresh Chandra, Chairman (DIN: 00027696), retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for reappointment. Information as required under Regulation 36(3) of the Listing Regulations is provided in the Notice convening the Twenty First Annual General Meeting ("AGM").

KEY MANAGERIAL PERSONNEL:

The following officials are 'Key Managerial Personnel' of the Company in terms of the provisions of Section 203 of the Act:

i. Mr. Anurang Jain, Managing Director;

ii. Mr. Ramesh Gehaney, Director and Chief Operating Officer (Whole Time Director);

iii. Mr. Satrajit Ray, Director and Group Chief Financial Officer (Chief Financial Officer); and

iv. Mr. Sunil Lalai, Company Secretary and Executive Vice President – Legal (Company Secretary).

Number of Meetings of the Board, its Committees and Meetings of the Board Committees

During the year under review, the Board met six times. A detailed update on the Board, its composition and attendance of the Directors at each meeting is provided in the Corporate Governance Report.

The Board has constituted six committees, namely, Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders' Relationship Committee, Risk Management Committee and Finance Committee. All recommendations made by the Committees of Board including the Audit Committee were accepted by the Board.

A detailed charter including terms of reference of various Board constituted Committees, number of Committee meetings held during the financial year 2019-20 and attendance of members at each meeting, forms part of the Corporate Governance Report.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(5) of the Act, the Directors, based on the representation received from the management, confirm that:

(i) in the preparation of the annual accounts for the year ended 31st March, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2019-20 and of the profit and loss of the Company for that period;

BOARD'S REPORT (CONTD.)

(iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) they have prepared the annual accounts on a going concern basis;

(v) they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and are operating effectively; and

(vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

DECLARATION BY INDEPENDENT DIRECTORS:

In terms of Section 149(7) of the Act and Regulation 16(1)(b) of the Listing Regulations, the Independent Directors of the Company have submitted their declarations confirming compliance with the criteria of independence as stipulated thereunder.

All Independent Directors of the Company have affirmed compliance with the Company's Code of Conduct for Directors and Employees for the FY 2019-20.

The Board took on record declaration and confirmation submitted by the independent directors regarding their fulfilment of the prescribed criteria of independence, after assessing veracity of the same as required under Regulation 25 of the Listing Regulations.

The Ministry of Corporate Affairs vide its circular dated 22nd October, 2019 further amended the Companies (Appointment and Qualification of Directors) Rules, 2014 by requiring an independent director to apply online, within 1st May 2020, to the Indian Institute of Corporate Affairs for inclusion of his/her name in the data bank for such period till he/she continues to hold office of an independent director in any company. The independent directors were also required to submit a declaration of compliance in this regard. All Independent Directors of the Company have submitted such declaration.

Opinion of the Board with regard to integrity, expertise and experience (including proficiency) of the Independent Directors:

The Board is of the opinion that Independent Directors of the Company are professionally qualified and well experienced in their respective domains. Their qualification and vast experience in varied fields helps in strengthening Company's systems and processes to align the same with good industry practices and institutionalising tenets of corporate governance.

DIRECTORS' REMUNERATION POLICY AND CRITERIA FOR MATTERS UNDER SECTION 178 OF THE ACT:

The Nomination and Remuneration Policy approved by the Board at its meeting held on 10th June, 2016, was last revised by the Board at its meeting held on 25th June, 2020. This is also placed on the Company's website: www.endurancegroup.com/investor/investor-relations. In terms of the said Section, the scope of the policy covers directors, key managerial personnel and senior management employees of the Company. The policy, *inter alia*, lays down the principles relating to appointment, cessation, remuneration and evaluation of directors, key managerial personnel and senior management employees of the Company.

Details of the Company's policy on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters as stipulated under sub-section (3) of Section 178 of the Act, adopted by the Board, forms part of the Corporate Governance Report.

PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND DIRECTORS:

In compliance with the provisions of Section 178 of the Act, Nomination and Remuneration Policy ("NR Policy") of the Company, *inter alia*, specifies that the Board will conduct performance evaluation of the Board as a whole and its Committees and individual Directors. Performance evaluation of Directors shall be done by the entire Board (excluding the director being evaluated). The Nomination and Remuneration Committee shall continue to be responsible for implementation of the methodology followed by the Company in this regard. The NR Policy of the Company is placed on the Company's website at www.endurancegroup.com/investor/investor-relations.

Performance of the Board is evaluated after seeking inputs from all the directors on the basis of criteria such as board composition and structure, effectiveness of board processes, information and functioning, its contribution in effective management of the Company, etc. Based on the assessment, observations on the performance of Board are discussed and key action areas for the Board, Committees and directors are noted.

During the period under review, the annual performance evaluation of the Board, its Committees and individual directors for the financial year ended 31st March, 2020 was conducted by the Board, at its meeting held on 25th June, 2020.

BOARD'S REPORT (CONTD.)

Information and other details on annual performance assessment is given in the Corporate Governance Report.

SECRETARIAL STANDARDS:

The Company is in compliance with the Secretarial Standards on Meetings of Board of Directors (SS-1) and General Meetings (SS-2).

INFORMATION ON BOARD MEETING PROCEDURE AND ATTENDANCE DURING THE FINANCIAL YEAR 2019-20:

Board meetings of the Company are conducted as per the provisions of the Act, the Listing Regulations and applicable Secretarial Standards. In the last meeting of the calendar year, the Board decides the schedule of meetings to be held in the succeeding year.

Based on the dates of meetings decided by the Board, adequate notice is given to all directors and Committee members; an agenda with detailed notes thereon is sent at least seven days in advance for the meetings. The notes to agenda contain relevant information and supporting documents along with recommendation from the management for meaningful deliberation on the agenda items. During the year under review, no meeting was held at a shorter notice.

A gist of Board and Committee meetings held during the year along with attendance record of each director forms part of the Corporate Governance Report.

AUDIT COMMITTEE:

Audit Committee of the Company is constituted in terms of Section 177 of the Act and Regulation 18 of the Listing Regulations.

As on 31st March, 2020, the Committee comprised following directors as its members:

i. Mr. Partho Datta, Chairman;

ii. Mr. Soumendra Basu; and

iii. Ms. Anjali Seth.

All of the Committee members are non-executive independent directors and are financially literate as required under Regulation 18(1)(c) of the Listing Regulations.

The Committee invites the Managing Director, the Director and Group Chief Financial Officer, the Director and Chief Operating Officer, the Statutory Auditors and the Chief Internal Auditor to attend meetings of the Committee.

Mr. Sunil Lalai, Company Secretary and Executive Vice President - Legal acts as Secretary to the Committee.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Corporate Social Responsibility ("CSR") Committee is constituted in compliance with Section 135 of the Act.

As on 31st March, 2020, the CSR Committee comprised following directors as its members:

i. Mr. Anurang Jain, Chairman;

ii. Mr. Soumendra Basu; and

iii. Mr. Ramesh Gehaney.

RISK MANAGEMENT COMMITTEE:

The Risk Management Committee ("RMC") is constituted in compliance with Regulation 21 of the Listing Regulations.

As on 31st March, 2020, the RMC comprised following directors as its members:

i. Mr. Anurang Jain, Chairman;

ii. Mr. Partho Datta;

iii. Mr. Ramesh Gehaney; and

iv. Mr. Satrajit Ray.

The Company has a Risk Management Policy which was framed in June, 2015 and was last revised in August, 2019.

The policy lays down a framework for risk management and mitigation process commensurate with the scale and nature of the Company's business. The policy also identifies the risk categories in line with the Company's growth strategy, continuously changing business environment and legislative requirements. As per the terms of reference of RMC, it is entrusted with responsibility to review risk management framework.

The risk management framework defines thresholds against each of the identified risk events and mitigation measures to alleviate such risks. The framework is dynamic in nature and is reviewed periodically by the respective functions. The senior management team reviews the critical risk events and implements action plan to avoid recurrence of such events. A risk report is reviewed bi-annually by the RMC and critical matters, if any, along with mitigation plans are placed before the Board for review.

CREDIT RATING:

During the year under review, ICRA Ltd, a credit rating agency registered with SEBI had reaffirmed the long term rating of ICRA AA+/ Stable and ICRA A1+ for short term rating. CRISIL Limited, a credit rating agency registered with the SEBI, has

BOARD'S REPORT (CONTD.)

reaffirmed the Company's long-term rating of CRISIL AA/ Positive and short-term rating of CRISIL A1+.

INTERNAL FINANCIAL CONTROLS:

In terms of Section 134(5)(e) of the Act, the term Internal Financial Control means the policies and procedures adopted by a company for ensuring orderly and efficient conduct of its business, including adherence to company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information.

The Company has adequate Internal Financial Control system in the form of policies and procedures. It follows a structured mechanism of function-specific reviews and risk reporting by the Management Committee of the Company and critical matters are brought to the attention of the Audit Committee and the Board. Further, internal Standard Operating Procedures (SOPs) and Schedule of Authority (SOA) are well defined and documented to provide clear guidance to ensure that all financial transactions are authorised, recorded and reported correctly.

In order to record day-to-day financial transactions and ensure accuracy in reporting thereof, the Company uses an established Enterprise Resource Planning (ERP) system. Adequate controls and checks are built in the ERP system to integrate the underlying books of account and prevent any kind of control failure. Mapping of policies and procedures including SOPs and SOA is done through ERP and audit of these processes forms part of the work scope of both internal and statutory auditors of the Company.

The Company has an in-house Internal Audit (IA) team lead by Chief Internal Auditor who reports to the Audit Committee. The scope of work, accountability, responsibility, reporting and authority of the IA department is defined in the Internal Audit Charter which is reviewed by the Audit Committee, annually.

The IA team draws up an internal audit plan in advance for a financial year, which is approved by the Audit Committee and progress thereof is reviewed by the Committee at its quarterly meetings. In order to ensure objectivity and independence of the audit mechanism, internal audit activities for certain plants are outsourced. The IA team conducts audits of plants and corporate functions, specifically emphasising on statutory compliance, covering adherence to SOPs, controls and internal guidelines issued by the management. Implementation of the audit recommendations are monitored by the IA team.

Report on audit findings and corrective measures taken by the respective process owners, is reviewed periodically by the senior management team of the Company comprising the Managing Director, the Director and Group Chief Financial Officer and the Director and Chief Operating Officer. Significant observations and status of implementation of recommendations of the IA team are presented to the Audit Committee. The Committee reviews the report and advises on improving the systems and processes, where necessary.

The Company's internal control mechanism is commensurate with the scale of its operations thereby ensuring compliance of the Act and the Listing Regulations.

CORPORATE GOVERNANCE:

In compliance with Regulation 34 of the Listing Regulations, a separate report on Corporate Governance along with a certificate from the statutory auditors towards compliance of the provisions of Corporate Governance, forms an integral part of this Annual Report.

The Managing Director and the Director and Group Chief Financial Officer have certified to the Board with regard to financial statements and other matters as required under Regulation 17(8) read with Schedule II to the Listing Regulations.

BUSINESS RESPONSIBILITY REPORT:

In terms of Regulation 34(2) of the Listing Regulations, a Business Responsibility Report for the financial year 2019-20 forms part of this Annual Report.

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING AND FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION:

The Company has adopted a 'Code of Conduct for Prevention of Insider Trading' ("PIT Code") in terms of the SEBI (Prohibition of Insider Trading) Regulations, 2015, ("PIT Regulations"). Further, the Company has also adopted a 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' ("UPSI Code").

The PIT Code and UPSI Code are drawn up on the principle that the Company's directors and employees owe a fiduciary duty, amongst others, to the shareholders of the Company to place the interest of shareholders above their own and conduct their personal securities' transactions in a manner that does not give rise to any conflict of interest.

The PIT Code lays down guidelines for 'designated persons' on the procedures to be followed and disclosures to be made while dealing in securities of the Company and also stipulates the consequences of non-compliances or leak of confidential price sensitive information. The PIT Code was last revised by the Board of Directors at its meeting held on 6th February, 2020 pursuant to notification of the SEBI (Prohibition of Insider Trading) (Third Amendment) Regulations, 2019. In terms thereof, the PIT Code was amended to include provisions

BOARD'S REPORT (CONTD.)

for suitable protection against any discharge, termination, demotion, suspension, threats, harassment, directly or indirectly or discrimination against any employee who files a Voluntary Information Disclosure Form relating to an alleged violation of insider trading laws.

The UPSI Code documents the manner of disseminating UPSI for making it accessible to the public on non-discriminatory basis.

Any information is determined to be UPSI, based on the principles enumerated in the Company's policy on 'Determination of Materiality of Event / Information'.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, is attached as **Annexure II.**

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

In terms of Schedule VII to the Act and Company's Corporate Social Responsibility ("CSR") Policy, the Company has undertaken CSR projects under the aegis of Sevak Trust, with whom it has been associated for more than a decade. The CSR projects and programmes approved by the Board are aimed towards enhancing employability by imparting skill-building vocational training to unemployed youth and undertake developmental activities in villages to improve living standards and welfare through education, promoting health & hygiene, educating on agriculture methods & means of livelihood, provision of community facilities and the like. As part of its CSR initiatives, the Company has also undertaken the responsibility of upgrading the Sevak Trust Balwadi. This Balwadi, located in Waluj, Aurangabad, provides pre-primary education to children from economically weaker sections of the society. Apart from the above, the Committee also approved certain micro projects for cleanliness of drains and providing drinking water by installation of reverse osmosis (RO) plants.

Details about the CSR Policy and initiatives undertaken during the year, are available on Company's website at www.endurancegroup.com. The Annual Report on CSR activities is attached as **Annexure III** to this Report.

Expenditure towards CSR activities

During the year under review, the Company had earmarked an amount of ₹ 86.38 million and thus, approved a budget of ₹ 87 million for expenditure towards CSR activities. The Board of Directors have approved following projects / programmes, which are as per Schedule VII to the Act and CSR Policy of the Company:

1. Village Development Project;
2. Vocational Training Centre;
3. Sevak Trust Balwadi; and
4. Other micro projects for cleanliness of drains and providing drinking water by installation of RO plants.

Further, the Company also contributed ₹ 50 million in March, 2020, to the PM CARES Fund which has been constituted with the primary objective of dealing with any emergency or distress situation, such as the one posed by COVID-19 pandemic, and to provide relief to the affected.

Accordingly, the total CSR expenditure during the financial year 2019-20 was ₹ 138.52 million which includes ₹ 88.52 million towards above-mentioned projects and programmes and contribution of ₹ 50 million to the PM CARES Fund.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS:

During the year under review, no instances of fraud have been reported under Section 143(12) of the Act.

AUDITORS:

Statutory Auditor

The Members of the Company at their Eighteenth Annual General Meeting had approved appointment of M/s. S R B C & CO. LLP (ICAI Firm Registration No. 324982E/ E300003) as Statutory Auditors of the Company from the conclusion of Eighteenth AGM till the conclusion of Twenty Third Annual General Meeting of the Company.

Cost Auditor

As per the provisions of Section 148 of the Act and Rule 3 of the Companies (Cost Records and Audit) Rules, 2014, the Company is required to maintain cost records with respect to the manufacturing activities, viz. manufacturing of engine components, manufacturing of dies & moulds and generation of electricity through windmill, and get the same audited.

Based on the recommendation of the Audit Committee, the Board has appointed Mr. Jayant B. Galande, Cost Accountant (Membership No. M-5255) as Cost Auditor of the Company for the financial year 2020-21. The remuneration proposed is ₹ 400,000 and is subject to ratification by the shareholders at the ensuing AGM. The said remuneration is excluding applicable taxes and out-of-pocket expenses, if any, payable at actuals.

Secretarial Auditor

In terms of the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial

BOARD'S REPORT (CONTD.)

Personnel) Rules, 2014, the Board of Directors had appointed Mr. Sachin Bhagwat (Membership No. A10189, CP No. 6029) Practicing Company Secretary, to conduct an audit of the secretarial records for the financial year 2019-20.

The Secretarial Audit Report for the financial year 2019- 20 is set out as **Annexure IV** to this report. The said report does not contain any qualification, reservation or adverse remark.

DISCLOSURES:

Policies of the Company

The Listing Regulations mandate formulation of certain policies for listed companies. Accordingly, the Board of Directors has, from time to time, framed and approved policies as required under the Listing Regulations as well as under the Act.

Listed below are certain key policies that have been framed by the Company:

Sr. No.	Name of Policy
1.	Nomination and Remuneration Policy
2.	Corporate Social Responsibility Policy
3.	Dividend Distribution Policy
4.	Whistle Blower Policy
5.	Risk Management Policy
6.	Code of Conduct for Prevention of Insider Trading
7.	Code of Conduct for Directors and Employees
8.	Code of Practices and Procedures for Fair disclosure of Unpublished Price Sensitive Information
9.	Policy for determination of Materiality of Subsidiaries
10.	Policy for Determination of Materiality of and Dealing with Related Party Transactions
11.	Policy for Determination of Materiality of Events/ Information
12.	Policy for Preservation of Documents
13.	Archival Policy for disclosures to Stock Exchanges

The above-mentioned policies are available on the Company's website at the link www.endurancegroup.com/investor/investor-relations.

These policies are periodically reviewed by the Committees responsible therefor and changes, if any, are recommended to the Board for approval. Changes to the policies also factor amendments in statutes or governing regulations. During the period from 1st April, 2019 till the date of report, the following policies were revised:

Sr. No.	Name of Policy	Revised effective
1.	Risk Management Policy	8th August, 2019
2.	Policy on Determining Materiality of and Dealing with Related Party Transactions	
3.	Policy on determining Materiality of and dealing with Related Party transactions	6th February, 2020
4.	Code of conduct for Prevention of Insider Trading	
5.	Policy for Determination of Materiality of Event / Information	25th June, 2020
6.	Archival Policy for Disclosures to Stock Exchanges	
7.	Policy for preservation of documents	
8.	Nomination and Remuneration Policy	

Based on the recommendation of Nomination and Remuneration Committee, the Nomination and Remuneration ("NR") Policy was revised by the Board, at its meeting held on 25th June, 2020. The changes primarily related to payment of remuneration to Independent Directors and the process of performance evaluation being conducted by the Board. Further, the policy document was modified to include identification of attributes and domain experience to be assessed while appointing a new Director on the Board.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

Disclosure of remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed herewith as **Annexure V**.

A statement containing particulars of employees as required under Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided as a separate annexure forming part of this Report. In terms of Section 136 of the Act, the Annual Report and financial statements are being sent to the shareholders excluding the aforesaid annexure. The said annexure is available for inspection at the registered office of the Company during business hours and will be made available to any shareholder on request.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The Company has not advanced any loans or given guarantees covered under the provisions of Section 186 of the Act. Particulars of investments form part of the notes to financial statements.

BOARD'S REPORT (CONTD.)

FIXED DEPOSITS:

During the year under review, the Company has not accepted any deposits from the public.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY:

In terms of the provisions of Section 177(9) of the Act, read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Company has established a vigil mechanism (which forms part of the Whistle Blower policy in terms of Regulation 22 of the Listing Regulations) for Directors and employees to report their genuine concerns. The objective of this policy is to create a window for any person who observes an unethical behaviour, actual or suspected fraud, or violation to the Company's Code of Conduct for Directors and Employees and to report the same to the Ombudsman appointed under the same policy. The said policy also encompasses reporting of instances of leak of UPSI.

Protected disclosures can be made by a whistle blower to the dedicated e-mail ID and/ or postal address of Ombudsman, appointed under the Policy. The policy has been hosted on the Company's website at www.endurancegroup.com.

An Ombudsman has been appointed in terms of the provisions of the Act to independently investigate protected disclosures communicated under the Policy and matters of violation to the Company's Code of Conduct for Directors and Employees.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY BETWEEN 31ST MARCH, 2020 AND DATE OF BOARD'S REPORT:

There have been no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year and the date of this Report.

RELATED PARTY TRANSACTIONS:

As per the Listing Regulations, all Related Party Transactions (RPT) and any modifications thereto are placed before the Audit Committee for approval.

During the year, the Company did not enter into any contract/ arrangement/ transaction with related parties which could be considered material for which shareholders' approval is required in accordance with Section 188 of the Act and the Policy on Determining Materiality of and Dealing with Related Party Transaction ("RPT Policy").

Accordingly, there is no information to be disclosed in Form AOC-2, while the particulars of all RPTs in terms of Indian Accounting Standard (Ind AS) – 24 are forming part of the financial statements.

The RPT Policy of the Company, as approved by the Board, can be accessed on the Company's website at www.endurancegroup.com/ investor/investor-relations.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS:

There were no significant material orders passed by Regulators /Courts which would impact the going concern status of the Company and its future operations.

ANNUAL RETURN:

In terms of Section 92(3) of the Act, the annual return of the Company for the financial year ended 31st March, 2020 shall be available on the Company's website: www.endurancegroup.com/investor/investor-relations.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has adopted a "Policy on Safety & Security and Prevention of Sexual Harassment of Women Employees" ("POSH Policy") in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The POSH Policy aims to provide a safe, friendly, positive and productive working environment and promote an atmosphere in which employees can realise their maximum potential. The policy applies to all permanent and temporary employees and also to workmen engaged by the Company through contractors.

The Company observes zero tolerance towards any kind of violation of the aforementioned POSH Policy. As per POSH policy, the Company has constituted Internal Complaints Committees ("ICC") for all its locations which are chaired by a female employee and senior management officials of the Company are its members along with representative of non-government organisation / association committed to the cause of women or a person familiar with the issues relating to sexual harassment. The ICC is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the POSH Policy.

During the year under review, two complaints were received by the ICC under the POSH Policy. One complaint was satisfactorily resolved and one complaint was pending as the same was received during end March, 2020. As on the date of the report, the second complaint was under investigation by the ICC and received due attention after the lockdown due to COVID-19 was relaxed.

INDUSTRIAL RELATIONS:

During the year under review, the industrial relations remained cordial. We have eleven agreements entered into with labour unions for the Company's plants located at Waluj (Aurangabad, Maharashtra), Chakan (Dist. Pune, Maharashtra) and Pantnagar (Uttarakhand).

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INVESTOR EDUCATION AND PROTECTION FUND:

In accordance with the provisions of Sections 124 and 125 of the Act and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividends of a company which remain unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account shall be transferred by the company to the Investor Education and Protection Fund ("IEPF").

In terms of the foregoing provisions of the Act, no dividend amount or shares were required to be transferred to the IEPF by the Company during the year ended 31st March, 2020.

The Company has uploaded details of unpaid and unclaimed dividend amounts lying with the Company as on 30th November, 2019, on the Company's website www.endurancegroup.com/ investor/investor-relations and on the website of the Ministry of Corporate Affairs at www.iepf.gov.in.

The following table provides dates on which unclaimed dividend and their corresponding shares would become liable to be transferred to the IEPF:

Financial Year	Date of declaration of dividend/ interim dividend	Amount of unpaid dividend as on 31st March, 2020 (in ₹)	Due date for transfer to IEPF
2016-17	28th July, 2017	47,782.50	31st August, 2024
2017-18	6th September, 2018	42,072.00	11th October, 2025
2018-19	8th August, 2019	46,079.00	12th September, 2026
2019-20	3rd March, 2020	1,36,460.50	7th April, 2027

ACKNOWLEDGMENTS:

Your Directors take this opportunity to express their sincere appreciation towards the commitment, hard work and support of all its employees & workmen during the year.

The Directors also express gratitude to the shareholders, workmen unions, customers, vendors, dealers, bankers, government authorities of India and other countries where the Company operates and all other business associates for their continued support extended to the Company and reposing their confidence in the management. The management looks forward to their continued support in future.

For and on behalf of the Board

Naresh Chandra
Chairman
DIN: 00027696

Date: 25th June, 2020

ANNEXURE I TO BOARD'S REPORT

Dividend Distribution Policy

This policy sets the guideline to be followed while deciding on payment of dividend to its shareholders by the Company in accordance with the provisions of Companies Act, 2013 (the Act) and applicable rules thereunder.

PREAMBLE:

Dividend ordinarily means a portion of the profit of the Company which is distributed amongst the shareholders. The cardinal principle for dividend payment is that the disbursement has to be only out of profits earned by the Company. It is up to the management and the Board of Directors to strike a balance between plough back of profits for growth and distribution of dividend to shareholders.

Various internal and external factors are considered while declaring /recommending dividend. This policy aims to frame an approach to maintain consistency in dividend pay-out and strike a balance between the shareholders' expectations and retention of profit for business requirements.

POLICY FOR DECLARATION OF DIVIDEND:

The Act empowers the Board of Directors to declare dividend in two forms – Interim and Final.

Subject to the provisions of the Act, Dividend shall be declared or paid only out of:

i) Current financial year's profit:
   - a) After providing for depreciation in accordance with law;
   - b) After transferring to reserves as may be otherwise considered appropriate by the Board at its discretion or as such amount prescribed under the Act.

ii) The profits for any previous financial year(s):
   - a) After providing for depreciation in accordance with law;
   - b) Remaining undistributed; or

iii) Out of i) & ii) both.

In computing the above, the Board may at its discretion, subject to provisions of the law, exclude any or all of (i) extraordinary charges (ii) exceptional charges (iii) one-off charge on account of change in law or rules or accounting policies or accounting standards (iv) provisions or write offs on account of impairment in investments (long term or short term) (v) non-cash charges pertaining to amortization or resulting from change in accounting policies or accounting standards.

The Board may at its discretion, declare a Special Dividend under certain circumstances such as extraordinary profits from sale of investments.

DECIDING CRITERIA FOR DIVIDEND DECLARATION AND UTILISATION OF RETAINED EARNINGS:

The Company recognises that shareholders seek returns in form of dividend as well as capital appreciation; hence, the Board of Directors will endeavour to consider this aspect along with several internal and external factors while deciding the dividend criteria.

Under this policy the Board will consider the following external factors while deciding on the dividend payout.

External factors:

1. Industry outlook/scenario of the OEM customers - Where the outlook is positive the Board may consider increasing dividend.
2. Overall economic scenario - In case of uncertainty or recessionary economic and business conditions the Board should consider retaining large portion of profits to build reserves for unforeseen circumstances.
3. Statutory/Regulatory requirements – the Board will ensure adherence to statutory and regulatory restrictions, if any, under the Act/ Regulation/ Notifications with regard to declaration of dividend. Also, covenants of lending banks/financial institutions will need to be complied with.
4. Business cycles - When the Company is experiencing trajectory growth and good profits, the Board may consider it prudent to build reserves for future dips.

The Board will also take cognizance of following internal factors while deciding dividend pay-out in addition to the aforesaid external factors.

Internal factors:

1. Profit earned during the year which shall be measured by various ratios like net profit ratio, current ratio, debt-equity ratio and ratio of profit on total assets.
2. Cash flow after considering repayment of borrowings, if any.
3. Capex requirements of existing business.
4. Acquisition and / or expansion plans.
5. Investment needs of subsidiary companies.
6. Stability of dividend pay-out.
7. Any other factor that the Board may consider appropriate.

The Board will have to judiciously weigh the external and internal factors for the dividend pay-out to maintain consistency of dividend payouts. It is expected that with improvement in results the dividend pay-out will improve.

CIRCUMSTANCES UNDER WHICH SHAREHOLDERS MAY NOT EXPECT DIVIDEND:

In case of

1. Business loss.
2. Inadequate cash flow.
3. Severe economic downturn.

REVIEW OF THE POLICY:

This policy shall be reviewed by the Board from time to time.

ANNEXURE II TO BOARD'S REPORT

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014.

A. CONSERVATION OF ENERGY:

During the year under review, the windmills installed by the Company at Jaisalmer, Satara and Supa, generated 6,064,614 units of electricity (including 4,535,819 units of captive consumption). The Company earned an income of ₹ 41.57 million (including captive consumption ₹ 32.84 million) from generation of wind power.

Your Company continued its energy conservation initiatives.

(i) Energy conservation measures taken

Following measures were taken to reduce power consumption:

a. Installation of Sigma Controller for air compressor to balance the variable loads and improve the efficiency resulting in saving of 1.1 lakh units per annum.

b. Installation of thyristor based controllers / PLC based auto shut off controllers for ultrasonic cleaning machines and washing machines resulting in saving of 0.44 lakh units per annum.

c. Reuse of air compressor heat by rerouting and heat energy utilisation for hot air blower systems for gluing machines.

d. Installation of energy efficient motors and pumps for main water pump, cooling tower and dust collection systems, powder coating booths, air circulation motors, pre-treatment lines, degreasing tank circulation pumps, all these resulting into saving of 2.14 lakh units per annum.

e. Installation of auto shut-off timers for lighting systems of offices/ washrooms / meeting rooms; auto shut-off valves for air flow and airlines for assembly shops, timer based controllers for auto shut-off of hydraulic power packs 'switch on & off' systems, all these resulting in saving of 0.65 lakh units per annum.

f. Electrical power factor maintained from 0.996-1.0 to reduce indirect energy losses.

g. Use of fuel catalyst on melting furnace to improve efficiency of furnace oil and Piped Natural Gas (PNG).

Impact

These initiatives have resulted into saving of 6.38 lakh units of electricity per annum

Steps taken by the Company for utilising alternate sources of energy

With a view to promote use of renewable energy for its plant operations, the Company has undertaken the project of installing solar panels on roof tops of factory buildings and terrace areas of offices, wherever available, for ensuring maximum exposure of the panels to solar radiation. The installed capacity of solar panels installed during the financial year 2019-20 is 3.4 MW. This project has generated electricity equivalent of 29.3 lakh KWh.

(ii) Capital investment on energy conservation equipment

The capital investment made by the Company during the financial year 2019-20, on energy conservation equipment was ₹ 17.20 million.

B. TECHNOLOGY ABSORPTION:

Research & Development

The Company believes that a strong Research and Development ("R&D") base is necessary for profitable sustenance of its business and in ensuring customer satisfaction. In addition to being an 'end-to-end' solutions provider, the focus is also to develop and offer 'first time right' products to its customers. Towards this, the R&D team cohesively engages with the product development team of the OEM customers to understand their requirements and offer technologically upgraded products delivering performance in line with customers' expectations.

The Company has four R&D Centres approved by the Department of Scientific and Industrial Research (DSIR) for each of its product categories. A workforce of 209 professionals is deployed to develop new products and improvise the existing product range to offer technologically upgraded solutions to its customers. In order to further strengthen its R&D capabilities, the Company has been consistently investing in technically advanced testing equipment and engineering software at its R&D centres.

As a step towards upgrading its testing competencies, the Company has built a state-of-the-art proving ground near Waluj, Aurangabad, which has become operational during the year under review. This eight track proving ground, is a significant step taken by the Company to develop 'first time right' products, thus providing a competitive edge over its peers. It is a step towards providing 'end-to-end' solutions to its OEM customers by ensuring the fitness of products on vehicle application.

ANNEXURE II TO BOARD'S REPORT (CONTD.)

Intellectual Property (IP)

The Company believes in continuous innovation as it strives to offer products with latest technology. Towards this, the Company's in-house R&D team constantly endeavours to improvise its products based on the requirements of its customers and end-users/ consumers. The Company has also partnered with leading manufacturers/ technology partners worldwide to develop new products and enhance its technological capabilities.

During the year under review, the Company was granted two patents for Transmission (clutches) and one patent was granted after 31st March, 2020. Accordingly, as on the date of the report, the Company has eleven patents granted and seven designs registered. The Company also filed ten applications for grant of patents taking the total number of patent applications to sixty five.

In furtherance to one of its corporate values – Innovation, the Company conducts Ideafest event which promotes generation of ideas across all its functions. Suggestions received are evaluated and those resulting into improvement in product performance, processes, safety or cost optimisation, are rewarded and implemented.

Advanced Engineering

Advanced Engineering Group ("AEG") supports in areas of virtual validation, Experimental Data Analysis ("EDA"), Failure Analysis, Material Analysis, establishing effective Product Lifecycle Management ("PLM") systems etc.

The CAE and EDA processes have now been used as an integral part of New Product Development process thereby helping with "first time right" products and "in time" developments.

For CAE the focus, this year, was on to develop product design and optimisation capabilities for structural casting components helping in light weighting of vehicle structures. During the year, the EDA team extended the support in improving the in-house design verification and product validation capabilities across all the product lines.

During the year, the PLM team focused mainly on improving the R&D (design & development) processes. As a part of this, the PLM systems were upgraded with end to end R&D workflows this year.

Further During the financial year, AEG developed expertise in the area of mathematical modelling & simulation for Electro-Mechanical Systems. This will help in designing advanced products involving Electronic Control Systems.

Specific areas in which R&D was carried out

I. **R&D Centre at B-1/3, Chakan** (Die Casting Components):

   i. ATOS GOM Make Blue Ray 3D scanner was introduced to speed-up the development cycle; this scanner is used for 'reverse engineering' of parts & die elements.

   ii. Focus on 'First Time Right' products helped to achieve defect free components in the initial (T0/T1) trials itself.

   iii. Developed Aluminium die casting components for a new four-wheeler OEM. Expanded product portfolio for existing OEM customers. Introduced Cylinder Head cover to Company's product portfolio.

   iv. Transition from BS IV to BS VI for all casting products completed successfully in time. Thirty new products developed for engines under the BS VI requirement mandated from 1st April, 2020.

   v. Leveraged collaboration between the Company and its subsidiaries for structural casting analysis as well as for developing overseas dies in India. The Company structural analysis capabilities were well appreciated by of the subsidiaries companies customers

   vi. R&D also helped, by providing technical expertise, to reduce in-house rejection through effective CFT approach.

II. **R&D Centre at K-226/2, Waluj, Aurangabad** (Braking Systems):

   i. Combined Braking System ("CBS") has been made mandatory for all existing models from 1st April 2019. Accordingly, all new models with displacements 125cc and below have been converted to CBS.

   ii. Designed and developed CBS for two and three wheeler electric vehicles.

   iii. Developed a new 3-Pot Caliper CBS. Company's design has been tested and validated by the customer and the production is expected to commence during the current financial year.

   iv. New CBS has been developed for another Japanese OEM customer. Entire design activity is done indigenously and initial evaluation has been successfully completed. Further, the Company received customer go ahead for tooled up parts and mass production is expected to commence in next financial year.

ANNEXURE II TO BOARD'S REPORT (CONTD.)

v. Further, new regulations for three-wheeler brakes have been made mandatory from April, 2019, which require compliance with IS-14664-2010 norms. The Company has developed various three-wheeler brake options to meet these norms. Unique high friction test surfaces, on the newly developed proving ground, helped to complete the evaluation of this braking system.

vi. Anti-lock Braking System ("ABS") has been made mandatory for all existing models with displacements above 125cc from 1st April 2019. Accordingly, Company's R&D played an instrumental role to upgrade operational facilities, thereby ensuring smooth transition from non-ABS models to ABS models by effective integration of ABS modulator with its existing braking system.

vii. The Company has developed ABS – Modulator product in collaboration with a leading global brake and suspension company. The component is presently at an advanced stage of evaluation at customer's end and is expected to commence production during the current financial year.

viii. Designed a new concept for master cylinder for better functioning and life when used for ABS application. Validation of this new design has been completed and is being offered to customers. This design is expected to significantly increase the lifespan of the master cylinder against the ABS operation.

ix. The Company has successfully completed development of braking system for a 150cc motorcycle for a new OEM customer. Further, based on customer's requirements, R&D has started additional new product developments for other models of scooter and three wheeler.

x. The Company's R&D has completed in-house design and development of steel wire braided brake hoses, to be produced in-house. The Company has been certified by ARAI and can now commence production of steel-braided hoses.

Test Facilities:

i. ABS calibration testing has commenced on the proving ground. The ABS test surfaces have provision of testing the braking system under wet and dry condition on different friction surfaces (basalt tile, ceramic tiles, high friction asphalt, polished concrete and loose gravel). Based on customer feedback, new India specific tracks were added for ABS evaluation.

ii. ABS prototype shop has been setup, which is used for limited quantity (prototype) ABS modulator assembly and verification.

iii. Some important test facilities for product surface treatment testing, like Weathero-meter and Color Photo-spectrometer, have been added.

iv. We have expanded our lab testing bandwidth by adding new durability testers, humidity chamber and vibration shakers to meet customer testing expectations.

v. A dedicated tear-down cum benchmarking facility including stereo microscope and precision MTS Universal testing machine have been set-up.

vi. Designed and developed a unique test equipment in-house for effective durability testing of Master Cylinder with ABS operation. This has helped in ensuring suitability of ETL braking system for ABS application.

III. R&D Centre at K-226/1, Waluj, Aurangabad (Transmission components):

i. Use of high performance paper grades on multiple models; two more grades of friction materials developed during the year. A low cost paper friction material is developed which gives much improved performance and durability for commuter segment of motorcycles.

ii. Developed cost effective and environment friendly paper friction plates.

iii. Completed up-gradation of CVT design software. This will enable complete simulation without need of any hardware in loop.

iv. Introduction of APTC design to Indian market for motorcycles with displacement above 200 cc. These clutch designs are of two types:

   a. APTC EVO – It is an Assist and Slipper (A&S) clutch which offers numerous advantages on subjective and objective performance parameters as against competition.

   b. APTC Plus – This design is A&S clutch with automatic clutch engagement. The same can be used in semi-automatic and automatic mode. With quick-shift mechanism on the motorcycles the same design replaces a dual clutch design with better performance at a significantly reduced price.

ANNEXURE II TO BOARD'S REPORT (CONTD.)

IV. R&D Centre at E-93, Waluj, Aurangabad (Suspension components):

i. Successfully productionised first off-road suspension products (longest fork & monotube mono shock absorber).

ii. For the first time in India, the Company introduced rally kit with adjustable damping in conventional front fork for an off-road motorcycle.

iii. Successfully productionised front & rear suspension for electric vehicle.

iv. Successfully deployed mono tube mono shock absorber with floating piston and adjustable damping technology.

v. Successfully expanded Φ37 dia up-side Down front fork design series to existing customers.

vi. Designed and developed new design series Φ41 dia up-side down front fork & Φ36 monotube shock absorber with floating piston.

vii. Successfully developed and productionised emulsion type twin tube gas charged shock absorbers.

viii. New spring durability machine installed to augment the product reliability testing capacity further to supplement faster new product development.

ix. Various new products and 'buy-me' products were developed for aftermarket to expand existing product range and presence in domestic as well as overseas market.

x. Ride tuning van is being extensively used by our customers for suspension tuning. In 2019-20, eight premium models tuned with over 100 man days of work. Ride tuning van helps in reducing NPD lead time by enabling multiple ride tuning iterations in one go.

xi. Various Value Addition/ Value Engineering (VA/VE) ideas were proposed to different customers in order to ensure cost competitiveness.

xii. Multiple product life improvement ideas are initiated and implemented for regular front fork, hydraulic and mono-tube shock absorber.

xiii. Data acquisition & analysis capability is being used extensively in real time monitoring during structural durability testing.

xiv. Focused on expanding our up-side down fork and mono-tube mono shock absorbers business with other OEMs.

xv. Projects initiated to benchmark advance suspension systems & technologies like Adaptive suspension, Electronic suspension & Semi-active suspension products.

During the year under review, all the eight tracks of the Endurance Proving Ground ("EPG") were made operational. The proving ground enables us to test our products on vehicle and further strengthens our position as a Complete Solution Provider. It is fully equipped to evaluate handling & maneuverability, ride comfort, driveability, brake/ABS performance and reliability.

ARAI has certified EPG for testing and evaluation of two and three wheelers. ARAI and a few other OEM customers have also used EPG for testing and evaluation of two and three wheelers.

EPG has following test tracks:

- High Speed Performance Track
- Ride and Evaluation Track
- ABS and Evaluation Track
- Handling Track
- Gradient Track
- Steering Pad
- Mud, Water trough and Dust Tunnel; and
- Country Track

The tracks consist of test surfaces required for evaluation of suspensions, transmissions & braking systems and assemblies of two & three wheelers and quadricycles.

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

1. Improvement in product quality, performance, reliability and safety.
2. Reduction in product cost through various VA/VE ideas to gain competitive edge.
3. Reduction in cycle time of process and increase in productivity.
4. Minimize product development time with the help of new testing facilities and advance analytical capabilities.
5. Enhanced customer delight and confidence.

ANNEXURE II TO BOARD'S REPORT (CONTD.)

Information regarding imported technology (imported during the last three years)

Year of import	Technology from	Details of technology imported	Status
2015	KTM Components GmbH, Austria	Suspension components having either of the following product technologies: 1. Separation Piston for manufacture of mono shock absorbers; 2. Piggy bag suspension system; and 3. Any other technology as mutually agreed.	Under absorption
2017	Leading Global Suspension and Brakes Company	Technology for joint development of Anti-lock braking systems for application in two and three wheelers.	Under absorption
2018	Adler SpA, Italy*	Manufacture of transmission products (clutch assemblies, friction plates and CVTs)	Under absorption
2019	European technology provider in Aluminium Forgings	Technical support related to Aluminium Forging Technology	Under absorption

* 'Supplemental to Technical Assistance and Service Agreement' executed on 27th August, 2018 for extending validity of agreement (executed in 2013) till 30th August, 2021.

Expenditure incurred on R & D

₹ in million

Sr. no.	Particulars of expenditure	2019-20	2018-19
i.	Capital including technical know-how	133.37	224.94
ii.	Recurring	425.77	404.41
Total		**559.14**	**629.35**
Total research and development expenditure as a percentage of revenue, net of excise duty.		1.12%	1.16%

C. Foreign Exchange Earnings and Outgo:

During the year under review, the Company made export of automotive components to OEMs in European countries. The exports of spare parts in aftermarket were made to countries in Latin America, Middle East, Asia and Africa.

Total foreign exchange earnings and outgo are given below:

₹ in million

Particulars	Amount
Earnings in foreign exchange	1,205.83
Foreign exchange outgo	3,285.27

For and on behalf of the Board

Naresh Chandra
Chairman
DIN: 00027696

Date: 25th June, 2020

ANNEXURE III TO BOARD'S REPORT

Annual Report on Corporate Social Responsibility (CSR) Activities

1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

Brief outline of the Company's CSR policy

Corporate Social Responsibility Policy ("CSR Policy") of the Company was approved and adopted by the Board at its meeting held on 6th June, 2014. The Policy was last reviewed and revised by the Board, at its meeting held on 10th August, 2018.

CSR POLICY OF THE COMPANY

Background and Philosophy

Corporate Social Responsibility ("CSR") is an engagement of business entities to bring about an overall positive impact on the community, environment, people and their health and the society at large, where it conducts business.

Endurance Technologies Limited ("Endurance") is one of the leading auto component manufacturers. It provides solutions across aluminium die-casting, suspension, braking systems and transmissions product categories. Being a conscientious corporate citizen the Company understands its responsibility towards the society and gives strategic direction to this through various projects and activities to be a good corporate citizen. At Endurance, we believe and strive towards integrating our business values with economic progress, social responsibility and addressing environment issues with a purpose to enhance the quality of life.

The Company's philosophy of discharging its social responsibility goes beyond donations and sponsoring charity events, where it engages with the society to maximize the overall impact on the livelihood and welfare of people. The Company engages in various dynamic initiatives which vary with the needs of the society and the environment.

POLICY

1. Endurance may undertake CSR activities, preferably in and around the areas of its operations.
2. Endurance may undertake its CSR projects, programmes and activities either directly or through external implementing agencies or Registered Trusts / Society or a Section 8 company under Companies Act, 2013.
3. The CSR projects, programmes and activities shall relate to following areas:

Sr. no.	Area	*Projects / Programmes / Activities
1.	Eradicating hunger, poverty and malnutrition	Providing/ sponsoring mid-day meals for children in schools and other institutions Promoting self-employment through interest free loan Spreading awareness on nutrition of children and pregnant women Supplying food and essentials in disaster-struck areas Building homes and toilets for the poor
2.	Promoting preventive health care and sanitation	Establishing and maintaining hospitals, dispensaries, nursing homes Promoting basic and menstrual hygiene through discussions, health care centres and other sanitation improvement activities including sanitary / maternity napkin project. Granting medical assistance to poor and deserving people. Initiating health check-up camps, sponsoring cataract surgery, teaching yoga, and organising sessions with obstetrician- gynecologists (ObGyns).
3.	Providing safe drinking water and initiating water conservation projects	Driving water shed projects including repairing wells, deepening of *nallahs* and rivers, de-silting ponds.
4.	Promoting education including special education among women, elderly, and the differently abled	Promoting education through Balwadis and night schools. Renovating government-aided schools, and providing libraries, necessary infrastructure like furniture, computers for digital literacy, inverters & batteries, building / upgrading toilets. Conducting trainings for teachers. Providing bicycles to students for commuting to and from school.
5.	Employment enhancing vocation skills and livelihood enhancement projects	Imparting vocational training for livelihood and sustenance.
6.	Promoting gender equality and empowering women	Spreading awareness on girl education and prevention of female infanticide. Setting up homes and hostels for women. Providing financial support to women entrepreneurs, enabling women to start business to become financially independent, teaching women to use available resources to make products for their family (soaps, creams, food items).

ANNEXURE III TO BOARD'S REPORT (CONTD.)

Sr. no.	Area	*Projects / Programmes / Activities
7.	Care for elderly people and orphans	Setting up old age homes, day care centres and such other facilities for senior citizens. Setting up of orphanages and sponsoring education of orphans.
8.	Take measures for reducing inequalities faced by socially and economically backward groups	Providing vocational training at nominal charge. Enabling access to or improving the delivery of public health systems.
9.	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water	Facilitating crop-based research to assess / analyse cost optimum and agro-ecological sustainable farm practices. Conducting product life cycle analysis from the soil conservation point of view. Initiating renewable energy projects. Providing street solar lights. Providing solar power generation units. Providing mangers for cattle and shelter for animals.
10.	Protection of national heritage, art and culture	Restoring heritage buildings and sites of historical importance and works of art. Promoting and development of traditional art and handicrafts.
11.	Setting up public libraries	Setting up public reading rooms and libraries.
12.	Measures for the benefit of armed forces veterans, war widows and their dependents	Sponsoring education/ Scholarships for children of armed forces personnel killed or disabled during wars. Providing loans at lower rate of interest to war widows for events such as marriage/ higher education of children/ construction of house/ self-employment.
13.	Promoting sports	i. Providing infrastructure and facilities to promote rural sports and nationally recognised sports. ii. Providing training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports.
14.	Rural development projects	Providing trainings on new techniques in agriculture. Development of villages in terms of infrastructure, better living conditions, health and hygiene of villagers. Setting up hydroponics units for producing green fodder for cattle.
15.	Slum area development	Constructing dwelling units. Upgrading basic infrastructure of slum areas.

* The Projects/ programs/ activities listed above is only an indicative list

Apart from the above, contribution to the following shall also qualify as CSR activities of Endurance:

1. '*Swachh Bharat Kosh*' set up by the Central Government for the promotion of sanitation.

2. '*Clean Ganga Fund*' set up by the Central Government for rejuvenation of the river Ganga.

3. Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.

4. Technology incubators located within academic institutions which are approved by the Central Government.

5. Other activities as laid down in Schedule VII of the Companies Act, 2013, as amended from time to time.

IMPLEMENTATION

The Company sets aside a budget to fund the identified projects / programs/ activities specified under this Policy.

OVERVIEW OF PROJECTS OR PROGRAMMES UNDERTAKEN DURING THE FINANCIAL YEAR 2019-20

In terms of the CSR Policy adopted by the Company, the Company has undertaken projects in the areas of skill development, health, provision of drinking water, sanitation, education & livelihood through agriculture and community development. These projects are in accordance with Schedule VII to the Companies Act, 2013.

The Company has undertaken these projects and programmes through Sevak Trust, to implement the following CSR activities, as approved by the Board:

i. A project to set up a Vocational Training Centre (VTC) in Aurangabad, Maharashtra to provide specialised training to school drop-outs and educationally & economically under-privileged unemployed youth and assisting them in finding gainful employment;

ANNEXURE III TO BOARD'S REPORT (CONTD.)

ii. A project aiming community development through adoption of following villages namely:

1.	Sanjkheda;	2.	Kachner (*comprising 8 tandas*);
3.	Jodwadi;	4.	Landak wadi;
5.	Bembalyachi wadi;	6.	Honobachi wadi;
7.	Khodegaon;	8.	Husenpur (*Piwal wadi*);
9.	Muradabad;	10.	Fulambri wadi;
11.	Kanadgaon;	12.	Mohammadpur;
13.	Kankshil;	14.	Jafarwadi;
15.	Padali;	16.	Sobalgaon;
17.	Shekharpur Wadi;	18.	Hanuman Wadi;
19.	Wadod Khurd; and	20.	Ellora.

iii. Sevak Trust Balwadi

iv. Contribution to PM CARES Fund.

