ENDURANCE TECHNOLOGIES LIMITED

ENDURANCE
Complete Solutions

Technology Drives. Quality Builds.

ANNUAL REPORT 2017-18

Contents

For more details, please visit:
www.endurancegroup.com

Our enduring success as a leading end-to-end solution provider to major OEMs in India and Europe has emanated from single-minded focus and commitment to QUALITY and TECHNOLOGY.

From prototype to production and from design to deployment, every step and every stage is defined by our First Time Right philosophy. From our people to our processes and from our culture to our systems, it is our collective mindset and uncompromising attitude to get it right the first