Vocational Training Centre (VTC)

The VTC was set up in the year 2015 in the industrial area of Waluj, Aurangabad, in the name of Endurance Centre of Vocational Empowerment ("ECoVE"). ECoVE trains batches of students in the following vocations with the objective to equip them with skills for suitable job opportunities or self-employment.

a. Retail Marketing;

b. Machine Maintenance;

c. Computer;

d. Tailoring; and

e. Die-casting.

The objective of ECoVE is to create an educated and skilled workforce from economically weaker sections of the society and groom them into responsible citizens.

Along with the core vocational course, the students are encouraged to participate in sessions on physical fitness, spoken English and self-defense.

During the financial year 2019-20, ECoVE completed four batches in the above mentioned training courses with 420 candidates registered and 379 candidates graduated. Placement activity is yet to be initiated for the last batch completed in March, 2020 in which 98 candidates enrolled and 84 candidates graduated. Out of 295 graduates from three batches, 218 candidates have gained employment; while 161 candidates are employed with various organizations, 57 of the graduated candidates are self-employed. Of the remaining 77 graduates, 64 candidates opted for higher education, 7 candidates are searching for suitable job opportunities and remaining 6 candidates are indecisive about their plans for employment.

Village Development Project (VDP)

Under the VDP, implementation of developmental activities were taken in the identified villages. The objective of the project is to address basic concerns of villagers such as safe drinking water, sanitation and lack of basic education facilities to children in these villages. Additionally, activities such as manufacturing of low-cost sanitary napkins and providing financial assistance for self-employment and sustenance are also undertaken at these villages.

During the financial year 2019-20, the Company has undertaken VDP at all the villages mentioned above. All these villages are located around 35 ~ 45 km from Aurangabad. A brief on the activities undertaken at these villages and focus areas is tabulated below:

Sr. no.	Programmes	Activities
1.	Health and Nutrition	• Organising eye and general health check- up camps. • Facilitating cataract operations. During the year 2019-20, the Company also facilitated eye transplant of a young girl. • Distribution of medicines at health check-up camps. • Renovation of health care centres. • Undertaking of training and awareness sessions on preventive health care.
2.	Water & Sanitation	• Construction of toilets. • Installation of reverse osmosis (RO) plant; • Waste management project • Organising cleanliness drive.
3.	Agriculture methodology and Livelihood	• Organising specialised agriculture trainings. • Construction of mangers.

ANNEXURE III TO BOARD'S REPORT (CONTD.)

Sr. no.	Programmes	Activities
4.	Education	• Renovation of school building. • Setting up of libraries with books & furniture. • Installation of invertors and solar panels to facilitate uninterrupted e-learning. • Imparting basic computer education through HP "World on Wheels" ("WOW") bus. The bus is equipped with twenty one computers, one 65-inch LED monitor inside for training purpose and another 55-inch LED monitor installed at the rear for displaying video clips, presentation etc. for general viewing. This bus is equipped with solar power unit for uninterrupted training. The bus has been deployed in a phased manner at all villages where VDP is undertaken. Presently, training programmes on basic digital literacy have commenced in Kachner village.
5.	Community Development	• Providing financial assistance to families in low income group, for purchasing of goats. This helps them to generate income for livelihood. • Providing financial assistance to self-employed females and organising of vocational trainings. • Setting up of unit for manufacturing of sanitary napkins to promote hygiene and also to generate employment. • Treated patients under alcohol de-addiction project.

Sevak Trust Balwadi (Balwadi)

The Sevak Trust runs a "Balwadi" near Waluj, where pre-primary education is provided to children belonging to economically weaker sections of society, at a nominal fee.

Overview of projects or programmes proposed to be undertaken:

Village Development Project (VDP):

In view of the positive impact of the developmental activities implemented/ in progress in all the aforementioned twenty villages, it is proposed to continue with VDP initiatives in the current financial year. Further, it is proposed to extend implementation of VDP activities in following new villages located in Khultabad Block, for the financial year 2020-21:

a) Ellora Tanda No-1

b) Ellora Tanda No-2

c) Talav Wadi

d) Shardul Wadi

e) Mambapur Wadi.

All the twenty three villages and ten tandas are located within a radius of 35 ~ 45 km from Aurangabad. Further, the Company is also exploring to adopt villages located near to its other manufacturing locations viz. Chakan in Maharashtra and Pantnagar in Uttarakhand.

Vocational Training Centre (VTC): Endurance Centre of Vocational Empowerment ("ECoVE") received encouraging response with higher enrolments and students evincing interest in completing the course(s) considering the vocations offered and the facilities available thereat. In view thereof, it is proposed to complete four batches for each of the following courses in the financial year 2020-21:

a. Retail Marketing;

b. Machine Maintenance;

c. Computer;

d. Tailoring; and

e. Die-casting.

Sevak Trust Balwadi (Balwadi):

During the current financial year, it is proposed to shift Balwadi to bigger premises to accommodate higher number of students. The new premises shall be equipped with better sports and educational facilities & tools.

Relief measures in view of COVID-19 outbreak

During the nation-wide lockdown period, relief support was extended to residents in villages in proximity to the Company's plant locations by distributing kits containing food and other essential hygiene items.

Testing machines were donated to hospitals designated for conducting diagnostic tests for COVID-19. Further, financial support was extended to a few students of ECoVE during the period of lock-down as they had no source of income as the factories were non-operational during that period.

The Company plans to continue with various activities to support underprivileged sections of society, adversely affected due to restrictions imposed due to pandemic situation.

Web link: https://www.endurancegroup.com/about-us/corporate-social-responsibility

ANNEXURE III TO BOARD'S REPORT (CONTD.)

2. Composition of the Corporate Social Responsibility (CSR) Committee:

The CSR Committee comprises following directors as its members:

a) Mr. Anurang Jain, Chairman of the Committee

b) Mr. Soumendra Basu

c) Mr. Ramesh Gehaney

The terms of reference of the Committee encompass the following:

i) To recommend activities and the amount of expenditure to be incurred to fulfil CSR; and

ii) To monitor the CSR Policy from time to time.

3. Average net profit of the Company for last three financial years:

The average net profit before tax of the Company during the financial years 2016-17, 2017-18 and 2018-19 was ₹ 4,319.25 million.

4. Prescribed CSR expenditure (two percent of the amount as in item 3 above):

During the year under review, the Company earmarked ₹ 86.38 million towards CSR activities in terms of the provisions of Section 135 of the Companies Act, 2013.

5. Details of CSR spend for the financial year:

1) Total amount spent in the financial year 2019-20: ₹ 88.52 million towards approved CSR projects and ₹ 50 million to PM CARES Fund

2) Amount unspent: Nil

3) Manner in which the amount spent during the financial year: Please refer the statement given overleaf:

ANNEXURE III TO BOARD'S REPORT (CONTD.)

(Amount in ₹ million)

1	2	3	4		5	6		7	8
Sr. No.	**CSR project or activity identified**	**Sector in which the Project is covered**	**Projects or programmes**		**Amount outlay project or programme wise**	**Amount spent on the projects or programmes Subheads:**		**Cumulative expenditure up to reporting period**	**Amount spent: Direct or through implementing agency**
			(i) Local area or other	**(ii) Specify the State and district where projects or programmes were undertaken**		**(i) Direct expenditure on projects or programmes**	**(ii) Overheads**		
1	Village Development Project	Refer note (i) below	Local Area: In the radius of 35 to 45 km from Aurangabad	State- Maharashtra District- Aurangabad					Through Implementing Agency- Sevak Trust*
(a)	Water & Sanitation				5.59	5.41	-	5.41	
(b)	Agriculture & Livelihood				7.78	6.01	-	6.01	
(c)	Health & Nutrition				0.61	0.10	-	0.10	
(d)	Education				8.77	11.64	-	11.64	
(e)	Community Development				0	0.63	-	0.63	
(f)	General Activities				0.05	0.00	-	0.00	
	Sub Total				**22.80**	**23.79**	**-**	**23.79**	
2	Vocational Training Centre	Refer note (ii) below	Local Area: Waluj, Aurangabad	State- Maharashtra District- Aurangabad					Through Implementing Agency- Sevak Trust*
(a)	Training & Administrative Expenses				13.00	13.00	-	13.00	
(b)	VTC building construction				49.00	49.00	-	49.00	
	Sub Total				**62.00**	**62.00**	**-**	**62.00**	
3	Balwadi	Refer note (ii) below	Local Area: Waluj, Aurangabad	State- Maharashtra District- Aurangabad	1.00	0.21	-	0.21	Through Implementing Agency- Sevak Trust*
4.	Reverse Osmosis plant for police stations	Refer note (ii) below	Local Area: Waluj, Aurangabad	State- Maharashtra District- Aurangabad	1.20	1.00	-	1.00	
5.	Donation to PM CARES fund							50.00	
6.	Salary of CSR staff							1.52	
	Grand Total (1) to (6)				**87.00**	**87.00**	**-**	**138.52**	

Note:

i. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swacch Bharat Kosh set-up by the Central Government for promotion of sanitation and making available safe drinking water;

ii. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.

* Sevak Trust is a non-governmental organisation registered as a trust under the Bombay Public Trust Act, 1950, having registration no. E-449 dated 11th January, 1993.

ANNEXURE III TO BOARD'S REPORT (CONTD.)

6. **Reasons for under spending of amount earmarked for CSR expenditure for the financial year 2019-20:**
   Not Applicable

7. **Responsibility Statement**
   The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.

   The CSR Committee ensures that the projects and programmes, recommended by it to the Board, are as per the CSR Policy and Schedule VII to the Companies Act, 2013. The CSR Committee reviews update on the progress of the activities with respect to each programme and/ or project approved, from time to time and suggests measures for effective implementation thereof. The statement of expenses incurred, for each activity, is reviewed in detail *vis-à-vis* the budget.

Anurang Jain
Managing Director and
Chairman of CSR Committee
DIN: 00291662

Date: 25th June, 2020

ANNEXURE IV TO BOARD'S REPORT

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2020
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Endurance Technologies Ltd.
E-92, MIDC Waluj
Aurangabad 431 136

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Endurance Technologies Ltd. (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of foreign direct investment and overseas direct investment. The Rules and Regulations related to external commercial borrowings did not apply to the Company during the year;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (*Not applicable to the Company during the Audit period*);

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (*Not applicable to the Company during the Audit period*);

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (*Not applicable to the Company during the Audit period*);

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (*Not applicable to the Company during the Audit period*);and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (*Not applicable to the Company during the Audit period*).

I further report that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, no law was applicable specifically to the Company.

I have also examined compliance with the applicable clauses of the following:

ANNEXURE IV TO BOARD'S REPORT (CONTD.)

(i) Secretarial Standards issued by the Institute of Company Secretaries of India;

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. No changes in the composition of the Board of Directors took place during the period under review.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, no specific events / actions took place having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred to above.

Sd/-
Sachin Bhagwat
ACS: 10189
CP: 6029
UDIN: A010189B000341421

Place: Pune
Date: 15th June, 2020

This report is to be read with our letter of even date which is annexed as Annexure and forms an integral part of this report.

Annexure

To,
The Members,
Endurance Technologies Ltd.
E-92, MIDC Waluj
Aurangabad 431 136

My report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

4. Wherever required, I have obtained Management Representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Sd/-
Sachin Bhagwat
ACS: 10189
CP: 6029
UDIN: A010189B000341421

Place: Pune
Date: 15th June, 2020

ANNEXURE V TO BOARD'S REPORT

Information pursuant to Section 197(12) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

a) The ratio of the remuneration of each Director / Key Managerial Personnel (KMP) to the median remuneration of the employees of the Company for the financial year 2019-20:

Sr. No.	Name of Directors / Key Managerial Personnel and Designation	Ratio of remuneration to the median employee's remuneration	% increase in remuneration in the financial year 2019-20
Executive Directors and Key Managerial Personnel			
1	Mr. Anurang Jain, Managing Director	126.16	3.05%
2	Mr. Satrajit Ray, Director and Group Chief Financial Officer	53.34	14.95%
3	Mr. Ramesh Gehaney, Director and Chief Operating Officer	52.52	13.38%
Non-executive Directors @			
4	Mr. Naresh Chandra, Chairman	6.27	0.00%
5	Mr. Partho Datta	6.01	1.07%
6	Mr. Soumendra Basu	5.99	-0.70%
7	Mr. Roberto Testore	5.14	0.00%
8	Ms. Anjali Seth	5.57	1.95%
9	Mrs. Falguni Nayar	4.82	2.25%
10	Mr. Massimo Venuti **	N.A.	N.A.
Key Managerial Personnel			
11	Mr. Sunil Lalai, Company Secretary and Executive Vice President - Legal	20.26	9.54%

@ Remuneration to Non-executive Directors includes sitting fees paid for attending meetings of the Board and its Committees and also remuneration paid by way of commission during the year.

** Mr. Massimo Venuti is an employee of Endurance Overseas Srl, Italy and he does not draw any remuneration from the Company.

b) The median remuneration of the employees of the Company during the financial year 2019-20 was ₹ 0.47 million.

c) Percentage increase in the median remuneration of employees in the last financial year 2019-20 was 8.1% as compared to the previous year.

d) Number of permanent employees as on 31st March, 2020 are 4,089.

e) Average percentile increase in the salaries of employees other than the managerial personnel in the financial year 2019-20 and its comparison with the percentile increase in the managerial remuneration and justification thereof (and point out if there are any exceptional circumstances for increase in the managerial remuneration);

Average percentage increase in the salaries of employees other than managerial personnel in the financial year 2019-20 was 11.17%; whereas the increase in the managerial remuneration in the financial year 2019-20 was 7.84%.

The increase in compensation of employees is guided by factors such as market trends, internal parity and is in line with the normal pay revisions which is linked to individual performance and the Company's performance.

f) It is hereby affirmed that remuneration to the KMP and employees of the Company are in line with the Nomination and Remuneration Policy of the Company.

COMPLIANCE CERTIFICATE UNDER REGULATION 17(8) READ WITH PART B OF SCHEDULE II TO THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

25th June, 2020

The Members,
Endurance Technologies Limited,
E-92, MIDC Industrial Area,
Waluj, Aurangabad – 431 136

Sub.: Compliance Certificate under Regulation 17(8) read with Part B of Schedule II to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

This is to certify that for the financial year ended 31st March, 2020:

1. we have reviewed the financial statements and the cash flow statement for the year as aforesaid and to the best of our knowledge and belief:
   a. these financial statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   b. these statements together present a true and fair view of the Company's affairs and are in compliance with Indian Accounting Standards (Ind AS), applicable laws and regulations;
2. to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct for Directors and Employees;
3. we accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and there were no deficiencies in the design or operation of such internal controls; and
4. we have indicated to the Statutory Auditors and the Audit Committee:
   a. that there were no significant changes in internal control over financial reporting, during the year;
   b. all significant changes in the accounting policies during the year, if any, have been disclosed in the notes in respective place in the financial statements; and
   c. there were no instances of fraud, of which we have become aware of.

For **Endurance Technologies Limited**

Anurang Jain
Managing Director
DIN: 00291662

Satrajit Ray
Director and Group Chief Financial Officer
DIN: 00191467

DECLARATION BY MANAGING DIRECTOR

25th June, 2020

The Members,
Endurance Technologies Limited,
E-92, MIDC Industrial Area,
Waluj, Aurangabad – 431 136

Sub.: Declaration regarding compliance with the Company's Code of Conduct for Directors and Employees.

Ref.: Regulation 34(3) read with Part D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I, Anurang Jain, Managing Director of Endurance Technologies Limited, hereby declare that all the members of the Board of Directors and Senior Management have affirmed compliance with the Code of Conduct for Directors and Employees of the Company.

For **Endurance Technologies Limited**

Anurang Jain
Managing Director
DIN: 00291662

Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

The Members of Endurance Technologies Limited
Endurance Technologies Limited
E-92, M.I.D.C. Industrial Area,
Waluj, Aurangabad – 431 136
Maharashtra, India

1. The Corporate Governance Report prepared by Endurance Technologies Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended 31st March, 2020 as required by the Company for annual submission to the Stock exchange.

MANAGEMENT'S RESPONSIBILITY

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

AUDITOR'S RESPONSIBILITY

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.

5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:

   i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;

   ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;

   iii. Obtained and read the Register of Directors as on 31st March, 2020 and verified that atleast one independent woman director was on the Board of Directors throughout the year;

   iv. Obtained and read the minutes of the following committee meetings held from April 01, 2019 to 31st March, 2020:

      (a) Board of Directors;

      (b) Audit Committee;

      (c) Annual General Meeting (AGM);

      (d) Nomination and Remuneration Committee;

      (e) Stakeholders' Relationship Committee;

      (f) Risk Management Committee

      (g) Corporate Social Responsibility Committee

   v. Obtained necessary declarations from the directors of the Company.

   vi. Obtained and read the policy adopted by the Company for related party transactions.

   vii. Obtained the schedule of related party transactions during the year and balances at the year-end. Obtained and read the minutes of the audit committee meeting wherein such related party transactions have been pre-approved prior by the audit committee.

viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

9. Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanations given to us, that we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended 31st March, 2020, referred to in paragraph 1 above.

OTHER MATTERS AND RESTRICTION ON USE

10. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Arvind Sethi**

Partner

Membership Number: 89802

UDIN: 20089802AAAADF5561

Place of Signature: Pune

Date: June 25, 2020

CORPORATE GOVERNANCE REPORT

The Directors present the Company's Report on Corporate Governance for the financial year 2019-20. This report elucidates the systems and processes followed by the Company to ensure compliance of corporate governance requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") and the Companies Act, 2013 ("Act").

1. PHILOSOPHY:

Your Company is aligned and committed to the ever evolving corporate governance practices and believes in going beyond the tenets of law. At Endurance, we always strive to achieve high standards of integrity, transparency, fairness, accountability, disclosures and business ethics in dealing with its stakeholders.

We firmly believe that strong governance principles provide a nucleus for sustained value creation and build stronger bonds that safeguard interests of all stakeholders. All employees of the Company are guided by the five core values i.e. Customer Centricity, Integrity, Transparency, Team Work and Innovation. These have been instilled in our corporate culture which is directed towards continuously improving the Corporate Governance framework and work ethos of our Company.

The philosophy on corporate governance is well observed and forms part of the Company's Code of Conduct for Directors and Employees.

2. BOARD OF DIRECTORS:

a) Composition:

As on 31st March, 2020, the Board comprised ten Directors, three of which are Executive Directors, five are Non-Executive & Independent Directors and two are Non-Executive and Non-Independent Directors. The Company has a Non-Executive Chairman who is a member of the promoter group.

None of the Directors on the Board is a member of more than 10 (ten) Committees or Chairperson of more than 5 (five) Committees across all companies in which he/ she is a Director pursuant to Regulation 26 of Listing Regulations. Further, none of the Independent Directors on the Board is serving as an Independent Director in more than 7 (seven) listed companies. Necessary disclosures regarding Committee positions have been made by all the Directors.

Mr. Naresh Chandra, Chairman and Mr. Anurang Jain, Managing Director of the Company are relatives in terms of the Act. None of the other Directors are related to each other.

The Board is of the opinion that Independent Directors fulfil conditions specified under the Listing Regulations and are independent of the management of the Company.

CORPORATE GOVERNANCE REPORT (CONTD.)

Composition of the Board of Directors, during the year ended on 31st March, 2020 was as under:

Sr. No.	Name of the Director	Category	Date of Appointment	Attendance in last AGM	Boards / Committees		
					Directorships*	Committee**	
						Member	Chairperson
1.	Mr. Naresh Chandra	Chairman, Non-executive, Non-Independent & Member of Promoter Group	27th December, 1999^	Yes	2	0	0
2.	Mr. Anurang Jain	Managing Director, Executive & Promoter	27th December, 1999	Yes	2	1	0
3.	Mr. Partho Datta	Non-executive, Independent	16th June, 2010$	Yes	2	2	1
4.	Mr. Soumendra Basu	Non-executive, Independent	16th June, 2010$	Yes	4	3	0
5.	Mr. Roberto Testore	Non-executive, Independent	17th October, 2007$	No	1	0	0
6.	Mr. Ramesh Gehaney	Director and Chief Operating Officer, Executive	6th June, 2014@	Yes	1	0	0
7.	Mr. Satrajit Ray	Director and Group Chief Financial Officer, Executive	6th June, 2014#	Yes	1	1	0
8.	Ms. Anjali Seth	Non-executive, Independent	10th June, 2016$	Yes	8	6	2
9.	Mrs. Falguni Nayar	Non-executive, Independent	10th June, 2016$	Yes	5	2	1
10.	Mr. Massimo Venuti	Non-executive, Non-Independent	2nd December, 2016	Yes	1	0	0

* *In accordance with the provisions of the Listing Regulations, directorships held in private limited and foreign companies have been excluded.*

** *In accordance with the provisions of the Listing Regulations, memberships/ chairpersonships of only Audit Committee and Stakeholders' Relationship Committee in all public limited companies have been considered.*

^ *Original date of appointment. Mr. Naresh Chandra was re-appointed as director after retirement by rotation at the Seventeenth Annual General Meeting held on 3rd August, 2016.*

@ *Mr. Ramesh Gehaney was re-appointed as Director and Chief Operating Officer of the Company for a further term of five years with effect from 6th June 2019.*

\# *Mr. Satrajit Ray was re-appointed as Director and Group Chief Financial Officer of the Company for a further term of five years with effect from 6th June 2019.*

$ *Original dates of appointment. Appointed as independent director of the Company for a period of five years w.e.f. 10th June, 2016, in terms of Section 149 of the Act, after conversion of the Company's status to 'public limited'.*

Mr. Roberto Testore had sought leave of absence from attending the Twentieth Annual General Meeting of the Company held on 8th August, 2019.

CORPORATE GOVERNANCE REPORT (CONTD.)

b) Table indicating details of Directors serving Directorships in other listed entities as on 31st March, 2020

Sr. No.	Name of the Director	Name of the listed entity	Category of directorship
1.	Mr. Naresh Chandra	Varroc Engineering Limited	Non-Executive & Non Independent Chairman
2.	Mr. Soumendra Basu	India Carbon Limited	Independent Director
3.	Ms. Anjali Seth	Caprihans India Limited	Independent Director
		Kalpataru Power Transmission Limited	Independent Director
		JMC Projects (India) Limited	Independent Director
		Centrum Capital Limited	Independent Director
		Nirlon Limited	Independent Director
4.	Mrs. Falguni Nayar	Dabur India Limited	Independent Director
		ACC Limited	Independent Director

Number of Board meetings:

During the financial year 2019-20, the Board of Directors met six times on following dates, viz. 25th April, 2019, 14th May, 2019, 8th August, 2019, 14th November, 2019, 6th February, 2020 and 3rd March, 2020. The statement below tabulates the attendance of each of the director at the aforesaid Board meetings.

Sr. No.	Date of Meeting / No. of Meeting / Name of Directors	Category	25th April, 2019	14th May, 2019	8th August, 2019	14th November, 2019	6th February, 2020	3rd March, 2020
			106th	107th	108th	109th	110th	111th
1.	Mr. Naresh Chandra	Chairman, Non-executive, Non-Independent	✓	✓	✓	✓	✓	Leave of absence
2.	Mr. Anurang Jain	Managing Director, Executive & Promoter	✓	✓	✓	✓	✓	✓
3.	Mr. Partho Datta	Non-executive, Independent	✓	✓	✓	✓	✓	Leave of absence
4.	Mr. Soumendra Basu	Non-executive, Independent	✓	✓	✓	✓	✓	Leave of absence
5.	Mr. Roberto Testore	Non-executive, Independent	✓	✓	Leave of absence	✓	Leave of absence	Leave of absence
6.	Mr. Ramesh Gehaney	Director and Chief Operating Officer, Executive	✓	✓	✓	✓	✓	✓
7.	Mr. Satrajit Ray	Director and Group Chief Financial Officer, Executive	✓	✓	✓	✓	✓	✓
8.	Ms. Anjali Seth	Non-executive, Independent	✓	✓	✓	✓	✓	✓
9.	Mrs. Falguni Nayar	Non-executive, Independent	✓	✓	✓	✓	✓	Leave of absence
10.	Mr. Massimo Venuti	Non-executive, Non-Independent	✓	✓	✓	✓	✓	Leave of absence

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c) **Certificate of Independence**

In terms of Listing Regulations, M/s. SVD & Associates, Company Secretaries, has issued a certificate that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the companies by SEBI / Ministry of Corporate Affairs or any other statutory authority.

d) **Shareholding of Non-executive directors:**

Details of shares held by the Non-executive directors of the Company are as under:

Sr. No.	Name of the Non-executive director	No. of equity shares held in the Company	No. of convertible instruments held in the Company
1.	Mr. Naresh Chandra*	16,910,000	There are no convertible instruments issued by the Company.
2.	Mr. Roberto Testore	Nil	
3.	Mr. Partho Datta	Nil	
4.	Mr. Soumendra Basu	Nil	
5.	Ms. Anjali Seth	Nil	
6.	Mrs. Falguni Nayar	Nil	
7.	Mr. Massimo Venuti	Nil	

**Holds shares in his capacity as family trustee of Anurang Rhea Trust.*

e) **Skills / expertise / competence of Directors:**

The Directors of the Company collectively bring with them a wide range of skills, expertise and competence with their rich experience, which enhances the quality of the Board's decision making process. The Company believes that building a diverse and inclusive culture is integral to its success. A diverse Board is able to leverage different skills, qualifications, professional experiences, perspectives and backgrounds, which is necessary for achieving sustainable and balanced growth of an organisation.

Matrix setting out the core skills / expertise / competence fundamental for the Board of Directors for effective functioning & monitoring of the Company:

Sr. no.	Skills / expertise / competence	Details
1.	Domain knowledge in auto / auto components industry	In depth knowledge and experience of auto component and automotive industry including aftermarket business in India and abroad.
2.	Strategy and Planning	Experience in long-term sustainable business strategy formulation considering business trends and evolving environment.
3.	Business Management	Experience of managing business in a leadership role covering various facets of business such as operations, sales & marketing and supply chain management, etc.
4.	Financial knowledge and expertise	Experience of financial management encompassing understanding of financial statements, financial controls, risk management, treasury operations, mergers & acquisitions, investor relations, etc.
5.	Law and Governance	Expertise in laws and governance practices applicable to the business.
6.	Human Resource & Industrial Relations	Expertise and experience in human resource and industrial relations management along with knowledge of current practices.
7.	Technology and Research & Development	Knowledge in current technology trends and products. Expertise in technology tie-ups.

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Mapping of the skills / expertise / competence actually available with the Board along with the names of Directors, is given below:

Name of Directors	Skills / expertise / competence					
	Domain knowledge in auto / auto components industry	Strategy and Planning	Business Management	Financial knowledge and expertise	Law and Governance	Human Resource & Industrial Relations	Technology and Research & Development
Naresh Chandra	✓	✓	✓	✓	✓	✓	x
Anurang Jain	✓	✓	✓	✓	✓	✓	✓
Partho Datta	x	✓	✓	✓	✓	x	x
Soumendra Basu	x	✓	✓	✓	x	✓	x
Roberto Testore	✓	✓	✓	✓	x	x	✓
Ramesh Gehaney	✓	✓	✓	x	✓	x	✓
Satrajit Ray	✓	✓	✓	✓	✓	x	x
Anjali Seth	x	✓	x	x	✓	✓	x
Falguni Nayar	x	✓	✓	✓	✓	x	x
Massimo Venuti	✓	✓	✓	✓	✓	✓	x

f) **Familiarisation Programmes for Independent Directors:**

Independent Directors inducted on the Board are given a formal introduction about the Company and its operations. This is enabled through a meeting with the Managing Director, Whole Time Directors and members of senior management team. The objective is to provide them an insight about the industry in which the Company operates and comprehensive information about Company's business and management.

Various familiarisation initiatives are carried out throughout the year on an on-going basis which include comprehensive update at Board and Committee meetings on Company's performance & industry scenario, and information on specific functions/ departments through presentations by Company executives. An impact analysis on amendments in corporate laws and regulations applicable to the Company are also shared with the Directors for their information and action, if necessary.

Details of familiarisation initiatives undertaken by the Company are available on the website of the Company at www.endurancegroup.com/investor/investor-relations.

The aim of familiarisation programmes is to give independent directors an update on:

i. the industry in which the Company operates;

ii. business model and strategic plans of the Company;

iii. roles, rights, responsibilities of independent directors; and

iv. other relevant/ significant information pertaining to or affecting the Company;

to enable them take informed decisions.

Independent Directors on the Board of the Company have diverse background with rich experience and expertise in their respective domains. They have an aptitude to keep themselves abreast with changes in the industry and applicable regulations.

The Company undertakes following initiatives to apprise them with significant and relevant information which helps in effective discharge of their duties and responsibilities as independent directors of the Company:

I. Appointment of Director(s)

A formal letter of appointment is issued to a director, inter alia, giving details of the Committee(s) where he/ she is also appointed as member along with the terms of reference, information about other Board constituted committees, role and responsibilities as independent director. The director is also provided

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with a handbook, which gives an overview on the Company and the Management comprising, amongst others, following information:

a. Corporate overview:
   i. Purpose, Philosophy, Vision, Mission and Goal of the Company;
   ii. Company's values;
   iii. Descriptive input on products manufactured by the Company; and
   iv. Organogram of Endurance Group which details the subsidiaries and their shareholding pattern.

b. Board and Management overview:
   i. Constitution of the Board of Directors and various committees of the Board along with its terms of reference and names of members;
   ii. Profile of Board members;
   iii. Names and contact details of members of core management team.

c. Reference Documents:
   i. Code of Conduct for the Board of Directors and Senior Management;
   ii. Corporate policies of the Company approved by the Board which, inter-alia, include Whistle Blower Policy, Corporate Social Responsibility Policy, Nomination and Remuneration Policy, Risk Management Policy; and
   iii. Powers of the Board, liabilities of Directors', their duties and responsibilities, etc. as enumerated in the Act and the Listing Regulations.

II. Updates at the Board Meetings

Frequency: At periodic intervals (annual/ bi-annual/ quarterly)

Presentations are made by senior executives of the Company to the Board. These are with an aim to keep the non-executive directors conversant and updated on various matters, inter alia, encompassing:

i. Company's performance vis-à-vis industry performance, business trends, update on plant operations, new orders/ share of business of customers, initiatives on research & development front and other significant matters like, setting up of a new facility/ies, acquisition in India and overseas;

ii. Detailed review on operating and financial performance of the Company's overseas subsidiaries including business trends based on economic and geo-political specific influence;

iii. Strategic business plans including annual budgets;

iv. Risks assessment and mitigation plans as per adopted Risk Management framework;

v. Initiatives relating to health, safety and environment;

vi. Amendments to the Companies Act and the Listing Regulations;

vii. Adequacy of internal controls systems including internal financial controls;

viii. Any significant information relating to subsidiary companies;

ix. Significant internal audit findings/ observations;

x. Corporate Social Responsibility initiatives undertaken;

xi. Changes at senior level management;

xii. Litigations and compliance;

xiii. Performance evaluation of the Board, its committees and individual Directors.

The compliance management system is explained in detail to provide them insight on the reporting and monitoring mechanism for all relevant acts, regulations and statutes applicable to the Company.

At periodic intervals Board meetings are held at one of the Company's plants in India or at a subsidiary overseas, during which factory visits are also organised.

III. Event Based updates

In terms of the Listing Regulations, events stipulated as material or those assessed to be material based on the criteria laid down in the 'Policy for Determination of Materiality of Event/ Information' are shared with the independent directors, simultaneous to its dissemination to all shareholders by way of corporate announcements through Stock Exchanges and uploading on Company's web portal.

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IV. Interactions with Management Committee and Senior Management team of the Company

The Directors have unrestricted access to information and can freely interact with the Senior Management officials. The independent directors are invited to attend internal management review meetings where key strategic deliberations relating to business strategies and HR (Human Resource) initiatives are discussed. Such forums provide an opportunity to the Board members to interact with project/ functional teams which gives an insight from business perspective and provides a platform for the management to receive strategic inputs from the directors.

Details of the Familiarisation programmes undertaken during the financial year 2019-20 are given below:

Sr. No.	Date	Particulars of Familiarisation	No. of hours spent
1.	25th April, 2019	Presentation on Health, Safety and Environment of the Company encompassing following for FY 2019-20: • Group Safety Performance; • Corporate Safety initiatives; • Update on action taken on safety, risk management, zero effluent discharge and development of framework for sustainability reporting.	2
2		Presentation by the Managing Director, the Director & Chief Operating Officer, the Director & Group Chief Financial Officer and the Director & Chief Executive Officer of Endurance Overseas Srl, Italy on Annual Business Plan of the Company and its subsidiaries. This presentation included operating and sales plan and budget of the Company and that at Group level for FY 2019-20	
3	14th May, 2019	Presentation by the Director and Group Chief Financial Officer on the financial performance of the Company, both standalone and consolidated, for the FY 2018-19	1
4		Update on projects and programmes undertaken by the Company in terms of Corporate Social Responsibility Policy during the FY 2018-19	
5	8th August, 2019	Presentation by the Managing Director and the Director and Group Chief Financial Officer on the financial performance of the Company, both standalone and consolidated, for the quarter ended on 30th June, 2019	1.5
		Presentation by the Vice – President, Strategy and the Head - Treasurer & Investor Relations on business strategy for new product vertical(s)	
6	14th November, 2019	Presentation by the Managing Director and the Director and Group Chief Financial Officer on the financial performance of the Company, both standalone and consolidated for the quarter ended 30th September, 2019	2
7		Presentation by Head – Marketing & Business Development on Sales & Marketing function of the Company covering following points – • Overview of the industry scenario and the Company's market share; • Engagement with key OEM customers; • New business acquired; • Marketing initiatives; and • Drivers for future growth	
8		Presentation on Health, Safety and Environment of the Company covering following points – • Analysis of overall safety performance; • Corporate Safety initiatives; and • Environmental initiatives	
9.	6th February, 2020	Presentation by the Managing Director and the Director & Group Chief Financial Officer on the financial performance of the Company, both standalone and consolidated for the quarter ended 31st December, 2019	2.5
10.		Presentation by the Chief Sourcing Officer giving an overview on Corporate Sourcing function of the Company, sourcing strategies and cost saving measures implemented by the function.	
		Total number of hours	**9**

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Attendance of Directors for the above programmes

Sr. No.	Name of Director	Whether attended	No. of hours spent up to previous year 2019	No. of hours spent during current year for 2019-20	Cumulative No. of hours spent as on 31st March, 2020
1.	Mr. Roberto Testore	Yes	21	5	26
2.	Mr. Partho Datta	Yes	24	9	33
3.	Mr. Soumendra Basu	Yes	24	9	33
4.	Ms. Anjali Seth	Yes	24	9	33
5.	Mrs. Falguni Nayar	Yes	15	9	24

V. Credit rating:

During the year under review, ICRA Ltd, a credit rating agency registered with SEBI had reaffirmed the long term rating of ICRA AA+/ Stable and ICRA A1+ for short term rating. CRISIL Limited, a credit rating agency registered with the SEBI, has reaffirmed the Company's long-term rating of CRISIL AA/Positive and short-term rating of CRISIL A1+.

3. AUDIT COMMITTEE:

The Audit Committee of the Company is constituted in compliance with the provisions of Section 177 of the Act and Regulation 18 of the Listing Regulations.

As on 31st March, 2020, the Committee comprised following directors as its members:

i. Mr. Partho Datta, Chairman;

ii. Mr. Soumendra Basu; and

iii. Ms. Anjali Seth.

All Committee members are independent directors and are financially literate as required under Regulation 18(1)(c) of the Listing Regulations.

The Committee invites the Managing Director, the Director and Group Chief Financial Officer, the Director and Chief Operating Officer, the Statutory Auditors and the Chief Internal Auditor to attend meetings of the Committee.

Mr. Sunil Lalai, Company Secretary and Executive Vice President - Legal acts as Secretary to the Committee.

The terms of reference of the Audit Committee are as under:

1. Overseeing the financial reporting process to ensure fairness, transparency, sufficiency and reliability of financial statements, including recognition, recording and reporting of financial information in keeping with the applicable laws and that the same is correct, sufficient and credible;
2. Recommending the appointment, remuneration and terms of appointment of statutory auditors;
3. Approving payment to statutory auditors for any other services rendered by them;
4. Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
5. Reviewing the adequacy of internal control systems including internal financial controls and risk management systems;
6. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
7. Recommending appointment and removal of internal auditor and outsourced internal auditors for our Company's overall operations and its auditable units;
8. Discussing with internal auditors on any significant findings and follow-up thereon;
9. Examining the financial statements (in particular the investments made by any unlisted subsidiary);
10. Discussing nature and scope of audit and audit plans on a regular basis with statutory and the internal auditors as well as post-audit discussion to ascertain any area of concern;
11. Reviewing, with the management, performance of the statutory and internal auditors;
12. Reviewing compliance with internal and statutory audit reports and examine reasons for substantial defaults and delays in implementing audit recommendations;

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13. Reviewing and examining with the management annual financial statements before submission of the same to the Board. This will include:
    i. Matters required to be included in the director's responsibility statement to be mentioned in the Board's report;
    ii. Any changes in accounting policies and practices and reasons for the same;
    iii. Major accounting entries based on exercise of judgment by the management;
    iv. Compliance with listing and other legal requirements relating to financial statements;
    v. Non-recurring, abnormal and one-time entries;
    vi. Qualification, if any, in the draft audit report;
    vii. Significant adjustments made in financial statements arising out of audit findings;
    viii. Disclosure of related party transactions;
    ix. Modified opinion(s) in the draft audit report.
14. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
15. Review the following information:
    i. Management discussion and analysis of financial condition and results of operations;
    ii. Statement of significant related party transactions submitted by management;
    iii. Management letters / letters of internal control weaknesses issued by the statutory auditors;
    iv. Internal audit reports relating to internal control weaknesses;
    v. The appointment, removal and terms of remuneration of the chief internal auditor;
    vi. Statement of deviations:
        a. quarterly statement of deviation(s) submitted to stock exchange(s) in terms of Regulation 32(1) of Listing Regulations;
        b. annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of Listing Regulations.
16. Reviewing findings of internal investigations involving matters of suspected fraud, financial integrity or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
17. Reviewing and investigating the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. Reviewing the security and control aspects of the information technology and connectivity systems;
19. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and make appropriate recommendation to the Board to take steps in this matter;
20. Approving or subsequently modifying transactions with related parties including granting omnibus approval subject to the conditions prescribed in the Listing Regulations and the related party transactions policy;
21. Scrutinising inter-corporate loans and investments;
22. Ensuring valuation of undertakings or assets of our Company, wherever it is necessary;
23. Reviewing the functioning of the whistle blower mechanism;
24. Approving appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
25. Review of statutory compliances and legal cases;
26. Carrying out any other functions as provided under the Act, the Listing Regulations and other applicable law;
27. To review the utilisation of loans and/ or advances from/investment by the Company in its subsidiary(ies) exceeding Rupees 1,000 million or 10% of the asset size of the respective subsidiary, whichever is lower including existing loans / advances / investments; and
28. Any other term of reference as may be mandated by the Board.

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During the financial year 2019-20, the Committee met four times viz.: 14th May, 2019, 8th August, 2019, 14th November, 2019 and 6th February, 2020.

Details of attendance at the Committee meetings are tabulated below:

Sr. No.	Date of Meeting / Name of Directors / No. of Meeting	Category	14th May, 2019 (31st)	8th August, 2019 (32nd)	14th November, 2019 (33rd)	6th February, 2020 (34th)
1.	Mr. Partho Datta	Non-executive, Independent	✓	✓	✓	✓
2.	Mr. Soumendra Basu	Non-executive, Independent	✓	✓	✓	✓
3.	Ms. Anjali Seth	Non-executive, Independent	✓	✓	✓	✓

4. NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee ("NRC") of the Company is constituted in compliance with the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations.

As on 31st March, 2020, the Committee comprised following directors as its members:

i. Mr. Soumendra Basu, Chairman;

ii. Mr. Partho Datta; and

iii. Ms. Anjali Seth.

All the Committee members are non-executive independent directors as required under Section 178 of the Act and Regulation 19 of the Listing Regulations.

Mr. Sunil Lalai, Company Secretary and Executive Vice President - Legal acts as Secretary to the Committee.

The terms of reference of the NRC are:

i. Formulation of criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;

ii. Formulation of criteria for evaluation of performance of independent directors and the Board;

iii. Devising a policy on diversity of the Board;

iv. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;

v. Reviewing succession plans of Board members, key managerial personnel and senior management employees;

vi. Deciding whether to extend or continue the term of appointment of the independent director, on the basis of report of performance evaluation of independent directors; and

vii. Carry out any other functions as provided under the Act and the Listing Regulations and other applicable law.

During the financial year 2019-20, the Committee met twice on 25th April, 2019 and 14th May, 2019. Details of attendance at the Committee meetings are tabulated below:

Sr. No.	Date of Meeting / No. of Meeting / Name of Directors	Category	25th April, 2019 (8th)	14th May, 2019 (9th)
1.	Mr. Soumendra Basu	Non-executive, Independent	✓	✓
2.	Mr. Partho Datta	Non-executive, Independent	✓	✓
3.	Ms. Anjali Seth	Non-executive, Independent	✓	✓

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Performance evaluation criteria for Independent Directors:
In terms of Section 178 of the Act and Regulation 19 read with Schedule II to the Listing Regulations, the NRC has laid down the criteria for performance evaluation of the Board as a whole, its Committees and individual directors. Based thereon, the evaluation was carried out by the Board.

The performance evaluation of individual directors and the assessment of Committees' and Board's effectiveness for the financial year 2019-20 was conducted through online platform. Based thereon, the Board at its meeting held on 25th June, 2020, reviewed the performance assessment of the Board and its Committees. Feedback on performance of individual directors was given separately.

The criteria for performance evaluation forms part of the Nomination and Remuneration Policy of the Company, which is placed on the Company's website at www.endurancegroup.com/investor/investor-relations.

Remuneration of Directors:

i. Pecuniary transactions with Non-Executive Directors:

Mr. Naresh Chandra, Chairman, is a non-executive director. He also serves as an Advisor to the Company. Mr. Naresh Chandra was re-appointed as the Advisor for a period of three years w.e.f. 1st January, 2018 at a remuneration of ₹ 2.25 lakh per month (excluding applicable taxes).

During the year under review, the Company has paid following remuneration to Mr. Naresh Chandra:

- Sitting fee of ₹ 250,000; and
- Advisory fee of ₹ 2,700,000 (Net of applicable taxes)

ii. Criteria of making payments to Non-Executive Independent Directors:

Non-executive independent directors are professionals with rich domain knowledge having diversified industry experience. Based on the nature of expertise, they advise the Board from an external perspective on critical matters brought to their attention. As independent directors they proficiently fulfil their duties by bringing objectivity during discussions in the Board and Committee meetings.

The Company makes payment of remuneration by way of commission to non-executive independent directors for their contribution as members of the Board.

The Nomination and Remuneration Policy ("NR Policy") of the Company, inter alia, contains the criteria of making payments to directors (including non-executive independent directors), key managerial personnel and employees and is placed on the Company's website at www.endurancegroup.com/investor/investor-relations.

iii. Details of remuneration to directors:

Executive directors are paid remuneration in the form of fixed pay, allowances, performance based incentives, annual retention bonus, perquisites and other benefits, as approved by the Board under the authority of shareholders. They are entitled to superannuation benefits from an approved life insurance company, which forms part of their perquisites. Annual increment is decided by the Board within the limits stipulated under Section 197(1) of the Act as approved by the Members and is effective from 1st April of every year. No pension is paid by the Company.

The Members, in the Extra-Ordinary General Meeting of the Company held on 29th June, 2016, have approved payment of commission to the Non-Executive Directors within the ceiling of 1% of net profits of the Company as computed under the applicable provisions of the Act. The said commission is decided every year by the Board of Directors and paid to the Non-Executive Independent Directors. The commission is paid after the audited financial statements of the respective year are adopted by the Members in Annual General Meeting.

In addition to the commission paid to Non-Executive Independent Directors, all Non-executive directors, except Mr. Massimo Venuti, were paid sitting fee as per below table, for the Board and Committee meetings attended by them.

Meeting of	Sitting fees paid for each meeting attended
Board	₹ 50,000
Audit Committee	₹ 50,000
Nomination and Remuneration Committee	₹ 30,000
Corporate Social Responsibility Committee	₹ 20,000*
Stakeholders' Relationship Committee	₹ 20,000
Risk Management Committee	₹ 30,000

** Sitting fee of Corporate Social Responsibility Committee was increased to ₹ 30,000 per meeting, in the Board meeting held on 25th June, 2020.*

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The Company has not granted any stock options to the directors and hence, it does not form part of the remuneration package payable to any Director. During the year, the Company did not advance any loan to any director.

The remuneration drawn by Directors during the year is as under:

(Amount in ₹ million)

Sr. no.	Name of Director	Category	Salary*	Commission (for the FY 2018-19)	Sitting Fees	Others	Total
1.	Mr. Naresh Chandra	Chairman, Non-executive, Non-Independent	-	-	0.25	2.70	2.95
2.	Mr. Anurang Jain	Managing Director, Executive & Promoter	59.39	-	-	-	59.39
3.	Mr. Ramesh Gehaney	Director and Chief Operating Officer, Executive	24.72	-	-	-	24.72*
4.	Mr. Satrajit Ray	Director and Group Chief Financial Officer, Executive	25.11	-	-	-	25.11*
5.	Mr. Massimo Venuti	Non-executive, Non-Independent	-	-	-	-	-
6.	Mr. Roberto Testore	Non-executive, Independent	-	2.25	0.17	-	2.42
7.	Mr. Partho Datta	Non-executive, Independent	-	2.25	0.58	-	2.83
8.	Mr. Soumendra Basu	Non-executive, Independent	-	2.25	0.57	-	2.82
9.	Ms. Anjali Seth	Non-executive, Independent	-	2.00	0.62	-	2.62
10.	Mrs. Falguni Nayar	Non-executive, Independent	-	2.00	0.27	-	2.27

**The variable salary of Mr. Ramesh Gehaney and Mr. Satrajit Ray for the financial year 2019-20 was ₹ 3,617,387 and ₹ 3,457,972, respectively.*

5. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Corporate Social Responsibility ("CSR") Committee is constituted in compliance with Section 135 of the Act.

As on 31st March, 2020, the Committee comprised following directors as its members:

i. Mr. Anurang Jain, Chairman;

ii. Mr. Soumendra Basu; and

iii. Mr. Ramesh Gehaney

Mr. Sunil Lalai, Company Secretary and Executive Vice President - Legal acts as a Secretary to the Committee.

The terms of reference of the Committee include the following:

i. Recommend activities and the amount of expenditure to be incurred to fulfil CSR; and

ii. Monitor the CSR Policy from time to time.

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During the financial year 2019-20, the CSR Committee met twice on 14th May, 2019 and 13th November, 2019. Details of attendance at the Committee meetings are tabulated below:

Sr. No.	Date of Meeting / No. of Meeting / Name of Directors	Category	14th May, 2019	13th November, 2019
			12th	13th
1.	Mr. Anurang Jain	Managing Director, Executive & Promoter	✓	✓
2.	Mr. Soumendra Basu	Non-executive, Independent	✓	✓
3.	Mr. Ramesh Gehaney	Director and Chief Operating Officer, Executive	✓	✓

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Stakeholders' Relationship Committee ("SR Committee") is constituted in compliance with Section 178(5) of the Act and Regulation 20 of the Listing Regulations.

As on 31st March, 2020, the Committee comprised following directors as its members:

i. Ms Anjali Seth, Chairperson;

ii. Mr. Anurang Jain; and

iii. Mr. Satrajit Ray.

The terms of reference of the Committee as below:

1. Enquiry into and redressal of grievances of shareholders / security holders and investors of the Company including complaints related to transfer / transmission/ transposition of shares, non-receipt of annual report, non-receipt of declared dividends, general meeting related, etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of service standards of the Registrar and Share Transfer Agent appointed by the Company.
4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by shareholders of the Company; and
5. Carry out any other function as prescribed under the Listing Regulations, the Companies Act and other applicable law(s).

During the financial year 2019-20, the SR Committee met twice on 25th April, 2019 and 7th August, 2019. Details of attendance at the Committee meetings are tabulated below:

Sr. No.	Date of Meeting / No. of Meeting / Name of Directors	Category	25th April, 2019	7th August, 2019
			5th	6th
1.	Ms. Anjali Seth	Non-executive, Independent	✓	✓
2.	Mr. Anurang Jain	Managing Director, Executive & Promoter	✓	✓
3.	Mr. Satrajit Ray	Director and Group Chief Financial Officer, Executive	✓	✓

Mr. Sunil Lalai, Company Secretary and Executive Vice President - Legal is the Compliance Officer of the Company and acts as Secretary to the Committee.

Investor grievance and other communication:

The communication(s) and/ or correspondence received during the financial year 2019-20, were pertaining to:

a. Non-receipt of Annual Report; and

b. Non-receipt of dividend.

During this period, the Company received and disposed of seven investor queries/ complaints. All the grievances were resolved to the satisfaction of shareholders and

CORPORATE GOVERNANCE REPORT (CONTD.)

other investors, and as on 31st March, 2020, there were no pending issues to be addressed or resolved.

Demat suspense account:
During the financial year 2016-17, the Company offered its equity shares of ₹ 10 each ("Equity Shares") for subscription by the public, by way of Initial Public Offering by way of offer for sale by shareholders. All the equity shares were transferred in dematerialised form and no equity shares remained unclaimed. As on date there are no unclaimed shares, hence, the Company has not opened a Demat Suspense Account.

7. RISK MANAGEMENT COMMITTEE

The Risk Management Committee ("RMC") of the Company is constituted in compliance with Regulation 21 of the Listing Regulations.

As on 31st March, 2020, the Committee comprised following directors as its members:

i. Mr. Anurang Jain, Chairman;

ii. Mr. Partho Datta;

iii. Mr. Ramesh Gehaney; and

iv. Mr. Satrajit Ray.

The Committee's terms of reference are –

i. To review risk management policy;

ii. To oversee implementation of the risk management framework including monitoring of material risks to which the organisation is exposed to and ensuring implementation of appropriate mitigation plan;

iii. Reviewing the adequacy of the risk management framework and ensuring its effectiveness;

iv. Such other activities as the Board of Directors may entrust from time to time.

During the financial year 2019-20, the committee met twice on 7th August, 2019 and 6th February, 2020. Details of attendance at the Committee meetings are tabulated below:

Sr. No.	Date of Meeting / No. of Meeting / Name of Directors	Category	7th August, 2019	6th February, 2020
			2nd	3rd
1.	Mr. Anurang Jain	Managing Director, Executive & Promoter	✓	✓
2.	Mr. Partho Datta	Non-executive, Independent	✓	✓
3.	Mr. Ramesh Gehaney	Director and Chief Operating Officer, Executive	✓	✓
4.	Mr. Satrajit Ray	Director and Group Chief Financial Officer, Executive	✓	✓

8. OTHER COMMITTEES

Finance Committee

As on 31st March, 2020, the Finance Committee comprised following directors as its members:

i. Mr. Naresh Chandra, Chairman;

ii. Mr. Anurang Jain;

iii. Mr. Satrajit Ray; and

iv. Mr. Ramesh Gehaney.

The terms of reference of the Finance Committee were modified by the Board, at its meeting held on 6th February, 2020, to read as follows:

i) To meet the fund requirements of the Company in the following manner:

a) through borrowings from banks and/ or financial institutions; and

b) through issuance of Commercial Papers (CPs) to permitted classes of investors;

up to an aggregate amount not exceeding ₹ 12,500 million.

ii) To undertake following activities relating to admission, listing and withdrawal of CPs on BSE Limited ("BSE") and/ or National Stock Exchange of India Limited ("NSE") (BSE and NSE are collectively referred to as "Stock Exchanges") and National Securities Depository Limited (NSDL) and/ or Central Depository Services (India) Limited ("CDSL") (NSDL and CDSL are collectively referred to as "Depositories"):

1. to finalise, settle, approve, adopt and withdraw the Information Memorandum for listing of CPs issued by the Company, together with any addenda, corrigenda or supplements thereto

CORPORATE GOVERNANCE REPORT (CONTD.)

("Information Memorandum") and authorise official(s) to sign the Information Memorandum and take all such actions as may be necessary for filing of these documents including incorporating such alterations/ corrections/ modifications as may be required;

2. to decide the persons to whom the CPs, as issued from time to time, have to be allotted;

3. to decide terms and conditions for buy-back of CPs issued from time to time;

4. to nominate/ appoint/ authorise official(s) or such other person(s) or intermediaries for admission, listing and withdrawal of CPs on the Stock Exchanges and Depositories;

5. to do all such deeds and acts as may be required and to sign and/or modify, as the case may be, agreements and/or such other documents as may be required with Depositories, Registrar and Transfer Agent appointed for purposes of listing of CPs and such other agencies as may be required in this connection, and the power to authorise one or more officers of the Company to execute all or any of the afore stated documents;

6. to give such confirmations, declarations, certifications on behalf of the Board, as may be required under applicable laws, or as may be otherwise necessary or expedient in relation to the listing of CPs;

7. to authorise and approve the incurring of expenditure, including the payment of fees, commissions, remuneration and expenses in connection with the listing of CPs;

8. to do all such acts, deeds, matters and things and execute all such documents, etc. as it may, in its absolute discretion, deem necessary or desirable in connection with the listing of CPs;

9. to execute and deliver any and all other documents or instruments and to do or cause to be done any and all acts or things as it may deem necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing or in connection with the listing of CPs and any documents or instruments so executed and delivered or acts and things done or caused to be done by the Committee shall be conclusive evidence of the authority of the Committee in so doing; and

10. to delegate any of the above powers of the Committee to any of the Directors or officers of the Company

During the financial year 2019-20, the Committee met once on 18th March, 2020. Except Mr. Naresh Chandra and Mr. Satrajit Ray, other members were present at the said meeting.

9. GENERAL BODY MEETINGS:

Details of the Annual General Meeting(s) (AGM) of the Company held during the preceding three years are tabulated below:

AGM	Date and time of AGM	Location	Details of special resolution(s) passed at the AGMs, if any
18th AGM	28th July, 2017 at 10.30 a.m.	Tango Hall at Vivanta by Taj, 8-N-12, CIDCO, Dr. Rafiq Zakaria Marg, Rauza Bagh, Aurangabad – 431003, Maharashtra	No special resolution was passed
19th AGM	6th September, 2018 at 10.30 a.m.		• Alteration of Articles of Association; • Approval for continuation of Mr. Naresh Chandra who has attained the age of 83 (Eighty-three) years, to hold office as Non-executive Chairman of the Company with effect from 1st April, 2019.
20th AGM	8th August, 2019 at 2.30 p.m.		No special resolution was passed

During the year under review, no special resolution passed through postal ballot.

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10. MEANS OF COMMUNICATION:

During the year under review, the Company published its financial results in the following manner:

Particulars of Financial Results	Name of the publication(s)
For the quarters ended 30th June and 31st December	Financial Express and Loksatta
Half yearly and Annual	Financial Express, Business Standard, Business Line and Loksatta

In addition to the dissemination of financial results in newspaper publications, the senior management team of the Company also conducts conference call after the Board Meetings, with investors/analysts on the results published and to give update on Company's operations and financial performance.

The Company informs the Stock Exchanges, in a prompt manner, all price sensitive information and such other matters which, in its opinion, are material and relevant for the shareholders.

The Company's website link, www.endurancegroup.com/investor/investor-relations, contains information as prescribed under the Act and the Listing Regulations, including details of the contact person(s), Registrar & Transfer Agent of the Company, shareholding pattern, etc. Information published by the Company i.e. financial results, press release given are also available on Company's website. Further, all press releases, transcripts of conference calls and other communications to Stock Exchanges, are also uploaded on the Company's website.

11. GENERAL SHAREHOLDER INFORMATION:

a) Twenty First Annual General Meeting:

In terms of general circular no. 20/2020 dated 5th May, 2020, the Twenty First Annual General Meeting ("AGM") will be held by Video Conferencing ("VC") or other audio visual means ("OAVM"). The date, time and venue of the AGM of the Company is provided hereunder:

Date:	Wednesday, 23rd September, 2020
Time:	2.00 p.m.
Venue:	Meeting is through VC/OAVM and as such there is no requirment to have a venue for the AGM. For details, kindly refer to the Notice of AGM.

b) Financial Year (tentative and subject to change):

Particulars	Date
Financial reporting for the:	
1st quarter ending on 30th June, 2020	13th August, 2020
2nd quarter ending on 30th September, 2020	On or before 14th November, 2020
3rd quarter ending on 31st December, 2020	On or before 14th February, 2021
Financial year ending on 31st March, 2021	On or before 30th May, 2021

c) Listing on Stock Exchanges:

Equity Shares of face value of ₹ 10/- each of the Company are currently listed on the following Stock Exchanges:

Sr. No.	Name	Address	Stock Code
1.	BSE Limited (BSE)	1st Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	540153
2.	National Stock Exchange of India Limited (NSE)	Exchange Plaza, Bandra - Kurla Complex, Bandra (E), Mumbai 400 051	ENDURANCE

The listing fee payable to NSE and BSE, for the year 2020-21, has been paid in full on 29th April, 2020 and 11th May, 2020, respectively.

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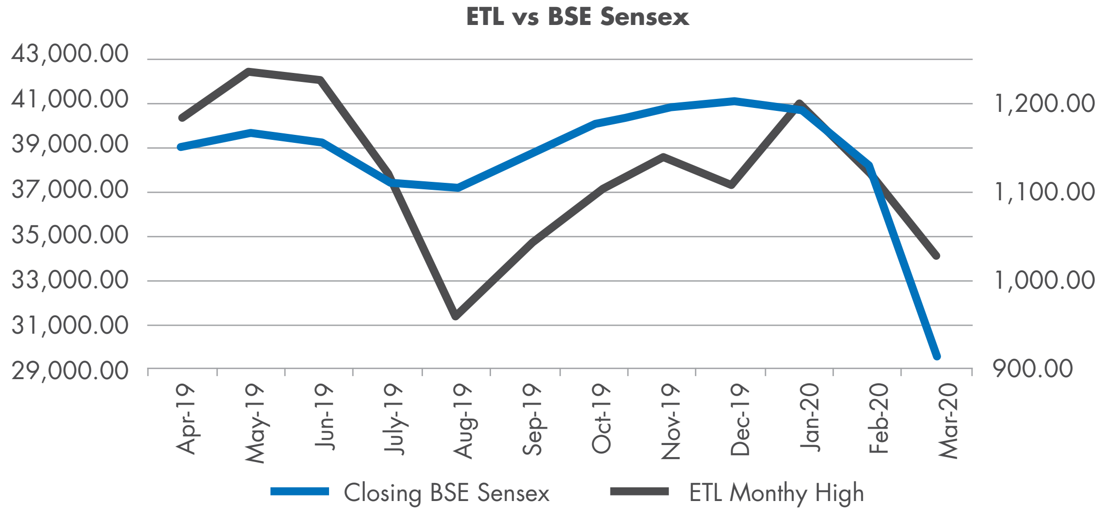
d) Market Price Data:

Monthly highs and lows of Company's shares during 2019-20 (₹ vis-à-vis CNX Nifty & BSE Sensex):

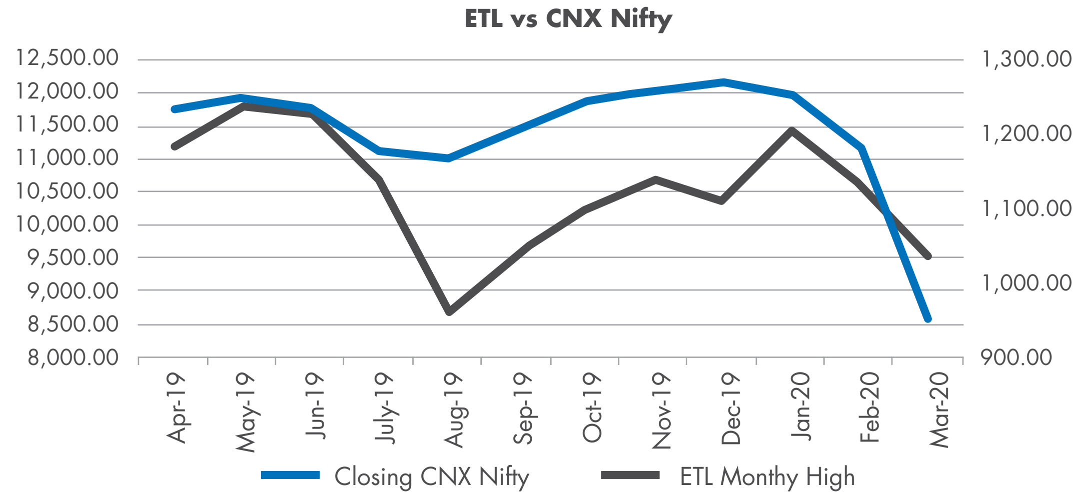
Month	BSE		NSE		Closing CNX Nifty	Closing BSE Sensex
	High	Low	High	Low		
Apr-19	1,184.25	1,137.00	1,184.00	1,144.05	11,748.15	39,031.55
May-19	1,237.00	1,125.00	1,237.00	1,123.10	11,922.80	39,714.20
Jun-19	1,227.60	1,103.60	1,228.50	1,101.00	11,788.85	39,394.64
Jul-19	1,121.10	836.00	1,142.00	848.90	11,118.00	37,481.12
Aug-19	959.90	743.05	961.00	742.15	11,023.25	37,332.79
Sep-19	1,036.55	850.05	1,039.25	850.50	11,474.45	38,667.33
Oct-19	1,098.00	931.50	1,099.00	931.00	11,877.45	40,129.05
Nov-19	1,140.00	1,033.60	1,139.00	1,031.85	12,056.05	40,793.81
Dec-19	1,109.90	1,020.00	1,111.60	1,021.00	12,168.45	41,253.74
Jan-20	1,201.90	1,012.75	1,204.95	1,013.00	11,962.10	40,723.49
Feb-20	1,125.90	902.20	1,134.00	902.00	11,201.75	38,297.29
Mar-20	1,029.00	570.00	1,035.00	569.50	8597.75	29,468.49

The charts below show the comparison of the Company's share price (monthly high) movement vis-à-vis the movement of the BSE Sensex and CNX Nifty for the financial year 2019-20 (based on month end closing).

Endurance Technologies Limited Vs BSE Sensex, indexed to 100 on 31st March, 2020



Endurance Technologies Limited Vs CNX Nifty, indexed to 100 on 31st March, 2020



CORPORATE GOVERNANCE REPORT (CONTD.)

e) **Share Transfer Agent:**

The Company vide Agreement dated 15th October, 2016 has appointed the following agency to act as its Registrar and Share Transfer Agent ("RTA"). The RTA is, inter alia, responsible for processing of requests pertaining to issue of duplicate share certificates/ transmission/ dematerialisation/ rematerialisation and other activities related thereto for both electronic and physical shareholdings. Further, RTA also handles corporate actions such as data requirements for conduct of AGMs, dividends etc. The RTA corresponds with the depositories viz. NSDL and CDSL, in this regard.

Link Intime India Private Limited
C 101, 247 Park, L B S Marg,
Vikhroli West,
Mumbai 400 083
Tel No: +91 22 49186000
Fax: +91 22 49186060

f) **Share Transfer System:**

As per the mechanism defined, any requests for transfer of equity shares held in physical form, received by the RTA/Company have to be registered within fifteen days from the date of receipt, provided the documents are complete in all respects.

As on 31st March, 2020, the Company has only three shareholders who hold shares in physical form. During the year 2019-20, there were no requests received by the RTA/Company for transfer of physical shares.

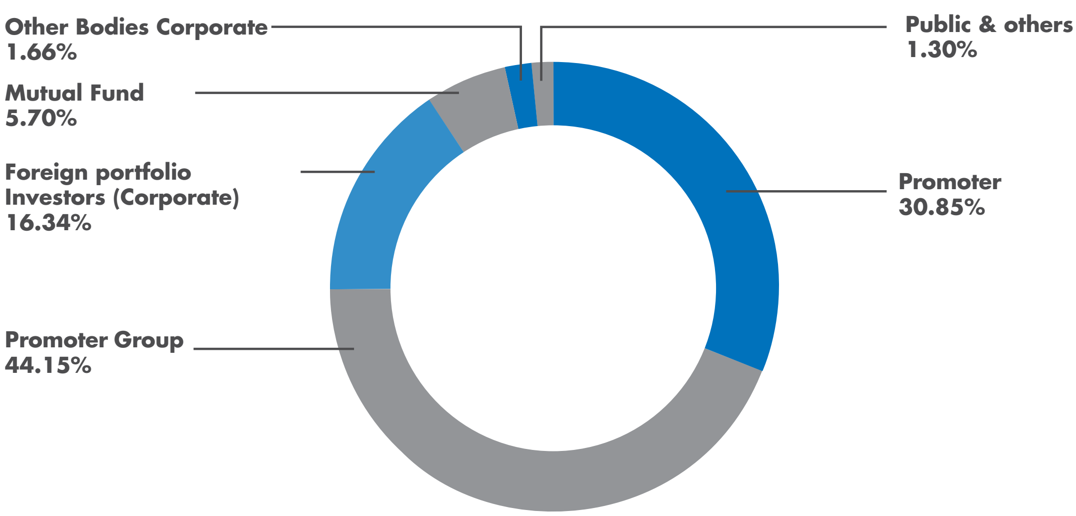
SEBI has standardised norms for transfer of securities in physical mode and decided that except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository and shall effective from 1st April, 2020.

g) **Distribution of Shareholding:**

The below two tables provide details about the pattern of shareholding among various categories and number of shares held, as on 31st March, 2020.

Category Distribution:

Categories	31st March, 2020	
	No. of shares	Percentage
Promoter	43,396,976	30.85%
Promoter Group	62,100,160	44.15%
Foreign Portfolio Investors (Corporate)	22,979,778	16.34%
Mutual Funds	8,019,962	5.70%
Other Bodies Corporate	2,335,628	1.66%
Public	1,830,344	1.30%
Total	**140,662,848**	**100.00%**



Shareholding as on 31st March, 2020

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Distribution of Shareholding as on 31st March, 2020:

No. of shares held	No. of shareholders		Shares held in each class	
	Number	%	Number	%
1 to 500	33,849	98.70%	1,125,574	0.80%
501 to 1000	162	0.47%	121,881	0.09%
1001 to 2000	66	0.19%	94,693	0.07%
2001 to 3000	27	0.08%	67,483	0.05%
3001 to 4000	20	0.06%	69,241	0.05%
4001 to 5000	18	0.05%	82,995	0.06%
5001 to 10000	29	0.09%	217,765	0.15%
10001 and above	124	0.36%	138,883,216	98.73%
Total	**34,295**	**100%**	**140,662,848**	**100%**

h) Dematerialisation/Rematerialisation of Shares and liquidity:

The Company's shares are compulsorily tradable in dematerialised form on NSE and BSE, which provide sufficient liquidity to the investors. The Company has established connectivity with both the depositories i.e. NSDL and CDSL.

Shares held in physical and electronic mode as on 31st March, 2020 are given in the table below:

Particulars	Position as on 31st March, 2020	
	No. of shares	% to total shareholding
Physical	23	0.00%
Dematerialised		
NSDL	140,114,156	99.61%
CDSL	548,669	0.39%
Sub-total	140,662,825	100%
Total	**140,662,848**	**100%**

i) Outstanding Convertible Instruments/ADRs/GDRs/Warrants:

The Company has not issued any convertible instruments/ ADRs/ GDRs/ Warrants.

j) Commodity price risk or foreign exchange risk and hedging activities:

Please refer to Management Discussion and Analysis Report for the same. The Company has a Board approved Forex Policy which lays down the principles for hedging of forex risk.

k) Address for correspondence:

Investors and shareholders can correspond with the RTA or at registered office of the Company at the following addresses:

Link Intime India Private Limited (RTA)	Company
C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 Tel No: +91 22 49186000 Fax: +91 22 49186060 For requests pertaining to dematerialisation/ rematerialisation: Contact person: Mr. Subhash Jadhav E-mail: dematremat@linkintime.co.in For grievance redressal & other requests: Contact person: Mr. Ajay Jadhav E-mail: rnt.helpdesk@linkintime.co.in	E-92, MIDC Industrial Area, Waluj, Aurangabad – 431 136, Maharashtra Contact person: Mr. Sunil Lalai, Company Secretary and Executive Vice President – Legal and Compliance Officer Telephone: +91 (240) 2569600 Facsimile: +91 (240) 2551700 E-mail: investors@endurance.co.in

CORPORATE GOVERNANCE REPORT (CONTD.)

l) Plant Locations:

The Company has plants located at the following places:

Sr. No.	Plant Address	Sr. No.	Plant Address
1	Plot No. B-2, MIDC Industrial Area, Waluj, Aurangabad - 431 136 Maharashtra.	2	Plot No. E-92 & 93, MIDC Industrial Area, Waluj, Aurangabad - 431 136 Maharashtra.
3	Plot No. K-120, MIDC Industrial Area, Waluj, Aurangabad - 431 136 Maharashtra.	4	Plot No. K-226/1 & K-227, MIDC Industrial Area, Waluj, Aurangabad - 431 136 Maharashtra.
5	Plot No. K-226/2, MIDC Industrial Area, Waluj, Aurangabad - 431 136 Maharashtra.	6	Plot No. K-228 & K-229, MIDC Industrial Area, Waluj, Aurangabad - 431 136 Maharashtra.
7	Plot No. L-6/3, MIDC Industrial Area, Waluj, Aurangabad - 431 136 Maharashtra.	8	Plot No. L-20, MIDC Industrial Area, Vitawa Village, Gangapur, Tal. Aurangabad - 431 109 Maharashtra
9	Plot No. B-1/2 & 1/3, MIDC Industrial Area, Chakan, Village Nighoje, Taluka Khed, Dist. Pune - 410 501 Maharashtra	10	Plot No. B-20, MIDC Industrial Area, Chakan, Village Nighoje, Taluka Khed, Dist. Pune - 410 501 Maharashtra
11	Plot No. B-22, MIDC Industrial Area, Chakan, Village Nighoje, Taluka Khed, Dist. Pune - 410 501 Maharashtra	12	Plot No. 3, Sector 10, I.I.E. Pantnagar, Dist. U.S. Nagar - 263 153 Uttarakhand
13	Plot No. 7, Sector 10, I.I.E. Pantnagar, Dist. U.S. Nagar - 263 153 Uttarakhand	14	Plot No. F-82, SIPCOT Industrial Park, Irungattaukottai, Pennaur Post, Shriperumburam Taluk, Kanchipuram Dist. Chennai - 602 105 Tamil Nadu
15	Plot No. E4 & E21, GIDC, Phase 2, Industrial Estate, Sanand, Ahmedabad - 382 110 Gujarat	16	Plot 103/6, GIDC, Halol -2 & Halol Maswad Industrial Estate, Ta – Halol, Dist. Panchmahal, 389 350 Gujarat
17	Survey Nos. 28/4A, 28/4B, 28/5, 28/6, 28/7, 28/8 & 34/5, within village limit of Karinayakanahalli, Kasaba Hobli, Malur Taluka, Kolar District, 563 130 Karnataka		

12. OTHER DISCLOSURES:

a) Related party transactions:

There were no related party transactions ("RPTs") entered into by the Company, during the year under review, which attracted the provisions of Section 188 of the Act. There is no material RPT to be reported in terms of Regulation 23 of the Listing Regulations and hence there are no details to be disclosed in Form AOC-2. During the year, there were no material transactions entered into with related parties, which may have had any potential conflict with the interests of the Company.

During the year, as required under Section 177 of the Act and Regulation 23 of the Listing Regulations, all RPTs were placed before the Audit Committee for approval. A statement tabulating the value and nature of transactions with related parties as required under Indian Accounting Standard (Ind AS) 24 is set out separately under Note no. 34 to the standalone financial statements in this Annual Report.

The 'Policy on Determining Materiality of and Dealing with Related Party Transactions' is placed on Company's website at www.endurancegroup.com/investor/investor-relations.

b) Details of Capital Market Non-Compliance(s), if any:

There has been no non-compliance by the Company nor has there been any penalty/stricture imposed on the Company by any stock exchange, SEBI or any other statutory authority on any matter related to capital markets, during the last three years.

CORPORATE GOVERNANCE REPORT (CONTD.)

c) **Whistle Blower Policy/Vigil mechanism:**
Pursuant to Section 177(9) of the Act, the Company has a Board adopted Whistle Blower Policy. The Whistle Blower Policy includes vigil mechanism as mandated under the Listing Regulations and provides a mechanism for director/employee to report violations, any unethical behaviour, suspected or actual fraud, violation of the Code of Conduct, leak / suspected leak of Unpublished Price Sensitive Information etc. which could be detrimental to the organisation's interest. The mechanism protects whistle blower from any kind of discrimination, harassment, victimisation or any other unfair employment practice. The Company affirms that no employee has been denied access to the Audit Committee.

The updated Policy is placed on the Company's website at www.endurancegroup.com/investor/investor-relations.

d) **Disclosure of material transactions:**
In terms of Regulation 26(5) of the Listing Regulations, Senior Management gives disclosure to the Board relating to all material financial and commercial transactions, if any, where they had personal interest that might have been in potential conflict with the interest of the Company. Based on disclosures received none of the officials in senior management team of the Company have personal interest in any financial or commercial transactions that may have potential conflict with the interest of the Company.

e) **Disclosure of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

No. of complaints filed during financial year	2
No. of complaints disposed of during the financial year	1
No. of complaints pending during the financial year	1

** One complaint was pending as the same was received during end of March, 2020*

f) **Fees paid to Statutory Auditor:**
During the year the Company has paid ₹ 275,000 to M/s. Ernst & Young LLP being associate entity of M/s S R B C & Co. LLP, Statutory Auditors. This amount was paid towards availing advisory services relating to Goods & Services Tax.

g) **Compliance of Mandatory and Discretionary Requirements:**

Mandatory:
The Company has complied with the mandatory requirements of the Listing Regulations.

Discretionary:

I. **The Board:**
The Company has a Non-Executive Chairman. The Board, at its meeting held on 9th November, 2017 had approved his re-appointment as an Advisor to the Company for a period of three years w.e.f. 1st January, 2018.

In terms of the said approval, the Non-Executive Chairman is paid an advisory fee of ₹ 2.25 lakh per month (excluding applicable taxes) and is also entitled for reimbursement of expenses incurred in performance of his duties.

II. **Shareholders' rights:**
To ensure dissemination of Company's financial results to its shareholders, the Company publishes quarterly and half-yearly results in newspapers having wide circulation in India and particularly in Aurangabad, where the registered office of the Company is located. These results are also filed with Stock Exchanges and uploaded on Company's website immediately after the Board meeting. The Company also conducts conference call to respond to any investor queries with regard to the financial results or operations of the Company.

III. **Modified opinion(s) in audit report:**
The Company confirms that its financial statements are with unmodified audit opinion.

IV. **Reporting of Internal Auditor:**
The Internal Auditor reports directly to the Audit Committee.

CORPORATE GOVERNANCE REPORT (CONTD.)

h) Subsidiary companies:

The Company had five overseas subsidiaries, as at 31st March, 2020 viz.

Sr. No.	Name	CIN/ GLN	Type of subsidiary pursuant to regulation 16(1)(c) of Listing Regulations. i.e. [Material or otherwise]
1.	Endurance Overseas Srl, Italy (EOSRL)	N.A.	Material*
2.	Endurance SpA, Italy	N.A.	Material*
3.	Endurance Engineering Srl, Italy	N.A.	Otherwise
4.	Endurance Castings SpA, Italy	N.A.	Otherwise
5.	Endurance Amann GmbH, Germany (Amann)	N.A.	Material*

* EOSRL and Amann are the direct subsidiaries of the Company. EOSRL is the holding company of Endurance SpA, Endurance Engineering Srl and Endurance Castings SpA Based on consolidated financial statements of FY 2019-20, in terms of Regulation 16(1)(C) of Listing Regulations EOSRL, Endurance SpA and Amann are the material subsidiaries of the Company.

Note: Post 31st March, 2020, below acquisitions were made in Italy:

i. Effective 15th April, 2020, EOSRL acquired 99% stake in Adler SpA, Italy and name of the acquired entity was changed to Endurance Adler SpA ("EA SpA"). EA SpA has two wholly-owned subsidiaries, viz. Adler RE Srl, Italy and VS San Marino Srl, San Marino.

ii. Effective 21st May, 2020, EA SpA acquired 100% stake in Grimeca Srl, Italy.

Materiality threshold:

The Company's Policy for Determining Material Subsidiaries is placed on the Company's website at www.endurancegroup.com/investor/investor-relations.

Independent Director on the Board of Material Subsidiary(ies):

In terms of the amended Regulation 24(1) of the Listing regulations, at least one independent director on the Board of the Company is required to be appointed on the board of directors of its 'material' subsidiary(ies). Accordingly, Board at its meeting held on 7th February, 2019 approved the appointment of Mr. Roberto Testore, Independent Director on the Board of material subsidiaries viz. Endurance Overseas Srl, Italy and Endurance SpA, Italy.

Provisions to the extent applicable under the Listing Regulations with reference to subsidiary companies were duly complied.

During the year under review, there were no investments made or any significant transactions and arrangements entered into by the subsidiary companies.

i) Policy on dealing with related party transactions:

A Policy on Determining Materiality of and Dealing with Related Party Transactions is placed on the Company's website at www.endurancegroup.com /investor/investor-relations.

j) In terms of Regulation 76 of the SEBI (Depositories and Participants) Regulations, 2018, the Company has submitted, on a quarterly basis, Reconciliation of Share Capital Audit Report, duly audited by a Practicing Company Secretary, to the Stock Exchanges. This audit report confirms reconciliation of share capital held in depositories i.e. NSDL & CDSL and in the physical form with the issued and listed share capital.

Pursuant to Regulation 7(3) of the Listing Regulations, the Company had obtained half-yearly certificate, from a Practicing Company Secretary, confirming that its Registrar and Share Transfer Agent, Link Intime India Private Limited are maintaining all activities in relation to both physical and electronic share transfer facility.

CORPORATE GOVERNANCE REPORT (CONTD.)

13. A. DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE UNDER REGULATIONS 17 TO 27 OF THE LISTING REGULATIONS EXCEPT THOSE WHICH ARE ALREADY DISCLOSED ELSEWHERE IN THIS REPORT:

i. Orderly succession to Board and Senior Management:

In terms of Regulation 17(4) of the Listing Regulations, the Company has a process established for succession planning of the executive directors and senior management team.

The Company adopts a competency-based approach by identifying critical roles and coaching employees to shoulder such critical positions. This ensures succession planning with an aim to align with Company's growth strategy, employee engagement and skill-development. The progress of such employees is monitored through structured individual development plans and the same is periodically reviewed by senior management team comprising the Managing Director, respective Management Committee member and the Chief Human Resource Officer.

ii. Information supplied to the Board:

Ahead of each meeting, the Board is presented with relevant information on various matters related to the working of the Company, especially those which are critical and require deliberation for arriving at a decision. Presentations are also made to the Board by function heads concerned on important matters from time to time. In addition to items which are required to be placed before the Board for its noting and/or approval, information is provided in terms of the Listing Regulations on various other significant matters.

In terms of quality and importance, the information supplied by Management to the Board, is precise and crisp with relevant details that is necessary for the directors to enable them fulfil their duties.

iii. Compliance Certificate:

The Managing Director and the Director and Group Chief Financial Officer have certified to the Board with regard to the financial statements and other matters as required under Regulation 17(8), read with Part B of Schedule II to the Listing Regulations.

iv. Performance evaluation of independent directors:

Pursuant to the provisions of the Act and Regulation 17(10) of the Listing Regulations, for the financial year 2019-20, the Board has carried out annual performance evaluation of independent directors, at its meeting held on 25th June, 2020. The Board acknowledged that each of the independent directors effectively contributed in strengthening the performance of the Board and respective committees.

In terms of Section 149 read with Schedule IV to the Act, on the basis of the report of performance evaluation, the Board has to determine whether to extend or continue the term of appointment of independent director(s). During the year under review, there was no such occasion to decide on the extension or continuance of the term of appointment of any of the independent directors and hence, the question of taking a decision, in this regard, did not arise.

v. Independent Directors' Meeting:

In compliance with Schedule IV to the Act and Regulation 25(3) of the Listing Regulations, the independent directors held a separate meeting on 24th April, 2019 without the attendance of non-independent directors and management. Agenda of the said meeting was to:

a. review the performance of Non-Independent Directors and the Board as a whole;

b. review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors; and

c. assess the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

vi. Report on Corporate Governance:

This section, read together with the information given in the Board's Report, Management Discussion and Analysis section and General Shareholder Information, constitute the compliance report on Corporate Governance during the year. The Company has been regularly submitting the quarterly compliance report to the Stock Exchanges as required under Regulation 27 of the Listing Regulations.

CORPORATE GOVERNANCE REPORT (CONTD.)

13. B. DISCLOSURES UNDER CLAUSES (B) TO (I) OF REGULATION 46(2) OF THE LISTING REGULATIONS:

i. Terms and Conditions of appointment of Independent Directors:

The Board had incorporated the terms and conditions for appointment of independent directors in the manner as provided in the Act in a formal letter of appointment to independent directors.

As per regulation 46(2) of the Listing Regulations, a draft letter of appointment to independent directors containing the terms and conditions of appointment is placed on the Company's website at www.endurancegroup.com/investor/investor-relations.

ii. Composition of various committees:

The Board had constituted following committees pursuant to the provisions of the Act and the Listing Regulations:

- Audit Committee;
- Nomination and Remuneration Committee;
- Stakeholders' Relationship Committee;
- Corporate Social Responsibility Committee;
- Risk Management Committee; and

The details of the compositions of the aforesaid committees are given earlier in this report and also placed on the Company's website at www.endurancegroup.com/investor/investor-relations.

iii. Code of Conduct for Board of Directors and Employees

The Board, at its meeting held on 13th November, 2013, had adopted a Code of Conduct for Directors and Employees of the Company.

Regulation 17(5) of the Listing Regulations requires listed companies to lay down a Code of Conduct for its directors and senior management, incorporating duties of directors as laid down in the Act.

As required under aforesaid regulation, the Board, at its meeting held on 26th August, 2016 adopted a revised Code of Conduct for Board Members and Employees of the Company and the same has been placed on the website of the Company at www.endurancegroup.com/investor/ investor-relations.

All the Board Members and Employees of the Company have affirmed compliance with the Code of Conduct for 2019-20. A declaration to this effect, signed by the Managing Director, is given in this Annual Report.

iv. Whistle Blower Policy/Vigil mechanism:

Refer item no. "12(c)" of this report.

v. Criteria of making payments to Non-Executive Directors:

Refer item no. "4(ii)" of this report.

vi. Policy for determining 'material' subsidiaries:

Refer item no. "12(h)" of this report.

vii. Policy on dealing with related party transactions:

Refer item no. "12(i)" of this report.

viii. Details of familiarisation programmes imparted to independent directors:

Refer item no. "2(f)" of this report.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS PER PROVISIONS OF CHAPTER IV OF THE LISTING REGULATIONS.

The Company has obtained a Report on compliance with the conditions of Corporate Governance from the Statutory Auditors as per the provisions of Chapter IV of the Listing Regulations. This report is annexed to the Board's Report and will be sent to the Stock Exchanges, along with the Annual Report to be filed.

BUSINESS RESPONSIBILITY REPORT

This report gives an overview on performance and progress relating to non-financial aspects of the Company that enables its sustainable growth while creating value for its stakeholders. The Business Responsibility Report ("BRR") is in alignment with the 'National Voluntary Guidelines on Social, Environmental and Economic responsibilities of Business' which are mandated by SEBI.

SECTION A: GENERAL INFORMATION

1.	Corporate Identity Number (CIN)	L34102MH1999PLC123296
2.	Name of the Company	Endurance Technologies Limited
3	Registered address	E-92, MIDC Industrial Area, Waluj, Aurangabad 431 136, Maharashtra
4	Website	www.endurancegroup.com
5	E-mail id	investors@endurance.co.in
6	Financial Year reported	2019-20
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Auto Components
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Aluminium die-cast products (including aluminium alloy wheels), suspension products, braking systems and transmission products, predominantly for two and three wheelers
9	Total number of locations where business activity is undertaken by the Company i. Number of International Locations (Provide details of major 5) ii. Number of National Locations	The Company has seventeen plants in India at following locations: i. Waluj, Aurangabad (Maharashtra); ii. Chakan, Dist. Pune (Maharashtra); iii. Sriperumbudur Taluk, Dist. Chennai (Tamil Nadu); iv. Pantnagar (Uttarakhand); v. Sanand, Ahmedabad (Gujarat); vi. Halol, Dist. Panchmahal (Gujarat); and vii. Kolar (Karnataka). As on 31st March, 2020, the Company had five (5) subsidiaries in Europe. Post 31st March, 2020, the Company acquired two companies viz. Endurance Adler SpA (formerly known as Adler SpA) and Grimeca Srl, both in Italy. As on the date of report, the operating subsidiaries have a total of ten (10) plants in Italy and Germany.
10	Markets served by the Company – Local/State/National/ International	The Company and its subsidiary companies cater to two, three and four wheeler Original Equipment Manufacturer (OEM) customers, in their respective geographies. The Company also exports to OEMs and retail market in India and abroad.

SECTION B: FINANCIAL DETAILS OF THE COMPANY (STANDALONE)

1.	Paid up Capital:	₹ 1,406.63 million
2.	Total Turnover:	₹ 49,748 million
3.	Total profit after taxes:	₹ 4,277 million
4.	Total spending on Corporate Social Responsibility (CSR) (as % of PAT):	₹ 138.5 million is the total spend towards CSR, out of which ₹ 88.5 million was towards projects and programmes approved by the Board of Directors and ₹ 50 million being contribution to PM CARES Fund. ₹ 88.5 million is 2.07% of the PAT for the year ended 31st March, 2020.

5. List of activities in which CSR expenditure has been incurred: The Company's CSR initiatives are focused around three broad areas, viz.

   (a) Village Development Projects with a thrust on promoting education, health & nutrition, agriculture methods & means of livelihood, water & sanitation and community development;

BUSINESS RESPONSIBILITY REPORT (CONTD.)

(b) Develop skill building through vocation training at Endurance Centre of Vocational Empowerment;

(c) Support in the running of Sevak Trust Balwadi.

For details kindly refer Annexure III – 'Annual Report on CSR Activities' to the Board's Report.

SECTION C: OTHER DETAILS

1	Does the Company have any Subsidiary Company/ Companies?	As on 31st March, 2020, the Company had five subsidiaries: Italy 1. Endurance Overseas Srl (Direct Subsidiary); 2. Endurance SpA (Indirect Subsidiary #); 3. Endurance Engineering Srl (Indirect Subsidiary #); and 4. Endurance Castings SpA (Indirect Subsidiary #) *# Holding through Endurance Overseas Srl* Germany 5. Endurance Amann GmbH (Direct Subsidiary). After 31st March, 2020, Endurance Overseas Srl: 1. Purchased 99% controlling stake in Adler SpA, Italy ("Adler") on15th April, 2020. Subsequently, name of this entity was changed to Endurance Adler SpA. Adler has two subsidiaries, viz. Adler RE Srl and VS San Marino Srl. 2. Acquired 100% stake in Grimeca Srl, Italy through Endurance Adler SpA, Italy. This acquisition was effective 21st May, 2020.
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company?	The overseas subsidiary companies have autonomy in operations. They abide by the principles of Business Responsibility (BR) and Environment Social & Governance (ESG), as per the local laws applicable to them.
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR Initiatives of the Company? If yes, then indicate the percentage of such entity/entities?	The BR initiatives of the Company are limited to its own operations. During the year under review, the Company rolled out a 'Code of Conduct for Suppliers, Service Providers and Contractors'. This code aims to build strong culture with right business ethics to ensure that all our suppliers, service providers, contractors also follow certain code of conduct in line with the Company's values and principles. The Company has obtained a sign-off from suppliers, service providers and contractors under the aforementioned code.

SECTION D: BR DETAILS

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Director(s) responsible for implementation of the BR policy(ies):

1. DIN Number: 00291662
2. Name: Mr. Anurang Jain
3. Designation: Managing Director

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(b) Details of the BR Head

S.No.	Particulars	Details
1.	DIN Number (if applicable)	00291662
2.	Name	Mr. Anurang Jain
3.	Designation	Managing Director
4.	Telephone number	+91 240 2569600
5.	E-mail id	corporate@endurance.co.in; and vjr@endurance.co.in

2. Principle-wise BR Policy/policies, as per National Voluntary Guidelines (NVGs)

Principle No.	Requirement
1	Businesses should conduct and govern themselves with integrity and in a manner that is ethical, transparent and accountable.
2	Businesses should provide goods and services in a manner that is sustainable and safe.
3	Businesses should respect and promote the well-being of all employees, including those in their value chains.
4	Businesses should respect the interests of and be responsive to all its stakeholders.
5	Businesses should respect and promote human rights.
6	Businesses should respect and make efforts to protect and restore the environment.
7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.
8	Businesses should promote inclusive growth and equitable development.
9	Businesses should engage with and provide value to their consumers in a responsible manner.

(a) Details of compliance (Reply in Y/N)

Sr. No.	Particulars	P1	P2	P3	P4	P5	P6	P7**	P8	P9
1	Availability of Policy*	Y	Y	Y	Y	Y	Y	N	Y	Y
2	Policy formulated in consultation with relevant stakeholders?	Y	Y	Y	Y	Y	Y	N	Y	Y
3	Conformity of policy to any national / international standards?	All policies are in conformity with the National Voluntary Guidelines and applicable laws and regulations.								
4	Policy approved by the Board	Y	Y	Y	Y	Y	Y	N	Y	Y
	Policy signed by MD / owner/ CEO / appropriate Board Director?	Y	Y	Y	Y	Y	Y	N	Y	Y
5	Specified committee of the Board/ Director / Official appointed to oversee the implementation of the policy	Y	Y	Y	Y	Y	Y	N	Y	Y
6	Indicate the link for the policy to be viewed online?#	Relevant external policies are available at https://www.endurancegroup.com								
7	Policy communicated to all relevant internal and external stakeholders	Y	Y	Y	Y	Y	Y	N	Y	Y
8	Existence of an in-house structure within the Company to implement the policy / policies.	Y	Y	Y	Y	Y	Y	N	Y	Y
9	Availability of a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy / policies	Y	Y	Y	Y	Y	Y	N	Y	Y
10	Assessment by an internal/external agency of the working of this policy	Y	Y	Y	Y	Y	Y	N	Y	Y

* *Policy(ies) include defined standard operating procedures.*

** *The management of the Company engages in public policy through industry associations only.*

\# *Internal policies and standard operating procedures are available on internal portal 'e-swagat' which is accessible only to employees.*

BUSINESS RESPONSIBILITY REPORT (CONTD.)

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sr. No.	Particulars	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles	-	-	-	-	-	-	-	-	-
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	✓	-	-
3	The Company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6	Any other reason (please specify)	-	-	-	-	-	-	-	-	-

3. Governance related to BRR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

The BR Performance of the Company is reviewed by the Board on an annual basis. The Managing Director and the senior management team review the performance of various BR parameters periodically, based on relevance.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company publishes Business Responsibility Report annually, along with the Annual Report. The Annual Report of the Company is available at https://endurancegroup.com/investor/investor-relations.

PRINCIPLE 1: INTEGRITY, ETHICS, TRANSPARENCY AND ACCOUNTABILITY

Values form the core foundation and define the ethos and culture of any company. They provide guidance to deal with business issues and are at the fore while formulating and implementing strategies, policies, and procedures. Corporate values and accountability are critical for the sustainability of any enterprise.

Endurance is guided by five core values coined as CITTI:

C = Customer Centricity

I = Integrity

T = Team Work

T = Transparency

I = Innovation

These values are instilled across all levels in the Company through training programmes. This enables the Company to continuously improve the governance framework.

In the reporting year, the Company had undertaken a structured initiative towards promoting a culture driven organisation focusing on imbibing CITTI values; enhancing managerial capabilities; ensuring prime importance to safety in all processes & products; aiming at result orientation; and people development. We believe that these facets will help in shaping employee perceptions, behaviors and understanding and thus effectively engage them to achieve organisation's purpose and goals.

Q1. Does the policy relating to ethics, bribery and corruption cover only the Company?

The Company and its subsidiaries are committed to upholding the highest standards of business integrity and ensuring compliance with applicable regulation(s) and best international practices. Ethics, transparency and accountability are governed by the Code of Conduct for Directors and Employees ("Code of Conduct"). The Code is detailed in the Corporate Governance Report of the Company.

The Company also has a Whistle Blower Policy which provides, amongst other matters, a mechanism for directors and employees to report violations, any unethical behaviour, suspected or actual fraud, violation to the Code of Conduct that could be detrimental to the interest of the Company. The policy protects a whistle blower from any kind of discrimination, harassment, victimisation or any other unfair employment practice. The Audit Committee reviews matters related to the Code of Conduct as well as the Whistle Blower policy on a quarterly basis. For more details, refer to the Corporate Governance section of the Annual Report.

Further, suppliers, service providers and contractors of the Company are governed by "Code of Conduct for Suppliers, Service Providers and Contractors" ("Code").

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The Code was rolled out during the year under review and emphasises on equitable treatment of its workforce; commitment to ensure safe, health & sustainable environment-friendly workplace; zero tolerance towards statutory non-compliance; ethical conduct of business without any conflict of personal interest; protection of confidential information & Company's intellectual property and prohibition of Insider Trading. Any violation of the principles and requirements set out in the Code shall expose such vendor to disciplinary action.

All existing business partners have signed-off as their commitment to the Code. Any new vendor is mandated to sign-off this Code before any business relationship is initiated by the Company with such new party.

Q2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

We have both structured as well as unstructured mechanisms for engaging with our stakeholders. In the reporting year, all grievances were satisfactorily resolved.

PRINCIPLE 2: SAFE AND SUSTAINABLE GOODS AND SERVICES

Sustainable Product Life-cycle management involves in-depth analysis of all processes and systems from the stage of receiving RFQs till it reaches the end consumer. The Company's objective is profitable growth by implementation of systems and manufacturing processes that minimise environmental impact while conserving energy and natural resources. The Company has taken focused initiatives in weight reduction, material substitution with safer materials and increasing the percentage of recycled input (raw) material. The Company is embracing sustainable procurement practices. The manufacturing plants are located in proximity of the OEMs to reduce the carbon footprint associated with indirect greenhouse gas emissions.

The management professes continuous improvement of its processes and ensures regular review of its products and performance to achieve sustainable manufacturing.

Q1&2 - List up to three products, whose design has incorporated social or environmental concerns, risks and/or opportunities. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

i. Weight reduction of casting components

Weight reduction of casting components has helped in reducing unsprung mass which gives better ride performance of vehicle. Company has reduced wall thickness of certain castings which reduces the weight of casting without losing its inherent strength and mechanical properties. Further, we have adopted casting product designs which result in higher yields by reducing the content of metal required for the metal flow to make the parts/ components. Higher the yield, better is the saving on energy requirements for the melting process.

The cumulative weight reduction will lead to reduction in greenhouse gas emissions of two wheelers and three wheelers. Use of cleaner fuels such as PNG for furnace oil in casting activity has been increased, which is an environmental friendly burning fuel, on account of very low level of emission.

ii. Suspension components for two wheelers

a) Design for fork bolt was changed from hexavalent to trivalent.

b) Optimised wire diameters on spring components.

c) Implemented Value Addition/ Value Engineering (VA/VE) measures.

d) Reduced the percentage of Hydrochloric acid (HCL acid) by 90% in etching tank in our Nickel-Chromium plating shop.

e) Replaced Ni-Cr plating with powder coating for outer springs and outer tube in shock absorbers.

f) Switching over from solvent-based paint shop to powder coating leading to reduction in VOC (Volatile Organic Compound) and also reduction in generation of hazardous waste.

g) Installed CO_2 flooding system in paint shop as added safety measures.

h) Through various processes, improved fuel efficiency for wet processes.

i) Highly effective pneumatic conveying systems have been installed for better safety measures on grinding processes.

iii. Braking systems

a) Existing manufacturing platforms upgraded to state-of-the-art "dust-free" assembly lines which meet high level of contamination free and clean child parts assembled on calipers and master cylinders.

b) Improved ozone resistance of rubber components to enhance product life.

c) Use of alternate non-hazardous material such as:

- material disc brake calipers with asbestos free brake pads,

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- lead free aluminium pistons for disc brake systems,
- asbestos free brake shoes for drum brakes.

The Company manufactures components (with variations to suit requirements of respective OEM) under each product portfolio. Social and environmental concerns are given high consideration in all activities and decisions during the manufacturing processes.

In addition to the above, there are certain organisation wide measures being taken towards making our manufacturing processes and products sustainable, such as:

a) Implementation of systems to ensure Zero Liquid Discharge in a few manufacturing locations.

b) Installation of advanced Effluent Treatment Plants ("ETP") and Sewage Treatment Plants ("STP") for water treatment to ensure that the effluent discharge does not exceed the permissible limits. Monitoring of parameters by the Health, Safety and Environment (HSE) team, external agency (appointed by the Company) and Pollution Control Boards (PCB) of respective States, where plants are located.

c) Setting up of integrated fire safety and hydrant system in the plants to prevent fire accidents.

d) Installation of solar panels on the roof-tops (for saving in terms of electricity generated, please refer Annexure II of the Board's report);

e) Reduction in water usage by reusing treated water from ETP for cooling tower and that from STP for non-potable use.

f) Minimal generation of hazardous waste/ sludge.

g) Initiated the process of solar drying of sludge from ETP to reduce contamination.

h) Installation of 'Smart Temperature controller' to optimise power consumption for manufacturing processes.

Q3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company has a defined sourcing strategy with below key focus areas:

i. *Endurance Vendor Association* to eliminate interface losses and bring loyalty to each other.

ii. *Clean Sheet Costing* of components being sourced

iii. *Source from best-cost suppliers* and negotiate volume discounts and increase their share of business to get lower weighted prices.

iv. *Continually review vendor base* so that best costs amongst vendors are obtained

v. *Pass-on of raw material cost* increase to customers, on a quarterly or six monthly basis.

vi. *Engagement with vendors* to ensure environmental compliance and promoting use of recycled/ returnable packaging for the components sourced.

vii. *Optimisation* of transportation and logistics cost.

Vendor selection is an integral process to ensure sustainable sourcing. The Company has a robust vendor selection process which is based on various parameters that includes quality, cost, environmental and legal compliance, financial health and stability, management capabilities, succession planning and organisation structure.

Various measures taken by the Company, including the above, are aimed towards strengthening the entire supply chain to ensure seamless and sustainable procurement process.

Q4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Most of the Company's vendors are located in proximity to its manufacturing facilities. The Company has developed a local direct (Tier I) and sub-supplier (Tier II) base of 220 vendors around its manufacturing locations. To encourage small producers, 134 vendors (61%) are selected from the MSME (Micro, Small and Medium Enterprises).

The Company works to build the capability of its vendors through a structured vendor up-gradation programme. Life Time Suppliers (LTS) for each product and category are identified. The Company, at periodic intervals, rationalises its suppliers based on vendor performance rating and developmental support in the past. Capabilities of LTS are enhanced through:

- **Quality Improvement Program** for vendor rating improvement of existing and potential long term suppliers. Vendor rating improvement has been achieved by sixteen suppliers in FY 2019-20.

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- **Trainings to suppliers** on various topics like Total Productive Maintenance (TPM), Supplier Quality Manual (SQM) awareness, Health, Safety and Environment (HSE) compliance. Total 150 suppliers were covered under nine different trainings in FY 2019-20.
- **Supplier engagement initiatives** such as 'Quality Month' celebration - twenty seven suppliers participated in 'Quality' success story competition held in November, 2019.
- **Total Productive maintenance (TPM)** implementation at suppliers' facilities to aim overall efficiency improvement with defined SPQCDM targets (Safety, Productivity, Quality, Cost, Delivery and Morale).
- **Monitoring of HSE compliance** of Tier I and Tier II suppliers based in Aurangabad as the region was declared as critically polluted area by NGT (National Green Tribunal). Ninety two suppliers are being monitored for mandatory HSE compliance requirements.
- Ensuring that suppliers are equipped with defined 'must-have' facilities and hardware interlock requirements. The Company also provides adequate training to suppliers on this front.

Q5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The Company has a mechanism to recycle products and waste of >10%.

a) All the manufacturing plants of the Company have installed ETP/ STP for treatment of water which is cleaned for further non-potable use.

b) In-house rejections of die casting parts, those received from customer and aluminium chips collected after the completion of machining process are melted and the alloy is used as raw material.

c) Recycling of Trimofin oil for use in machining process, after filtration. This oil is used as a coolant for machining. We have a coolant recovery plant for recycling the water base coolant which can be reused for grinding operation/ process.

d) Use of nickel and chrome recovered from plating processes.

e) Installation of compacting machine to remove cutting oil from aluminium chips which can then be reused in appropriate proportions for casting processes.

f) Installation of compacting machines to remove coolants from grinding dust; this can be reused for machining processes.

We have joined hands with the Confederation of Indian Industries (CII) for a new initiative "Green Co-Rating" for further improvements to reduce impact of manufacturing process on environment. This initiative focusses on the 3R Principle i.e. Reducing waste, Recycling and Reusing resources and products.

PRINCIPLE 3: WELL-BEING OF EMPLOYEES

The Company views employees as enablers of value creation and is committed to the well-being of the employees; and has various practices & policies that drive the learning and development as well as the health and wellness of the employees.

Q1. Total number of employees

Our employee count stands at 4,089 as on 31st March, 2020.

Q2. Total number of employees hired on temporary/ contractual/ casual basis

The total number of employees hired on temporary/ contractual/ casual basis, as of 31st March, 2020 were 5,563.

Q3. Number of permanent women employees

The number of permanent women employees as on 31st March, 2020 were 56.

Q4. Number of permanent employees with disabilities

Endurance is an equal opportunity employer. We do not mandate disclosure of disability and do not discriminate on the grounds of age, gender, caste. Employment is offered based on merit.

Q5. Do you have an employee association that is recognized by management?

Yes. We have eleven agreements entered into with labour unions for the Company's plants located at Waluj (Aurangabad, Maharashtra), Chakan (Dist. Pune, Maharashtra) and Pantnagar (Uttarakhand).

Q6. Percentage of permanent employees who are members of these recognized employee association(s)

As of 31st March, 2020, 1,775 employees, representing 43% of our workforce, are members of labour unions.

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Q7. Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

During the year, there were no complaints relating to child, forced and involuntary labour.

During the year under review, two complaints were received by the Internal Complaints Committee ("ICC") relating to sexual harassment. One complaint was satisfactorily resolved and one complaint was pending as the same was received in end March, 2020. As on the date of the report, the second complaint was under investigation by the ICC and received due attention after the lockdown due to COVID-19, was relaxed.

Q8. What percentage of the under mentioned employees were given safety and skill up-gradation training in the last year?

- **Permanent Employees;**
- **Permanent Women Employees;**
- **Casual/ Temporary/ Contractual Employees;**
- **Employees with Disabilities**

Training needs of employees are identified based on their performance assessments and roles & responsibilities at various levels. Apart from domain specific subjects, trainings provided to the on-roll employees are typically grouped as follows:

a) Induction programs for the new joiners;

b) Leadership development programs;

c) Behavioural training programs;

d) Technical training programs (includes Quality/ System Awareness Programs);

e) CITTI Values workshop;

f) Safety related training programs; and

g) System related programs (such as IATF, ISMI, SOP awareness programs etc.)

During the FY 2019-20, above-mentioned trainings spanned to around 5,194 man-days.

Further, during the FY 2019-20, trainings were imparted and workshops were conducted of more than 3,833 man-days, which focused specifically on various aspects of health, safety and environment(HSE). Regular training sessions are organised on safety and factory rules & discipline and the participants comprise both employees and contract workmen.

During the year under review, "Safety First" was one of the five focus areas of the initiative taken towards building organisation culture. The activities implemented under this focus area encompass:

- *Safety Champions Process*: Employees from different functions are trained to identify action points to improve safety conditions in plants and offices;
- *Management of Change*: This emphasises on HSE legal compliance during green field / brown field projects and internal lay out changes;
- *Visual Safety Leadership*: Interaction of senior executives in operations with shop-floor workforce on imbibing safety in their daily work and appreciate on display of safety conduct;
- *Consequence Management Policy*: This policy conveys zero tolerance of the Company towards non-compliance with safety norms and conditions;
- *Contractor Safety Management*: This prescribes the conditions relating to HSE that are mandatory to be fulfilled by contractors associated with the Company.

Steps initiated and precautionary measures taken by the Company and its subsidiaries to prevent the spread of COVID-19 pandemic in the organisation:

In order to prevent the spread of COVID-19 pandemic, the Company and its subsidiaries have undertaken various precautionary measures at all its locations, such as sanitisation, employee health monitoring, travel restrictions, increased use of video conferencing & business skype for meetings and distribution of medicines to boost immunity. Further, based on the directions issued by the government and local authorities in India and overseas, the manufacturing operations were suspended temporarily.

During the suspension of operations in India, a Cross Functional Team (CFT) was formed at corporate level to address the COVID-19 pandemic situation. This CFT included members from Corporate HSE, Crisis Management Committee, Industrial Relations, Human Resource & Administration and Security. Guidelines were also drawn up to restart operations after lockdown in line with the SOPs issued by Ministry of Home Affairs at the Centre and respective State governments and the local regulatory authorities. Roles and responsibilities were clearly identified for each function in the CFT for restarting of operations which later happened in a phased manner across various locations. These

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guidelines mandated sanitisation of factories, buses and offices, contained advisories for work-stations/ offices, logistics & warehouse management along with "do's and don't's" for employees while working in office.

Similarly, in overseas locations, guidelines and advisories were issued to be followed by employees which included observing of social distancing norms, restriction on gatherings and travel, promoting meetings through virtual platforms, sanitisation of workplaces, defining rules for use of common areas, entry controls, defining areas and routes reserved for visitors.

PRINCIPLE 4: RESPECT AND RESPONSIVENESS TO ALL STAKEHOLDERS

The Company has undertaken various CSR initiatives to address directly the issues concerning disadvantaged, vulnerable and marginalized strata of society. This enables overall sustained growth and creates value for all its internal and external stakeholders.

Q1. Has the Company mapped its internal and external stakeholders?

The Company has identified employees, customers, investors, vendors, contractors, collaborators/ technical partners, local community and Government/ Regulators as its key stakeholders. There are different formal and informal mechanisms to engage with each of these stakeholders which helps us to understand and respond to their needs.

Q2 & Q3. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders? Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders?

The Company undertakes initiative to identify disadvantaged and vulnerable stakeholders in and around its manufacturing locations. The focus is to identify unemployed & unskilled youth, villages in poor socio-economic conditions lacking basic needs such as safe drinking water for drinking and access to sanitation, children having limited or no access to basic education and avenues for gainful employment.

Further, relief measures were also taken in some villages in the vicinity of Aurangabad and Chennai to help the underprivileged and needy villagers to reduce the gravity of economic hardship/ livelihood problems faced by them due to the lockdown restrictions imposed to curtail the spread of pandemic.

Based on identification of their needs, the Company is implementing following Corporate Social Responsibility ("CSR") programmes:

(a) **Vocational Training Centre** – for providing vocational training for gainful employment of youth;

(b) **Village Development Projects** – Developmental requirements assessed based on interaction with *Panchayats* of respective villages; CSR Initiatives are planned primarily focusing on health & nutrition, water & sanitation, agriculture & livelihood, education and community development.

(c) Supporting pre-primary education by setting up of *Balwadi*.

PRINCIPLE 5: RESPECT AND PROMOTE HUMAN RIGHTS

The Company is committed to meeting the fundamental principles of human rights, labour practices and anti-corruption. The Company derives human rights principles through the CITTI Values and compliance with applicable laws pertaining to human rights.

Q1. Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?

The principles of Human Rights are applicable to the Company as well as the subsidiary companies as per the regulations and guidelines applicable in respective geographies. The suppliers, contractors and other entities associated with the Company are governed by their respective policies.

Q2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

During the year under review, there were no complaints received by the Company relating to violation of human rights.

PRINCIPLE 6: RESPECT, PROTECT AND RESTORE THE ENVIRONMENT

The Company believes that pro-environment processes along with healthy and safe work conditions contribute immensely in achieving sustainable manufacturing. The Company continued with its focus towards health, safety and conservation of environment by implementing structured initiatives aimed as part of the Company's 'culture building' drive.

Q1. Does the policy related to Principle 6 cover only the Company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others

A Health, Safety, and Environment policy has been framed by the Company. The subsidiary companies adhere to local regulations with respect to health, safety and environment.

BUSINESS RESPONSIBILITY REPORT (CONTD.)

The vendors are governed by their respective policies. Adherence to environmental laws and regulations is one of the pre-requisites for awarding a contract to any vendor.

Q2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If Yes, please give hyperlink for web page etc. such as climate change, global warming, etc.?

The Company has a dedicated team for conservation of energy - 'ENERCON', which undertakes and implements various measures towards improving operational efficiency and identifying alternate source(s) of energy. Its efforts over the years have resulted in electricity savings. Further, the Company has implemented various measures for conservation of water, reduction in discharge of effluents, optimum use of material to reduce wastage, recycling of waste and reduction of air & water pollution, to list a few. Please refer Annexure II to the Board's report for the initiatives taken by the Company during the FY 2019-20.

Q3. Does the Company identify and assess potential environmental risks? Y/N

Environmental risks are part of the Company's Risk Management Framework. Company has a structured and continuous process of identifying and assessing risks. It also has a robust process for mitigating key risks at all levels. A report based on risk monitoring mechanism is submitted biannually to the Risk Management Committee.

The Company is working towards ensuring 'zero' accidents, 'zero' liquid discharge ("ZLD") and minimising discharge of other effluents. Considering the nature of its processes, the Company has taken adequate measures towards this, such as conducting regular proactive employee safety and environment audits, management review meetings, and periodic employee health and safety meetings to manage this risk. In addition thereto, necessary steps are being taken such as building adequate infrastructure for treating effluents and also tying up with local bodies for effective disposal or recycling of waste.

Q4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

No.

Q5. Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page etc.

Most of our plants are certified for ISO 14001, OHSAS 18001 and ISO/TS 16949:2009 standards. Most of our plants are also members of the International Automotive Taskforce (IATF), a taskforce formed by a group of automotive manufacturers to ensure worldwide quality and consistency among other things.

Please refer Annexure II to the Board's Report, which forms part of the Annual Report, for initiatives on energy efficiency.

Q6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/ SPCB (Central/ state Pollution Control Board) for the financial year being reported.

All emissions/ waste generated at the plants are within permissible limits.

Q7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as at the end of Financial Year

Maharashtra Pollution Control Board, ("MPCB") vide letters dated 21st July, 2015 and 22nd July, 2015, had, *inter alia*, alleged contamination of ground water on account of the operations carried out at the Company's plant at K-228 & 229, Waluj, Aurangabad. The Company was directed to deposit ₹ 100 million in an escrow account of the District Collector, Aurangabad, towards remedial costs for ground water contamination and soil degradation.

In response thereto, the said amount was deposited and an appeal was made by the Company before the Hon'ble National Green Tribunal ("NGT"). Hearings were held before the Hon'ble NGT duly represented by the MPCB and the Company. In view of absence of information regarding the source of pollution/ water contamination, it was ordered that the industries in the Waluj area be directed to pay remediation costs only. Accordingly, out of ₹ 100 million, ₹ 79.1 million had been refunded to the Company as on 31st March, 2018 after adjusting the proposed remediation costs attributable to the Company which is sub-judice before the NGT. No hearing of the NGT Bench (Western Zone) was held after 10th July, 2018.

As of 31st March 2020, there are no other material show cause/ legal notices received from CPCB/SPCB that are pending.

PRINCIPLE 7: RESPONSIBLE AND TRANSPARENT POLICY ADVOCACY

Q1. Is the Company a member of any trade and chamber or association? If yes, give names.

The Company is a member of several leading Industry Associations, including

- ACMA – Automobile Component Manufacturers Association,

BUSINESS RESPONSIBILITY REPORT (CONTD.)

- SIAM – Society of Indian Automobile Manufacturers
- CII – Confederation of Indian Industries,
- EFI – Employer Federation of India,
- CMIA – Centre for Marathwada Industries & Agriculture,
- NSC – National Safety Council,
- MARG – Mutual Aid Response Group.

Q2. Has the Company advocated/ lobbied through above associations for the advancement or improvement of public good?

As a responsible corporate citizen, the Company's approach is to contribute to public policy formulation through recognised industry associations only.

PRINCIPLE 8: PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

The Company's philosophy on discharging its social responsibility is to maximise the positive impact on the livelihood and welfare of the local communities in the areas of operation. The projects and initiatives are administered through the Corporate Social Responsibility ("CSR") Policy available at https://endurancegroup.com/investor/investor-relations.

In line with the provisions of Companies Act, 2013("Act"), the Board of the Company has constituted a CSR Committee which reviews the implementation of the CSR Policy. Please refer 'Annexure III – Annual Report on CSR activities', to the Board's report for details.

Q1& Q2. Does the Company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? And Q2. Are the programmes/ projects undertaken through in-house team/ own foundation/ external NGO/ government structures/ any other organisation?

As per the provisions of Section 135 read with Schedule VII to the Act and the CSR Policy of the Company, following CSR projects and programmes have been undertaken:

- Vocational Training Centre;
- Village Development Project;
- Sevak Trust Balwadi; and
- Other micro projects like installation of Reverse Osmosis plant in Police stations in Aurangabad, and cleaning and beautification around the runnel (*nallah*) in Kanchanwadi, Aurangabad.

The above-mentioned projects and programmes have been undertaken by the Company through Sevak Trust, with whom the Company has been associated for more than a decade.

Q3. Have you done any impact assessment of your initiative?

The CSR Committee reviews the progress on the initiatives to assess the impact on the beneficiaries of the projects.

Vocational Training Centre ("VTC"):

VTC is primarily aimed at providing opportunity to youth who are unable to pursue structured education due to various reasons and enhance their employability. In addition to providing training in their chosen vocation, attention is also paid to overall personality development of the beneficiary by including sessions on physical fitness, spoken English and basic computer literacy.

The impact of the vocational training is measured in the form of employment generated and self-employment after completion of the training. The CSR Committee reviews the quantitative impact through the EVA (i.e. Economic Value Added) for each course.

Village Development Project ("VDP"):

Villages were selected based on an internal need assessed. The activities mostly focused on health, sanitation, education, livelihood and community development. In case of VDP, the impact can be measured based on the improvement in the standard of living of the villagers.

Sevak Trust *Balwadi*

Balwadi provides pre-primary education to children from nearby villages and localities in Aurangabad. The objective of running a balwadi is to provide quality education accessible to under-privileged sections of the society.

In addition to the above-mentioned projects, the Company undertook various relief measures for villagers near its plant locations, who were severely impacted due to nation-wide lockdown announced from 23rd March, 2020. During the lockdown, kits containing food and other essential hygiene items were distributed. Financial support was extended to some students of the vocational training centre, who had no alternate source of income when factories were non-operational during the nation-wide lockdown. Further, the Company also donated testing machines to hospitals designated for conducting tests on patients for diagnosing COVID-19.

For details on the CSR initiatives taken by the Company, please refer 'Annexure III – Annual Report on CSR activities' to the Board's report.

BUSINESS RESPONSIBILITY REPORT (CONTD.)

Q5. What is your Company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?

(in ₹ Million)

Focus Area	Amount Spent in financial year 2019-20
Village Development Project	23.79
Vocational Training Centre	62.00
Sevak Trust Balwadi	0.21
Other micro-projects	1.00
Salary to staff dedicated for CSR activities	1.52
Contribution to PM CARES fund*	50.00
Total	**138.52**

** Considering that the Company has already met its statutory contribution threshold of ₹ 86.38 million towards CSR expenses, the amount contributed to PM CARES Fund will be offset against the CSR obligation for the financial year 2020-21.*

Q6. Have you taken steps to ensure that these community development initiatives are successfully adopted by the community?

Yes, the Company has engaged with Sevak Trust, who further, in consultation with external agencies having adequate experience in this domain, ensures effective implementation of the CSR initiatives.

The CSR initiatives are structured in such a manner that its implementation requires active participation by the beneficiaries. In the Village Development Project, apart from providing services, the villagers also contribute a notional amount towards developmental work in the villages such as construction of toilets & mangers, setting up of hydroponic unit etc. Similarly, the students enrolling in the Endurance Centre of Vocational Empowerment (ECoVE) bear a nominal portion of the total expenditure is incurred in VTC. These inclusive measures create a sense of commitment amongst beneficiaries to sustain the development work implemented at respective villages and also to complete the vocational course chosen by them.

The progress of CSR activities is also monitored closely by the CSR Committee of the Company.

PRINCIPLE 9: PROVIDE VALUE OF CONSUMER RESPONSIBLY

Customer Centricity is one of the core values of the Company. There are mechanisms in place that aim to minimise customer complaints and grievances, while ensuring prompt redressal. In order to make the Company's redressal mechanism more meaningful, a structured system has been developed and implemented.

The Company primarily caters to two and three wheeler Original Equipment Manufacturers ("OEMs"). There is a robust mechanism defined in the Company to deal with issues and complaints reported by OEMs. They can communicate issues through their online portals, e-mail communications, during their visits to plants or at meetings.

The Company also caters to retail market through its aftermarket business. Complaints are raised through any or all of the following modes:

- Lodging of complaint on dedicated customer care number 0240 - 2569723;
- Sending complaints through email at customercare@endurance.co.in;
- Communicate the complaint at the customer care desk at local office/ distributor.

All the complaints/ concerns/ grievances are tracked by the senior management team till its resolution.

Q1. What percentage of customer complaints/ consumer cases are pending as on the end of the financial year?

All complaints are acknowledged on receipt and attended to on priority for ensuring resolution as per defined time schedule and organisational hierarchy. There are no complaints which are pending attention and requisite action at Company's end.

Q2. Does the Company display product information on the product label, over and above what is mandated as per local laws?

The information displayed on the product label is as per the applicable laws and in line with the prevalent market practice.

Q3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and /or anti-competitive behaviour during the last five years and pending as at the end of financial year.

There is no case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as of 31st March, 2020.

Q4. Did your Company carry out any consumer survey/consumer satisfaction trends?

A customer satisfaction survey is conducted every year and 'Customer Satisfaction Index' is plotted. Results of the survey are analysed to understand the areas of improvement. Vendor ratings given by customers is also a measure of customer satisfaction.

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Endurance Technologies Limited

REPORT ON THE AUDIT OF THE STANDALONE IND AS FINANCIAL STATEMENTS

OPINION

We have audited the accompanying standalone Ind AS financial statements of Endurance Technologies Limited ("the Company"), which comprise the Balance sheet as at 31st March, 2020, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2020, its profit including other comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended 31st March, 2020. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
(a) Impact of COVID-19 on the Company's financial statements (Refer Note 40 of the standalone Ind AS financial statements)	
COVID-19, has resulted in restriction in movement of goods during the period from 23rd March, 2020 till 31st March, 2020 impacting normal business operations for the Company including revenues, receivables, purchases including services and inventories at the year-end and hence considered a key audit matter.	We have performed the following procedures to assess and evaluate the impact on financial statements: 1. Performed cut-off procedures for a larger sample of invoices during the lockdown period for both domestic as well as export sales. 2. Enquired and assessed the financial support (if any) provided to its vendors, service providers and customers; and their recognition in the financial statements. 3. Enquired and assessed the liquidity position of customers; and ascertained the need for additional provisioning for impairment / credit loss (if any) in the financial statements. 4. Enquired and assessed the impact if any on the property, plant and equipment (PPE) specific to customers; including dies and moulds; and ascertained the need for any additional provisioning for impairment / depreciation in the financial statements.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

Key audit matters	How our audit addressed the key audit matter
	5. Enquired and assessed the impact on employee cost (if any) arising out of the COVID-19 developments. 6. Year-end physical inventory counts could not be performed by management. However, inventory counts were performed subsequently by the management on various dates as was feasible. We observed some physical counts on alternative dates and tested the workings prepared by management for roll-back of inventory balances to 31st March, 2020. 7. Assessed the disclosures on COVID-19 made in the consolidated Ind AS financial statements.
(b) Accounting of income from government grants (Refer note 35(a) of the standalone financial statements)	
From 1st April, 2019, the Company recognises grant income under PSI Scheme on sale of goods, as the management believes that the realisability of the grant income is reasonably certain on sale of goods. Consequently, the Company has recognised a grant income of ₹ 874.24 million during the current year. Accordingly accounting of income from government grants is considered a key audit matter.	We have performed the following procedures: 1. Obtained and read the compliance certificate received by the Company from the Government of Maharashtra. 2. Read the terms and conditions attached in the package scheme of incentives 2013 issued by the Government of Maharashtra. 3. Assessed and tested the compliance by the Company in relation to recognition of income in accordance with Ind-AS. 4. Tested the accounting entries effected in the books of accounts with the underlying workings. 5. Evaluated the disclosures in the financial statements for compliance with relevant standards.

We have determined that there are no other key audit matters to communicate in our report.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the other information. The other information comprises the Corporate Governance Report (but does not include the standalone Ind AS financial statements and our auditor's report thereon), which we obtained prior to the date of this auditors report and Corporate Overview and other Statutory Reports (comprising of Management Discussion and Analysis, Board's Report and Business Responsibility Report) included in the Annual report, which is expected to be made available to us after that date.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT FOR THE STANDALONE IND AS FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance

INDEPENDENT AUDITOR'S REPORT (CONTD.)

of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE IND AS FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended 31st March, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

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

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the year ended 31st March, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 28(a) to the standalone Ind AS financial statements;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Arvind Sethi**
Partner
Membership Number: 89802
UDIN: 20089802AAAADB1453

Place of Signature: Pune
Date: June 25, 2020

ANNEXURE 1

Annexure referred to in paragraph 1 of our report of even date under heading "Report on Other Legal and Regulatory Requirements"

Re: Endurance Technologies Limited ("the Company")

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.

(ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at year end and no material discrepancies were noticed in respect of such confirmations.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors / to a company in which the director is interested to which provisions of section 185 of the Act apply and hence not commented upon. The company has made investments which is in compliance to the provisions of section 186 of the Act.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, related to the manufacture of other machinery products and generation of electricity, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, custom duty, goods and service tax, cess and other statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, custom duty, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, excise duty and value added tax on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (₹ in million)**	Period to which amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise Duty	4.80	2006-2018	Assistant / Deputy Commissioner
Central Excise Act, 1944	Excise Duty	10.31	2006-2008	Commissioner
Central Excise Act, 1944	Excise Duty	8.18	2008-2018	Commissioner (Appeals)
Central Excise Act, 1944	Excise Duty	22.31	2005-2018	Joint / Additional Commissioner
Central Excise Act, 1944	Excise Duty	1.76	2001-2008	Supreme Court
Central Excise Act, 1944	Excise Duty	24.61	2003-2016	Customs Excise and Service Tax Appellate Tribunal

ANNEXURE 1 (CONTD.)

Annexure referred to in paragraph 1 of our report of even date under heading "Report on Other Legal and Regulatory Requirements"

Name of the statute	Nature of the dues	Amount (₹ in million)**	Period to which amount relates	Forum where the dispute is pending
Finance Act, 1994	Service Tax	2.82	2013-2015	Assistant / Deputy Commissioner
Maharashtra Value Added Tax Act, 2002	Value Added Tax	0.81	2013-2014	Joint Commissioner
Central Sales Tax Act, 1956	Central Sales Tax	44.04	2013-2015	Joint Commissioner
Income Tax Act,1961	Income Tax	376.23	2010-2016	Commissioner (Appeals)
Income Tax Act,1961	Income Tax	155.05	2009-2012	Income Tax Appellate Tribunal
Income Tax Act,1961	Income Tax	9.13	2007-2008	High Court

** amounts deposited under protest against above dues ₹ 75.17 million

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank and government.

(ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans during the year. Hence, reporting under clause (ix) of the Order is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) of the Order are not applicable to the Company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Arvind Sethi**
Partner
Membership Number: 89802
UDIN: 20089802AAAADB1453

Place of Signature: Pune
Date: June 25, 2020

ANNEXURE 2

To the Independent Auditor's Report of even date on the Standalone Financial Statements of Endurance Technologies Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Endurance Technologies Limited ("the Company") as of 31st March, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE FINANCIAL STATEMENTS

A company's internal financial control over financial reporting with reference to these standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

ANNEXURE 2 (CONTD.)

To the Independent Auditor's Report of even date on the Standalone Financial Statements of Endurance Technologies Limited

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE STANDALONE FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at 31st March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Arvind Sethi**
Partner
Membership Number: 89802
UDIN: 20089802AAAADB1453

Place of Signature: Pune
Date: June 25, 2020

BALANCE SHEET

as at 31st March, 2020

₹ in million

Particulars	Note No.	As at 31st March, 2020	As at 31st March, 2019
ASSETS			
1. Non-current assets			
(a) Property, plant and equipment	3	14,556.46	11,574.89
(b) Capital work-in-progress		612.17	897.83
(c) Other intangible assets	3	32.45	41.61
(d) Intangible assets under development		194.98	115.04
(e) Investments in subsidiaries	4	3,637.61	3,637.61
(f) Financial assets			
(i) Investments	4A	11.52	12.38
(ii) Other financial assets	5	966.56	88.59
(g) Other non-current assets	6	211.04	2,161.42
		20,222.79	**18,529.37**
2. Current assets			
(a) Inventories	7	2,658.29	2,829.81
(b) Financial assets			
(i) Investments	4B	373.18	348.17
(ii) Trade receivables	8	4,737.58	6,947.57
(iii) Cash and cash equivalents	9	1,252.54	302.54
(iv) Bank balances other than (iii) above	9A	0.71	1.78
(v) Loans	5A	20.10	20.95
(vi) Other financial assets	5B	359.22	402.89
(c) Other current assets	6A	204.26	169.04
		9,605.88	**11,022.75**
3. Asset held for sale	3	**-**	**33.37**
Total Assets (1+2+3)		**29,828.67**	**29,585.49**
EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	10	1,406.63	1,406.63
(b) Other equity	10A	21,761.01	19,392.87
		23,167.64	**20,799.50**
Liabilities			
2 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	11	42.84	29.78
(ii) Other financial liabilities	12	107.53	46.76
(b) Provisions	13	158.17	62.77
(c) Deferred tax liabilities (net)	17A	73.69	156.12
		382.23	**295.43**
3 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	14	1,461.00	2,120.00
(ii) Trade payables:	15		
(a) Total outstanding dues of micro enterprises and small enterprises		545.74	667.90
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		3,410.21	4,539.65
(iii) Other financial liabilities	12A	226.54	410.47
(b) Other current liabilities	16	308.18	467.61
(c) Provisions	13A	292.52	250.32
(d) Current tax liabilities (net)	17	34.61	34.61
		6,278.80	**8,490.56**
Total Equity and Liabilities (1+2+3)		**29,828.67**	**29,585.49**
Significant accounting policies	2		

See accompanying notes forming part of the financial statements.

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Arvind Sethi**
Partner
Membership No.: 89802

Date: 25th June, 2020
Place: Pune

For and on behalf of the Board of Directors

Naresh Chandra
Chairman
(DIN: 00027696)

Anurang Jain
Managing Director
(DIN: 00291662)

Satrajit Ray
Director & Group CFO
(DIN : 00191467)

Sunil Lalai
Company Secretary & Executive Vice President–Legal
(Membership No : A8078)

Date: 25th June, 2020

STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2020

₹ in million

	Particulars	Note No.	For the year ended 31st March, 2020	For the year ended 31st March, 2019
I	Revenue from operations	18	49,385.69	54,174.59
II	Other income	19	361.88	162.23
III	**Total income (I + II)**		**49,747.57**	**54,336.82**
IV	**Expenses:**			
(a)	Cost of materials consumed	20A	30,006.69	35,080.26
(b)	Purchases of stock-in-trade (traded goods)	20B	278.40	230.84
(c)	Changes in inventories of finished goods, stock-in-trade and work-in-progress	20C	188.14	(73.81)
(d)	Employee benefits expense	21	2,961.28	2,777.43
(e)	Finance costs	22	108.15	170.73
(f)	Depreciation and amortisation expense	3	1,992.48	1,756.98
(g)	Other expenses	23	8,528.02	8,839.77
	Total expenses (IV)		**44,063.16**	**48,782.20**
V	**Profit before exceptional items and tax (III-IV)**		**5,684.41**	**5,554.62**
VI	Exceptional items	39	-	208.00
VII	**Profit before tax (V - VI)**		**5,684.41**	**5,346.62**
VIII	**Tax expense:**			
(a)	Current tax expense		1,475.30	1,595.02
(b)	Short/(excess) provision for tax relating to prior years		-	15.14
	Total current tax expense		1,475.30	1,610.16
(c)	Deferred tax charge		(67.81)	157.85
	Total tax expense	**24**	**1,407.49**	**1,768.01**
IX	**Profit for the year (VII - VIII)**		**4,276.92**	**3,578.61**
X	Other comprehensive income			
(a)	Item that will not be reclassified to profit and loss in subsequent years			
	- Remeasurements of defined benefit plan		(58.05)	(35.95)
(b)	Income-tax effect		14.61	12.56
	Total other comprehensive income for the year		**(43.44)**	**(23.39)**
XI	**Total comprehensive income for the year (IX + X)**		**4,233.48**	**3,555.22**
XII	Basic and diluted earnings per equity share (₹) (Face value per equity share ₹ 10)	31	30.41	25.44
	Significant accounting policies	2		

See accompanying notes forming part of the financial statements.

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Arvind Sethi**
Partner
Membership No.: 89802

Date: 25th June, 2020
Place: Pune

For and on behalf of the Board of Directors

Naresh Chandra
Chairman
(DIN: 00027696)

Anurang Jain
Managing Director
(DIN: 00291662)

Satrajit Ray
Director & Group CFO
(DIN : 00191467)

Sunil Lalai
Company Secretary & Executive Vice President–Legal
(Membership No : A8078)

Date: 25th June, 2020

STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March, 2020

A EQUITY SHARE CAPITAL

₹ in million

Particulars	As at 31st March, 2020	As at 31st March, 2019
Balance at the beginning and at the end of the year	1,406.63	1,406.63

B CHANGES IN OTHER EQUITY

₹ in million

Particulars	Securities premium	General reserve	Retained earnings	Total equity
Balance as at 1st April, 2018	160.40	1,208.89	15,146.66	16,515.95
Profit for the year	-	-	3,578.61	3,578.61
Other comprehensive income for the year, net of tax	-	-	(23.39)	(23.39)
Payment of dividend (refer note 38)	-	-	(562.65)	(562.65)
Tax on dividend	-	-	(115.65)	(115.65)
Subtotal	**-**	**-**	**2,876.92**	**2,876.92**
Balance as at 31st March, 2019	160.40	1,208.89	18,023.58	19,392.87

₹ in million

Particulars	Securities premium	General reserve	Retained earnings	Total equity
Balance as at 1st April, 2019	160.40	1,208.89	18,023.58	19,392.87
Profit for the year	-	-	4,276.92	4,276.92
Other comprehensive income for the year, net of tax	-	-	(43.44)	(43.44)
Payment of dividend including interim dividend (Refer note 38)	-	-	(1,547.29)	(1,547.29)
Tax on dividend	-	-	(318.05)	(318.05)
Subtotal	**-**	**-**	**2,368.14**	**2,368.14**
Balance as at 31st March, 2020	160.40	1,208.89	20,391.72	21,761.01

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Arvind Sethi**
Partner
Membership No.: 89802

Date: 25th June, 2020
Place: Pune

For and on behalf of the Board of Directors

Naresh Chandra
Chairman
(DIN: 00027696)

Anurang Jain
Managing Director
(DIN: 00291662)

Satrajit Ray
Director & Group CFO
(DIN : 00191467)

Sunil Lalai
Company Secretary & Executive
Vice President–Legal
(Membership No : A8078)

Date: 25th June, 2020

CASH FLOW STATEMENT

for the year ended 31st March, 2020

₹ in million

	Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
A	**Cash flow from operating activities**		
	Profit before tax	5,684.41	5,346.62
	Adjustments for:		
	Depreciation and amortisation expense	1,992.48	1,756.98
	Incentive received	(5.80)	(65.67)
	Finance costs incurred	102.66	147.22
	Profit on sale of property, plant and equipment (net)	(110.42)	(46.71)
	Excess provision/creditors written back	(10.23)	(14.48)
	Unrealised exchange (gain)/loss differences (net)	(37.49)	29.52
	Income from investments in mutual funds	(45.01)	(38.05)
	Interest income	(6.90)	(14.19)
	Operating profit before working capital changes	**7,563.70**	**7,101.24**
	Movement in working capital		
	Adjustments for (increase)/decrease in operating assets		
	Inventories	171.52	(363.57)
	Trade receivables	2,217.45	110.94
	Other financial assets	(843.48)	(405.51)
	Other assets	(61.00)	(265.12)
	Adjustments for increase/(decrease) in operating liabilities		
	Trade payables	(1,243.28)	391.16
	Provisions	79.99	65.37
	Other current liabilities	(153.63)	(214.20)
	Other financial liabilities	60.77	15.94
	Cash generated from operating activities	**7,792.04**	**6,436.25**
	Direct taxes paid (net of refund)	(1,510.68)	(1,658.85)
	Net cash generated from operating activities	**6,281.36**	**4,777.40**
B	**Cash flow from investing activities**		
	Acquisition of property, plant and equipment (including capital work in progress and capital advances)	(2,961.80)	(4,162.85)
	Proceeds on sale of property, plant and equipment	254.62	88.91
	Investment in equity shares	0.86	(2.31)
	Redemption of liquid mutual funds, net	20.00	139.01
	(Increase)/Decrease in other bank balances	1.07	(0.17)
	Interest received	6.53	14.20
	Net cash used in investing activities	**(2,678.72)**	**(3,923.21)**

CASH FLOW STATEMENT

for the year ended 31st March, 2020

₹ in million

	Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
C	**Cash flow from financing activities**		
	Repayment of long term borrowings	(19.80)	(149.22)
	Proceeds / (repayments) from short term borrowings (net)	(659.00)	337.32
	Dividend paid including tax on dividend	(1,865.16)	(678.26)
	Finance costs paid	(103.66)	(146.81)
	Repayment of lease liability	(5.02)	-
	Net cash used in financing activities	**(2,652.64)**	**(636.97)**
	Net increase in cash and cash equivalents	**950.00**	**217.22**
	Cash and cash equivalents at the beginning of the year	302.54	85.32
	Cash and cash equivalents at the end of the year	1,252.54	302.54
	Net increase in cash and cash equivalents	**950.00**	**217.22**

Significant accounting policies 2

See accompanying notes forming part of the financial statements.

Notes:

1 Figures in brackets represent outflows.

2 Previous year figures have been regrouped, wherever necessary, to conform to current year's presentation.

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Arvind Sethi**
Partner
Membership No.: 89802

Date: 25th June, 2020
Place: Pune

For and on behalf of the Board of Directors

Naresh Chandra
Chairman
(DIN: 00027696)

Anurang Jain
Managing Director
(DIN: 00291662)

Satrajit Ray
Director & Group CFO
(DIN : 00191467)

Sunil Lalai
Company Secretary & Executive Vice President–Legal
(Membership No : A8078)

Date: 25th June, 2020

NOTES FORMING PART OF FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Endurance Technologies Limited ("Endurance" or "the Company") is in the business of manufacturing and selling of aluminium die casting (including alloy wheel), suspension, transmission and braking products with operations spread across India.The Company sells its products in India as well as exporting to foreign countries.

The Company is a public limited company incorporated and domiciled in India. The address of its registered office is E-92, MIDC Industrial area, Waluj, Aurangabad, Maharashtra - 431136, India.

These financial statements are presented in Indian Rupee million unless otherwise mentioned. The financial statements for the year ended 31st March, 2020 were approved by the Board of Directors and authorized for issue on 25th June, 2020.

2. SIGNIFICANT ACCOUTING POLICIES

2.01 Statement of Compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and the presentation requirements of Division II of Schedule III to the Companies Act, 2013 (Ind AS Compliant Schedule III), as applicable.

2.02 Basis of preparation and presentation

These financial statements consist of standalone financial statements of the Company and have been prepared on a historical cost basis, except for certain financial instruments which have been measured at fair value at the end of each reporting period, as explained under accounting policy 2.16. The financial statements are presented in INR and all values are rounded off to the nearest million (INR 000,000), except as stated otherwise.

2.03 Use of estimates and assumptions

The preparation of these financial statements requires the management of the Company to make judgements, estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.

Key sources of estimation of uncertainty at the date of the financial statements, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are in respect of useful lives of property, plant and equipment.

Useful lives of Property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

2.04 Revenue from contract with customer

Revenue is recognized when control of goods and services have been transferred to the customer; at an amount that reflects the consideration which the Company expects to be entitled in exchange for those goods or services. The timing of when the Company transfers the goods or provide services may differ from the timing of the customer's payment. Amounts disclosed as revenue are net of goods and service tax (GST).

The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided below.

Sale of Goods

The Company based on the underlying agreements has determined that the transfer of control to the customer and therefore revenue recognition, in regard to the domestic sales and export sales, generally corresponds to the date when the goods are dispatched from their point of sale, or when the goods are made available to the customer, or when the goods are released to the carrier responsible for transporting them to the customer. Export sales are recorded at the relevant exchange rates prevailing on the transaction date.

Generally, the normal credit period is 30 to 60 days upon delivery for customers in India and 30 to 120 days for overseas customers. The nature of contracts of the Company are such that no material part performance obligations would remain unfulfilled at the end of any accounting period.

Variable consideration

If the consideration in a contract includes a variable amount (like volume rebates/incentives, discounts etc.), the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The estimate of variable consideration for expected future volume rebates/incentives, cash discounts etc. are made on the most likely amount method. Revenue is disclosed net of such amounts.

Warranty obligations

The Company provides warranties for general repairs of defects as per terms of the contract with customers. These warranties are considered as assurance type warranties and are accounted for under Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets.

Revenue from job work

The Company provides job work services to its customers. Such services are sold separately and are not bundled together with the sale of Company's goods. Revenue from job work is accounted as and when such services are rendered.

Contract balances

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policy no. 2.16 Financial instruments – Financial assets at amortized cost.

Contract liabilities

A contract liability is the obligation to transfer goods to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Company performs under the contract.

Refund liabilities

A refund liability is the obligation to refund some or all the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

2.05 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to note 2.14.2 Impairment of non-financial assets.

Lease Liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in Interest-bearing loans and borrowings (refer note 11 and note 12A).

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

2.06 Foreign Currency

The functional currency of the Company is Indian Rupee. Transactions in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement or translation are recognized in the statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

The Company accounts for foreign exchange gains and losses in respect of derivative instruments based on mark to market valuation as on balance sheet date.

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Company initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Company determines the transaction date for each payment or receipt of advance consideration.

2.07 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.08 Government grants and export incentives

1. Government grants

   Government grants are recognized at their fair value where there is a reasonable assurance that the grant will be received and all attached conditions will be complied with. Government grants relating to income are deferred and recognized in the profit or loss over the periods necessary to match them with the costs that they are intended to compensate and presented within other operating revenues.

2. Export benefits

   Export benefits are accrued in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

   Export benefits in nature of Merchandise Exports from India Scheme (MEIS) and Duty Drawback are recognized on accrual basis in the year of export.

3. Government grant in respect of loan

   The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

2.09 Employee benefits

1. Defined contribution plan:

   Provident fund: The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employee's salary. The contributions as specified under the law are paid to the Central Government Provident Fund and the Family Pension Fund and the same is charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due and when services are rendered by the employees.

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

2. Defined benefit plan:

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss in subsequent periods. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement.

Gratuity: The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15/26 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. For the employees of specified grades, who have completed 10 years of service, an amount equal to 30 days salary is payable for each completed year of service. The Company accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation. The Company has taken a Group Gratuity cum Life Assurance Scheme with LIC of India for future payment of gratuity to the eligible employees.

3. Compensated absences:

The Company provides for the encashment of compensated absences with pay subject to certain rules. The employees are entitled to accumulate compensated absences subject to certain limits, for future encashment. Such benefits are provided based on the number of days of unutilized compensated absence on the basis of an independent actuarial valuation. The Company has taken a policy with LIC of India for future payment of compensated absences encashment to its employees.

2.10 Taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively. Income tax expense represents the sum of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to tax authorities.

The Company's current tax is measured using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intend to settle the asset and liability on a net basis.

Deferred tax

Deferred tax is recognized using liability method. Deferred tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends and has ability to settle its current tax assets and liabilities on a net basis.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

2.11 Property, plant and equipment

Property, plant and equipment (including capital work in progress) are stated at cost of acquisition or construction where cost includes amount added/deducted on revaluation less accumulated depreciation / amortization and impairment losses, if any. All costs directly relating to the acquisition and installation of assets are capitalized and include borrowing costs relating to funds attributable to construction or acquisition of qualifying assets, up to the date the asset / plant is ready for intended use. The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item of property, plant and equipment, if it is probable that the future economic benefits embodies within the part will flow to the Company and its cost can be measured reliably with the carrying amount of the replaced part getting derecognized. The cost for day-to-day servicing of property, plant and equipment are recognized in Statement of Profit and Loss as and when incurred.

Depreciation on Property, plant and equipment has been provided on straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

i) Plant & equipment - 7.5 years/10 years.

ii) Vehicles – 5 years/7 years

iii) Dies and moulds are depreciated over their estimated economic life determined on the basis of their usage or under straight line method in the manner specified in Schedule II, whichever is higher.

The residual values, useful life and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate. An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.

2.12 Intangible Assets

Intangible assets acquired separately:

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

i) Technical knowhow is amortized over a period of six years;

ii) Software is amortized over a period of three years.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. Internally generated intangible assets, excluding capitalized development cost, are not capitalized and the related expenditure is reflected in statement of profit and loss in the period in which the expenditure is incurred.

2.13 Non-current assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

The criteria for held for sale classification is regarded met only when the assets are available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated,
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

Additional disclosures are provided in Note 39. All other notes to the financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

2.14 Impairment

1. Financial assets

The Company assesses on a forward-looking basis, the expected credit losses associated with its financial assets carried at amortized cost for e.g., deposits, trade receivables and bank balances. The impairment methodology applied depends on whether there has been a significant increase in credit risk and if so, assess the need to provide for the same in the Statement of Profit and Loss.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime expected credit losses (ECL) at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate (EIR). When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument over the expected life of the financial instrument.

The Company estimates the following provision matrix at the reporting date:

	Not due	Within 365 days*	More than 365 days*
Default Rate	0%	0%	100%

* Provision is made for receivables where recovery is considered doubtful irrespective of due date. Where an amount is outstanding for more than 365 days the Company usually provides for the same unless there is clear visibility of recovery.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured at amortized cost, revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments based on shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

2. Non-financial assets

The Company assesses, at each reporting date, whether there is any indication that the carrying amount of non financial asset may not be recoverable. If any such indication exists, or when annual impairment testing for an asset is required, the recoverable amount, (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit or loss. The Company bases its impairment calculation on budgets and forecast calculations.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, an appropriate valuation model is used.

2.15 Inventories

Inventories of raw materials and components, work-in-progress, stock-in-trade, stores & spares and tools & instruments are valued at the lower of cost and net realizable value after providing for obsolescence and other losses, where considered necessary. Cost is ascertained on a weighted average basis. The cost of work-in-progress and finished goods is determined on absorption cost basis. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

a. Raw materials, stores & spares and tools & instruments: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

b. Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.

c. Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.16 Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortized cost

Financial assets in the nature of debt instruments are subsequently measured at amortized cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income (FVOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets including derivative financial instruments are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income. The transaction costs directly attributable to the acquisition of assets and liabilities at fair value through profit and loss are immediately recognized in the Statement of Profit and Loss.

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

Investment in subsidiaries

Investment in subsidiaries are measured at cost as per Ind AS 27 - Separate Financial Statements.

Financial liabilities

Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss, loans and borrowings, payables or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and in case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings, and derivative financial instruments. Trade, other payables and derivative financial instruments are measured subsequently at FVTPL. Loans and borrowings are subsequently measured at amortized costs using EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition fees or costs that are an integral part of the EIR.

Equity instruments

All equity instruments in scope of Ind AS 109, other than investments in subsidiaries, are measured at fair value. Equity instruments which are held for trading are classified as at fair value through profit and loss. For all other equity instruments the Company may make an irrevocable election to present in other comprehensive income, subsequent changes in the fair value. The Company makes such election on an instrument by instrument basis. The classification is need on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVOCI then all fair value changes on the instrument excluding dividends are recognized in OCI. There is no recycling from OCI to profit or loss even on sale of instrument. However, the Company may transfer the cumulative gain/loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

a. The rights to receive cash flows from the asset have expired, or

b. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Reclassification of financial assets and financial liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the company's operations. Such changes are evident to external parties. A change in the business model occurs when a company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains and losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

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2.17 Earnings Per Share (EPS)

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic earnings per share is computed by dividing the net profit or loss after tax for the period by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period as adjusted for the effects of all dilutive potential equity shares except where the results are anti-dilutive.

2.18 Research and development expenses

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technological feasibility has been established, in which case such expenditure is capitalized. The amount capitalized comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Property, plant & equipment utilized for research and development are capitalized and depreciated/amortized in accordance with the policies stated for Property plant & equipment and Intangible Assets.

2.19 Cash flow statement

The Cash flow statement is prepared by the indirect method set out in Ind AS 7 on Cash flow statements and presents cash flows by operating, investing and financing activities of the Company.

2.20 Current versus Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is classified as current when it is

- expected to be realized or intended to be sold or consumed in normal operating cycle
- held primarily for the purpose of trading
- expected to be realized within 12 months after the date of reporting period, or
- Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

A liability is current when it is

- expected to be settled in its normal operating cycle
- held primarily for the purpose of trading
- due to be settled within 12 months after the reporting period, or
- does not have any unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

Current liabilities include the current portion of long term financial liabilities. The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets and their realization in cash and cash equivalents. The Company has identified 12 months as its operating cycle.

2.21 Fair Value Measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell an asset or transfer the liability takes place either:

- In the principal market for the asset or liability
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

- Level 1 – Quoted (Unadjusted) Market prices in active markets for identical assets or liabilities

- Level 2 –Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Other disclosures

1) There are no transfers between Level 1 and Level 2 of the fair value hierarchy during the period.
2) The valuation techniques used above are consistent with all periods presented.
3) There are no recurring or non-recurring fair value measurements categorized within Level 3 of the fair value hierarchy.

Valuation Techniques used to determine fair value.

1) Investments in Mutual Funds - are valued at net asset value declared by AMFI at the reporting date.
2) Derivatives (recurring fair value measurement) - at values are determined by counter parties / banks using market observable data.

2.22 Share Capital

Ordinary Shares

Ordinary shares are classified as equity. Incremental costs, if any, directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

2.23 Dividend

Dividend on share is recorded as liability on the date of approval by the shareholders.

2.24 Segment reporting

Information reported to the chief operating decision maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Company is in the business of manufacture and sale automobile components, which in the context of Indian Accounting Standard 108 'Segment Information' represents single reportable business segment. The accounting policies of the reportable segments are the same as the accounting policies disclosed in Note 2. The revenues, total expenses and net profit as per the Statement of profit and loss represent the revenue, total expenses and the net profit of the sole reportable segment.

2.25 Provisions and contingent liabilities

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. Provisions are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities are not recognized in the financial statements.

Product warranty expenses:

The estimated liability for product warranties is accounted when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures.

2.26 Other income

Dividends

Dividend income from investments is recognized when the right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Others

The Company recognizes income on accrual basis. However, where the ultimate collection of the same lacks reasonable certainty, revenue recognition is postponed to the extent revenue is reasonably certain and can be reliably measured.

2.27 Changes in accounting policies and disclosures

A New and amended standards

The Company applied Ind AS 116 for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Several other amendments and interpretations apply for the first time in March 2020, but do not have an impact on the standalone financial statements of the Company. The Company has not adopted for early adoption of any standards or amendments that have been issued but are not yet effective.

New Standard

Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognize most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

Transition to Ind AS 116

The Company adopted Ind AS 116 using the modified retrospective method of adoption, with the date of initial application on 1st April, 2019. The Company, in accordance with Ind AS 116, has opted not to reassess as to whether a contract is, or contains, a lease as at 1st April, 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C of Ind AS 17 at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of twelve months or less (short term leases) and lease contracts for which the underlying asset is of low value (low value assets).

In summary, the effect of adoption of Ind AS 116 adoption is as follows :

The cumulative effect of initially applying Ind AS 116 as at 1st April 2019 amounts to ₹ 0.68 million. Set out below, are the amounts by which each financial statement line item is affected as at and for the year ended 31st March 2019 as a result of the adoption of Ind AS 116.

Impact on the balance sheet (increase/(decrease)) as at 31st March, 2019

₹ in million

Particulars	Lease hold land	Other leases	Total
Assets:			
(i) Property, plant and equipment (right-to-use assets)	1,978.82	33.29	2,012.11
(ii) Other non-current assets	(1,953.71)	-	(1,953.71)
(iii) Other current assets	(25.11)	-	(25.11)
	-	33.29	33.29
Liabilities:			
(i) Borrowings and other financial liabilities	-	33.97	33.97
	-	33.97	33.97
Net impact on equity	-	(33.97)	(33.97)
	-	(0.68)	(0.68)

Impact on the statement of profit or loss ((increase)/ decrease) for year ended 31st March 2019:

₹ in million

Particulars	Lease hold land	Other leases	Total
Depreciation and amortisation expense	25.11	2.37	27.48
Rent (operating lease expense)	(25.11)	(2.84)	(27.95)
Finance costs	-	1.15	1.15
Income tax credit			
(Increase)/Decrease in profit	-	0.68	0.68

Due to the adoption of Ind AS 116, the Company's profit will decrease by ₹ 0.68 million due to the change in accounting for certain operating lease contracts.

The adoption of Ind AS 116 did not have a material impact on OCI or the Company's operating, investing and financing cash flows.

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The Appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Appendix specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. The Company applies significant judgement in identifying uncertainties over income tax treatments.

Upon adoption of the Appendix C to Ind AS 12, the Company considered whether it has any uncertain tax positions and has determined, based on evaluation of its tax compliances and transfer pricing study, that it is probable that its tax treatments will be accepted by the taxation authorities. The Appendix do not have an impact on the financial statements of the Company.

Amendments to Ind AS 109: Prepayment Features with Negative Compensation

Under Ind AS 109, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

These amendments have no impact on the financial statements of the Company.

Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.

- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss.

An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

The amendments had no impact on the financial statements of the Company as it did not have any plan amendments, curtailments, or settlements during the period.

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

3 PROPERTY, PLANT AND EQUIPMENT

₹ in million

Particulars	Gross Block					Depreciation/Amortisation				Net Block
	As at 1st Apr, 2019	Ind AS 116 Adjustment	Additions during the year	Deductions during the year	As at 31st Mar, 2020	Up to 1st Apr, 2019	For the year	Deductions during the year	Up to 31st Mar, 2020	As at 31st Mar, 2020
	(a)	(b)	(c)	(d)	(e=a+b+c-d)	(f)	(g)	(h)	(i=f+g-h)	(j=e-i)
A) TANGIBLE ASSETS										
Freehold land (Refer note 39(a))	456.75	-	-	-	456.75	-	-	-	-	456.75
	(477.78)	-	(12.34)	(33.37)	(456.75)	-	-	-	-	(456.75)
Buildings	3,091.38	-	315.48	1.59	3,405.27	351.85	115.96	1.59	466.22	2,939.05
	(2,595.17)	-	(496.21)	-	(3,091.38)	(249.79)	(102.06)	-	(351.85)	(2,739.53)
Plant & equipment	13,167.09	-	2,362.60	306.46	15,223.23	5,164.43	1,709.38	220.84	6,652.97	8,570.26
	(10,135.06)	-	(3,178.45)	(146.42)	(13,167.09)	(3,738.83)	(1,511.54)	(85.94)	(5,164.43)	(8,002.66)
Wind energy generators	75.57	-	-	-	75.57	67.45	8.11	-	75.56	0.01
	(88.56)	-	-	(12.99)	(75.57)	(64.83)	(13.37)	(10.75)	(67.45)	(8.12)
Computers	161.02	-	17.94	0.50	178.46	104.85	27.57	0.50	131.92	46.54
	(130.34)	-	(30.91)	(0.23)	(161.02)	(78.56)	(26.51)	(0.22)	(104.85)	(56.17)
Electrical fittings	83.67	-	17.43	-	101.10	25.13	9.17	-	34.30	66.80
	(73.72)	-	(10.16)	(0.21)	(83.67)	(17.81)	(7.53)	(0.21)	(25.13)	(58.54)
Vehicles	160.81	-	86.12	21.69	225.24	68.69	30.70	15.17	84.22	141.02
	(138.45)	-	(29.50)	(7.14)	(160.81)	(49.30)	(23.85)	(4.46)	(68.69)	(92.12)
Furniture and fixtures	149.06	-	23.58	0.76	171.88	58.30	15.66	0.73	73.23	98.65
	(127.59)	-	(22.27)	(0.80)	(149.06)	(45.14)	(13.92)	(0.76)	(58.30)	(90.76)
Office equipments	145.31	-	24.73	0.78	169.26	75.07	25.07	0.67	99.47	69.79
	(104.23)	-	(41.66)	(0.58)	(145.31)	(55.37)	(20.19)	(0.49)	(75.07)	(70.24)
Right of use (Refer note 2.27)										
Land	-	1,978.82	180.77	-	2,159.59	-	25.28	-	25.28	2,134.31
Buildings	-	33.89	6.02	-	39.91	-	6.63	-	6.63	33.28
	-	-	-	-	-	-	-	-	-	-
Total - A	**17,490.66**	**2,012.71**	**3,034.67**	**331.78**	**22,206.26**	**5,915.77**	**1,973.53**	**239.50**	**7,649.80**	**14,556.46**
Previous year as at 31st March, 2019	(13,870.90)	-	(3,821.50)	(201.74)	(17,490.66)	(4,299.63)	(1,718.97)	(102.83)	(5,915.77)	(11,574.89)
B) INTANGIBLE ASSETS (Other than internally generated)										
Technical know-how	74.65	-	-	-	74.65	62.56	4.46	-	67.02	7.63
	(74.65)	-	-	-	(74.65)	(50.00)	(12.56)	-	(62.56)	(12.09)
Software	142.34	-	9.79	-	152.13	112.82	14.49	-	127.31	24.82
	(119.72)	-	(22.62)	-	(142.34)	(87.37)	(25.45)	-	(112.82)	(29.52)
Total - B	**216.99**	**-**	**9.79**	**-**	**226.78**	**175.38**	**18.95**	**-**	**194.33**	**32.45**
Previous year as at 31st March, 2019	(194.37)	-	(22.62)	-	(216.99)	(137.37)	(38.01)	-	(175.38)	(41.61)
Total - A+B	**17,707.65**	**2,012.71**	**3,044.46**	**331.78**	**22,433.04**	**6,091.15**	**1,992.48**	**239.50**	**7,844.13**	**14,588.91**
Previous year as at 31st March, 2019	(14,065.27)	-	(3,844.12)	(201.74)	(17,707.65)	(4,437.00)	(1,756.98)	(102.83)	(6,091.15)	(11,616.50)

ASSET HELD FOR SALE	As at 1st April, 2019	Addition during the year	Sale during the year	As at 31st March, 2020
Freehold land (Refer note 39(a))	33.37		33.37	-

Other Notes:

i) Freehold land includes land procured from Karnataka Industrial Areas Development Board (KIADB) on lease-cum-sale agreement. As per the terms of the agreement, land will be transferred in the name of the Company after expiry of ten years i.e. September 2020. Accordingly, the same is grouped under freehold land.

ii) Figures in brackets represent figures of previous year.

iii) Refer note no 14.01 for details of security provided in respect of current borrowings.

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

4 INVESTMENTS IN SUBSIDIARIES

₹ in million

Particulars	As at 31st March, 2020	As at 31st March, 2019
Investments in equity shares (all fully paid, measured at cost, unquoted) :		
Investment in equity instruments of subsidiaries		
Endurance Amann GmbH (Refer note 25 a)	1,930.62	1,930.62
Endurance Overseas Srl (Refer note 25 b)	1,706.99	1,706.99
Total	**3,637.61**	**3,637.61**

4A NON-CURRENT INVESTMENTS

₹ in million

	Particulars	As at 31st March, 2020	As at 31st March, 2019
I	**Other investments (unquoted investments, all fully paid)***		
	Watsun Infrabuild Pvt Ltd (Refer Note 26)	1.45	2.31
	[145,201 (Previous year 230,561) equity shares of face value ₹ 10 each]		
	Marathwada Auto Cluster	10.00	10.00
	[10,000 (Previous year 10,000) shares of face value ₹ 100 each]		
	National Savings Certificates	0.04	0.04
	(Lodged with Government authorities)		
	Total	**11.49**	**12.35**
II	**Quoted investments ***		
	Indian Overseas Bank	0.03	0.03
	[2,300 (Previous year 2,300) equity shares of face value ₹ 10 each]		
	Total quoted investments	**0.03**	**0.03**
	Total Investments (I+II)	**11.52**	**12.38**
	Aggregate book value of quoted investments	0.03	0.03
	Aggregate market value of quoted investments	0.03	0.03
	Aggregate amount of unquoted investments	11.49	12.35

* Refer note 32 for determination of their fair value

4B CURRENT INVESTMENTS

₹ in million

	Particulars	As at 31st March, 2020	As at 31st March, 2019
	Investment in mutual funds (unquoted) *		
i)	ICICI Prudential - Savings Fund Direct Plan - Growth	174.49	161.37
	446,974.67 units (Previous year 446,974.67 units)		
ii)	Aditya Birla Sunlife Liquid Fund - Growth Direct Plan	198.69	186.80
	621,753.13 units (Previous year 621,753.13 units)		
Total		**373.18**	**348.17**

* Refer note 32 for determination of their fair value

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

5 OTHER NON-CURRENT FINANCIAL ASSETS

(unsecured, considered good unless otherwise stated)

₹ in million

Particulars	As at 31st March, 2020	As at 31st March, 2019
Security deposits	63.01	67.17
Government incentives receivables	902.17	-
Sales tax receivable	1.38	21.42
Total	**966.56**	**88.59**

5A LOANS

(unsecured, considered good unless otherwise stated)

₹ in million

Particulars	As at 31st March, 2020	As at 31st March, 2019
Loans to employees	20.10	20.95
Total	**20.10**	**20.95**

5B OTHER CURRENT FINANCIAL ASSETS

(unsecured, considered good unless otherwise stated)

₹ in million

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Interest accrued on deposits	0.45	0.08
(b) Receivable for sale of property, plant and equipment	7.37	25.90
(c) Foreign currency derivative assets	8.14	0.01
(d) Government incentives receivables	295.77	324.00
(e) Export incentive (MEIS, Duty drawback)	43.80	50.44
(f) Others	3.69	2.46
Total	**359.22**	**402.89**

6 OTHER NON-CURRENT ASSETS

(Unsecured, considered good unless otherwise stated)

₹ in million

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Capital advances	86.02	118.74
(b) Prepayments	5.63	4.96
(c) Lease prepayments (Refer note 2.27)	-	1,953.71
(d) Income tax paid in advance less provision	24.80	2.77
(e) Deposit under protest [Refer note 28 (a)]	20.85	20.85
(f) Income tax deposited under protest	73.74	60.39
Total	**211.04**	**2,161.42**

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

6A OTHER CURRENT ASSETS

(unsecured, considered good unless otherwise stated)

₹ in million

Particulars		As at 31st March, 2020	As at 31st March, 2019
(a)	Advances for supplies	110.34	67.19
(b)	Prepayments	76.90	57.85
(c)	Current portion of lease prepayments (Refer note 2.27)	-	25.11
(d)	Others[1]	17.02	18.89
Total		**204.26**	**169.04**

1 Includes amount of ₹ 1.30 million (Previous year ₹ 2.50 million) paid to various regulatory authorities under protest.
Also includes wind power receivable and other receivables.

7 INVENTORIES (VALUED AT LOWER OF COST AND NET REALISABLE VALUE)

₹ in million

Particulars		As at 31st March, 2020	As at 31st March, 2019
(a)	Raw materials and components	912.13	903.98
(b)	Work-in-progress	657.65	683.61
(c)	Finished goods (other than those acquired for trading)	719.52	882.53
(d)	Stock-in-trade (acquired for trading)	32.70	31.87
(e)	Stores, spares and packing material	301.16	288.89
(f)	Loose tools and instruments	35.13	38.93
Total		**2,658.29**	**2,829.81**
Included above, Goods-in-transit in respect to			
(i)	Raw materials and components	153.35	195.84
(ii)	Finished goods (Other than those acquired for trading)	316.90	430.88
Total		**470.25**	**626.72**

8 TRADE RECEIVABLES

₹ in million

Particulars		As at 31st March, 2020	As at 31st March, 2019
Unsecured :			
i)	Considered good	4,737.58	6,947.57
ii)	Credit impaired	1.27	1.27
Less: Allowance for credit impaired		(1.27)	(1.27)
Total		**4,737.58**	**6,947.57**

Notes:

1 Trade receivables are dues in respect of goods sold or services rendered in the normal course of business.

2 The normal credit period allowed by the Company ranges from 30 to 60 days for customers in India and 30 to 120 days for overseas customers.

3 No trade receivables are due from Directors or other officers of the Company, either severally or jointly. Trade receivables include ₹ 3.98 million due from the Company's subsidiaries; Endurance Overseas Srl ₹ 1.51 million and Endurance S.p.A ₹ 2.47 million, Refer note 34.

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

9 CASH AND CASH EQUIVALENTS

₹ in million

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Cash on hand	0.33	0.41
(b) Balances with banks:		
i) In current accounts	262.21	162.13
ii) In deposit accounts - with original maturity of less than three months	990.00	140.00
Total	**1,252.54**	**302.54**

9A OTHER BANK BALANCES

₹ in million

Particulars	As at 31st March, 2020	As at 31st March, 2019
Other bank balances (in earmarked accounts)		
(i) In current account for equity dividend	0.27	0.09
(ii) Balance held as margin money against letters of credit*	0.44	1.69
Total	**0.71**	**1.78**

* Represents margin money amounting to ₹ 0.44 million (Previous year ₹ 1.69 million) against various guarantees and letters of credit issued by bank on behalf of the Company. These deposits are not available for use by the Company as the same is in the nature of restricted cash.

10 SHARE CAPITAL

A Authorised, issued, subscribed and paid-up share capital

₹ in million

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	No. of shares	Amount	No. of shares	Amount
Authorised:				
Equity shares of ₹ 10 each	165,000,000	1,650.00	165,000,000	1,650.00
(Previous year ₹ 10 each)				
Total	**165,000,000**	**1,650.00**	**165,000,000**	**1,650.00**
Issued, subscribed and fully paid up:				
Equity shares of ₹ 10 each	140,662,848	1,406.63	140,662,848	1,406.63
(Previous year ₹ 10 each)				
Total	**140,662,848**	**1,406.63**	**140,662,848**	**1,406.63**

B Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year

₹ in million

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	No. of shares	Amount	No. of shares	Amount
No of shares outstanding at the beginning of the year				
- Equity shares	140,662,848	1,406.63	140,662,848	1,406.63
No of shares outstanding at the end of the year	140,662,848	1,406.63	140,662,848	1,406.63

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

C Notes

i) Details of shares held by each shareholder holding more than 5% shares in the Company are as follows:

Particulars	No. of shares as at 31st March, 2020	%	No. of shares as at 31st March, 2019	%
Equity shares:				
1 Mr. Anurang Jain	43,396,976	30.85	43,396,976	30.85
2 Mr. Anurang Jain[1]	28,300,000	20.12	28,300,000	20.12
3 Mrs. Suman Jain[2]	16,890,000	12.01	16,890,000	12.01
4 Mr. Naresh Chandra[3]	16,910,000	12.02	16,910,000	12.02

1 Held by Mr. Anurang Jain in his capacity as the family trustee of the Anurang Rohan Trust ("Anurang Rohan Trust"). The Anurang Rohan Trust is a private family trust, settled by Mr. Anurang Jain, pursuant to a deed of settlement dated 11th June, 2016 as amended by a deed of amendment dated 23rd June, 2016 (the "Anurang Rohan Trust Deed"). The trustees of the Anurang Rohan Trust are Mr. Anurang Jain and Mrs. Varsha Jain, as the family trustees, and Kotak Mahindra Trusteeship Services Limited, as the managing trustee. Pursuant to the Anurang Rohan Trust Deed, Mr. Anurang Jain shall, as long as he is acting as the family trustee, exclusively exercise voting rights in respect of these Equity Shares.

2 Held by Mrs. Suman Jain in her capacity as the family trustee of NC Trust ("NC Trust"). The NC Trust is a private family trust settled by Mr. Naresh Chandra, pursuant to a deed of settlement dated 15th June, 2016 (the "NC Trust Deed"). The trustees of the NC Trust are Mrs. Suman Jain, as the family trustee, and Kotak Mahindra Trusteeship Services Limited, as the managing trustee. Pursuant to the NC Trust Deed, Mrs. Suman Jain shall, as long as she is acting as the family trustee, exclusively exercise voting rights in respect of these Equity Shares.

3 Held by Mr. Naresh Chandra in his capacity as the family trustee of Anurang Rhea Trust ("Anurang Rhea Trust"). The Anurang Rhea Trust is a private family trust settled by Mrs. Suman Jain, pursuant to a deed of settlement dated 15th June, 2016 (the "Anurang Rhea Trust Deed"). The trustees of the Anurang Rhea Trust are Mr. Naresh Chandra, as the family trustee, and Kotak Mahindra Trusteeship Services Limited, as the managing trustee. Pursuant to the Anurang Rhea Trust Deed, Mr. Naresh Chandra shall, as long as he is acting as the family trustee, exclusively exercise voting rights in respect of these Equity Shares.

ii) The Company has only one class of equity shares. Each holder of equity shares is entitled to one vote per share held. In the event of liquidation of the Company, the holder of the equity shares will be entitled to receive remaining assets after deducting all its liabilities in proportion to the number of equity shares held.

10A OTHER EQUITY

₹ in million

	Particulars	As at 31st March, 2020	As at 31st March, 2019
(a)	Securities premium (refer note (i) below)		
	Balance at the beginning and at the end of the year	160.40	160.40
(b)	General reserve (refer note (ii) below)		
	Balance at the beginning and at the end of the year	1,208.89	1,208.89
(c)	Retained earnings		
	Balance at the beginning of the year	18,023.58	15,146.66
	Profit for the year	4,276.92	3,578.61
	Remeasurements of defined benefit plans, net of tax	(43.44)	(23.39)
	Dividend including interim dividend (Refer note 38)	(1,547.29)	(562.65)
	Tax on dividend	(318.05)	(115.65)
	Balance at the end of the year	20,391.72	18,023.58
	Total	**21,761.01**	**19,392.87**

(i) Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

(ii) General reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations under the erstwhile Companies Act 1956. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn.

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

11 NON CURRENT BORROWINGS

₹ in million

Particulars	As at 31st March, 2020	As at 31st March, 2019
Measured at amortised cost		
Unsecured borrowings		
Deferred sales tax loan	13.37	29.78
Right of use lease liability (Refer note 11.01 & 42)	29.47	-
Total unsecured borrowings	42.84	29.78
Total	**42.84**	**29.78**

11.01 Maturity profile

₹ in million

Particulars	Right of use lease liability	Deferred sales tax loan	Total
Current maturities			
2020-21	5.42	16.41	21.83
Non-current maturities			
2021-22	6.08	10.06	16.14
2022-23	4.76	3.31	8.07
2023-24	4.05	-	4.05
2024-25	3.53	-	3.53
2025-26 to 2027-28	11.05	-	11.05
Total	**29.47**	**13.37**	**42.84**

12 OTHER NON-CURRENT FINANCIAL LIABILITIES

₹ in million

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Security deposits received from dealers	28.68	33.54
(b) Retention money payable	78.85	13.22
Total	**107.53**	**46.76**

12A Other current financial liabilities

₹ in million

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Current maturities of long-term borrowings (Refer note 11.01)	16.41	19.80
(b) Interest accrued but not due on borrowings	2.76	3.32
(c) Foreign currency derivative liabilities	0.81	24.61
(d) Unpaid equity dividend	0.27	0.09
(e) Payables on purchase of property, plant and equipment	200.87	362.65
(f) Right of use lease liability (Refer note 11.01 & 42)	5.42	-
Total	**226.54**	**410.47**

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

13 NON-CURRENT PROVISIONS

₹ in million

Particulars		As at 31st March, 2020	As at 31st March, 2019
(a)	Provision for employee benefits:		
	Provision for gratuity (Refer note 29)	137.49	43.44
(b)	Provision for others:		
	Provision for warranty	20.68	19.33
Total		**158.17**	**62.77**

13ACurrent provisions

₹ in million

Particulars		As at 31st March, 2020	As at 31st March, 2019
(a)	Provision for employee benefits:		
	i) Provision for compensated absences	143.42	116.74
	ii) Provision for gratuity (Refer note 29)	94.55	86.60
(b)	Provision for others:		
	i) Provision for warranty	54.55	46.98
Total		**292.52**	**250.32**

13A.01 Details of provision for warranty (Refer note 13 (b) and 13A (b))

₹ in million

Particulars	As at 31st March, 2020	As at 31st March, 2019
Carrying amount as at 1st April, 2019	66.31	59.78
Provision made during the year	71.52	45.50
Discounting/unwinding effect	(0.44)	(0.21)
Amount paid/utilised during the year	(62.16)	(38.76)
Carrying amount as at 31st March 2020	75.23	66.31

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

14 CURRENT BORROWINGS

₹ in million

Particulars		As at 31st March, 2020	As at 31st March, 2019
Measured at amortised cost			
A.	Secured borrowings (Refer note 14.01 and 14.02)		
	Cash credit/working capital demand loans	500.00	800.00
	Total secured borrowings (A)	500.00	800.00
B.	Unsecured borrowings (Refer note 14.02)		
	From bank		
	- Short Term Loan	961.00	1,320.00
	Total unsecured borrowings (B)	961.00	1,320.00
Total (A+B)		**1,461.00**	**2,120.00**

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

14.01 Details of security provided in respect of current borrowings

Fund based secured working capital facilities outstanding from a consortium member bank as on 31st March, 2020 is ₹ 500 million [Previous year ₹ 800 million]. The total working capital facilities sanctioned by the consortium member banks are secured by

a) first pari passu charge on, both present and/or future, current assets including inventory and receivables,

b) second pari passu charge on, both present and/or future, movable property, plant and equipment located at identified premises of the Company.

c) second pari pasu charge on identified immovable properties of the Company.

14.02 Details of interest rates for current borrowings

Short term foreign currency loans availed during FY2019-20 carries interest rate linked to LIBOR rates with mutually agreed spread [effective interest rate ranges between 2.36% p.a. to 3.08% p.a.(previous year 0.60% p.a. to 3.11% p.a)]. Similarly, short term rupee denominated borrowings carry interest cost linked to MCLR with mutually agreed spread [effective interest rate ranges from 4.90% p.a. to 12.15% p.a. (previous year 5.30% p.a. to 10.10% p.a.)].

15 TRADE PAYABLES

₹ in million

Particulars	As at 31st March, 2020	As at 31st March, 2019
Trade payable for goods and services		
i) Total outstanding dues of micro and small enterprises (Refer note 30)	545.74	667.90
ii) Total outstanding dues of other than micro and small enterprises (other than acceptances)	3,410.21	4,539.65
Total	**3,955.95**	**5,207.55**

16 OTHER CURRENT LIABILITIES

₹ in million

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Advances received from customers	63.76	91.63
(b) Income received in advance	4.76	7.11
(c) EPCG deferred payable	9.59	15.39
(d) Statutory remittances (contribution to PF, ESIC, Withholding taxes, Goods and Service tax etc.)	230.07	353.48
Total	**308.18**	**467.61**

17 CURRENT TAX LIABILITIES (NET)

₹ in million

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Provision for tax (net of advance taxes and taxes deducted at source)	34.61	34.61
Total	**34.61**	**34.61**

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

17ADeferred tax assets/(liabilities)

₹ in million

Particulars	As at 31st March, 2020	As at 31st March, 2019
Deferred tax liabilities		
On account of temporary differences in		
Property, plant and equipment and intangible assets	(177.00)	(306.13)
Fair valuation of current investments	(22.32)	(22.25)
Others	(1.14)	(1.43)
Total	**(200.46)**	**(329.81)**
Deferred tax assets		
On account of temporary differences in		
Provision for employee benefits	94.50	86.23
Provision for doubtful debts	0.32	0.45
Expenses disallowed	31.54	72.15
Long term Capital losses	-	14.86
Others	0.41	-
Total	**126.77**	**173.69**
Net deferred tax assets/(liabilities)	**(73.69)**	**(156.12)**

18 REVENUE FROM OPERATIONS (REFER NOTE 18.01)

₹ in million

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
(a) Revenue from contracts with customers	48,201.58	53,414.27
(b) Other operating revenue	1,184.11	760.32
Total	**49,385.69**	**54,174.59**

18.01 Details of revenue from contracts with customers and other operating revenue

₹ in million

	Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	Revenue from contracts with customers		
i)	**Goods transferred at a point in time**		
	Sale of manufactured goods		
	Shock absorbers	18,737.99	19,065.35
	Disc brake assembly (including rotary disc)	4,983.04	4,042.00
	Aluminium die casting parts	14,482.89	19,089.16
	Alloy wheels	3,320.57	3,651.71
	Clutch and clutch parts	4,448.53	4,608.64
	Others	1,491.02	2,533.09
	Total - (A)	**47,464.04**	**52,989.95**
	Sale of traded goods		
	Components and spares	426.53	343.40
	Total - (B)	**426.53**	**343.40**
	Total - (A+B)	**47,890.57**	**53,333.35**
ii)	**Services transferred over time**		
	Job work receipts	311.01	80.92
	Revenue from contracts with customers (i+ii)	**48,201.58**	**53,414.27**

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

₹ in million

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Other operating revenue comprises:		
Scrap sales	173.38	181.29
Government incentives	906.14	444.09
Wind power generation	8.73	12.11
Export incentives	95.86	122.83
Total	**1,184.11**	**760.32**

18.02 Revenue from contracts with customers

₹ in million

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Outside India	2,167.26	2,751.38
India	46,034.32	50,662.89

18.03 Reconciliation of amount of revenue recognised in the statement of profit and loss with the contracted price

₹ in million

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Revenue as per contracted price	**48,481.39**	**53,699.82**
Adjustments:		
Discounts	279.81	285.55
Revenue from contracts with customers	**48,201.58**	**53,414.27**

19 OTHER INCOME

₹ in million

Particulars		For the year ended 31st March, 2020	For the year ended 31st March, 2019
(a)	Interest income		
	i) Bank deposits	1.99	1.58
	ii) Income tax refund	-	8.14
	iii) Others	4.91	4.47
(b)	Other non operating income		
	i) Excess provision/creditors' balances written back	10.23	14.48
	ii) Income from investments in mutual funds	45.01	38.05
	iii) Profit on sale of property plant and equipment (net)	110.42	46.71
	iv) Income from insurance policy maturity	88.88	-
	v) Miscellaneous income	53.44	45.94
(c)	Net gain on foreign currency transactions	47.00	2.86
	(other than considered as finance cost)		
	Total	**361.88**	**162.23**

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

20A COST OF MATERIALS CONSUMED

₹ in million

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Opening stock (including goods in transit)	903.98	677.12
Add: Purchases	30,092.68	35,471.90
	30,996.66	**36,149.02**
Less: Closing stock (including goods in transit)	912.13	903.98
Cost of materials consumed	30,084.53	35,245.04
Cost of materials capitalised	(77.84)	(164.78)
Total	**30,006.69**	**35,080.26**
Material consumed comprises		
i) Aluminium alloy	7,768.53	10,819.73
ii) Others	22,316.00	24,425.31
Total	**30,084.53**	**35,245.04**

20B PURCHASES OF STOCK-IN-TRADE (TRADED GOODS)

₹ in million

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Components and spares	278.40	230.84
Total	**278.40**	**230.84**

20C CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

₹ in million

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Inventories at the end of the year		
Finished goods	(719.52)	(882.53)
Work-in-progress	(657.65)	(683.61)
Stock-in-trade	(32.70)	(31.87)
Inventories at the beginning of the year		
Finished goods	882.53	841.59
Work-in-progress	683.61	664.72
Stock-in-trade	31.87	17.89
Net (increase)/decrease	**188.14**	**(73.81)**

21 EMPLOYEE BENEFITS EXPENSE

₹ in million

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
(a) Salary, wages and bonus	2,662.78	2,501.01
(b) Contribution to provident and other funds (Refer note 29)	217.16	194.15
(c) Staff welfare expenses	81.34	82.27
Total	**2,961.28**	**2,777.43**

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

22 FINANCE COSTS

₹ in million

Particulars		For the year ended 31st March, 2020	For the year ended 31st March, 2019
(a)	Interest expenses on		
	i) Fixed period term loans	-	1.03
	ii) Others	46.89	84.28
(b)	Other borrowing costs		
	i) Discounting charges on commercial paper	55.77	61.91
	ii) Bank charges	5.49	8.00
(c)	Exchange difference regarded as an adjustment to borrowing cost	-	15.51
	Total	**108.15**	**170.73**

23 OTHER EXPENSES

₹ in million

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Stores and spares consumed	940.87	1,035.49
Packing material consumed	429.62	455.52
Tools and instruments consumed	202.83	222.81
Processing charges	1,362.34	1,459.61
Labour charges	1,082.97	1,071.84
Power, water and fuel	1,928.32	2,014.61
Rent	76.41	135.64
Repairs and maintenance:		
Plant and machinery	573.82	597.66
Building	37.82	47.94
General	176.62	190.62
Insurance	62.48	51.54
Rates and taxes	24.16	14.73
Travelling and conveyance	243.01	251.39
Freight	687.14	764.41
Advertisement	9.48	4.35
Donation	-	3.10
Payment to auditors (Refer note 23.01)	9.22	7.40
Directors fees and travelling expenses	26.88	29.58
Warranty claims	97.19	48.31
Expenditure on corporate social responsibility (Refer note 37)	137.12	68.00
Miscellaneous expenses	502.29	484.42
Total	**8,610.59**	**8,958.97**
Expenses capitalised	(82.57)	(119.20)
Total	**8,528.02**	**8,839.77**

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

23.01 PAYMENT TO AUDITORS

₹ in million

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
As auditor		
Audit fee	7.15	6.45
Expenses reimbursed	1.12	0.65
In other capacity		
Other services (certification fees)	0.95	0.30
Total	**9.22**	**7.40**

24 TAXES

Income tax expense

(i) Statement of Profit and Loss Section

₹ in million

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
(a) Current Tax expenses [Short/(excess) provision for tax relating to prior years ₹ Nil, 31st March, 2019 ₹ 15.14 million]	1,475.30	1,610.16
(b) Deferred tax charge	(67.81)	157.85
Total	**1,407.49**	**1,768.01**

(ii) Other Comprehensive Income (OCI) Section

₹ in million

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
(a) Net gain / (loss) on remeasurement of defined benefit plan	(58.05)	(35.95)
(b) Income tax charged to OCI on remeasurement of defined benefit plan	14.61	12.56

(iii) Reconciliation of effective tax rate

₹ in million

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
(a) Accounting profit before income tax	5,684.41	5,346.62
(b) Enacted tax rate in India	25.17%	34.94%
(c) Computed tax expense	1,430.65	1,868.32
(d) Reconciliation items		
R&D expenses - revenue	-	(182.89)
R&D expenses - capital	-	(54.93)
Investment allowance reversal	6.45	3.81
(Short)/excess payment of post employment benefits	-	(59.60)
CSR expenditure & Donation	43.56	35.55

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

₹ in million

	Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	Gain to be set off against carried forward losses	(73.84)	(40.97)
	Others	37.50	(11.60)
	Lease written off	25.28	22.80
(e)	Net adjustment	38.95	(287.83)
(f)	Tax expense/ (saving) on net adjustment (e*b)	9.81	(100.59)
(g)	Current tax expense recognised in Statement of Profit and Loss (c+f)	1,440.47	1,767.73
(h)	Short/(excess) provision for tax relating to prior years	-	15.14
(i)	Effect of change in income tax rate	(47.84)	-
(j)	Deferred Tax asset created on long term capital losses	14.86	(14.86)
(k)	Net current tax expense recognised in Statement of Profit and Loss (g+h+i+j)	1,407.49	1,768.01

(iv) Details of carry forward losses on which no deferred tax asset is recognised by the Company is as follows:

Capital loss can be carried forward for a period of 8 years from the year in which such loss arose. The capital loss will expire till Assessment Year 2021-22.

₹ in million

	Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
(a)	Long term capital loss	139.54	219.84
(b)	Short term capital loss	2.87	22.87
Total		**142.41**	**242.71**

25 (a) Endurance Amann GmbH, Germany

The total investment of the Company in Endurance Amann GmbH, Germany (a wholly owned subsidiary of the Company) as on 31st March, 2020 amounts to Euro 30.93 million (₹ 1,930.62 million) [Previous year Euro 30.93 million (₹ 1,930.62 million)]

The equity of Endurance Amann amounting to Euro 3.25 million is represented by stock. Euro 0.2 million is held by Endurance Amann as treasury shares.

(b) Endurance Overseas Srl, Italy (EOSrl)

The total investment of the Company in EOSrl as at 31st March, 2020 amounts to Euro 25.83 million (₹ 1,706.99 million) [Previous year Euro 25.83 million (₹ 1,706.99 million)].

26 During the year, the Company has sold 85,360 shares of face value ₹ 10 each of Watsun Infrabuild Pvt Ltd. The investment as at 31st March, 2020 now stands at ₹ 1.45 million (Previous year ₹ 2.31 million).

27 SEGMENT REPORTING

Information reported to the chief operating decision maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Company is in the business of manufacture and sale of automobile components, which in the context of Indian Accounting Standard 108 'Operating Segment' represents a single reportable business segment. The accounting policies of the reportable segments are the same as the accounting policies disclosed in Note 2.

In accordance with Ind AS - 108, "Operating Segments" segment information has been given in the consolidated Ind AS financial statements and therefore no separate disclosure on segment information is given in these financial statements.

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

28 CONTINGENT LIABILITIES AND COMMITMENTS

(a) Contingent liabilities (To the extent not provided for)

₹ in million

Particulars		As at 31st March, 2020	As at 31st March, 2019
i)	Excise matters[1]	71.97	78.84
ii)	Service tax matters[1]	2.82	2.82
iii)	Sales tax (VAT and CST) matters[1]	44.07	45.93
iv)	Income tax matters[1]	540.41	531.93
v)	Employees related matters[1]	0.80	0.80
vi)	Environment pollution control matters[2]	20.85	20.85

1 Future cash outflow, if any, in respect of these matters are determinable only on receipt of judgements / decisions pending at various stages before the appellate authorities.

2 Hon'ble National Green Tribunal (NGT) in the prior years, had directed the Company to deposit ₹ 100 million based on the initial report of M.S. University, Baroda for alleged inappropriate discharge of industrial effluents. Based upon Maharashtra Pollution Control Board's (MPCB) claim submission, the NGT vide its order dated 8th July, 2016 instructed MPCB to refund ₹ 70 million against the deposit given, which was duly received by the Company on 28th July, 2016. MPCB submitted a revised claim based on which the Hon'ble NGT vide its order dated 30th January, 2018 instructed MPCB to refund an additional amount of ₹ 9.15 million against the deposit. Accordingly, the Company received ₹ 9.15 million on 31st March, 2018.

There are numerous interpretative issues relating to the Supreme Court judgement on provident fund dated 28th February 2019. As a matter of caution, the Company has implemented the change on a prospective basis.

(b) Commitments

₹ in million

Particulars		As at 31st March, 2020	As at 31st March, 2019
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
	- Tangible assets	539.41	1,266.29
(ii)	Other commitment		
	- Aluminium alloy	1,302.03	1,174.81
Total		**1,841.44**	**2,441.10**

29 In conformity with the principles set out in the Indian Accounting Standard (Ind AS) 19 Employee Benefits, details for defined contribution and benefit plans are given below:

(a) Defined contribution plan:

₹ in million

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Employers contribution to provident fund/pension fund	141.41	123.84
Employers contribution to superannuation fund	15.96	14.28
Employers contribution to ESIC	2.96	6.23
Employers contribution to Labour welfare fund	0.19	0.23
Total	**160.52**	**144.58**

Note: Above contributions are included in contribution to provident fund and other funds reported in note 21 of employee benefits expense.

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

(b) Defined benefit plan:

The defined benefit plan comprises gratuity (included in contribution to provident and other funds in note 21). The present value of the obligation under such defined benefit plan is determined based on an actuarial valuation as at the reporting date using the Projected Unit Credit Method. The present value of accrued gratuity is provided in the books after reducing the fund value with Life Insurance Corporation of India.

I - Reconciliation of benefit obligation:

₹ in million

Particulars	As at 31st March, 2020	As at 31st March, 2019
Liability at the beginning of the year	509.12	432.82
Interest cost	36.75	31.59
Current service cost	47.03	41.85
Benefits paid*	(38.32)	(32.85)
Remeasurement (gain) / loss	58.18	35.71
Liability at the end of the year	612.76	509.12

*Includes amounts directly paid by the Company.

II - Reconciliation of fair value of plan assets:

₹ in million

Particulars	As at 31st March, 2020	As at 31st March, 2019
Fair value of plan assets at the beginning of the year	379.08	375.63
Interest income	27.47	28.14
Contributions	-	10.22
Benefits paid	(25.97)	(34.67)
Return on plan assets - gain / (loss)	0.13	(0.24)
Fair value of plan assets at the end of the year	380.71	379.08
Actual return on plan assets	27.60	27.90

III - Amount to be recognized in the Balance Sheet

₹ in million

Particulars	As at 31st March, 2020	As at 31st March, 2019
Liability at the end of the year	612.76	509.12
Fair value of plan assets at the end of the year	380.71	379.08
Amount to be recognized in Balance Sheet - Net liability	232.05	130.04

IV - Expenses recognized in the Statement of Profit and Loss under the head employee benefits expense

₹ in million

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Current service cost	47.03	41.85
Interest cost	9.28	3.44
Settlement (gain)/loss	-	4.09
Expenses recognized in Statement of Profit and Loss	56.31	49.38

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

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

V - Remeasurement for the year

₹ in million

Particulars	**For the year ended 31st March, 2020**	**For the year ended 31st March, 2019**
Experience (gain)/ loss on plan liabilities	17.03	35.74
Demographic (gain)/ loss on plan liabilities	-	(0.03)
Financial (gain)/ loss on plan liabilities	41.15	-
Experience (gain)/ loss on plan assets	(0.14)	2.12
Financial (gain)/ loss on plan assets	-	(1.88)

VI - Amount recognized in statement of other comprehensive income (OCI)

₹ in million

Particulars	**For the year ended 31st March, 2020**	**For the year ended 31st March, 2019**
Opening amount recognized in OCI	64.51	28.56
Remeasurement for the year - obligation (gain)/ loss	58.18	35.71
Remeasurement for the year - plan assets (gain)/ loss	(0.13)	0.24
Total remeasurements cost / (credit) for the year recognized in OCI	58.05	35.95
Closing amount recognized in OCI	122.56	64.51

VII - Principal actuarial assumptions:

Particulars	**As at 31st March, 2020**	**As at 31st March, 2019**
Discount rate	6.20%	7.50%
Rate of return on plan assets	7.50%	7.50%
Salary escalation for the next year	0.00%	6.00%
Salary escalation after next year	7.00%	6.00%
Withdrawal rate	8.00%	8.00%

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

(ii) Salary escalation rate is the estimates of future salary increases considered taking into the account the inflation, seniority, promotion and other relevant factors.

(iii) Withdrawal rate is employee's turnover rate based on the company's past and expected employee turnover.

(iv) Disclosure related to indication of effect of the defined benefit plan on the entity's future cash flows:

Expected benefit payments for the years ending, assessed on 31st March, 2020

₹ in million

Years ending	**Amount**
31st March, 2021	94.55
31st March, 2022	55.29
31st March, 2023	63.81
31st March, 2024	74.76
31st March, 2025	76.86
31st March, 2026 to 31st March, 2030	441.57

(v) Weighted Average duration of defined benefit obligation: 11 years

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

(vi) Sensitivity analysis:

Sensitivity analysis indicates the influence of a reasonable change in principal assumptions, while keeping other things constant, on the outcome of the present value of Defined Benefit Obligation. In reality, the plan is subject to multiple external experience items which may move the Defined Benefit Obligation in similar or opposite directions, while the Plan's sensitivity to such changes can vary over time.

A quantitative sensitivity analysis for significant assumption as at 31st March, 2020 is as shown below:

₹ in million

A. Effect of 1 % change in the assumed discount rate	**1% Increase**		**1% Decrease**	
	31-Mar-20	**31-Mar-19**	**31-Mar-20**	**31-Mar-19**
Defined Benefit Obligation	573.21	478.59	657.50	543.41

B. Effect of 1 % change in the assumed salary escalation rate	**1% Increase**		**1% Decrease**	
	31-Mar-20	**31-Mar-19**	**31-Mar-20**	**31-Mar-19**
Defined Benefit Obligation	651.41	538.83	583.28	482.12

C. Effect of 1 % change in the assumed withdrawal rate	**1% Increase**		**1% Decrease**	
	31-Mar-20	**31-Mar-19**	**31-Mar-20**	**31-Mar-19**
Defined Benefit Obligation	611.24	511.40	614.43	506.58

30 DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

(a) Principal amount payable to Micro, Small and Medium Enterprises (to the extent identified by the Company from the available information as at 31st March, 2020 is ₹ 545.74 million (Previous year ₹ 667.90 million). The unpaid amount outstanding for more than 45 days as of 31st March, 2020 is ₹ Nil (Previous year amount ₹ Nil).

(b) In the opinion of the Management, amount is paid to suppliers within 45 days during the period, as such no interest is payable.

(c) Interest paid in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006 is ₹ Nil (Previous year ₹ Nil). Amount of interest accrued and remaining unpaid as at 31st March, 2020 is ₹ Nil (Previous year ₹ Nil)

31 EARNINGS PER SHARE (EPS)

₹ in million

	Particulars	**Shares in Nos**	
		For the year ended 31st March, 2020	**For the year ended 31st March, 2019**
a)	Earnings for the purpose of basic / diluted earnings per share - Net profit after tax (₹ in million)	4,276.92	3,578.61
	Earnings attributable to equity share holders	4,276.92	3,578.61
b)	Weighted number of ordinary shares for the purpose of basic earnings per share	140,662,848	140,662,848
c)	Weighted number of ordinary shares for the purpose of diluted earnings per share	140,662,848	140,662,848
d)	Nominal value of equity shares ₹ each	10.00	10.00
e)	Basic and diluted earnings per share ₹ each	30.41	25.44

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

32 FAIR VALUE MEASUREMENTS

Set out below is the comparison by class of the carrying amounts and fair value of the Company's financials instruments

₹ in million

Particulars	Carrying amount		Fair value	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
FINANCIAL ASSETS				
Financial assets measured at amortised cost				
(a) Security Deposits	63.01	67.17	63.01	67.17
(b) Other non current investments	11.49	12.35	11.49	12.35
(c) Trade receivable	4,737.58	6,947.57	4,737.58	6,947.57
(d) Loans to employees	20.10	20.95	20.10	20.95
(e) Interest accrued on deposits	0.45	0.08	0.45	0.08
(f) Cash in hand	0.33	0.41	0.33	0.41
(g) Balance with banks in current account	1,252.48	302.22	1,252.48	302.22
(h) Balance held as Margin money against borrowings	0.44	1.69	0.44	1.69
(i) Receivable for sale of Property, plant and equipment	7.37	25.90	7.37	25.90
(j) Government incentives receivable	1,197.94	324.00	1,197.94	324.00
(k) Other financial assets	48.87	74.32	48.87	74.32
Financial assets measured at fair value through Statement of Profit and Loss				
(a) Current investments	373.18	348.17	373.18	348.17
(b) Non current investments quoted	0.03	0.03	0.03	0.03
(c) Foreign currency derivative assets	8.14	0.01	8.14	0.01
FINANCIAL LIABILITIES				
Financial liabilities measured at amortised cost				
(a) Non current borrowing	42.84	29.78	42.84	29.78
(b) Current borrowing	1,461.00	2,120.00	1,461.00	2,120.00
(c) Security deposits received from dealers	28.68	33.54	28.68	33.54
(d) Retention money	78.85	13.22	78.85	13.22
(e) Current maturities of long-term borrowings	21.83	19.80	21.83	19.80
(f) Interest accrued but not due on borrowings	2.76	3.32	2.76	3.32
(g) Payables on purchase of Property plant & equipment	200.87	362.65	200.87	362.65
(h) Trade payable	3,955.95	5,207.55	3,955.95	5,207.55
(i) Unpaid equity dividend	0.27	0.09	0.27	0.09
Financial assets measured at fair value through Statement of Profit and Loss				
(a) Foreign currency derivative liabilities	0.81	24.61	0.81	24.61

The management assessed that the fair values of short term financial assets and liabilities significantly approximate their carrying amounts largely due to the short - term maturities of these instruments. The fair value of the financial assets and liabilities is the amount at which the instrument could be exchanged in a current transaction among willing parties, other than in a forced or liquidation sale.

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

The Company determines fair values of financial assets and financial liabilities by discounting the contractual cash inflows/ outflows using prevailing interest rates of financials instruments with similar terms. The initial measurement of financial assets and financial liabilities is at fair value. The fair value of investment is determined using quoted net assets value from the fund. Further, the subsequent measurement of all financial assets and liabilities (other than investment in mutual funds and foreign currency derivatives) is at amortised cost, using the effective interest method.

Discount rates used in determining fair value

The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of the borrower which in case of financial liabilities is the weighted average cost of borrowing of the Company and in case of financial assets is the average market rate of similar credit rated instrument.

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. In addition, the Company internally reviews valuation, including independent price validation for certain instruments.

Fair value of financial assets and liabilities is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The following methods and assumptions were used to estimate fair value:

(a) Fair value of short term financial assets and liabilities significantly approximate their carrying amounts largely due to the short term maturities of these instruments.

(b) Fair value of quoted mutual funds is based on the net assets value at the reporting date. The fair value of other financial liabilities as well as other non current financial liabilities is estimated by discounting future cash flow using rate currently applicable for debt on similar terms, credit risk and remaining maturities.

(c) The fair value of the Company's interest bearing borrowing received are determined using discount rate that reflects the entity's borrowing rate as at the end of the reporting period. The own non performance risk as at the end of reporting period was assessed to be insignificant.

Fair value hierarchy

All financial instruments for which fair value is recognized or disclosed are categorized within the fair value hierarchy described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) price is active market for identical assets or liabilities

Level 2: Valuation technique for which the lowest level input that has a significant effect on the fair value measurement are observed, either directly or indirectly

Level 3: Valuation technique for which the lowest level input has a significant effect on the fair value measurement is not based on observable market data

The following table presents our assets and liabilities measured at fair value on recurring basis at 31st March, 2020 and 31st March, 2019.

₹ in million

Particulars	Level 1	Level 2	Level 3
31st March, 2020			
Investment in mutual funds	373.18	-	-
Equity	0.03	-	-
Foreign currency derivatives asset	8.14	-	-
Foreign currency derivatives liability	0.81	-	-
31st March, 2019			
Investment in mutual funds	348.17	-	-
Equity	0.03	-	-
Foreign currency derivatives asset	0.01	-	-
Foreign currency derivatives liability	24.61	-	-

During the year ended 31st March, 2020, there were no transfer between Level 1 and Level 2 fair value measurement.

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

33 FINANCIAL INSTRUMENTS AND RISK REVIEW

I. Capital Management

The Company's capital management objectives are:

The Board policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital employed on a quarterly basis.

The Company manages capital risk by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a quarterly basis and implements capital structure improvement plan when necessary.

The Company uses debt ratio as a capital management index and calculates the ratio as net debt divided by total equity. Net debt and total equity are based on the amounts stated in the financial statements.

Debt-to-equity ratio is as follows:

₹ in million

Particulars	As at 31st March, 2020	As at 31st March, 2019
Net Debt (A)[1]	(100.05)	1,518.87
Equity (B)	23,167.64	20,799.50
Debt Ratio (A / B)	Net negative debt	0.07:1

1 Net debt includes non current borrowings, current borrowings, current maturities of non current borrowings net off current investments and cash and cash equivalents.

II. Financial Risk Management Framework

The Company is exposed primarily to market risk (fluctuations in foreign currency exchange rates and interest rate), credit risk, liquidity risk, which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

i) Credit Risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to contractual terms. Credit risk encompasses, the risk of default, the risk of deterioration of creditworthiness of the counterparty as well as concentration of risks.

Financial instruments that are subject to exposure to credit risk consist of trade receivables, investments and other financial assets.

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from operating activities, primarily from trade receivables.

Trade receivables

Trade receivables consist of receivables arising primarily due to sale of goods. These receivables are unsecured and mature at the end of a specified credit period depending upon the terms of contract of each customer, which ranges from 30-60 days for customers in India and 30-120 days for overseas customers. The Company's customers primarily consist of Original Equipment Manufacturers ("OEM") for its primary products and Dealers for spare parts.

The Company assesses the credit risk of its customers and dealers at the time of acceptance of the customer as well as on an ongoing basis. Before accepting any new customer, the Company uses an external/internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. The credit limit of these customers and dealers is continuously monitored and recalibrated based on the credit risk assessment. Most of the OEM's have high credit ratings which helps the Company mitigate credit risk.

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

The Company assesses at each reporting date whether a trade receivable or a group of trade receivables is impaired. The Company recognizes lifetime expected credit losses for all trade receivables that do not constitute a financing transaction and which are due for more than six months. The expected credit losses are measured at an amount equal to 12 month expected credit losses or at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The Company uses a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix.

₹ in million

Particulars	Not due	Within 365 days*	More than 365 days*	Total
ECL rate	0%	0%	100%	
31st March, 2020				
Estimated total gross carrying amount	1,052.95	3,684.63	1.27	4,738.85
ECL - Simplified approach	-	-	(1.27)	(1.27)
Net carrying amount	1,052.95	3,684.63	-	4,737.58

₹ in million

Particulars	Not due	Within 365 days*	More than 365 days*	Total
ECL rate	0%	0%	100%	
31st March, 2019				
Estimated total gross carrying amount	3,805.43	3,142.14	1.27	6,948.84
ECL - Simplified approach	-	-	(1.27)	(1.27)
Net carrying amount	3,805.43	3,142.14	-	6,947.57

* Provision is made for receivables where recovery is considered doubtful irrespective of due date. Where an amount is outstanding for more than 365 days the Company usually provides for the same unless there is clear visibility of recovery.

The Movement in the expected credit loss allowance is as given below:

₹ in million

Particulars	As at 31st March, 2020	As at 31st March, 2019
Balance at the beginning of the year	1.27	1.27
Movement in the expected credit loss allowance on trade receivables calculated at lifetime	-	-
expected credit losses		
Balance at the end of the year	1.27	1.27

Company's exposure to customers is diversified and some customers contribute more than 10% of outstanding accounts receivable which forms 78% of total receivables as of 31st March, 2020 (76% as at Previous year), however there was no default on account of those customers in the past.

The Company considers the trade receivables to have low risk of defaults since the customers have strong capacity to fulfil their obligations and even if there are adverse changes in economic and business conditions, the Company is of the view that it will not adversely affect the ability of the customers to fulfil their obligations.

The Company considers write-off of receivables on case to case basis, depending upon the circumstances of each delayed receivable, and when the Company is of the view that recovery seems unlikely after reasonable efforts.

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

The maturity profile of various financial assets is as given below:

₹ in million

Particulars	31st March, 2020		31st March, 2019	
	Less than 1 Year	1-5 Years	Less than 1 Year	1-5 Years
Non-derivative financial assets				
Trade receivables	4,737.58	-	6,947.57	-
Total	**4,737.58**	**-**	**6,947.57**	

Investments and other financial assets

Investments consist mainly of investments in subsidiaries and investments in mutual funds and fixed deposits. Other financial assets consist of Govt incentive receivable, export incentive and security deposits for business purposes.

Investments in mutual funds are primarily those instruments which have been approved by the Board and are in low-risk category and are continuously monitored by the investment committee of the Board. The Company considers credit risk in investments as well as in other financial assets to be very low.

ii) Liquidity Risk

Liquidity risk is the risk that the Company may not be in a position to meet its financial liabilities. The objective of liquidity risk management is to maintain sufficient liquidity and to ensure availability of adequate funds for business. The Company generates sufficient internal accruals and generally the purpose of borrowings is to meet temporary fund flow mismatches and sometimes to meet regular capital expenditures. The Company maintains a very low debt to equity ratio.

The maturity profile of various financial liabilities is as given below. These amounts have been drawn up based on the undiscounted cash flows of various financial liabilities based on the earliest date on which the Company can be required to pay.

₹ in million

Particulars	31st March, 2020		31st March, 2019	
	Less than 1 Year	1-5 Years	Less than 1 Year	1-5 Years
Non-derivative financial liabilities				
Trade payables	3,955.95	-	5,207.55	-
Other financial liabilities	226.54	107.53	410.47	46.76
Working capital demand loans / Term loans	1,461.00	42.84	2,120.00	29.78
Total	**5,643.49**	**150.37**	**7,738.02**	**76.54**

iii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk like commodity prices risk.

1) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations which have floating rate indebtedness. The Company also maintain deposits of cash and cash equivalents with banks and other financial institutions which are subject to periodic resets.

Interest rate sensitivity

The sensitivity analysis below demonstrates the sensitivity to a reasonable possible change in interest rates on the debt obligations of the Company and on the cash and cash equivalents.

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

₹ in million

For the year ended	Currency	Increase / decrease in basis points	Effect on profit before tax	Financial statement item	Variable rate WCDL / CC balance / ECB
31st March, 2020	INR	+100	(14.61)	Debt obligation	1,461.00
	INR	-100	14.61	Debt obligation	1,461.00
31st March, 2019	INR	+100	(21.20)	Debt obligation	2,120.00
	INR	-100	21.20	Debt obligation	2,120.00

2) Foreign Currency exchange rate risk

Foreign currency exchange rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. At a standalone level the Company is exposed to currency risk of changes in EURO, USD, CHF, CNY, GBP, SGD and JPY. However, the risk of changes in foreign exchange rates on the statement of profit or loss and other comprehensive income is not material. The Company has an exposure to changes in foreign exchange (primarily EURO) on account of its investments in its subsidiaries.

Wherever, transactions are undertaken in foreign currency, the Company hedges the risk of foreign exchange fluctuation by using derivative financial instruments in line with its risk management policies. The investment in subsidiaries being long term in nature is unhedged. The information on derivative instruments and the unhedged foreign currency exposures are as follows:

(a) Details of Forward Exchange Contract, Currency swaps, Currency options:

		As atn31st March, 2020		As at 31st March, 2019	
Particulars	Currency	Foreign Currency Notional Amount (in million)	Rupees (in million)	Foreign Currency Notional Amount (in million)	Rupees (in million)
Forward contract - USD - INR	USD	3.39	255.43	5.00	345.85
No. of Contracts		31		25	
Forward contract - JPY - INR	JPY	-	-	180.00	112.54
No. of Contracts		-		2	
Forward contract - EUR - INR	EURO	1.30	107.68	2.15	167.02
No. of Contracts		25		15	
Forward contract - SGD - INR	SGD	-	-	0.46	23.38
No. of Contracts		-		1	

(b) Foreign currency exposures that are not hedged by derivative instruments:

		As atn31st March, 2020		As at 31st March, 2019	
Particulars	Currency	Foreign Currency Notional Amount (in million)	Rupees (in million)	Foreign Currency Notional Amount (in million)	Rupees (in million)
I. Trade receivables :	USD	0.71	53.65	1.30	90.07
	EURO	0.67	55.63	1.02	79.27
			109.28		169.34
II. Trade payable and capital creditors:	CHF	-	-	(0.04)	(2.98)
	USD	(0.26)	(19.39)	(0.36)	(24.75)
	EURO	(0.35)	(28.96)	(0.54)	(41.75)
	GBP	(0.07)	(6.11)	(0.02)	(1.54)
	CNY	(0.03)	(0.31)	(0.04)	(0.40)
	JPY	(2.69)	(1.87)	(4.37)	(2.73)
			(56.64)		(74.15)

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

Particulars	Currency	As atn31st March, 2020		As at 31st March, 2019	
		Foreign Currency Notional Amount (in million)	Rupees (in million)	Foreign Currency Notional Amount (in million)	Rupees (in million)
Total	CHF	-	-	(0.04)	(2.98)
	USD	0.45	34.26	0.94	65.32
	EURO	0.32	26.67	0.48	37.52
	GBP	(0.07)	(6.11)	(0.02)	(1.54)
	CNY	(0.03)	(0.31)	(0.04)	(0.40)
	JPY	(2.69)	(1.87)	(4.37)	(2.73)

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in USD, EURO, GBP, CHF, JPY and CNY exchange rates, with all other variables held constant. The impact on the Company's profit before tax due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

₹ in million

For the year ended	Currency	Change in rate	Effect on profit before tax
31st March, 2020	USD	+10%	3.43
	USD	-10%	(3.43)
	EUR	+10%	2.67
	EUR	-10%	(2.67)
	GBP	+10%	(0.61)
	GBP	-10%	0.61
	JPY	+10%	(0.19)
	JPY	-10%	0.19
	CNY	+10%	(0.03)
	CNY	-10%	0.03
31st March, 2019	USD	+10%	6.53
	USD	-10%	(6.53)
	EUR	+10%	3.75
	EUR	-10%	(3.75)
	GBP	+10%	(0.15)
	GBP	-10%	0.15
	CHF	+10%	(0.30)
	CHF	-10%	0.30
	JPY	+10%	(0.27)
	JPY	-10%	0.27
	CNY	+10%	(0.04)
	CNY	-10%	0.04

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

3) Commodity Price risk

The Company is exposed to risks in fluctuation of prices of certain raw materials, which are used as key inputs in the production process, especially ferrous and non-ferrous metals. Historically, as a practice, and as per our understanding with customers, the Company has passed on an increase in the cost of metals, especially aluminium and steel to its customers and does not foresee a significant risk to its statement of profit and loss on account of fluctuations in the material prices.

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

34 Related party disclosure as required by Ind-AS 24 is as under. Key Management Personnel (KMP) has been identified as per Ind-AS 24:

a) List of Related Parties and nature of relationships

S.No	Description of Relationship	Name of Related Party/Persons
1	Holding Company	None
2	Subsidiaries Direct / Indirect	Endurance Amann GmbH, Germany (Direct Subsidiary)
		Endurance Overseas S.r.L., Italy (Direct Subsidiary)
		Endurance S.p.A, Italy (Indirect Subsidiary)
		*Endurance Fondalmec S.p.A merged with Endurance FOA S.p.A with effect from 1st January, 2019. Upon merger, Endurance Fondalmec S.p.A ceases to exist and the name of Endurance FOA S.p.A stands changed to Endurance S.p.A.
		Endurance Engineering S.r.L., Italy (Indirect Subsidiary)
		Endurance Castings S.p.A., Italy (Indirect Subsidiary) (w.e.f. 1st January, 2019)
3	Fellow Subsidiaries	None
4	Associates	None
5	Key Management Personnel	Mr. Naresh Chandra, Chairman
		Mr. Anurang Jain, Managing Director
		Mr. Satrajit Ray, Director and Group CFO
		Mr. Ramesh Gehaney, Director and COO
		Mr. Partho Datta, Independent Director
		Mr. Soumendra Basu, Independent Director
		Mr. Roberto Testore, Independent Director
		Ms. Anjali Seth, Independent Director
		Mrs. Falguni Nayar, Independent Director
		Mr. Massimo Venuti, Non-executive Director
6	Relatives of Key Management Personnel with whom transactions have taken place	Mrs. Suman Jain - Wife of Mr. Naresh Chandra
		Mrs. Varsha Jain - Wife of Mr. Anurang Jain
		Ms. Rhea Jain - Daughter of Mr. Anurang Jain
		Mr. Rohan Jain - Son of Mr. Anurang Jain
7	Enterprises Owned or controlled by Key Management personnel and/or their Relatives	Varroc Engineering Limited

b) Transactions carried out with the related parties in ordinary course of business (Previous year figures are in brackets)

₹ in million

Nature of Transactions	Subsidiaries	Key Management Personnel	Relatives of Key Management personnel	Enterprises Owned or controlled by Key Management Personnel or their relatives	Total
Purchase of raw material and components	-	-	-	48.60	48.60
	-	-	-	(109.52)	(109.52)
Sale of products	6.68	-	-	-	6.68
	-	-	-	-	-

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

₹ in million

Nature of Transactions	Subsidiaries	Key Management Personnel	Relatives of Key Management personnel	Enterprises Owned or controlled by Key Management Personnel or their relatives	Total
Remuneration* - Short Term Employee Benefits	-	109.23	12.49	-	121.72
	-	(101.29)	(9.46)	-	(110.75)
Directors' Sitting Fees	-	2.46	-	-	2.46
	-	(2.35)	-	-	(2.35)
Directors' Commission	-	10.75	-	-	10.75
	-	(10.75)	-	-	(10.75)
Professional Fees	-	3.19	-	-	3.19
	-	(3.19)	-	-	(3.19)
Reimbursement of Travelling & Other Expenses	-	0.75	-	-	0.75
	-	(0.32)	-	-	(0.32)
Dividend Paid	-	^974.68	#185.79	-	1,160.47
	-	(396.64)	(67.56)	-	(464.20)
Expenses Recovered	-	-	-	-	-
	-	(2.13)	-	(0.01)	(2.14)
Other Income	-	-	-	0.01	0.01
	-	-	-	(0.02)	(0.02)
Balances Outstanding as at 31st March, 2020					
i) Payables	-	10.79	0.22	1.87	12.88
	-	(11.29)	(0.09)	(12.06)	(23.44)
ii) Receivables	3.98	-	-	-	3.98
	-	-	-	-	-
iii) Investments	3,637.61	-	-	-	3,637.61
	(3,637.61)	-	-	-	(3,637.61)

* Post employment benefits payable in the form of gratuity and other long term benefits in the form of compensated absences are calculated on the basis of actuarial valuation. Amount payable for individual employees as at 31st March, 2020 (31st March, 2019) cannot be separately identified and therefore has not been included in above. There are no termination benefits, share based payments given to Key Management Personnel and their relatives.

^ Includes ₹ 311.30 million (₹ 113.20 million) dividend received by Mr. Anurang Jain in his capacity as family trustee of Anurang Rohan Trust.

^ Includes ₹ 186.01 million (₹ 67.64 million) dividend received by Mr. Naresh Chandra in his capacity as family trustee of Anurang Rhea Trust.

Includes ₹ 185.79 million (₹ 67.56 million) dividend received by Mrs. Suman Jain in her capacity as family trustee of NC Trust.

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

c) Disclosure in respect of material transactions with related parties (Previous period figures are in brackets)

₹ in million

Nature of Transactions	Endurance Overseas S.r.L., Italy	Endurance S.p.A., Italy	Varroc Engineering Limited	Total
Purchase of raw material and components	-	-	48.60	48.60
	-	-	(109.52)	(109.52)
Sale of products	1.51	5.17	-	6.68
	-	-	-	-
Expenses Recovered	-	-	-	-
	-	-	(0.01)	(0.01)
Other Income	-	-	0.01	0.01
	-	-	(0.02)	(0.02)
Balances Outstanding as at 31st March, 2020				
i) Payables	-	-	1.87	1.87
	-	-	(12.06)	(12.06)
ii) Receivables	1.51	2.47	-	3.98
	-	-	-	-

Outstanding balances as at the year/period end are unsecured and settlement occurs in cash and cash equivalents. There are no guarantees provided or received for any related party receivables/payables.

35 GOVERNMENT INCENTIVES:

(a) Industrial Promotion Subsidy:

Incentive under Mega Project Scheme - PSI 2013

Until 31st March, 2019, the Company recognized grant income under Package Scheme of Incentives 2013, Government of Maharashtra ("PSI Scheme") on claim submission when its recoverability was considered to be reasonably certain. From 1st April, 2019, the Company recognizes grant income under PSI Scheme on sale of goods, as the management believes that the realisability of the grant income is reasonably certain.

Accordingly, in the quarters ended 30th June, 2019 ; 30th September, 2019 and 31st December, 2019, the Company had recognized an amount of ₹ 229.21 million, ₹ 230.55 million and ₹ 12.58 million respectively as grant income based on the underlying sales transaction for the year ended 31st March, 2020; and also recognized an amount of ₹ 472.34 million as grant income relating to the sales made for the year ended 31st March, 2019 as a one-time adjustment in the quarter ended 30th June, 2019. In the quarter ended 31st March, 2020, the Company received a provisional sanction of claim filed for the year ended 31st March, 2018 from the Directorate of Industries; wherein an amount has been reduced by a specified percentage of electricity duty benefit. Consequent upon the said order, the Company has reversed an amount of ₹ 70.44 million. As a result, the cumulative grant income recognized during the year stands at ₹ 874.24 million.

(b) EPCG benefit:

In the current year the Company has not imported plant and equipment's under EPCG scheme. In the previous year the Company had imported plant and equipment's under EPCG scheme and saved customs duty of ₹ 19.11 million against the export obligation of ₹ 114.67 million. The pending export obligation as on 31st March, 2020 is ₹ 57.52 million (previous year ₹ 92.34 million). In accordance with Ind-AS 20, the custom duty saved was capitalized and ₹ 5.80 million (previous year ₹ 65.67 million) is recognized as incentive received, included in other operating revenue, on account of proportionate fulfilment of the export obligation

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

36 The capital and revenue expenditure incurred by the in-house R&D Units (hereinafter referred as "R&D Centre") recognized by Department of Scientific and Industrial Research (DSIR) except Test Track, are as under:

₹ in million

Particulars	Test Track	R&D Centre at			
		E-93	B-1/3	K-226/2	K-226/1
i) Capital expenditure					
(Including CWIP)					
For the year ended 31st March, 2020	100.22	8.54	5.24	15.84	3.54
For the year ended 31st March, 2019	109.40	17.59	12.14	17.67	68.14
ii) Revenue expenditure					
For the year ended 31st March, 2020					
Salaries/wages	1.51	100.75	32.08	49.70	33.08
Materials/consumables/spares/tools	0.54	6.45	0.37	53.61	4.06
Utilities	3.49	11.40	2.92	7.25	2.82
Any other expenditure directly	15.66	32.02	22.44	25.50	20.11
relating to R & D					
Total Revenue expenditure	**21.20**	**150.63**	**57.81**	**136.06**	**60.08**
For the year ended 31st March, 2019					
Salaries/wages	0.66	90.22	34.21	35.74	28.82
Materials/consumables/spares/tools	0.16	2.98	1.74	61.26	9.70
Utilities	3.22	11.09	4.49	7.24	1.61
Any other expenditure directly	7.79	33.99	23.36	27.13	19.00
relating to R & D					
Total Revenue expenditure	**11.83**	**138.28**	**63.80**	**131.37**	**59.13**

37 CORPORATE SOCIAL RESPONSIBILITY (CSR)

i) Pursuant to Companies Act, 2013 gross amount required to be spent by the Company towards CSR during the year is ₹ 86.38 million (previous year ₹ 68.09 million).

ii) (a) The company has made a contribution of ₹ 50.0 million on 31st March, 2020 to the PM-Cares Fund to support the Government of India in its relief and rehabilitation measures towards the COVID-19 pandemic outbreak. As the CSR spending requirement for the current year has already been fulfilled, this contribution will be considered towards spending requirement for CSR activity during financial year 2020-21

(b) The Company has also contributed ₹ 0.12 million to Mother Global Foundation.

iii) The company has contributed during the year ended 31st March, 2020 ₹ 87.0 million (Previous year ended 31st March, 2019 ₹ 68.0 million) to Sevak Trust and salary of CSR staff ₹ 1.52 million (Previous year ₹ 1.27 million).

Sevak Trust has implemented following projects:

₹ in million

Nature of expenditure	For the year ended 31st March, 2020	For the year ended 31st March, 2019
i) Construction/acquisition of any asset	49.00	19.75
ii) On the purpose other than (i) above		
Village Development Project (VDP)	23.70	36.87
Vocational Training Centre (VTC)	13.00	11.23

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

₹ in million

Nature of expenditure	For the year ended 31st March, 2020	For the year ended 31st March, 2019
HP World on wheels Computer Training	1.08	-
Balwadi	0.22	0.15
Total paid to Sevak Trust	87.00	68.00
Salary of CSR staff (included in Employee benefits expense)	1.52	1.27
Total	**88.52**	**69.27**

38 During the current year, final dividend for the year ended 31st March, 2019 was declared and paid at ₹ 5.50 (previous year ₹ 4 for year ended 31st March, 2018) per equity share of face value ₹ 10 each and also interim dividend for the year ended 31st March, 2020 was declared and paid at ₹ 5.50 per equity share of face value ₹ 10 each.

39 (a) In the previous year as a consequence of the consolidation of operations, the management decided to dispose off the unutilized plot of free hold land at Takve (Gut no 414) and was in the process of identifying prospective customers, accordingly, the said land having a value of ₹ 33.37 million was disclosed as "asset held for sale". In current year agreement for the sale of the said land was entered into and the sale transaction was completed in October 2019.

(b) In the previous year, the Company closed the operations of its Manesar plant with effect from 26th December 2018 and settled the full and final liabilities of the employees in the plant. The Company paid ₹ 38.40 million as closure compensation. The Company also agreed with the union to pay an additional ₹ 169.60 million pursuant to an order passed by the Honourable Punjab and Haryana High Court on 11th, January 2019. The amount was duly paid on 2nd April, 2019 and the total amount of ₹ 208 million was disclosed as an exceptional item in the the statement of profit and loss in the previous year.

40 Coronavirus Disease (COVID-19) has resulted in the Company temporarily suspending the operations of all its manufacturing units in India. COVID-19 has impacted the normal business operations of the Company by way of interruption in production and sale of finished goods, supply chain disruption, unavailability of personnel etc. However, production and sale of goods have commenced in a phased manner through April and May 2020.

The Company has performed a detailed assessment of its liquidity position and the recoverability of the assets as at the balance sheet date and has concluded that based on current indicators of future economic conditions, the carrying value of the assets will be recovered. Management believes that it has fully considered all the possible impact of known events in the preparation of the standalone Ind AS financial statements. However, the impact assessment of COVID-19 is a continuing process, given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions and the consequent impact on its business, if any.

41 The figures for the previous year ended 31st March, 2019 as presented in these financial statements have been regrouped for more appropriate presentation as per the table below :

Particulars	Reference	As per previous year financials	Change	As per current year financials
Assets:				
(i) Other non-current financial assets	(a)	67.17	21.42	88.59
(ii) Other non-current assets		2,182.84	(21.42)	2,161.42
(iii) Other current financial assets	(b)	356.32	46.57	402.89
(iv) Other current assets		215.61	(46.57)	169.04
			0.00	

(a) Sales tax receivable ₹ 21.42 million has been regrouped from other non current assets to other non current financial assets.

(b) Export incentive (MEIS, duty drawback) ₹ 46.57 million have been regrouped from other current assets to other current financial assets.

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

42 COMPANY AS LESSEE

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movement during the year:

₹ in million

Particulars	For the year ended 31st March, 2020
As at 1st April	33.89
Additions	6.02
Accretion of interest	2.70
Payments	(7.72)
As at 31st March	34.89
Current	5.42
Non current	29.47

The maturity analysis of lease liability is disclosed in note 11.01

The effective interest rate for lease liabilities is 8.0%, with maturity between 2021-2026

The following are the amounts recognized in the statement of profit or loss:

₹ in million

Particulars	For the year ended 31st March, 2020
Depreciation expense of right-of-use assets	6.63
Interest expense on lease liabilities	2.70
Total amount recognized in profit or loss	9.33

During the year the Company had total cash outflows for leases of ₹ 7.72 million. The Company also had non-cash additions to right-of-use assets and lease liabilities of ₹ 6.02 million.

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Arvind Sethi**
Partner
Membership No.: 89802

Date: 25th June, 2020
Place: Pune

For and on behalf of the Board of Directors

Naresh Chandra
Chairman
(DIN: 00027696)

Anurang Jain
Managing Director
(DIN: 00291662)

Satrajit Ray
Director & Group CFO
(DIN : 00191467)

Sunil Lalai
Company Secretary & Executive Vice President–Legal
(Membership No : A8078)

Date: 25th June, 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of
Endurance Technologies Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

OPINION

We have audited the accompanying consolidated Ind AS financial statements of Endurance Technologies Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance sheet as at 31st March, 2020, the Consolidated Statement of Profit and Loss, including other comprehensive income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2020, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended 31st March, 2020. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
(a) Impact of COVID-19 on the Company's financial statements (Refer Note 40 of the consolidated Ind AS financial statements)	
COVID-19, has resulted in restriction in movement of goods during the period from 23rd March, 2020 till 31st March, 2020 impacting normal business operations for the Company including revenues, receivables, purchases including services and inventories at the year-end and hence considered a key audit matter.	We have performed the following procedures to assess and evaluate the impact on financial statements: 1. Performed cut-off procedures for a larger sample of invoices during the lockdown period for both domestic as well as export sales. 2. Enquired and assessed the financial support (if any) provided to its vendors, service providers and customers; and their recognition in the financial statements. 3. Enquired and assessed the liquidity position of customers; and ascertained the need for additional provisioning for impairment / credit loss (if any) in the financial statements.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

Key audit matters	How our audit addressed the key audit matter
	4. Enquired and assessed the impact if any on the property, plant and equipment (PPE) specific to customers; including dies and moulds; and ascertained the need for any additional provisioning for impairment / depreciation in the financial statements. 5. Enquired and assessed the impact on employee cost (if any) arising out of the COVID-19 developments. 6. Year-end physical inventory counts could not be performed by management. However, inventory counts were performed subsequently by the management on various dates as was feasible. We observed some physical counts on alternative dates and tested the workings prepared by management for roll-back of inventory balances to 31st March, 2020. 7. Assessed the disclosures on COVID-19 made in the consolidated Ind AS financial statements.
Accounting of income from government grants (Refer note 37(a) of the consolidated financial statements)	
From 1st April, 2019, the Company recognises grant income under PSI Scheme on sale of goods, as the management believes that the realisability of the grant income is reasonably certain on sale of goods. Consequently, the Company has recognised a grant income of ₹ 874.24 million during the current year. Accordingly accounting of income from government grants is considered a key audit matter.	We have performed the following procedures: 1. Obtained and read the compliance certificate received by the Company from the Government of Maharashtra. 2. Read the terms and conditions attached in the package scheme of incentives 2013 issued by the Government of Maharashtra. 3. Assessed and tested the compliance by the Company in relation to recognition of income in accordance with Ind-AS. 4. Tested the accounting entries effected in the books of accounts with the underlying workings. 5. Assessed the disclosures in the financial statements for compliance with relevant standards.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Corporate Governance Report (but does not include the consolidated Ind AS financial statements and our auditor's report thereon), which we obtained prior to the date of this auditors report and Corporate Overview and other Statutory Reports (comprising of Management Discussion and Analysis, Board's Report and Business Responsibility Report) included in the Annual report, which is expected to be made available to us after that date.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT FOR THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies

INDEPENDENT AUDITOR'S REPORT (CONTD.)

(Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended 31st March, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTER

(a) We did not audit the financial statements and other financial information, in respect of five subsidiaries, whose Ind AS financial statements include total assets of ₹ 25,102.69 million as at 31st March, 2020, and total revenues of ₹ 19,806.79 million and net cash outflows of ₹ 118.42 million for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors.

These subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2020 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group's companies, incorporated in India, is disqualified as on

INDEPENDENT AUDITOR'S REPORT (CONTD.)

31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies, since none of the subsidiaries are incorporated in India, no separate report is being issued with reference to these consolidated Ind AS financial statements of the Holding Company. Also refer Annexure 2 to the independent auditors' report dated 25th June, 2020, issued on the standalone financial statements of the Holding Company regarding Internal controls Over Financial Reporting;

(g) In our opinion, the managerial remuneration for the year ended 31st March, 2020 has been paid / provided by the Holding Company incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, in its consolidated Ind AS financial statements – Refer Note 28 to the consolidated Ind AS financial statements;

ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended 31st March, 2020;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company incorporated in India during the year ended 31st March, 2020.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Arvind Sethi**
Partner
Membership Number: 89802
UDIN: 20089802AAAADC5796

Place of Signature: Pune
Date: June 25, 2020

CONSOLIDATED BALANCE SHEET

as at 31st March, 2020

₹ in million

Particulars	Note No.	As at 31st March, 2020	As at 31st March, 2019
ASSETS			
1. Non-current assets			
(a) Property, plant and equipment	3	24,104.22	19,945.79
(b) Capital work-in-progress		1,064.54	1,062.88
(c) Goodwill	25	1,624.39	1,519.80
(d) Other intangible assets	3	334.42	165.71
(e) Intangible assets under development		194.98	115.05
(f) Financial assets			
(i) Investments	4	11.92	12.79
(ii) Other financial assets	5	973.41	94.49
(g) Deferred tax assets (net)	17A	320.77	311.32
(h) Other non-current assets	6	594.87	2,977.39
		29,223.52	**26,205.22**
2. Current assets			
(a) Inventories	7	5,501.02	5,400.14
(b) Financial assets			
(i) Investments	4A	1,648.27	348.17
(ii) Trade receivables	8	6,727.43	9,251.40
(iii) Cash and cash equivalents	9	6,208.75	5,377.17
(iv) Bank balances other than (iii) above	9A	0.71	1.78
(v) Loans	5A	20.10	20.95
(vi) Other financial assets	5B	391.38	402.88
(c) Current tax assets (net)	6A	333.20	37.06
(d) Other current assets	6B	644.69	782.29
		21,475.55	**21,621.84**
3. Asset held for sale	42 (a)	**-**	**33.37**
Total Assets (1+2+3)		**50,699.07**	**47,860.43**
EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	10	1,406.63	1,406.63
(b) Other equity	10A	28,653.81	24,240.16
Equity attributable to the shareholders of the Company		**30,060.44**	**25,646.79**
LIABILITIES			
2 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	11	4,020.86	3,464.01
(ii) Other financial liabilities	12	118.21	84.24
(b) Provisions	13	776.69	661.09
(c) Deferred tax liabilities (net)	17A	78.70	161.34
		4,994.46	**4,370.68**
3 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	14	1,461.00	2,120.00
(ii) Trade payables:	15		
(a) Total outstanding dues of micro enterprises and small enterprises		545.74	667.90
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		10,116.53	11,066.71
(iii) Other financial liabilities	12A	2,643.46	2,883.56
(b) Other current liabilities	16	508.78	726.47
(c) Provisions	13A	334.05	289.17
(d) Current tax liabilities (net)	17	34.61	89.15
		15,644.17	**17,842.96**
Total Equity and Liabilities (1+2+3)		**50,699.07**	**47,860.43**
Significant accounting policies	2		

See accompanying notes to the financial statements

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Arvind Sethi**
Partner
Membership No.: 89802

Date: 25th June, 2020
Place: Pune

For and on behalf of the Board of Directors

Naresh Chandra
Chairman
(DIN: 00027696)

Anurang Jain
Managing Director
(DIN: 00291662)

Satrajit Ray
Director & Group CFO
(DIN : 00191467)

Sunil Lalai
Company Secretary & Executive Vice President–Legal
(Membership No : A8078)

Date: 25th June, 2020

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2020

₹ in million

	Particulars	Note No.	For the year ended 31st March, 2020	For the year ended 31st March, 2019
I	Revenue from operations	18	69,177.07	75,104.99
II	Other income	19	475.97	270.46
III	**Total income (I + II)**		**69,653.04**	**75,375.45**
IV	**Expenses:**			
	(a) Cost of materials consumed	20A	37,045.21	43,278.41
	(b) Purchases of stock-in-trade (traded goods)	20B	278.40	230.84
	(c) Changes in stock of finished goods, stock-in-trade and work-in-progress	20C	28.47	(14.71)
	(d) Employee benefits expense	21	6,773.25	6,527.44
	(e) Finance costs	22	175.39	257.32
	(f) Depreciation and amortisation expense	3	4,142.83	3,762.10
	(g) Other expenses	23	13,744.03	13,795.25
	Total expenses (IV)		**62,187.58**	**67,836.65**
V	**Profit before exceptional items and tax (III-IV)**		**7,465.46**	**7,538.80**
VI	Exceptional items	42 (b)	-	208.00
VII	**Profit before tax (V - VI)**		**7,465.46**	**7,330.80**
VIII	**Tax expense:**			
	Current tax expense		1,883.07	2,339.39
	Short/(excess) provision for tax relating to prior years		(12.77)	8.16
	Total current tax expense		1,870.30	2,347.55
	Deferred tax charge		(60.18)	33.19
	Total tax expense	**24**	**1,810.12**	**2,380.74**
IX	**Profit for the year (VII - VIII)**		**5,655.34**	**4,950.06**
X	Other comprehensive income			
	Items that will not be reclassified to profit and loss in subsequent years			
	Remeasurements of defined benefit plans		(46.86)	(43.44)
	Income-tax effect		11.49	14.65
	Total		(35.37)	(28.79)
	Items that will be reclassified to profit and loss in subsequent years			
	Exchange differences on translation of foreign operations		659.02	(324.71)
	Total other comprehensive income for the year (net of tax)		**623.65**	**(353.50)**
XI	**Total comprehensive income for the year (net of tax) (IX + X)**		**6,278.99**	**4,596.56**
XII	**Profit for the year attributable to:**			
	Shareholders of the Company		5,655.34	4,950.06
	Non controlling interest		-	-
	Total		**5,655.34**	**4,950.06**
XIII	**Total comprehensive income for the year attributable to:**			
	Shareholders of the Company		6,278.99	4,596.56
	Non controlling interest		-	-
	Total		**6,278.99**	**4,596.56**
XIV	Basic and diluted earnings per equity share (₹)	33	40.20	35.19
	(Face value per equity share ₹ 10)			
	Significant accounting policies	2		

See accompanying notes to the financial statements

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Arvind Sethi**
Partner
Membership No.: 89802

Date: 25th June, 2020
Place: Pune

For and on behalf of the Board of Directors

Naresh Chandra
Chairman
(DIN: 00027696)

Anurang Jain
Managing Director
(DIN: 00291662)

Satrajit Ray
Director & Group CFO
(DIN : 00191467)

Sunil Lalai
Company Secretary & Executive Vice President–Legal
(Membership No : A8078)

Date: 25th June, 2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31st March, 2020

A EQUITY SHARE CAPITAL

₹ in million

Particulars	As at 31st March, 2020	As at 31st March, 2019
Balance at the beginning and at the end of the year	1,406.63	1,406.63

B CHANGES IN OTHER EQUITY

₹ in million

Particulars	Reserves and Surplus				Other Comprehensive Income	Equity attributable to shareholders of the Company	Non Controlling Interests	Total Equity
	Securities premium	General reserve	Capital Reserve	Retained earnings	Foreign Currency Translation Reserve			
Balance as at 1st April, 2018	160.40	1,193.98	209.32	17,791.53	966.67	20,321.90	-	20,321.90
Profit for the year	-	-	-	4,950.06	-	4,950.06	-	4,950.06
Other comprehensive income for the year, net of tax	-	-	-	(28.79)	(324.71)	(353.50)	-	(353.50)
Payment of dividend (Refer note 38)	-	-	-	(562.65)	-	(562.65)	-	(562.65)
Tax on dividend	-	-	-	(115.65)	-	(115.65)	-	(115.65)
Subtotal	**-**	**-**	**-**	**4,242.97**	**(324.71)**	**3,918.26**	**-**	**3,918.26**
Balance as at 31st March, 2019	**160.40**	**1,193.98**	**209.32**	**22,034.50**	**641.96**	**24,240.16**	**-**	**24,240.16**

₹ in million

Particulars	Reserves and Surplus				Other Comprehensive Income	Equity attributable to shareholders of the Company	Non Controlling Interests	Total Equity
	Securities premium	General reserve	Capital Reserve	Retained earnings	Foreign Currency Translation Reserve			
Balance as at 1st April, 2019	160.40	1,193.98	209.32	22,034.50	641.96	24,240.16	-	24,240.16
Profit for the year	-	-	-	5,655.34	-	5,655.34	-	5,655.34
Other comprehensive income for the year, net of tax	-	-	-	(35.37)	659.02	623.65	-	623.65
Payment of dividend including interim dividend (Refer note 38)	-	-	-	(1,547.29)	-	(1,547.29)	-	(1,547.29)
Tax on dividend	-	-	-	(318.05)	-	(318.05)	-	(318.05)
Subtotal	**-**	**-**	**-**	**3,754.63**	**659.02**	**4,413.65**	**-**	**4,413.65**
Balance as at 31st March, 2020	**160.40**	**1,193.98**	**209.32**	**25,789.13**	**1,300.98**	**28,653.81**	**-**	**28,653.81**

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Arvind Sethi**
Partner
Membership No.: 89802

Date: 25th June, 2020
Place: Pune

For and on behalf of the Board of Directors

Naresh Chandra
Chairman
(DIN: 00027696)

Anurang Jain
Managing Director
(DIN: 00291662)

Satrajit Ray
Director & Group CFO
(DIN : 00191467)

Sunil Lalai
Company Secretary & Executive Vice President–Legal
(Membership No : A8078)

Date: 25th June, 2020

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31st March, 2020

₹ in million

	Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
A	**Cash flow from operating activities**		
	Profit before tax	7,465.46	7,330.80
	Adjustments for:		
	Depreciation and amortisation expense	4,142.83	3,762.10
	Incentive received	(5.80)	(65.67)
	Allowance for doubtful debts	2.94	11.05
	Bad debts written off	1.04	2.11
	Finance costs incurred	169.43	233.30
	Excess provision/creditors written back	(16.82)	(25.35)
	Profit on sale of property, plant and equipment (net)	(112.86)	(47.13)
	Interest income	(8.82)	(15.26)
	Income from investments in mutual funds	(55.65)	(46.89)
	Unrealised exchange (gain)/loss differences (net)	(37.49)	29.52
	Exchange difference arising on consolidation	287.75	(152.87)
	Operating profit before working capital changes	**11,832.01**	**11,015.71**
	Movement in working capital		
	Adjustments for (increase) / decrease in operating assets		
	Inventories	(100.88)	(100.53)
	Trade receivables	2,527.46	918.37
	Other financial assets	(876.60)	(405.34)
	Other assets	111.83	467.31
	Adjustments for increase / (decrease) in operating liabilities		
	Trade payables	(1,057.43)	(375.88)
	Provisions	114.06	200.70
	Other current liabilities	(211.89)	(343.10)
	Other financial liabilities	31.76	(56.59)
	Cash generated from operating activities	**12,370.32**	**11,320.65**
	Direct taxes paid (net of refund)	(2,256.36)	(2,337.25)
	Net cash generated from operating activities	**10,113.96**	**8,983.40**
B	**Cash flow from investing activities**		
	Acquisition of property, plant and equipment (including capital work in progress and capital advances)	(5,825.20)	(7,137.74)
	Proceeds on sale of property, plant and equipment	353.31	361.26
	(Increase)/Decrease in other bank balances	1.07	(0.17)
	Investment in equity shares	0.87	(2.31)
	Redemption of liquid mutual funds, net	30.64	147.85
	Investment in other liquid instruments	(1,275.09)	-
	Acquisition of subsidiary	-	(635.78)
	Interest received	8.45	15.27
	Net cash used in investing activities	**(6,705.95)**	**(7,251.62)**

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31st March, 2020

₹ in million

	Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
C	**Cash flow from financing activities**		
	Proceeds from long term borrowings	1,953.40	1,567.26
	Repayment of long term borrowings	(1,766.16)	(2,666.39)
	Proceeds / (repayments) from short term borrowings (net)	(659.00)	337.32
	Finance costs paid	(168.82)	(232.89)
	Dividend paid including tax on dividend	(1,865.16)	(678.26)
	Repayment of lease liability	(70.69)	-
	Net cash used in financing activities	**(2,576.43)**	**(1,672.96)**
	Net increase in cash and cash equivalents	**831.58**	**58.82**
	Cash and cash equivalents taken over on acquisition	-	292.79
	Adjusted net increase in cash and cash equivalents	**831.58**	**351.61**
	Cash and cash equivalents at the beginning of the year	5,377.17	5,025.56
	Cash and cash equivalents at the end of the year	6,208.75	5,377.17
		831.58	**351.61**

Significant accounting policies 2

See accompanying notes forming part of the financial statements.

Notes:

1 Figures in brackets represent outflows.

2 Previous year figures have been regrouped, wherever necessary, to conform to current year's presentation.

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Arvind Sethi**
Partner
Membership No.: 89802

Date: 25th June, 2020
Place: Pune

For and on behalf of the Board of Directors

Naresh Chandra
Chairman
(DIN: 00027696)

Anurang Jain
Managing Director
(DIN: 00291662)

Satrajit Ray
Director & Group CFO
(DIN : 00191467)

Sunil Lalai
Company Secretary & Executive
Vice President–Legal
(Membership No : A8078)

Date: 25th June, 2020

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

Endurance Technologies Limited ("the Company" or "the Holding Company") and its subsidiaries (collectively referred to as "the Group") is in the business of manufacturing and selling of aluminium die casting (including alloy wheel), suspension, transmission and braking products with operations spread across India, Italy and Germany.

The Company is a public limited company incorporated and domiciled in India. The address of its registered office is E-92, M.I.D.C. Industrial Area, Waluj, Aurangabad – 431136 (Maharashtra), India.

The Group's financial statements are presented in Indian Rupee million unless otherwise mentioned. These financial statements for the year ended 31st March, 2020 were approved by the Board of Directors and authorised for issue on 25th June, 2020.

2 SIGNIFICANT ACCOUNTING POLICIES

2.01 Statement of Compliance

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and the presentation requirements of Division II of Schedule III to the Companies Act, 2013 (Ind AS Compliant Schedule III), as applicable.

2.02 Basis of preparation and presentation

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policy 2.19. The financial statements are presented in INR and all values are rounded off to the nearest million (INR 000,000), except as stated otherwise.

2.03 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Holding Company and its subsidiaries (disclosed below).

The control exists when; the Group has power over the entity and, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect the entity's returns by using its power over the entity. Power is demonstrated through existing rights that gives the Group the ability to direct relevant activities, those which significantly affect the entity's returns. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Subsidiaries are consolidated from the date control commences until the date control ceases.

The results of subsidiaries acquired, or sold, during the year are consolidated from the effective date of acquisition and up to the effective date of disposal, as appropriate.

The financial statements of the Group companies are consolidated on a line by line basis and intra-group balances, transactions including unrealised gain/ loss from such transactions and cash flows relating to transactions between the Group companies are eliminated upon consolidation.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances except otherwise stated. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Company's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

The following subsidiary companies are considered in the consolidated financial statements:

Name of the Company	Country of Incorporation or Residence	Voting Power %	
		As at 31st March, 2020	As at 31st March, 2019
Endurance Overseas Srl (EOSRL)	Italy	100%	100%
Endurance SpA (Refer note 26 d)	Italy	100%	100%
Endurance Castings SpA (Refer note 26 c)	Italy	100%	100%
Endurance Engineering Srl	Italy	100%	100%
Endurance Amann GmbH	Germany	100%	100%

2.04 Business combinations

The Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in profit or loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date.

Purchase consideration paid in excess of the fair value of net assets acquired is recognised as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve.

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries.

Business combinations arising from transfers of interests in entities that are under the common control are accounted at historical cost. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in shareholders' equity.

2.05 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see note 2.04 above) less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

2.06 Use of estimates and assumptions

The preparation of consolidated financial statements, in conformity with the recognition and measurement principles of Ind AS, requires management to make estimates and assumptions that affect the reported balances of assets and liabilities at the date of the consolidated financial statements and the reported amounts of income and expenses for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Key source of estimation of uncertainty at the date of financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of useful lives of property, plant and equipment.

Useful lives of property, plant and equipment

The Group reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

2.07 Revenue from contract with customer

Revenue is recognised when control of goods and services have been transferred to the customer; at an amount that reflects the consideration which the Group expects to be entitled in exchange for those goods or services. The timing of when the Group transfers the goods or provide services may differ from the timing of the customer's payment. Amounts disclosed as revenue are net of goods and service tax (GST).

The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided below.

Sale of Goods

The Group based on the underlying agreements has determined that the transfer of control to the customer and therefore revenue recognition, in regard to the domestic sales and export sales, generally corresponds to the date when the goods are dispatched from their

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

point of sale, or when the goods are made available to the customer, or when the goods are released to the carrier responsible for transporting them to the customer.

Export sales are recorded at the relevant exchange rates prevailing on the transaction date.

Generally, the normal credit period is 30 to 60 days upon delivery for customers in India and 30 to 120 days for overseas customers. The nature of contracts of the Group are such that no material part performance obligations would remain unfulfilled at the end of any accounting period.

Variable consideration

If the consideration in a contract includes a variable amount (like volume rebates/incentives, discounts etc.), the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The estimate of variable consideration for expected future volume rebates/ incentives, cash discounts etc. are made on the most likely amount method. Revenue is disclosed net of such amounts.

Warranty obligations

The Group provides warranties for general repairs of defects as per terms of the contract with customers. These warranties are considered as assurance type warranties and are accounted for under Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets.

Revenue from job work

The Group provides job work services to its customers. Such services are sold separately and are not bundled together with the sale of goods. Revenue from job work is accounted as and when such services are rendered.

Contract balances

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policy no. 2.19 Financial instruments – Financial assets at amortised cost.

Contract liabilities

A contract liability is the obligation to transfer goods to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Group performs under the contract.

Refund liabilities

A refund liability is the obligation to refund some or all the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

2.08 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policy 2.17 (ii) for Impairment of non-financial assets.

Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Interest-bearing loans and borrowings (Refer Note 11 and Note 12A).

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2.09 Foreign Currency

Transactions in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement or translation are recognised in the statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

The Group accounts for foreign exchange gains and losses in respect of derivative instruments based on marked to market valuation as on balance sheet date. For the purpose of presenting these consolidated financial statements, the assets and liabilities of Group's foreign operations are translated to Indian Rupees at exchange rate at the end of each reporting period.

Assets and liabilities of entities with functional currency other than presentation currency have been translated to the presentation currency using exchange rates prevailing on the balance sheet date. Statement of profit and loss have been translated using average exchange rates. Translation adjustments have been reported as foreign currency translation reserve (FCTR) in the statement of changes in equity. When a foreign operation is disposed off, the relevant amount in the FCTR is reclassified to statement of profit and loss.

The functional currency and presentation currency of the Company is the Indian Rupee whereas the functional currency of foreign subsidiaries is the Euro.

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

2.10 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.11 Government grants and Export benefits

(i) Government grants

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and all attached conditions will be complied with. Government grants relating to income are deferred and recognised in the profit or loss over the periods necessary to match them with the costs that they are intended to compensate and presented within other operating revenues.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

(ii) Export benefits

Export benefits are accrued in the year of exports based on eligibility and when there is no uncertainty in receiving the same. Export benefits in nature of Merchandise Exports from India Scheme (MEIS) and Duty Drawback is recognised on accrual basis in the year of export.

(iii) Government Grant in respect of Loan

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

2.12 Employee benefits

1. Defined Contribution Plan:

Provident Fund: The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employee's salary. The contributions as specified under the law are paid to the Central Government Provident Fund and the Family Pension Fund and the same is charged to the consolidated statement of profit and loss of the year when the contributions to the respective funds are due and when services are rendered by the employees.

2. Defined Benefit Plan:

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss in subsequent periods. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement.

(i) Gratuity: The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15/26 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. For the employees of specified grades, 30 days salary is payable for each completed year of service, upon completion of 10 years of service. The Company accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation. The Company has taken a Group Gratuity cum Life Assurance Scheme with LIC of India for future payment of gratuity to the eligible employees.

(ii) Employees severance indemnity : Foreign subsidiaries give their employees post employment benefits. Such benefits fall within the defined benefit plans, of certain existence and amount, but with uncertain manifestation. The liability is determined as current value of the defined benefit obligation at the balance sheet date, in accordance with current regulations, adjusted to take account of actuarial gains / losses. The amount of the defined benefit obligation has been calculated by an external actuary according to the "Projected credit units" method.

3. Compensated Absences:

The Company provides for the encashment of compensated absences with pay subject to certain rules. The employees are entitled to accumulate compensated absences subject to certain limits, for future encashment. Such benefits are provided based on the number of days of unutilised compensated absence on the basis of an independent actuarial valuation. The Company has taken a policy with LIC of India for future payment of compensated absences encashment to its employees.

2.13 Taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current tax and deferred tax are recognised in profit or loss, except when they relate to items that are

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

recognised in other comprehensive income or directly in equity, in which case, the current tax and deferred tax are also recognised in other comprehensive income or directly in equity, respectively. Income tax expense represents the sum of current tax and deferred tax.

Current income tax:

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to tax authorities.

The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

The current income tax expense for overseas subsidiaries has been computed based on the tax laws applicable to each subsidiary in the respective jurisdiction in which it operates.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

Deferred taxes:

Deferred tax is recognised using liability method. Deferred tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax liabilities are recognised for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured using substantively enacted tax rates in the countries where the group operates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends and has ability to settle its current tax assets and liabilities on a net basis.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

2.14 Property, plant and equipment

Property, plant and equipment (including capital work in progress) are stated at cost of acquisition or construction where cost includes amount added/deducted on revaluation less accumulated depreciation / amortisation and impairment losses, if any.

All costs directly relating to the acquisition and installation of property, plant and equipment are capitalised and include borrowing costs relating to funds attributable to construction or acquisition of qualifying assets, up to the date the asset / plant is ready for intended use. The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item of property, plant and equipment, if it is probable that the future economic benefits embodies within the part will flow to the Group and its cost can be measured reliably with the carrying amount of the replaced part getting derecognised. The cost for day-to-day servicing of property, plant and equipment are recognised in Statement of Profit and Loss as and when incurred.

Depreciation on property, plant and equipment is provided at the rates determined on straight line method

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over the useful life estimated by the Management or on the basis of depreciation rates prescribed under respective domestic laws, whichever is higher.

The estimated useful lives and residual values of the Property, plant & equipment and other intangible assets are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

2.15 Intangible Assets

Intangible assets acquired separately:

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

i) Technical knowhow is amortised over a period of six years;

ii) Software is amortised over a period of three years.

iii) License is amortised over a period of twenty five years.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. Internally generated intangible assets, excluding capitalized development cost, are not capitalized and the related expenditure is reflected in statement of profit and loss in the period in which the expenditure is incurred.

2.16 Non-current assets held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

The criteria for held for sale classification is regarded met only when the assets are available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated,
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

Additional disclosures are provided in Note 42(a). All other notes to the financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

2.17 Impairment

(i) Financial assets

The Group assesses on a forward-looking basis, the expected credit losses associated with its financial assets carried at amortised cost for e.g. deposits, trade receivables and bank balances. The impairment methodology applied depends on whether there has been a significant increase in credit risk and if so, assess the need to provide for the same in the Statement of Profit and Loss.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime expected credit losses (ECL) at each reporting date, right from its initial recognition.

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For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate (EIR). When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument over the expected life of the financial instrument.

The Group estimates the following provision matrix at the reporting date:

	Not due	Within 365 days*	More than 365 days*
Default Rate	0%	0%	100%

* Provision is made for receivables where recovery is considered doubtful irrespective of due date. Where an amount is outstanding for more than 365 days the Group usually provides for the same unless there is clear visibility of recovery.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured at amortised cost, revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments based on shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

(ii) Non-financial assets

The Group assesses, at each reporting date, whether there is any indication that the carrying amount of non financial asset may not be recoverable. If any such indication exists, or when annual impairment testing for an asset is required, the recoverable amount, (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit or loss. The Group bases its impairment calculation on budgets and forecast calculations.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, an appropriate valuation model is used.

(iii) Goodwill

CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is indication for impairment. If the recoverable amount of a CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

2.18 Inventories

Inventories of raw materials and components, work-in-progress, stock-in-trade, stores & spares and tools & instruments are valued at the lower of cost and net

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realizable value after providing for obsolescence and other losses, where considered necessary. Cost is ascertained on a weighted average basis. The cost of work-in-progress and finished goods is determined on absorption cost basis.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

a. Raw materials, stores & spares and tools & instruments: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

b. Finished goods and work in progress: cost includes cost of direct materials, labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.

c. Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.19 Financial Instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less, to be cash equivalents. Cash and cash equivalents include balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets in the nature of debt instruments are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income (FVOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets including derivative financial instruments are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognised in Statement of Profit and Loss.

Financial liabilities

Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss, loans and borrowings, payables or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and in case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings, and derivative financial instruments. Trade, other payables and derivative financial instruments are measured subsequently at FVTPL. Loans and borrowings are subsequently measured at amortised costs using EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition an fees or costs that are an integral part of the EIR.

Equity instruments

All equity instruments in scope of Ind AS 109, other than investments in subsidiaries, are measured at fair value. Equity instruments which are held for trading are classified as at fair value through profit and loss. For all other equity instruments the Group may make an irrevocable election to present in other comprehensive income, subsequent changes in the fair value. The Group makes such election on an instrument by instrument basis. The classification is need on initial recognition and is irrevocable. If the Group decides to classify an equity instruments as at FVOCI then all fair value changes on the instrument excluding dividends are recognised in OCI. There is no recycling from OCI to profit or loss even on sale of instrument. However, the Group may transfer the cumulative gain/loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

a. The rights to receive cash flows from the asset have expired, or

b. The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Reclassification of financial assets and financial liabilities

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when a company either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains and losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

2.20 Earning per share (EPS)

Basic and diluted earnings per share is reported in accordance with Ind AS 33 on Earnings per share. Basic earnings per share is computed by dividing the net profit or loss attributable to equity holders after deducting attributable taxes for the period by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period as adjusted for the effects of all dilutive potential equity shares except where the results are anti-dilutive.

2.21 Research and development expenses

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technological feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Property, plant and equipment utilised for research and development are capitalised and depreciated/amortised in accordance with the policies stated for Property, plant and equipment and Intangible Assets.

2.22 Segment reporting

Information reported to the Chief Operating Decision Maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Group is in the business of manufacture and sale of automobile components, which in the context of Indian Accounting Standard 108 'Segment Information' represents single reportable business segment. The accounting policies of the reportable segments are the

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same as the accounting policies disclosed in Note 2. The revenues, total expenses and net profit as per the Statement of profit and loss represents the revenue, total expenses and the net profit of the sole reportable segment.

2.23 Cash flow statement

The Cash Flow Statement is prepared by the indirect method set out in Ind AS 7 on cash flow statements and presents cash flows by operating, investing and financing activities of the Group.

2.24 Current versus Non-Current Classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- expected to be realized or intended to be sold or consumed in normal operating cycle
- held primarily for the purpose of trading
- expected to be realized within 12 months after the date of reporting period, or
- Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting period.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

A liability is current when it is:

- expected to be settled in normal operating cycle
- held primarily for the purpose of trading
- due to be settled within 12 months after the reporting period, or
- does not have any unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

Current liabilities include the current portion of long term financial liabilities. The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets and their realization in cash and cash equivalents. The Group has identified 12 months as its operating cycle.

2.25 Share Capital

Ordinary Shares

Ordinary shares are classified as equity. Incremental costs, if any, directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

2.26 Fair Value Measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell an asset or transfer the liability takes place either:

- In the principal market for the asset or liability
- In the absence of principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (Unadjusted) Market prices in active markets for incidental assets or liabilities
- Level 2 –Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers that have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Other disclosures

1) There are no transfers between Level 1 and Level 2 of the fair value hierarchy during the period.

2) The valuation techniques used above are consistent with all periods presented.

3) There are no recurring or non-recurring fair value measurements categorised within Level 3 of the fair value hierarchy.

Valuation Techniques used to determine fair value

1) Investments in Mutual Funds - are valued at net asset value declared by AMFI at the reporting date.

2) Derivatives (recurring fair value measurement) - at values are determined by counter parties / banks using market observable data.

3) Investment in short term funds - are valued at value declared by Asset management company at the reporting date.

2.27 Dividend

Dividend on share is recorded as liability on the date of approval by the shareholders.

2.28 Provisions and contingent liabilities

A provision is recognised when the Group has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements.

Product warranty expenses

The estimated liability for product warranties is accounted when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures.

2.29 Other income

Dividend

Dividend income from investments is recognised when the right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Others

The Group recognises income on accrual basis. However, where the ultimate collection of the same lacks reasonable certainty, revenue recognition is postponed to the extent revenue is reasonably certain and can be reliably measured.

2.30 Changes in accounting policies and disclosures

New and amended standards

The Group applied Ind AS 116 for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Several other amendments and interpretations apply for the first time in March 2020, but do not have an impact on the consolidated financial statements of the Group. The Group has not adopted for early adoption of any standards or amendments that have been issued but are not yet effective.

New Standard

Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

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Transition to Ind AS 116

The Group adopted Ind AS 116 using the modified retrospective method of adoption, with the date of initial application on 1st April, 2019. The Group elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at 1st April, 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C of Ind AS 17 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

In summary, the effect of adoption of Ind AS 116 adoption is as follows :

The cumulative effect of initially applying Ind AS 116 as at 1st April 2019 amounts to ₹ 1.78 million. Set out below, are the amounts by which each financial statement line item is affected as at and for the year ended 31st March 2019 as a result of the adoption of Ind AS 116.

Impact on the Balance sheet (increase/(decrease)) as at 31st March, 2019

₹ in million

Particulars	Lease hold land	Other leases	Total
Assets:			
(i) Property, plant and equipment (right-of-use assets)	1,978.82	237.18	2,216.00
(ii) Other non-current assets	(1,953.71)	-	(1,953.71)
(iii) Other current assets	(25.11)	-	(25.11)
	-	237.18	237.18
Liabilities:			
(i) Borrowings and other financial liabilities (right-of-use liabilities)	-	238.96	238.96
	-	238.96	238.96
Net impact on equity	-	(1.78)	(1.78)

Impact on the Statement of profit or loss ((increase)/decrease) for year ended 31st March, 2019:

₹ in million

Particulars	Lease hold land	Other leases	Total
Depreciation and amortisation expense	25.11	63.51	88.62
Rent (operating lease expense)	(25.11)	(65.04)	(90.15)
Finance costs	-	3.31	3.31
(Increase)/Decrease in profit	-	1.78	1.78

Due to the adoption of Ind AS 116, the Group's profit will decrease by ₹ 1.78 million due to the change in the accounting for certain operating lease contracts. The adoption of Ind AS 116 did not have a material impact on OCI or the Company's operating, investing and financing cash flows.

Appendix C to Ind AS 12 Uncertainty over Income Tax treatment

The Appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Appendix specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. The Group applies significant judgement in identifying uncertainties over income tax treatments.

Upon adoption of the Appendix C to Ind AS 12, the Group considered whether it has any uncertain tax positions and has determined, based on evaluation of its tax compliances and transfer pricing study, that it is probable that its tax treatments will be accepted by the taxation authorities. The Appendix do not have an impact on the financial statements of the Group.

Amendments to Ind AS 109: Prepayment Features with Negative Compensation

Under Ind AS 109, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

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These amendments have no impact on the financial statements of the Group.

Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.
- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss.

An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

The amendments had no impact on the financial statements of the Group as it did not have any plan amendments, curtailments, or settlements during the period.

Amendments to Ind AS 28: Long-term interests in associates and joint ventures

The amendments clarify that an entity applies Ind AS 109 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in Ind AS 109 applies to such long-term interests.

The amendments also clarified that, in applying Ind AS 109, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying Ind AS 28 Investments in Associates and Joint Ventures.

These amendments had no impact on the consolidated financial statements as the Group does not have long-term interests in its associate and joint venture.

Amendments to Ind AS 103: Business Combinations

The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1st April, 2019.

These amendments had no impact on the consolidated financial statements of the Group as there is no transaction where joint control is obtained.

Amendments to Ind AS 111 : Joint Arrangements

An entity that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in Ind AS 103. The amendments clarify that the previously held interests in that joint operation are not remeasured. An entity applies those amendments to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after 1st April, 2019. These amendments had no impact on the consolidated financial statements of the Group as there is no transaction where a joint control is obtained.

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NOTE 3 PROPERTY, PLANT AND EQUIPMENT

₹ in million

Particulars	Gross Block							Depreciation/Amortisation					Net Block
	As at 1st April, 2019	Additions on Acquisition	Ind AS 116 Transition	Additions during the year	Deductions during the year	Translation Adjustment	As at 31st March, 2020	As at 1st April, 2019	For the year	Deductions during the year	Translation Adjustment	As at 31st March, 2020	As at 31st March, 2020
	(a)	(b)	(c)	(d)	(e)	(f)	(g) = (a+b+c+d-e+f)	(h)	(i)	(j)	(k)	(l) = (h+i-j+k)	(m) = (g-l)
A) TANGIBLE ASSETS													
Freehold Land (Refer note 42(a))	1,076.76	-	-	43.74		45.03	1,165.53	-	-	-	-	-	1,165.53
	(771.80)	(85.64)	-	(277.38)	(33.37)	(-24.69)	(1,076.76)	-	-	-	-	-	(1,076.76)
Buildings	6,084.31	-	(219.23)	426.40	1.59	200.11	6,490.00	762.43	255.25	1.59	35.79	1,051.88	5,438.12
	(4,871.53)	(456.59)	-	(874.04)	(2.08)	(-115.77)	(6,084.31)	(550.07)	(228.43)	(0.14)	(-15.93)	(762.43)	(5,321.88)
Plant and equipments	23,235.27	-	(267.28)	4,534.62	420.85	789.85	27,871.61	10,189.05	3,394.77	240.31	435.91	13,779.42	14,092.19
	(18,339.03)	(317.29)	-	(5,396.48)	(430.21)	(-387.32)	(23,235.27)	(7,241.10)	(3,291.44)	(147.88)	(-195.61)	(10,189.05)	(13,046.22)
Wind energy generators	75.57	-	-	-	-	-	75.57	67.45	8.11	-	-	75.56	0.01
	(88.56)	-	-	-	(12.99)	-	(75.57)	(64.83)	(13.37)	(10.75)	-	(67.45)	(8.12)
Computer	220.01	-	-	32.83	0.50	4.86	257.20	135.07	39.17	0.50	2.71	176.45	80.75
	(173.26)	(2.09)	-	(47.07)	(0.12)	(-2.29)	(220.01)	(99.67)	(36.80)	(0.22)	(-1.18)	(135.07)	(84.94)
Electrical fittings	83.67	-	-	17.43	-	-	101.10	25.13	9.17	-	-	34.30	66.80
	(76.25)	-	-	(10.16)	(2.74)	-	(83.67)	(17.81)	(7.53)	(0.21)	-	(25.13)	(58.54)
Vehicles	206.37	-	-	89.93	23.29	3.26	276.27	105.00	36.69	16.68	2.71	127.72	148.55
	(187.39)	(1.41)	-	(30.75)	(11.47)	(-1.71)	(206.37)	(82.24)	(31.66)	(7.52)	(-1.38)	(105.00)	(101.37)
Furniture and fixtures	273.19	-	-	96.72	0.83	12.49	381.57	96.23	40.63	0.80	3.95	140.01	241.56
	(216.75)	(1.28)	-	(62.54)	(2.55)	(-4.83)	(273.19)	(65.95)	(32.62)	(0.77)	(-1.57)	(96.23)	(176.96)
Office equipments	146.34	-	-	24.73	0.78	0.07	170.36	75.34	25.17	0.67	-	99.84	70.52
	(104.98)	-	-	(42.26)	(0.86)	(-0.04)	(146.34)	(55.56)	(20.28)	(0.49)	(-0.01)	(75.34)	(71.00)
Assets under finance lease	-	-	-	-	-	-	-	-				-	-
	(126.31)	-	-	-	(126.81)	(0.50)	-	(72.39)	(11.71)	(84.39)	(0.29)	0.00	(0.00)
Right of Use Assets (Refer Note 2.30):													
Leasehold Land	-	-	1,978.82	180.77	-	-	2,159.59	-	25.28	-	-	25.28	2,134.31
Buildings	-	-	411.22	43.70	-	22.45	477.37	-	50.87	-	2.39	53.26	424.11
Plant and Machinery	-	-	267.28	-	1.26	14.39	280.41	-	121.58	-	6.58	128.16	152.25
Vehicles	-	-	53.49	70.50	6.82	6.34	123.51	-	34.35	2.10	1.74	33.99	89.52
Total	**-**	**-**	**2,710.81**	**294.97**	**8.08**	**43.18**	**3,040.88**	**-**	**232.08**	**2.10**	**10.71**	**240.69**	**2,800.19**
Total - A	**31,401.49**	**-**	**2,224.30**	**5,561.37**	**455.92**	**1,098.85**	**39,830.09**	**11,455.70**	**4,041.04**	**262.65**	**491.78**	**15,725.87**	**24,104.22**
As at 31st March, 2019	**(24,955.86)**	**(864.30)**	**-**	**(6,740.68)**	**(623.20)**	**(-536.15)**	**(31,401.49)**	**(8,249.62)**	**(3,673.84)**	**(252.37)**	**(-215.39)**	**(11,455.70)**	**(19,945.79)**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

₹ in million

Particulars	Gross Block							Depreciation/Amortisation					Net Block
	As at 1st April, 2019	Additions on Acquisition	Ind AS 116 Transition	Additions during the year	Deductions during the year	Translation Adjustment	As at 31st March, 2020	As at 1st April, 2019	For the year	Deductions during the year	Translation Adjustment	As at 31st March, 2020	As at 31st March, 2020
	(a)	(b)	(c)	(d)	(e)	(f)	(g) = (a+b+c+d-e+f)	(h)	(i)	(j)	(k)	(l) = (h+i-j+k)	(m) = (g-l)
B) INTANGIBLE ASSETS													
Technical know-how	282.64	-	-	-	-	14.31	296.95	166.56	78.25	-	11.15	255.96	40.99
	(290.46)	-	-	-	-	(-7.82)	(282.64)	(114.75)	(55.87)	-	(-4.06)	(166.56)	(116.08)
License	-	-	-	236.36	-	12.78	249.14	-	1.58	-	0.09	1.67	247.47
	-	-	-	-	-	-	-	-	-	-	-	-	-
Software	183.40	-	-	16.92	-	3.21	203.53	133.77	21.96	-	1.84	157.57	45.96
	(152.67)	(0.05)	-	(32.26)	-	(-1.58)	(183.40)	(102.19)	(32.39)	-	(-0.81)	(133.77)	(49.63)
Total - B	**466.04**	**-**	**-**	**253.28**	**-**	**30.30**	**749.62**	**300.33**	**101.79**	**-**	**13.08**	**415.20**	**334.42**
As at 31st March, 2019	**(443.13)**	**(0.05)**	**-**	**(32.26)**	**-**	**(-9.40)**	**(466.04)**	**(216.94)**	**(88.26)**	**-**	**(-4.87)**	**(300.33)**	**(165.71)**
Total - A+B	**31,867.53**	**-**	**2,224.30**	**5,814.65**	**455.92**	**1,129.15**	**40,579.71**	**11,756.03**	**4,142.83**	**262.65**	**504.86**	**16,141.07**	**24,438.64**
As at 31st March, 2019	**(25,398.99)**	**(864.35)**	**-**	**(6,772.94)**	**(623.20)**	**(-545.55)**	**(31,867.53)**	**(8,466.56)**	**(3,762.10)**	**(252.37)**	**(-220.26)**	**(11,756.03)**	**(20,111.50)**

ASSET HELD FOR SALE	As at 1st April, 2019	Addition during the year	Sale during the year	As at 31st March, 2020
Freehold land (Refer note 42(a))	33.37	-	33.37	-

Notes :

i) Freehold land includes land procured from Karnataka Industrial Areas Development Board (KIADB) on lease-cum-sale agreement. As per the terms of the agreement, land will be transferred in the name of the Company after expiry of ten years i.e. September 2020. Accordingly, the same is grouped under freehold land.

ii) Figures in brackets represent figures of previous year.

iii) Refer Notes 11.01 and 14.01 for details of security provided in respect of Non-current and current borrowings.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

4 NON CURRENT INVESTMENTS

₹ in million

Particulars		As at 31st March, 2020	As at 31st March, 2019
I.	Unquoted investments (all fully paid)*		
	Marathwada Auto Cluster	10.00	10.00
	[10,000 (Previous year 10,000) shares of face value ₹ 100 each]		
	Watsun Infrabuild Pvt Ltd (Refer note 26 e)	1.45	2.31
	[145,201 (Previous year 230,561) equity shares of face value ₹ 10 each]		
	National Savings Certificates	0.04	0.04
	(Lodged with Government authorities)		
	Investments in Government or trust securities	0.40	0.41
	Total unquoted investments	**11.89**	**12.76**
II.	Quoted investments*		
	Indian Overseas Bank	0.03	0.03
	[2,300 (Previous year 2,300) equity shares of face value ₹ 10 each]		
	Total quoted investments	0.03	0.03
Total		**11.92**	**12.79**
Aggregate book value of quoted investments		0.03	0.03
Aggregate market value of the quoted investments		0.03	0.03
Aggregate amount of unquoted investments		11.89	12.76

* Refer note 31 for determination of their fair value

4A CURRENT INVESTMENTS

₹ in million

Particulars			As at 31st March, 2020	As at 31st March, 2019
I.	Investments in mutual funds (unquoted)*			
	i)	ICICI Prudential - Savings Fund Direct Plan - Growth 446,974.67 units (previous year 446,974.67 units)	174.49	161.37
	ii)	Aditya Birla Sunlife Liquid Fund - Growth Direct Plan 621,753.13 units (previous year 621,753.13 units)	198.69	186.80
II.	Investments in short term funds (unquoted)*			
	i)	Insurance Premium Investments - Capitale Reale Platinum	335.55	-
	ii)	Corporate Cash Fund - Azimut Libera Impresa S.G.R. S.p.A.	194.71	-
	iii)	Lombarda Vita Twin Top Selection - UBI Banca	411.89	-
	iv)	Corporate Cash Plus / AZ RAIF - Azimut Libera Impresa S.G.R. S.p.A.	332.94	-
Total			**1,648.27**	**348.17**

* Refer note 31 for determination of their fair value

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

5 OTHER NON-CURRENT FINANCIAL ASSETS

(Unsecured, considered good unless otherwise stated)

₹ in million

Particulars	As at 31st March, 2020	As at 31st March, 2019
a) Security deposits	69.86	73.07
b) Sales tax receivable	1.38	21.42
c) Government incentive receivables	902.17	-
Total	**973.41**	**94.49**

5A LOANS

(Unsecured, considered good unless otherwise stated)

₹ in million

Particulars	As at 31st March, 2020	As at 31st March, 2019
Loans to employees	20.10	20.95
Total	**20.10**	**20.95**

5B OTHER CURRENT FINANCIAL ASSETS

(Unsecured, considered good unless otherwise stated)

₹ in million

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Interest accrued on deposits	0.45	0.08
(b) Receivable for sale of property, plant and equipment	7.37	25.90
(c) Foreign currency derivative assets	8.14	0.01
(d) Government incentives receivables	295.77	324.00
(e) Export incentive (MEIS, Duty drawback)	43.80	50.44
(f) Others	35.85	2.45
Total	**391.38**	**402.88**

6 OTHER NON-CURRENT ASSETS

(Unsecured, considered good unless otherwise stated)

₹ in million

Particulars	As at 31st March, 2020	As at 31st March, 2019
a) Capital advances	469.84	934.71
b) Prepayments	5.63	4.96
c) Lease prepayments (Refer note 2.30)	-	1,953.71
d) Income taxes paid in advance less provision	24.81	2.77
e) Income tax deposited under protest	73.74	60.39
f) Deposits under protest (Refer note 28)	20.85	20.85
Total	**594.87**	**2,977.39**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

6A CURRENT TAX ASSETS (NET)

₹ in million

Particulars	As at 31st March, 2020	As at 31st March, 2019
Current tax assets (net)	333.20	37.06
Total	**333.20**	**37.06**

6B OTHER CURRENT ASSETS

(Unsecured, considered good unless otherwise stated)

₹ in million

Particulars	As at 31st March, 2020	As at 31st March, 2019
a) Advances for supplies	331.90	443.55
b) Prepayments	112.20	117.90
c) Current portion of lease prepayments (Refer note 2.30)	-	25.11
d) Government grant related to subsidiary	-	1.61
e) Balance with government authorities	183.50	145.61
f) Others*	17.09	48.51
Total	**644.69**	**782.29**

*Includes amount of ₹ 1.30 million (previous year ₹ 2.50 million) paid to various regulatory authorities under protest. Also includes wind power receivables and other receivables.

7 INVENTORIES

(valued at lower of cost and net realisable value)

₹ in million

Particulars	As at 31st March, 2020	As at 31st March, 2019
a) Raw materials and components	1,165.05	1,173.68
b) Work-in-progress	1,767.47	1,840.24
c) Finished goods (other than those acquired for trading)	1,477.02	1,433.54
d) Stock-in-trade (acquired for trading)	32.70	31.87
e) Stores, spares and packing material	1,023.65	881.88
f) Loose tools and instruments	35.13	38.93
Total	**5,501.02**	**5,400.14**
Included above, Goods-in-transit in respect to		
i) Raw materials and components	153.35	195.84
ii) Finished goods (other than those acquired for trading)	316.90	430.88
Total	**470.25**	**626.72**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

8 TRADE RECEIVABLES

₹ in million

Particulars	As at 31st March, 2020	As at 31st March, 2019
Unsecured :		
i) Considered good	6,727.43	9,251.40
ii) Credit impaired	63.25	56.36
Less: Allowance for credit impaired	(63.25)	(56.36)
Total	**6,727.43**	**9,251.40**

Notes:

1. Trade receivables are dues in respect of goods sold or services rendered in the normal course of business.
2. The normal credit period allowed by the Group ranges from 30 to 60 days for customers in India and 30 to 120 days for overseas customers.

9 CASH AND CASH EQUIVALENTS

₹ in million

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Cash on hand	1.00	0.92
(b) Balances with banks:		
i) In current accounts	5,217.75	5,236.25
ii) In deposit accounts - with original maturity of less than three months	990.00	140.00
Total	**6,208.75**	**5,377.17**

9A OTHER BANK BALANCES

₹ in million

Particulars	As at 31st March, 2020	As at 31st March, 2019
Other bank balances (in earmarked accounts)		
(i) In current account for equity dividend	0.27	0.09
(ii) Balance held as margin money against letters of credit*	0.44	1.69
Total	**0.71**	**1.78**

* Represents margin money amounting to ₹ 0.44 million (Previous year ₹ 1.69 million) against various guarantees and letters of credit issued by bank on behalf of the Company. These deposits are not available for use by the Company as the same is in the nature of restricted cash.

10 SHARE CAPITAL

A Authorised, issued, subscribed and paid-up share capital

₹ in million

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	No. of shares	Amount	No. of shares	Amount
Authorised:				
Equity shares of ₹ 10 each	165,000,000	1,650.00	165,000,000	1,650.00
(Previous year ₹ 10 each)				
Total	**165,000,000**	**1,650.00**	**165,000,000**	**1,650.00**
Issued, subscribed and fully paid up:				
Equity shares of ₹ 10 each	140,662,848	1,406.63	140,662,848	1,406.63
(Previous year ₹ 10 each)				
Total	**140,662,848**	**1,406.63**	**140,662,848**	**1,406.63**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

B Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

₹ in million

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	No. of shares	Amount	No. of shares	Amount
No of shares outstanding at the beginning of the year				
- Equity shares	140,662,848	1,406.63	140,662,848	1,406.63
No of shares outstanding at the end of the year	**140,662,848**	**1,406.63**	**140,662,848**	**1,406.63**

C Notes

i) Details of shares held by each shareholder holding more than 5% shares in the Company are as follows:

₹ in million

Particulars	No. of shares as at 31st March, 2020	%	No. of shares as at 31st March, 2019	%
Equity shares:				
1 Mr. Anurang Jain	43,396,976	30.85	43,396,976	30.85
2 Mr. Anurang Jain[1]	28,300,000	20.12	28,300,000	20.12
3 Mrs. Suman Jain[2]	16,890,000	12.01	16,890,000	12.01
4 Mr. Naresh Chandra[3]	16,910,000	12.02	16,910,000	12.02

1 Held by Mr. Anurang Jain in his capacity as the family trustee of the Anurang Rohan Trust ("Anurang Rohan Trust"). The Anurang Rohan Trust is a private family trust, settled by Mr. Anurang Jain, pursuant to a deed of settlement dated 11th June, 2016 as amended by a deed of amendment dated 23rd June, 2016 (the "Anurang Rohan Trust Deed"). The trustees of the Anurang Rohan Trust are Mr. Anurang Jain and Mrs. Varsha Jain, as the family trustees, and Kotak Mahindra Trusteeship Services Limited, as the managing trustee. Pursuant to the Anurang Rohan Trust Deed, Mr. Anurang Jain shall, as long as he is acting as the family trustee, exclusively exercise voting rights in respect of these Equity Shares.

2 Held by Mrs. Suman Jain in her capacity as the family trustee of NC Trust ("NC Trust"). The NC Trust is a private family trust settled by Mr. Naresh Chandra, pursuant to a deed of settlement dated 15th June, 2016 (the "NC Trust Deed"). The trustees of the NC Trust are Mrs. Suman Jain, as the family trustee, and Kotak Mahindra Trusteeship Services Limited, as the managing trustee. Pursuant to the NC Trust Deed, Mrs. Suman Jain shall, as long as she is acting as the family trustee, exclusively exercise voting rights in respect of these Equity Shares.

3 Held by Mr. Naresh Chandra in his capacity as the family trustee of Anurang Rhea Trust ("Anurang Rhea Trust"). The Anurang Rhea Trust is a private family trust settled by Mrs. Suman Jain, pursuant to a deed of settlement dated 15th June, 2016 (the "Anurang Rhea Trust Deed"). The trustees of the Anurang Rhea Trust are Mr. Naresh Chandra, as the family trustee, and Kotak Mahindra Trusteeship Services Limited, as the managing trustee. Pursuant to the Anurang Rhea Trust Deed, Mr. Naresh Chandra shall, as long as he is acting as the family trustee, exclusively exercise voting rights in respect of these Equity Shares.

ii) The Company has only one class of equity shares. Each holder of equity share is entitled to one vote per share held. In the event of liquidation of the Company, the holder of the equity share will be entitled to receive remaining assets after deducting all its liabilities in proportion to the number of equity shares held.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

10A OTHER EQUITY

₹ in million

	Particulars	As at 31st March, 2020	As at 31st March, 2019
(a)	Securities premium (refer note (i) below)		
	Balance at the beginning and end of the year	160.40	160.40
(b)	Capital reserve (Refer note (ii) below)		
	Balance at the beginning and end of the year	209.32	209.32
(c)	Foreign currency translation reserve (Refer note (iii) below)		
	Balance at the beginning of the year	641.96	966.67
	Add : Exchange differences arising on translating the foreign operation	659.02	(324.71)
	Balance at the end of the year	1,300.98	641.96
(d)	General reserve (Refer note (iv) below)		
	Balance at the beginning and end of the year	1,193.98	1,193.98
(e)	Retained earnings		
	Balance at the beginning of the year	22,034.50	17,791.53
	Profit for the year	5,655.34	4,950.06
	Remeasurements of defined benefit plans, net of tax	(35.37)	(28.79)
	Dividend including interim dividend (Refer note 38)	(1,547.29)	(562.65)
	Tax on dividend	(318.05)	(115.65)
	Balance at the end of the year	25,789.13	22,034.50
	Total	**28,653.81**	**24,240.16**

(i) Securities premium: Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

(ii) Capital reserve: The Group recognises profit or loss on purchase, sale, issue or cancellation of the Group's own equity instruments to capital reserve.

(iii) Foreign currency translation reserve: Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

(iv) General Reserve: General reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations under the erstwhile Companies Act, 1956. Consequent to introduction of Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn.

11 NON CURRENT BORROWINGS (REFER NOTE 11.01 AND 11.02)

₹ in million

Particulars	As at 31st March, 2020	As at 31st March, 2019
Measured at amortised cost		0.41
A. Secured borrowings		
Term loans:		
From banks	843.83	676.18
Total A	843.83	676.18
B. Unsecured borrowings		
a) Term loans:		
From banks	2,747.37	2,471.63
b) Other loans		
(i) Deferred sales tax loan	13.37	29.78
(ii) Right-of-use lease liability (Refer note 34)	416.29	286.42
Total B	3,177.03	2,787.83
Total A+B	**4,020.86**	**3,464.01**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

11.01 Details of security and interest rates in respect of non-current borrowings

Secured loans from bank taken by foreign subsidiaries is secured by first legal charge on certain property, plant and equipment. The interest rate on both secured and unsecured loans ranges from Euribor 3 months to Euribor 6 months with spread ranging from 0.50% to 1.75% (previous year 0.75% to 1.75%).

11.02 Maturity profile

₹ in million

Particulars	Term loan from banks	Deferred sales tax loan	Right of use lease liability	Total
Current maturities				
2020-21	1,809.75	16.41	187.52	2,013.68
Non-current maturities				
2021-22	1,483.08	10.06	209.93	1,703.07
2022-23	1,300.38	3.31	99.94	1,403.63
2023-24	597.74	-	54.07	651.81
2024-25	73.56	-	41.30	114.86
2025-26 to 2027-28	136.44	-	11.05	147.49
Total	**3,591.20**	**13.37**	**416.29**	**4,020.86**

12 OTHER NON CURRENT FINANCIAL LIABILITIES

₹ in million

Particulars		As at 31st March, 2020	As at 31st March, 2019
a)	Security deposits received from dealers	28.68	33.54
b)	Retention money payable	78.85	13.22
c)	Deferred government grants	10.68	37.48
Total		**118.21**	**84.24**

12A Other current financial liabilities

₹ in million

Particulars		As at 31st March, 2020	As at 31st March, 2019
a)	Current maturities of long-term borrowings (Refer note 11.02)	1,826.16	1,599.65
b)	Current maturities of right-of-use lease liability (Refer note 11.02 and note 34)	187.52	121.36
c)	Interest accrued but not due on borrowings	2.76	3.32
d)	Interest accrued and due on borrowings	3.98	1.72
e)	Foreign currency derivative liabilities	8.46	32.91
f)	Payables on purchase of property, plant and equipment	591.41	1,099.40
g)	Deferred government grants	22.90	25.11
h)	Unpaid equity dividend	0.27	0.09
Total		**2,643.46**	**2,883.56**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

13 NON-CURRENT PROVISIONS

₹ in million

Particulars		As at 31st March, 2020	As at 31st March, 2019
a)	Provision for employee benefits		
	i) Provision for gratuity (Refer note 30)	137.49	43.44
	ii) Provision for employee severance indemnity (Refer note 30)	207.99	208.15
	iii) Provision for employee separation cost	0.65	0.61
b)	Provision for others		
	i) Provision for warranty (Refer note 13.01)	314.73	294.44
	ii) Provision for Litigations #	115.83	114.45
Total		**776.69**	**661.09**

Relates to provision created for litigations in overseas subsidiaries.

13A Current provisions

₹ in million

Particulars		As at 31st March, 2020	As at 31st March, 2019
(a)	Provision for employee benefits:		
	i) Provision for compensated absences	143.42	116.74
	ii) Provision for gratuity (Refer note 30)	94.55	86.60
(b)	Provision for others:		
	Provision for warranty (Refer note 13.01)	96.08	85.83
Total		**334.05**	**289.17**

13.01 Details of warranty provision (Refer note 13 (b) and 13A (b))

₹ in million

Particulars	As at 31st March, 2020	As at 31st March, 2019
Carrying amount as at 1st April, 2019	380.27	59.78
Provision made during the year	71.52	45.50
Provision acquired during the year	-	313.96
Discounting/unwinding effect	(0.44)	(0.21)
Amount paid/utilised during the year	(62.16)	(38.76)
Exchange variation	21.62	-
Carrying amount as at 31st March, 2020	410.81	380.27

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

14 CURRENT BORROWINGS

₹ in million

Particulars	As at 31st March, 2020	As at 31st March, 2019
Measured at amortised cost		
A. Secured Borrowings (Refer note 14.01 and 14.02)		
a) Cash credit / working capital demand loans	500.00	800.00
Total secured borrowings (A)	500.00	800.00
B. Unsecured borrowings (Refer note 14.02)		
a) From bank		
- Short Term Loan	961.00	1,320.00
Total unsecured borrowings (B)	961.00	1,320.00
Total (A+B)	**1,461.00**	**2,120.00**

14.01 Details of security provided in respect of current borrowings in holding company

Fund based secured working capital facilities outstanding from a consortium member bank as on 31st March, 2020 is ₹ 500 million [Previous year ₹ 800 million]. The total working capital facilities sanctioned by the consortium member banks are secured by:

a) first pari passu charge on, both present and/or future, current assets including inventory and receivables,

b) second pari passu charge on, both present and/or future, movable property, plant and equipment located at identified premises of the Company.

c) second pari passu charge (subject to charge in favour of term lenders) on identified immovable properties of the Company.

14.02 Details of interest rates for current borrowings

Short term foreign currency loans availed during FY 2019-20 carries interest rate linked to LIBOR rates with mutually agreed spread [effective interest rate ranges between 2.36% p.a. to 3.08% p.a.(previous year 0.60% p.a. to 3.11% p.a)]. Similarly, short term rupee denominated borrowings carry interest cost linked to MCLR with mutually agreed spread [effective interest rate ranges from 4.90% p.a. to 12.15% p.a. (previous year 5.30% p.a. to 10.10% p.a.)].

15 TRADE PAYABLES

₹ in million

Particulars	As at 31st March, 2020	As at 31st March, 2019
Trade payables for goods and services		
i) Total outstanding dues of micro and small enterprises	545.74	667.90
ii) Total outstanding dues of other than micro and small enterprises (other than acceptances)	10,116.53	11,066.71
Total	**10,662.27**	**11,734.61**

16 OTHER CURRENT LIABILITIES

₹ in million

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Advances received from customers	139.20	121.71
(b) Income received in advance	4.76	7.11
(c) EPCG deferred payables	9.59	15.39
(d) Statutory remittances (contribution to PF, ESIC, Withholding taxes, Goods and Service tax etc.)	355.23	582.26
Total	**508.78**	**726.47**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

17 CURRENT TAX LIABILITIES (NET)

₹ in million

Particulars	As at 31st March, 2020	As at 31st March, 2019
Provision for tax (net of advance taxes and taxes deducted at source)	34.61	89.15
Total	**34.61**	**89.15**

17A Deferred tax assets/(liabilities)

₹ in million

Particulars	As at 31st March, 2020	As at 31st March, 2019
Deferred tax liabilities		
On account of temporary differences in		
Property, plant and equipment and intangible assets	(177.00)	(306.13)
Sale and lease back	-	(4.23)
Fair valuation of current investments	(22.32)	(22.25)
Reversal of Provision for doubtful debts	(0.21)	(1.00)
Others	(12.35)	(1.43)
Total	**(211.88)**	**(335.04)**
Deferred tax assets		
On account of temporary differences in		
Property, plant and equipment and intangible assets	86.70	22.39
Provision for employee benefits	94.50	86.23
Provision for doubtful debts	0.32	0.45
Provision for risk and charges	218.65	211.52
Expenses disallowed	31.54	72.16
Tax losses	8.69	33.79
Long term capital losses	-	14.86
Others	13.55	43.62
Total	**453.95**	**485.02**
Net deferred tax assets/(liabilities)	**242.07**	**149.98**
Disclosed as		
Deferred tax liabilities	**78.70**	**161.34**
Deferred tax assets	**320.77**	**311.32**

NOTE 18 REVENUE FROM OPERATIONS (REFER NOTE 18.01 BELOW)

₹ in million

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Revenue from contracts with customers	67,753.93	74,110.63
Other operating revenue	1,423.14	994.36
Total	**69,177.07**	**75,104.99**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

18.01 Details of revenue from contracts with customers and other operating revenue

₹ in million

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Revenue from contracts with customers		
Goods transferred at a point in time		
Sale of manufactured goods		
Shock absorbers	18,737.99	19,065.35
Disc brake assembly (including rotary disc)	4,983.04	4,042.00
Aluminium die casting parts	31,188.57	36,357.68
Alloy wheels	3,320.57	3,651.71
Clutch and clutch parts	4,448.53	4,608.64
Others	4,337.69	5,960.93
Total - (A)	**67,016.39**	**73,686.31**
Sale of traded goods		
Components and spares	426.53	343.40
Total - (B)	**426.53**	**343.40**
Total - (A+B)	**67,442.92**	**74,029.71**
Services transferred over time		
Job work receipts	311.01	80.92
Revenue from Contracts with customers	**67,753.93**	**74,110.63**
Other operating revenue comprises;		
Scrap sales	292.37	333.52
Wind power generation	8.73	12.11
Export incentives	95.86	122.83
Government incentives	1,026.18	525.90
Total	**1,423.14**	**994.36**

18.02 Revenue from contracts with customers

₹ in million

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
India	46,034.33	50,662.89
Outside India	21,719.60	23,447.74
	67,753.93	**74,110.63**

18.03 Reconciliation of amount of revenue recognised in the statement of profit and loss with the contracted price

₹ in million

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Revenue as per contracted price	**68,078.39**	**74,434.50**
Adjustments:		
Discounts	324.46	323.87
Revenue from contracts with customers	**67,753.93**	**74,110.63**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

19 OTHER INCOME

₹ in million

Particulars		For the year ended 31st March, 2020	For the year ended 31st March, 2019
(a)	Interest income		
	i) Bank deposits	2.96	2.39
	ii) Income tax refund	-	8.14
	iii) Others	5.86	4.73
(b)	Other non operating income		
	i) Excess provision/creditors' balances written back	16.82	25.35
	ii) Income from current investments	55.65	46.89
	iii) Income from insurance policy maturity	88.88	-
	iv) Profit on sale of property, plant and equipment (net)	112.86	47.13
	v) Miscellaneous income	138.12	132.97
(c)	Net gain on foreign currency transactions	54.82	2.86
	(other than considered as finance cost)		
	Total	**475.97**	**270.46**

20A COST OF MATERIALS CONSUMED

₹ in million

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Opening stock (including goods in transit)	1,173.68	1,020.32
Add: Purchases	37,125.53	43,602.49
	38,299.21	**44,622.81**
Less: Closing stock (including goods in transit)	1,165.05	1,173.68
Cost of materials consumed	37,134.16	43,449.13
Cost of materials capitalised	(88.95)	(170.72)
Total	**37,045.21**	**43,278.41**

20B PURCHASES OF STOCK-IN-TRADE (TRADED GOODS)

₹ in million

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Components and spares	278.40	230.84
Total	**278.40**	**230.84**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

20C CHANGES IN STOCK OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

₹ in million

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Inventories at the end of the period:		
Finished goods	(1,477.02)	(1,433.54)
Work-in-progress	(1,767.47)	(1,840.24)
Stock-in-trade	(32.70)	(31.87)
	(3,277.19)	**(3,305.65)**
Inventories at the beginning of the period:		
Finished goods	1,433.54	1,607.03
Work-in-progress	1,840.24	1,666.02
Stock-in-trade	31.87	17.89
	3,305.65	**3,290.94**
Net (increase) / decrease	**28.47**	**(14.71)**

21 EMPLOYEE BENEFITS EXPENSE

₹ in million

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Salary, wages and bonus	5,599.28	5,405.32
Contribution to provident and other funds (Refer note 30)	295.47	300.65
Staff welfare expenses	878.50	822.04
Expenses capitalised	-	(0.57)
Total	**6,773.25**	**6,527.44**

22 FINANCE COSTS

₹ in million

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
(a) Interest expenses on		
i) Fixed period term loans	48.74	63.62
ii) Others	64.92	107.77
(b) Other borrowing costs		
i) Discounting charges on commercial paper	55.77	61.91
ii) Bank charges	5.96	8.51
(c) Exchange difference regarded as an adjustment to borrowing cost	-	15.51
Total	**175.39**	**257.32**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

23 OTHER EXPENSES

₹ in million

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Stores and spares consumed	1,457.72	1,618.30
Packing material consumed	504.57	558.24
Tools and instruments consumed	202.83	222.81
Processing charges	3,041.22	2,578.30
Labour charges	1,504.49	1,453.95
Power, water and fuel	2,857.19	2,865.32
Rent	173.74	296.53
Repairs and maintenance:		
Plant and machinery	1,198.98	1,218.23
Building	43.31	68.30
General	237.55	249.44
Insurance	128.69	116.16
Rates and taxes	28.21	19.12
Travelling and conveyance	286.32	330.32
Freight	897.65	863.47
Advertisement	25.85	6.17
Donation	-	3.10
Payment to auditors (Refer note 23.01)	9.22	7.40
Payment to auditors of subsidiaries	13.45	12.18
Directors fees and travelling expenses	29.93	32.72
Allowance for doubtful debts	2.94	11.05
Bad debts written off	1.04	2.11
Warranty claims	203.11	495.82
Expenditure on corporate social responsibility	137.12	68.00
Miscellaneous expenses	841.47	817.41
Total	**13,826.60**	**13,914.45**
Expenses capitalised	(82.57)	(119.20)
Total	**13,744.03**	**13,795.25**

23.01 Payment to auditors

₹ in million

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
As auditor		
Audit fee	7.15	6.45
Expenses reimbursed	1.12	0.65
In other capacity		
Other services (certification fees)	0.95	0.30
Total	**9.22**	**7.40**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

24 TAXES

Income tax expense

(i) Statement of Profit and Loss Section

₹ in million

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
(a) Current Tax expenses [Short/(excess) provision for tax relating to prior period ₹ (12.77) million, 31st March, 2019 ₹ 8.16 million]	1,870.30	2,347.55
(b) Deferred tax charge	(60.18)	33.19
Total	**1,810.12**	**2,380.74**

(ii) Other Comprehensive Income (OCI) Section

₹ in million

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
(a) Net gain / (loss) on remeasurement of defined benefit plan	(46.86)	(43.44)
(b) Income tax charged to OCI on remeasurement of defined benefit plan	11.49	14.65

(iii) Reconciliation of effective tax rate

₹ in million

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
(a) Accounting profit before income tax	7,465.46	7,330.80
(b) Enacted tax rate in India	25.17%	34.94%
(c) Computed tax expense	1,878.91	2,561.67
(d) Reconciliation items		
R&D expenses - revenue	-	(182.89)
R&D expenses - capital	-	(54.93)
Investment allowance reversal	6.45	3.81
(Short)/excess payment of post employment benefits	-	(59.60)
CSR expenditure and donation	43.56	35.55
Gain to be set off against carried forward losses	(73.84)	(40.97)
Expenses disallowances	(348.97)	179.26
Others	94.47	43.84
Lease written off	25.28	22.80
(e) Net adjustment	**(253.05)**	**(53.13)**
(f) Tax expense/ (saving) on net adjustment (e*b)	(63.69)	(18.57)
(g) Difference in overseas tax rates	40.65	(155.66)
(h) Current tax expenses recognised in Statement of Profit and Loss (c+f+g)	**1,855.87**	**2,387.44**
(i) Short/(excess) provision for tax relating to prior years	(12.77)	8.16
(j) Effect of change in income tax rate	(47.84)	-
(k) Deferred tax asset created on long term capital losses	14.86	(14.86)
(l) **Net current tax expenses recognised in Statement of Profit and Loss (h+i+j+k)**	**1,810.12**	**2,380.74**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

(iv) Details of carry forward losses on which no deferred tax asset is recognised by the Company is as follows:

Capital loss in Holding Company can be carried forward for a period of 8 years from the year in which such loss arose. The capital loss will expire till Assessment Year 2021-22.

₹ in million

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
(a) Long term capital loss	139.54	219.84
(b) Short term capital loss	2.87	22.87
Total	**142.41**	**242.71**

25 DISCLOSURE OF GOODWILL

₹ in million

Particulars	As at 31st March, 2020	As at 31st March, 2019
Opening balance	1,519.80	1,577.23
Add: Impact of foreign currency translation	104.59	(57.43)
Closing balance	**1,624.39**	**1,519.80**

26 a. Endurance Amann GmbH, Germany

The total investment of the Company in Endurance Amann GmbH, Germany (a wholly owned subsidiary of the Company) as on 31st March, 2020 amounts to Euro 30.93 million (₹ 1,930.62 million) [previous year Euro 30.93 million (₹ 1,930.62 million)].

The equity of Endurance Amann GmbH amounting to Euro 3.25 million is represented by stock. Euro 0.2 million is held by Endurance Amann GmbH as treasury shares.

b. Endurance Overseas Srl, Italy (EOSrl)

The total investment of the Company in EOSrl as at 31st March, 2020 amounts to Euro 25.83 million (₹ 1,706.99 million) [previous year Euro 25.83 million (₹ 1,706.99 million)].

c. Acquisition of Endurance Casting SpA

During the previous year, effective 7th January, 2019, the Group – through its subsidiary Endurance Overseas Srl., Italy (EOSrl), acquired 100% of the voting shares of Fonpresmetal GAP SpA., a non-listed aluminium die casting company based in Italy. Fonpresmetal had been a supplier for highly complex aluminium die casting parts to Endurance SpA. The acquisition of Fonpresmetal has augmented casting capacity of the Group and is expected to further strengthen the backward integration initiatives. Upon acquisition, the name of Fonpresmetal has been changed to Endurance Castings SpA.

The said acquisition has been completed for a consideration of Euro 8.18 million (₹ 635.78 million) (including direct ancillary costs).

Assets acquired and liabilities assumed

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

The fair values of the identifiable assets and liabilities of Endurance Castings SpA. as at the date of acquisition were:

₹ in million

	Amount
Assets	
Property, plant and equipment	829.70
Intangible assets	0.05
Financial assets	1.81
Deferred tax assets	75.05
Cash and cash equivalents	292.79
Trade receivables	501.97
Inventories	361.11
Other non-current / current assets	44.30
Total - (A)	**2,106.78**
Liabilities	
Borrowings	111.07
Provisions	318.16
Trade payables	853.04
Other financial liabilities	44.14
Other current liabilities	144.59
Total - (B)	**1,471.00**
Total identifiable net assets at fair value (A-B)	**635.78**
Goodwill arising on acquisition	-
Purchase consideration transferred	**635.78**

Purchase consideration

₹ in million

	Amount
Cash and cash equivalents	635.78
Total consideration	**635.78**

Analysis of cash flows on acquisition

₹ in million

	Amount
Transaction costs of the acquisition	(635.78)
Net cash acquired with the subsidiary	292.79
Net cash flow on acquisition	(342.99)

d. During the previous year, effective 1st January, 2019, Endurance Fondalmec SpA, merged into Endurance FOA SpA, the wholly owned subsidiaries of Endurance Overseas Srl, and step down subsidiaries of the Company in Italy. Upon merger name of Endurance FOA SpA has changed to Endurance SpA. This merger is aimed at simplification of the corporate structure and deriving synergies from consolidated operations.

e. During the year, the Company has sold 85,360 shares of face value ₹ 10 each of Watsun Infrabuild Pvt Ltd. The investment as at 31st March, 2020 now stands at ₹ 1.45 million (Previous year ₹ 2.31 million).

27 CONSOLIDATED SEGMENT INFORMATION

Information reported to the Chief Operating Decision Maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Group is in the business of manufacture and sale of automobile components, which in the context of Ind AS - 108, "Operating Segments" represents a single reportable business segment. The accounting policies of the reportable segments are the same as the accounting policies disclosed in Note 2. The revenue, total expenses and net profit as per the consolidated Statement of Profit and Loss represents the revenue, total expenses and the net profit of the sole reportable segment.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

Geographical information

The Group's revenue from operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below:

Revenue from Operations

₹ in million

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
India	47,218.44	51,423.20
Outside India	21,958.63	23,681.79
Total	**69,177.07**	**75,104.99**

Non current Assets*

₹ in million

Particulars	As at 31st March, 2020	As at 31st March, 2019
India	15,607.13	14,756.57
Outside India	12,310.30	11,030.05
Total	**27,917.43**	**25,786.62**

* Financial assets and deferred tax assets are excluded.

28 CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR)

₹ in million

	Particulars	As at 31st March, 2020	As at 31st March, 2019
i)	Excise matters[1]	71.97	78.84
ii)	Service tax matters[1]	2.82	2.82
iii)	Sales tax (VAT and CST) matters[1]	46.15	47.87
iv)	Income tax matters[1]	557.85	535.43
v)	Employees related matters[1]	0.80	0.80
vi)	Environment pollution control matters[2]	20.85	20.85

1 Future cash outflows, if any, in respect of these matters are determinable only on receipt of judgments / decisions pending at various stages before the appellate authorities.

2 Hon'ble National Green Tribunal (NGT) in the prior years, had directed the Company to deposit ₹ 100 million based on the initial report of M.S. University, Baroda for alleged inappropriate discharge of industrial effluents. Based upon Maharashtra Pollution Control Board's (MPCB) claim submission, the NGT vide its order dated 8th July, 2016 instructed MPCB to refund ₹ 70 million against the deposit given, which was duly received by the Company on 28th July, 2016. MPCB submitted a revised claim based on which the Hon'ble NGT vide its order dated 30th January, 2018 instructed MPCB to refund an additional amount of ₹ 9.15 million against the deposit. Accordingly, the Company received ₹ 9.15 million on 31st March, 2018.

There are numerous interpretative issues relating to the Supreme Court judgement on provident fund dated 28th February, 2019. As a matter of caution, the Company has implemented the change on a prospective basis.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

29 COMMITMENTS

₹ in million

Particulars		As at 31st March, 2020	As at 31st March, 2019
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
	- Tangible assets	1,212.93	2,622.19
(ii)	Other commitment		
	- Aluminium alloy	1,302.03	1,174.81
Total		**2,514.96**	**3,797.00**

30 In conformity with the principles set out in the Indian Accounting Standard (Ind AS) 19 Employee Benefits, details for defined contribution and benefit plans are given below:

(a) Defined contribution plan:

₹ in million

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Employers contribution to provident fund/pension fund	141.41	123.84
Employers contribution to superannuation fund	15.96	14.28
Employers contribution to ESIC	2.96	6.23
Employers contribution to Labour welfare fund	0.19	0.23
Total	**160.52**	**144.58**

Note : Above contributions are included in the contribution to provident and other funds reported in note 21.

b) Defined benefit plan:

The defined benefit plan comprises gratuity (included in contribution to provident and other funds in note 21). The present value of the obligation under such defined benefit plan is determined based on an actuarial valuation as at the reporting date using the Projected Unit Credit Method. The present value of accrued gratuity is provided in the books after reducing the fund value with Life Insurance Corporation of India.

c) Employees severance indemnity:

The actuarial valuation of Retirement Indemnity fund is made according to the "accrued benefit" methodology by means of the Projected Unit Credit Method. Such methodology is substantiated by evaluations accounting for current average value of pension bonds accrued on the basis of the worker's service until the time when that evaluation is made.

d) Reconciliation of benefit obligation:

₹ in million

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Foreign	Domestic	Foreign	Domestic
	Employees Severance Indemnity	Gratuity	Employees Severance Indemnity	Gratuity
Liability at the beginning of the year	208.15	509.12	174.94	432.82
Acquisition Adjustment	-	-	25.50	-
Interest cost	1.84	36.75	2.28	31.59
Current service cost	18.15	47.03	18.19	41.85
Benefit paid*	(22.54)	*(38.32)	(12.28)	*(32.85)
Remeasurement (gain) / loss on obligations	(11.19)	58.18	7.49	35.71
Exchange variation	13.58	-	(7.97)	-
Liability at the end of the year	207.99	612.76	208.15	509.12

*Include amounts directly paid by the Company.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

e) Reconciliation of fair value of plan assets:

₹ in million

Particulars	As at 31st March, 2020	As at 31st March, 2019
	Domestic	Domestic
Fair value of plan assets at the beginning of the year	379.08	375.63
Interest income	27.47	28.14
Contributions	-	10.22
Benefits paid	(25.97)	(34.67)
Return on plan assets - gain / (loss)	0.13	(0.24)
Fair value of plan assets at the end of the year	380.71	379.08
Actual return on plan assets	27.60	27.90

f) Amount to be recognised in Balance Sheet:

₹ in million

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Foreign	Domestic	Foreign	Domestic
	Employees Severance Indemnity	Gratuity	Employees Severance Indemnity	Gratuity
Liability at the end of the year	207.99	612.76	208.15	509.12
Fair value of plan assets at the end of the year	-	380.71	-	379.08
Amount to be recognised in the balance sheet - Net liability	207.99	232.05	208.15	130.04

g) Expenses recognised in the Statement of Profit and Loss under the head employee benefits expense:

₹ in million

Particulars	For the year ended 31st March, 2020		For the year ended 31st March, 2019	
	Foreign	Domestic	Foreign	Domestic
Current service cost	18.15	47.03	18.19	41.85
Interest cost	1.84	9.28	2.28	3.44
Settlement gain/loss	-	-	-	4.09
Expenses recognised in Statement of Profit and Loss	19.99	56.31	20.47	49.38

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

i) Remeasurement for the year

₹ in million

Particulars	For the year ended 31st March, 2020		For the year ended 31st March, 2019	
	Foreign	Domestic	Foreign	Domestic
Experience (gain)/ loss on plan liabilities	(11.19)	17.03	7.49	35.74
Demographic (gain)/ loss on plan liabilities	-	-	-	(0.03)
Financial (gain)/ loss on plan liabilities	-	41.15	-	-
Experience (gain)/ loss on plan assets	-	(0.14)	-	2.12
Financial (gain)/ loss on plan assets	-	-	-	(1.88)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

j) Amount recognised in statement of other comprehensive income (OCI)

₹ in million

Particulars	For the year ended 31st March, 2020		For the year ended 31st March, 2019	
	Foreign	Domestic	Foreign	Domestic
Opening amount recognised in OCI	9.38	64.51	1.89	28.56
Remeasurement for the year - obligation (gain)/ loss	(11.19)	58.18	7.49	35.71
Remeasurement for the year - plan assets (gain)/ loss	-	(0.13)	-	0.24
Total remeasurements cost / (credit) for the year recognised in OCI	(11.19)	58.05	7.49	35.95
Closing amount recognised in OCI	(1.81)	122.56	9.38	64.51

k) Principal actuarial assumptions:

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Foreign	Domestic	Foreign	Domestic
	Employees Severance Indemnity	Gratuity	Employees Severance Indemnity	Gratuity
Discount rate	1.37%	6.20%	0.84%	7.50%
Rate of return on plan assets	-	7.50%	-	7.50%
Salary escalation for the next year	1.00%	0.00%	1.00%	6.00%
Salary escalation after next year	1.00%	7.00%	1.00%	6.00%
Withdrawal rate	4.00%	8.00%	4.00%	8.00%

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

ii) Salary escalation rate is the estimates of future salary increases considered taking into the account the inflation, seniority, promotion and other relevant factors.

iii) Withdrawal rate is employee's turnover rate based on the Company's past and expected employee turnover.

iv) Disclosure related to indication of effect of the defined benefit plan on the entity's future cash flows:

Expected benefit payments of gratuity for the years ending, assessed on 31st March, 2020

₹ in million

Years ending	As at 31st March, 2020
31st March, 2021	94.55
31st March, 2022	55.29
31st March, 2023	63.81
31st March, 2024	74.76
31st March, 2025	76.86
31st March, 2026 to 31st March, 2030	441.57

(v) Weighted Average duration of defined benefit obligation in form of gratuity: 11 years

(vi) Sensitivity analysis:

Sensitivity analysis indicates the influence of a reasonable change in principal assumptions, while keeping other things constant, on the outcome of the present value of Defined Benefit Obligation. In reality, the plan is subject to multiple external experience items which may move the Defined Benefit Obligation in similar or opposite directions, while the Plan's sensitivity to such changes can vary over time.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

A quantitative sensitivity analysis for significant assumption as at 31st March, 2020 is as shown below:

₹ in million

A. Effect of 1 % change in the assumed discount rate	**1% Increase**		**1% Decrease**	
	31st March, 2020	**31st March, 2019**	**31st March, 2020**	**31st March, 2019**
Defined Benefit Obligation (Domestic)	573.21	478.59	657.50	543.41

B. Effect of 1 % change in the assumed salary escalation rate	**1% Increase**		**1% Decrease**	
	31st March, 2020	**31st March, 2019**	**31st March, 2020**	**31st March, 2019**
Defined Benefit Obligation (Domestic)	651.41	538.83	583.28	482.12

C. Effect of 1 % change in the assumed withdrawal rate	**1% Increase**		**1% Decrease**	
	31st March, 2020	**31st March, 2019**	**31st March, 2020**	**31st March, 2019**
1. Defined Benefit Obligation (Domestic)	611.24	511.40	614.43	506.58
2. Defined Benefit Obligation (Foreign)	205.96	203.58	207.62	206.69

D. Effect of 0.25 % change in the assumed discount rate	**0.25% Increase**		**0.25% Decrease**	
	31st March, 2020	**31st March, 2019**	**31st March, 2020**	**31st March, 2019**
Defined Benefit Obligation (Foreign)	202.64	200.47	210.95	209.80

E. Effect of 0.25 % change in the assumed salary escalation rate	**0.25% Increase**		**0.25% Decrease**	
	31st March, 2020	**31st March, 2019**	**31st March, 2020**	**31st March, 2019**
Defined Benefit Obligation (Foreign)	210.12	208.24	203.47	202.03

31 Fair Value measurements:

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financials instruments.

₹ in million

Particulars		**Carrying amount**		**Fair value**	
		As at 31st March, 2020	**As at 31st March, 2019**	**As at 31st March, 2020**	**As at 31st March, 2019**
FINANCIAL ASSETS					
Financial assets measured at amortised cost					
(a)	Security deposits	69.86	73.07	69.86	73.07
(b)	Other non current investments	11.89	12.76	11.89	12.76
(c)	Trade receivables	6,727.43	9,251.40	6,727.43	9,251.40
(d)	Loans to employees	20.10	20.95	20.10	20.95
(e)	Interest accrued on deposits	0.45	0.08	0.45	0.08
(f)	Receivables for sale of property, plant and equipment	7.37	25.90	7.37	25.90
(g)	Cash in hand	1.00	0.92	1.00	0.92
(h)	Balance with banks in current account	6,208.02	5,376.34	6,208.02	5,376.34
(i)	Balance held as margin money against borrowings	0.44	1.69	0.44	1.69
(j)	Government incentives receivable	1,197.94	324.00	1,197.94	324.00
(k)	Other financial assets	81.03	74.32	81.03	74.32

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

₹ in million

Particulars	Carrying amount		Fair value	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Financial assets measured at fair value through Statement of Profit and Loss				
(a) Current investments	1,648.27	348.17	1,648.27	348.17
(b) Non current investments quoted	0.03	0.03	0.03	0.03
(c) Foreign currency derivative assets	8.14	0.01	8.14	0.01
FINANCIAL LIABILITIES				
Financial liabilities measured at amortised cost				
(a) Non current borrowings	4,020.86	3,464.01	4,020.86	3,464.01
(b) Current borrowings	1,461.00	2,120.00	1,461.00	2,120.00
(c) Security deposits received from dealers	28.68	33.54	28.68	33.54
(d) Retention money	78.85	13.22	78.85	13.22
(e) Current maturities of long-term borrowings	2,013.68	1,721.01	2,013.68	1,721.01
(f) Interest accrued but not due on borrowings	2.76	3.32	2.76	3.32
(g) Interest accrued and due on borrowings	3.98	1.72	3.98	1.72
(h) Deferred government grants	33.58	62.59	33.58	62.59
(i) Payables on purchase of property, plant and equipment	591.41	1,099.40	591.41	1,099.40
(j) Trade payables	10,662.27	11,734.61	10,662.27	11,734.61
(k) Unpaid equity dividend	0.27	0.09	0.27	0.09
Financial liabilities measured at fair value through Statement of Profit and Loss				
(a) Foreign currency derivative liabilities	8.46	32.91	8.46	32.91

The management assessed that the fair values of short term financial assets and liabilities significantly approximate their carrying amounts largely due to the short - term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Group determines fair values of financial assets and financial liabilities by discounting the contractual cash inflows/outflows using prevailing interest rates of financials instruments with similar terms. The initial measurement of financial assets and financial liabilities is at fair value. The fair value of investment is determined using quoted net assets value from the fund. Further, the subsequent measurement of all financial assets and liabilities (other than investment in mutual funds and foreign currency derivatives) is at amortised cost, using the effective interest method.

Discount rates used in determining fair value

The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of the borrower which in case of financial liabilities is the weighted average cost of borrowing of the Company and in case of financial assets is the average market rate of similar credit rated instrument.

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. In addition, the Company internally reviews valuation, including independent price validation for certain instruments.

Fair value of financial assets and liabilities is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

The following methods and assumptions were used to estimate fair value:

(a) Fair value of short term financial assets and liabilities significantly approximate their carrying amounts largely due to the short term maturities of these instruments.

(b) Fair value of quoted mutual funds is based on the net assets value at the reporting date. The fair value of other financial liabilities as well as other non current financial liabilities is estimated by discounting future cash flow using rate currently applicable for debt on similar terms, credit risk and remaining maturities.

(c) The fair value of the Company's interest bearing borrowing received are determined using discount rate that reflects the entity's borrowing rate as at the end of the reporting period. The own non performance risk as at the reporting was assessed to be insignificant.

Fair Value Hierarchy
All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) price is active market for identical assets or liabilities

Level 2: Valuation technique for which the lowest level input that has a significant effect on the fair value measurement are observed, either directly or indirectly

Level 3: Valuation technique for which the lowest level input has a significant effect on the fair value measurement is not based on observable market data

The following table presents our assets and liabilities measured at fair value on recurring basis at 31st March, 2020 and 31st March, 2019:

₹ in million

Particulars	Level 1	Level 2	Level 3
31st March, 2020			
Investments in mutual funds	373.18	-	-
Investments in short term funds	-	-	1,275.09
Equity	0.03	-	-
Foreign currency derivative asset	8.14	-	-
Foreign currency derivative liability	8.46	-	-
31st March, 2019			
Investments in mutual funds	348.17	-	-
Investments in short term funds	-	-	-
Equity	0.03	-	-
Foreign currency derivative asset	0.01	-	-
Foreign currency derivative liability	32.91	-	-

During the year ended 31st March, 2020, there were no transfers between Level 1 and Level 2 fair value measurement.

32 FINANCIAL INSTRUMENTS AND RISK REVIEW

I) Capital Management

The Group's capital management objectives are:

The Board policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital employed on a quarterly basis.

The Group manages capital risk by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a quarterly basis and implements capital structure improvement plan when necessary.

The Group uses debt ratio as a capital management index and calculates the ratio as net debt divided by total equity. Net debt and total equity are based on the amounts stated in the consolidated financial statements.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

Debt-to-equity ratio is as follows:

₹ in million

Particulars	As at 31st March, 2020	As at 31st March, 2019
Net Debt* (A)	(361.48)	1,579.68
Equity (B)	30,060.44	25,646.79
Debt Ratio (A / B)	Net Negative Debt	0.06 : 1

* Net debt includes non current borrowings, current borrowings, current maturities of non current borrowings and finance lease obligation net off current investments and cash and cash equivalents.

II) Financial Risk Management Framework

The Group is exposed primarily to market risk (fluctuations in foreign currency exchange rates and interest rate), credit risk, liquidity risk, which may adversely impact the fair value of its financial instruments. The Group assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Group.

i) Credit Risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to contractual terms. Credit risk encompasses, the risk of default, the risk of deterioration of creditworthiness of the counterparty as well as concentration of risks.

Financial instruments that are subject to exposure to credit risk consist of trade receivables, investments and other financial assets.

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from operating activities, primarily from trade receivables.

Trade receivables

Trade receivables consist of receivables arising primarily due to sale of goods. These receivables are unsecured and are payable at the end of a specified credit period depending upon the terms of contract of each customer, which ranges from 30-60 days for customers in India and 30-120 days for overseas customers. The Group's customers primarily consist of Original Equipment Manufacturers ("OEM") for its primary products and Dealers for spare parts.

The Group assesses the credit risk of its customers and dealers at the time of acceptance of the customer as well as on an ongoing basis. Before accepting any new customer, the Group uses an external/internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. The credit limit of these customers and dealers is continuously monitored and recalibrated based on the credit risk assessment. Most of the OEM's have high credit ratings which helps the Group mitigate credit risk.

The Group assesses at each reporting date whether a trade receivable or a group of trade receivables is impaired. The Group recognises lifetime expected credit losses for all trade receivables that do not constitute a financing transaction and which are due for more than six months. The expected credit losses are measured at an amount equal to 12 months expected credit losses or at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The Group uses a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix.

₹ in million

Particulars	Not due	Within 365 days*	More than 365 days*	Total
ECL rate	0%	0%	100%	
31st March, 2020				
Estimated total gross carrying amount	2,768.13	3,947.96	74.58	6,790.67
ECL - Simplified approach	-	(26.03)	(37.21)	(63.24)
Net carrying amount	2,768.13	3,921.93	37.37	6,727.43

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

₹ in million

Particulars	**Not due**	**Within 365 days***	**More than 365 days***	**Total**
ECL rate	0%	0%	100%	
31st March, 2019				
Estimated total gross carrying amount	5,588.25	3,688.14	31.37	9,307.76
ECL - Simplified approach	-	(27.51)	(28.85)	(56.36)
Net carrying amount	5,588.25	3,660.63	2.52	9,251.40

* Provision is made for receivables where recovery is considered doubtful irrespective of due date. Where an amount is outstanding for more than 365 days the Group usually provides for the same unless there is clear visibility of recovery.

The movement in the expected credit loss allowance is as given below:

₹ in million

Particulars	**As at 31st March, 2020**	**As at 31st March, 2019**
Balance at the beginning of the year	56.36	36.57
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	2.94	11.05
Exchange variation	3.95	8.74
Balance at the end of the year	63.25	56.36

The Group's exposure to customers is diversified and some customers contribute more than 10% of outstanding accounts receivable which forms 47% of total receivables as of 31st March, 2020 (57% as at previous year), however there was no default on account of those customers in the past.

The Group considers the trade receivables to have low risk of defaults since the customers have strong capacity to fulfil their obligations and even if there are adverse changes in economic and business conditions, the Group is of the view that it will not adversely affect the ability of the customers to fulfil their obligations.

The Group considers write-off of receivables on case to case basis, depending upon the circumstances of each delayed receivable, and when the Group is of the view that recovery seems unlikely after reasonable efforts.

The maturity profile of various financial assets is as given below:

₹ in million

Particulars	**31st March, 2020**		**31st March, 2019**	
	Less than 1 Year	**1-5 Years**	**Less than 1 Year**	**1-5 Years**
Non-derivative financial assets				
Trade receivables	6,727.43	-	9,251.40	-
Total	**6,727.43**	**-**	**9,251.40**	**-**

Investments and other financial assets

Investments consist mainly of investments in mutual funds, insurance premium and short term funds. Other financial assets consist of Government incentives receivable, export incentives and security deposits for business purposes.

Investments in mutual funds are primarily those instruments which have been approved by the Board and are in low-risk category and are continuously monitored by the investment committee of the Board. The Group considers credit risk in investments as well as in other financial assets to be very low.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

ii) Liquidity Risk

Liquidity risk is the risk that the Group may not be in a position to meet its financial liabilities. The objective of liquidity risk management is to maintain sufficient liquidity and to ensure availability of adequate funds for business. The Group generates sufficient internal accruals and generally the purpose of borrowings is to meet temporary fund flow mismatches and to meet regular capital expenditures. The Group maintains a very low debt to equity ratio.

The maturity profile of various financial liabilities is as given below. These amounts have been drawn up based on the undiscounted cash flows of various financial liabilities based on the earliest date on which the Group can be required to pay.

₹ in million

Particulars	31st March, 2020		31st March, 2019	
	Less than 1 Year	1-5 Years	Less than 1 Year	1-5 Years
Non-derivative financial liabilities				
Trade payables	10,662.27	-	11,734.61	-
Other financial liabilities	2,643.46	118.21	2,883.56	84.24
Working capital demand loans / Term loans	1,461.00	4,020.86	2,120.00	3,464.01
Total	**14,766.73**	**4,139.07**	**16,738.17**	**3,548.25**

iii) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk like commodity prices risk.

1) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations which have floating rate indebtedness. The Group also maintain deposits of cash and cash equivalents with banks and other financial institutions which are subject to periodic resets.

Interest rate sensitivity

The sensitivity analysis below demonstrates the sensitivity to a reasonable possible change in interest rates on the debt obligations of the Group and on the cash and cash equivalents.

₹ in million

For the year ended	Currency	Increase / decrease in basis points	Effect on profit before tax	Financial statement item	Variable rate WCDL / CC balance / ECB
31st March, 2020	INR	+100	(46.75)	Debt obligation	4,848.54
	INR	-100	39.10	Debt obligation	4,848.54
31st March, 2019	INR	+100	(56.76)	Debt obligation	5,533.57
	INR	-100	48.27	Debt obligation	5,533.57

2) Foreign Currency exchange rate risk

Foreign currency exchange rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. At a standalone level the Company is exposed to currency risk of changes in EURO, USD, CHF, CNY, GBP, SGD and JPY. However, the risk of changes in foreign exchange rates on the statement of profit or loss and other comprehensive income is not material.

The Group evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in line with its risk management policies. The information on derivative instruments is as follows.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

(a) Details of Forward Exchange Contract, Currency swaps, Currency options:

Particulars	Currency	31st March, 2020		31st March, 2019	
		Foreign Currency Notional Amount (in million)	Rupees (in million)	Foreign Currency Notional Amount (in million)	Rupees (in million)
Forward contract - USD-INR	USD	3.39	255.43	5.00	345.85
No. of Contracts		31		25	
Forward contract - JPY -INR	JPY	-	-	180.00	112.54
No. of Contracts		-		2	
Forward contract - EURO - INR	EURO	1.30	107.68	2.15	167.02
No. of Contracts		25		15	
Forward contract - SGD - INR	SGD	-	-	0.46	23.38
No. of Contracts		-		1	
Interest rate swaps	EURO	18.44	1,531.15	14.25	1,107.26
No. of Contracts		6		4	
Interest rate CAP	EURO	0.31	25.35	1.89	146.85
No. of Contracts		1		4	

(b) Foreign currency exposures that are not hedged by derivative instruments

Particulars	Currency	31st March, 2020		31st March, 2019	
		Foreign Currency Notional Amount (in million)	Rupees (in million)	Foreign Currency Notional Amount (in million)	Rupees (in million)
I. Trade receivables :	USD	0.71	53.65	1.30	90.07
	EURO	0.67	55.63	1.02	79.27
			109.28		169.34
II. Trade payable and capital creditors:	USD	(0.26)	(19.39)	(0.36)	(24.75)
	CHF	-	-	(0.04)	(2.98)
	EURO	(0.35)	(28.96)	(0.54)	(41.75)
	GBP	(0.07)	(6.11)	(0.02)	(1.54)
	JPY	(2.69)	(1.87)	(4.37)	(2.73)
	CNY	(0.03)	(0.31)	(0.04)	(0.40)
			(56.64)		(74.15)
Total	USD	0.45	34.26	0.94	65.32
	EURO	0.32	26.67	0.48	37.52
	GBP	(0.07)	(6.11)	(0.02)	(1.54)
	JPY	(2.69)	(1.87)	(4.37)	(2.73)
	CHF	-	-	(0.04)	(2.98)
	CNY	(0.03)	(0.31)	(0.04)	(0.40)

Foreign Currency Sensitivity

The following tables demonstrates the sensitivity to a reasonable possible change in USD, EURO, GBP, CHF, JPY and CNY exchange rates, with all other variables held constant, the impact on the Group's profit before tax due to changes in the fair value of monetary assets and liabilities is given below. The Group's exposure to foreign currency changes for all other currencies is not material.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

₹ in million

For the year ended	Currency	Change in rate	Effect on profit before tax
31st March, 2020	USD	+10%	3.43
	USD	-10%	(3.43)
	EURO	+10%	2.67
	EURO	-10%	(2.67)
	GBP	+10%	(0.61)
	GBP	-10%	0.61
	JPY	+10%	(0.19)
	JPY	-10%	0.19
	CHF	+10%	-
	CHF	-10%	-
	CNY	+10%	(0.03)
	CNY	-10%	0.03
31st March, 2019	USD	+10%	6.53
	USD	-10%	(6.53)
	EURO	+10%	3.75
	EURO	-10%	(3.75)
	GBP	+10%	(0.15)
	GBP	-10%	0.15
	JPY	+10%	(0.27)
	JPY	-10%	0.27
	CHF	+10%	(0.30)
	CHF	-10%	0.30
	CNY	+10%	(0.04)
	CNY	-10%	0.04

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

3) Commodity Price Risk

The Group is exposed to risks in fluctuation of prices of certain raw materials, which are used as key inputs in the production process, especially ferrous and non-ferrous metals. Historically, as a practice, and as per our understanding with customers, the Group has passed on an increase in the cost of metals, especially aluminium and steel to its customers and does not foresee a significant risk to its statement of profit and loss on account of fluctuations in the prices of materials.

33 EARNINGS PER SHARE (EPS)

₹ in million

Particulars		Shares in Nos	
		For the year ended 31st March, 2020	For the year ended 31st March, 2019
a)	Earnings for the purpose of basic / diluted earnings per share - Net profit after tax (₹ in million)	5,655.34	4,950.06
b)	Weighted number of ordinary shares for the purpose of basic earnings per share	140,662,848	140,662,848
c)	Weighted number of ordinary shares for the purpose of diluted earnings per share	140,662,848	140,662,848
d)	Nominal value of equity shares ₹ each	10.00	10.00
e)	Basic and diluted earnings per share ₹ each	40.20	35.19

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34 GROUP AS LESSEE

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

₹ in million

Particulars	**For the year ended 31st March, 2020**
As at 1st April	650.35
Additions	109.40
Accretion of interest	9.98
Payments	(203.73)
Exchange variation	37.81
As at 31 March	603.81
Current	187.52
Non current	416.29

The maturity analysis of lease liability is disclosed in note 11.02.

The effective interest rate for lease liabilities is 8.0% for leases in India and 0.90% for leases in Italy and 0.99% for leases in Germany, with maturity between 2021-2026.

The following are the amounts recognised in the statement of profit or loss:

₹ in million

Particulars	**For the year ended 31st March, 2020**
Depreciation expense of right-of-use assets	232.08
Interest expense on lease liabilities	9.98
Total amount recognised in profit or loss	**242.06**

During the year the Group had total cash outflows for leases of ₹ 203.74 million. The Group also had non-cash additions to right-of-use assets and lease liabilities of ₹ 109.40 million.

35 PROPERTY PURCHASE CONTRACT AND LEASE AGREEMENT WITH PURCHASE OPTION DATED 17TH DECEMBER, 2003

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

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

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

Also on 17th December, 2003, Endurance Amann entered into a lease agreement with purchase option with the buyer of the property, under which it leases the property back as of 1st January, 2004. Endurance Amann has a purchase option once the fixed lease term of 16.5 years expires.

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

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

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

Under these agreements, Josef and Vroni Amann GbR leases the properties in Massenbachhausen, Benzstr 1 and 3 (sub-plot nos. 6759/1 and 6759/3) to Endurance Amann GmbH under review (total surface area: 7,587 m^2) including production halls and land improvements. The annual rent amounts to EURO 0.21 million.

The lease agreement expired on 31st December, 2012 and subsequently the same has been renewed for the period of another 6 years from 1st January, 2013 to 31st December, 2018.

During the previous year Endurance Amann GmbH has exercised its purchase option and the properties covered under the agreement were acquired as per the terms of the agreement.

36 RELATED PARTY DISCLOSURES AS REQUIRED BY IND AS - 24 ARE ANNEXED. KEY MANAGEMENT PERSONNEL (KMP) HAS BEEN IDENTIFIED AS PER IND AS - 24.

37 GOVERNMENT INCENTIVES :

a) Industrial Promotion Subsidy: Incentive under Mega Project Scheme - PSI 2013

Until 31st March, 2019, the Company recognised grant income under Package Scheme of Incentives 2013, Government of Maharashtra ("PSI Scheme") on claim submission when its recoverability was considered to be reasonably certain. From 1st April, 2019, the Company recognises grant income under PSI Scheme on sale of goods, as the management believes that the realisability of the grant income is reasonably certain.

Accordingly, in the quarters ended 30th June, 2019; 30th September, 2019 and 31st December, 2019, the Company had recognised an amount of ₹ 229.21 million, ₹ 230.55 million and ₹ 12.58 million respectively as grant income based on the underlying sales transaction for the year ended 31st March, 2020; and also recognised an amount of ₹ 472.34 miilion as grant income relating to the sales made for the year ended 31st March, 2019 as a one-time adjustment in the quarter ended 30th June , 2019. In the quarter ended 31st March, 2020, the Company received a provisional sanction of claim filed for the year ended 31st March, 2018 from the Directorate of Industries; wherein an amount has been reduced by a specified percentage of electricity duty benefit. Consequent upon the said order, the Company has reversed an amount of ₹ 70.44 million. As a result, the cumulative grant income recognised during the year stands at ₹ 874.24 million.

b) EPCG benefit:

In the current year the Company has not imported plant and equipments under EPCG scheme. In the previous year the Company had imported plant and equipments under EPCG scheme and saved customs duty of ₹ 19.11 million against the export obligation of ₹ 114.67 million. The pending export obligation as on 31st March, 2020 is ₹ 57.52 million (previous year ₹ 92.34 million). In accordance with Ind-AS 20, the customs duty saved was capitalized and ₹ 5.80 million (previous year ₹ 65.67 million) is recognized as incentive received, included in other operating revenue, on account of proportionate fulfilment of the export obligation.

c) Deferred government grants :

In case of EOSrl, in the year ended 31st March, 2016 Italian government accorded grant of EUR 0.91 million (₹ 66.07 million) in connection with capital expenditures incurred during the period June, 2014 to March, 2015. This grant was received in the form of tax credits in 3 yearly instalments starting from September, 2017 and the same was recognised in the consolidated Statement of Profit and Loss on a systematic basis over the useful life of asset.

During the current year, amount recognised in the Statement of Profit and Loss of ₹ 19.28 million(previous year ₹ 13.49 million) against above referred grant. Further, grant of ₹ 65.76 million (previous year ₹ 57.13 million) is recognised in the form of tax credits on incremental R&D expenditure, ₹ 9.92 million (previous year ₹ 11.20 million) is recognised for solar power utilization and surplus energy produced and ₹ 25.08 million (previous year ₹ Nil) received as energy consumption grant.

38 During the current year, final dividend for the year ended 31st March, 2019 was declared and paid at ₹ 5.50 per equity share of face value ₹ 10 each (previous year ₹ 4 for the year ended 31st March, 2018) and also interim dividend for the year ended 31st March, 2020 was declared and paid at ₹ 5.50 per equity share of face value ₹ 10 each.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

39 The figures for the previous year ended 31st March, 2019 as presented in these financial statements have been regrouped for more appropriate presentation as per the table below :

₹ in million

Particulars	Reference	As per previous year financials	Change	As per current year comparative financials
Assets:				
Non-current assets				
1) Other financial assets	(a)	73.07	21.42	94.49
2) Other non-current assets		2,998.81	(21.42)	2,977.39
Current assets				
1) Other financial assets	(b)	356.31	46.57	402.88
2) Other non-current assets		828.86	(46.57)	782.29
		4,257.05	**-**	**4,257.05**

a) Sales tax receivable of ₹ 21.42 million has been regrouped from other non-current assets to other non-current financial assets.

b) Export incentive (MEIS, duty drawback) of ₹ 46.57 million have been regrouped from other current assets to other current financial assets.

40 Coronavirus Disease (COVID-19) has resulted in the Group temporarily suspending the operations of its manufacturing units in India and Europe. COVID-19 has impacted the normal business operations of the Group by way of interruption in production and sale of finished goods, supply chain disruption, unavailability of personnel etc. However, production and sale of goods have commenced in a phased manner through April and May, 2020.

The Group has performed a detailed assessment of its liquidity position and the recoverability of the assets as at the balance sheet date and has concluded that based on current indicators of future economic conditions, the carrying value of the assets will be recovered. Management believes that it has fully considered all the possible impact of known events in the preparation of these financial statements. However, the impact assessment of COVID-19 is a continuing process, given the uncertainties associated with its nature and duration. The Group will continue to monitor any material changes to future economic conditions and the consequent impact on its business, if any.

41 Disclosure of additional information as required by the Schedule III :

a) As at and for the year ended 31st March, 2020 :

₹ in million

Name of the entity	Net assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated other comprehensive income	Amount	As a % of consolidated total comprehensive income	Amount
Holding company								
Endurance Technologies Limited	77.07%	23,167.64	75.63%	4,276.92	-6.97%	(43.44)	67.42%	4,233.48
Foreign subsidiaries								
Endurance Amann GmbH	10.62%	3,191.90	2.21%	125.07	3.09%	19.27	2.30%	144.34
Endurance Overseas Srl	24.84%	7,467.16	22.10%	1,249.83	18.92%	117.97	21.78%	1,367.80
Eliminations	-12.53%	(3,766.26)	0.06%	3.52	84.96%	529.85	8.50%	533.37
Total	**100.00%**	**30,060.44**	**100.00%**	**5,655.34**	**100.00%**	**623.65**	**100.00%**	**6,278.99**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

b) As at and for the year ended 31st March, 2019 :

₹ in million

Name of the entity	Net assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated other comprehensive income	Amount	As a % of consolidated total comprehensive income	Amount
Holding company								
Endurance Technologies Limited	81.10%	20,799.50	72.29%	3,578.61	6.62%	(23.39)	77.35%	3,555.22
Foreign subsidiaries								
Endurance Amann GmbH	11.16%	2,863.04	6.31%	312.55	9.49%	(33.54)	6.07%	279.01
Endurance Overseas Srl	22.40%	5,745.83	21.24%	1,051.54	30.71%	(108.56)	20.51%	942.98
Eliminations	-14.66%	(3,761.58)	0.16%	7.36	53.18%	(188.01)	-3.93%	(180.65)
Total	**100.00%**	**25,646.79**	**100.00%**	**4,950.06**	**100.00%**	**(353.50)**	**100.00%**	**4,596.56**

42 a) In the previous year as a consequence of the consolidation of operations, the management decided to dispose off the unutilised plot of free hold land at Takve (Gut no 414) and was in the process of identifying prospective customers, accordingly, the said land having a value of ₹ 33.37 million was disclosed as "asset held for sale". In current year agreement for the sale of the said land was entered into and the sale transaction was completed in October, 2019.

b) In the previous year, the Company closed the operations of its Manesar plant with effect from 26th December, 2018 and settled the full and final liabilities of the employees in the plant. The Company paid ₹ 38.40 million as closure compensation. The Company also agreed with the union to pay an additional ₹ 169.60 million pursuant to an order passed by the Honourable Punjab and Haryana High Court on 11th, January 2019. The amount was duly paid on 2nd April, 2019 and the total amount of ₹ 208 million was disclosed as an exceptional item in the the statement of profit and loss in the previous year.

43 SUBSEQUENT EVENTS:

a) Endurance Overseas Srl, Italy, has acquired controlling equity stake of 99% in Adler SpA with an investment of Euro 3.5 million in the share capital of Adler SpA. The effective date of this acquisition is 15th April, 2020. Post acquisition, the name of Adler SpA has been changed to Endurance Adler SpA.

b) Endurance Adler SpA, Italy, has acquired 100% stake in Grimeca Srl, Italy, with an effective date of 21st May, 2020. The acquisition has been completed for a consideration of Euro 2.25 million, which includes Euro 0.9 million for the 100% stake in Grimeca Srl, and Euro 1.35 million for technical know-how and intellectual property rights of braking systems and chassis components, and the "G Grimeca" brand.

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Arvind Sethi**
Partner
Membership No.: 89802

Date: 25th June, 2020
Place: Pune

For and on behalf of the Board of Directors

Naresh Chandra
Chairman
(DIN: 00027696)

Anurang Jain
Managing Director
(DIN: 00291662)

Satrajit Ray
Director & Group CFO
(DIN : 00191467)

Sunil Lalai
Company Secretary & Executive Vice President–Legal
(Membership No : A8078)

Date: 25th June, 2020

RELATED PARTY DISCLOSURE
(For the year ended 31st March, 2020)

(Refer Note 36)

a) List of Related Parties and nature of relationships

Sr. No.	Description of Relationship	Name of Related Party/Persons
1	Key Management Personnel	Mr. Naresh Chandra, Chairman
		Mr. Anurang Jain, Managing Director
		Mr. Satrajit Ray, Director and Group CFO
		Mr. Ramesh Gehaney, Director and COO
		Mr. Partho Datta, Independent Director
		Mr. Soumendra Basu, Independent Director
		Mr. Roberto Testore, Independent Director
		Ms. Anjali Seth, Independent Director
		Mrs. Falguni Nayar, Independent Director
		Mr. Massimo Venuti, Non-executive Director
2	Relatives of Key Management Personnel with whom transactions have taken place	Mrs. Suman Jain - Wife of Mr. Naresh Chandra
		Mrs. Varsha Jain - Wife of Mr. Anurang Jain
		Ms. Rhea Jain - Daughter of Mr. Anurang Jain
		Mr. Rohan Jain - Son of Mr. Anurang Jain
3	Enterprises Owned or controlled by Key Management personnel and/or their Relatives	Varroc Engineering Limited

b) Transactions carried out with the related parties in ordinary course of business (Previous year figures are in brackets)

₹ in million

Nature of Transactions	Key Management Personnel	Relatives of Key Management personnel	Enterprises Owned or controlled by Key Management Personnel or their relatives	Total
Purchase of raw material and components	-	-	48.60	48.60
	-	-	(109.52)	(109.52)
Remuneration - short term employee benefits	225.93	12.49	-	238.42
	(213.11)	(9.46)	-	(222.57)
Post employment and other long term benefits*	206.50	-	-	206.50
	(220.54)	-	-	(220.54)
Directors' sitting fees	2.46	-	-	2.46
	(2.35)	-	-	(2.35)
Directors' commission	10.75	-	-	10.75
	(10.75)	-	-	(10.75)
Professional fees	3.19	-	-	3.19
	(3.19)	-	-	(3.19)
Lease rent expense	9.26	-	-	9.26
	(9.37)	-	-	(9.37)
Reimbursement of travelling and other expenses	0.84	-	-	0.84
	(0.59)	-	-	(0.59)

RELATED PARTY DISCLOSURE (CONTD.)

₹ in million

Nature of Transactions	Key Management Personnel	Relatives of Key Management personnel	Enterprises Owned or controlled by Key Management Personnel or their relatives	Total
Dividend paid	^974.68	#185.79	-	1,160.47
	(396.64)	(67.56)	-	(464.20)
Expenses recovered	-	-	-	-
	(2.13)	-	(0.01)	(2.14)
Other income	-	-	0.01	0.01
	-	-	(0.02)	(0.02)
Balances Outstanding as at the end of the year				
i) Payables	12.44	0.22	1.87	14.53
	(12.69)	(0.09)	(12.06)	(24.84)
iii) Security deposit receivable	2.37	-	-	2.37
	(2.21)	-	-	(2.21)

* Post employment benefits payable in the form of gratuity and other long term benefits in the form of compensated absences are calculated on the basis of actuarial valuation. Amount payable to executive directors in India and their relatives as at 31st March, 2020 and previous year cannot be separately identified and therefore has not been included in above. There are no share based payments given to Key Management Personnel and their relatives.

^ Includes ₹ 311.30 million (₹ 113.20 million) dividend received by Mr. Anurang Jain in his capacity as family trustee of Anurang Rohan Trust.

^ Includes ₹ 186.01 million (₹ 67.64 million) dividend received by Mr. Naresh Chandra in his capacity as family trustee of Anurang Rhea Trust.

Includes ₹ 185.79 million (₹ 67.56 million) dividend received by Mrs. Suman Jain in her capacity as family trustee of NC Trust.

c) Disclosure in respect of material transactions with related parties (Previous year figures are in brackets)

₹ in million

Particulars	Varroc Engineering Limited
Purchase of raw material and components	48.60
	(109.52)
Other Income	0.01
	(0.02)
Expenses Recovered	-
	(0.01)
Balances Outstanding as at the end of the year	
Payables	1.87
	(12.06)

Outstanding balances as at the year end are unsecured and settlement occurs in cash and cash equivalents. There are no guarantees provided or received for any related party receivables/payables.

FORM AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Amount in ₹ million except % of shareholding)

Sl. no.	Name of the subsidiary	Financial period ended	Reporting currency and Exchange rate	Share capital	Reserves & surplus	Total assets	Total Liabilities	Invest-ments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of share holding
1.	Endurance Overseas SrL, Italy	31st March, 2020	1 EURO: INR 83.0496 (for balance sheet items); 1 EURO: INR 78.7883 (for P&L items);	1,337.54	1,707.32	7,785.12	4,740.27	3,673.83	840.87	420.02	128.71	291.31	-	100 (#)
2.	Endurance SpA, Italy*	31st March, 2020	1 EURO: INR 83.0496 (for balance sheet items); 1 EURO: INR 78.7883 (for P&L items);	415.25	4,848.25	13,720.81	8,457.31	0.02	13,435.86	1,108.09	112.26	995.83	-	100.00
3.	Endurance Castings SpA, Italy*	31st March, 2020	1 EURO: INR 83.0496 (for balance sheet items); 1 EURO: INR 78.7883 (for P&L items);	74.74	786.69	1,846.49	985.05	0.38	2,560.19	187.22	42.44	144.78	-	100.00
4.	Endurance Engineering SrL, Italy*	31st March, 2020	1 EURO: INR 83.0496 (for balance sheet items); 1 EURO: INR 78.7883 (for P&L items);	8.30	464.67	978.54	505.56	0.00	1,142.97	142.21	41.09	101.12	-	100.00
5.	Endurance Amann GmbH, Germany	31st March, 2020	1 EURO: INR 83.0496 (for balance sheet items); 1 EURO: INR 78.7883 (for P&L items);	253.30	2,925.47	5,096.26	1,917.49	383.36	3,831.95	176.61	48.87	127.74	-	100.00

95% of the share capital is held directly by the Company and remaining 5% share capital held by Endurance Amann GmbH, Germany, Wholly Owned Subsidiary of the Company

* Wholly Owned Subsidiary of Endurance Overseas Srl

Note : The figures stated above are as per local GAAP of the country of respective subsidiary and have been converted in INR as per exchange rate mentioned in the table above.

Part "B": Associates and Joint Ventures: NIL

Name of Associates/Joint Ventures

1. Latest audited Balance Sheet Date
2. Shares of Associate/Joint Ventures held by the Company on the year end
   a) Number
   b) Amount of Investment in Associates/Joint Venture
   c) Extend of Holding %
3. Description of how there is significant influence
4. Reason why the Associate/Joint Venture is not consolidated
5. Net worth attributable to Shareholding as per latest audited Balance Sheet
6. Profit/Loss for the year
   a) Considered in Consolidation
   b) Not Considered in Consolidation

For and on behalf of the Board of Directors

Naresh Chandra
Chairman

Anurang Jain
Managing Director

Satrajit Ray
Director and
Group Chief Financial Officer

Sunil Lalai
Company Secretary and
Executive Vice President - Legal

Date: 25th June, 2020

NOTES

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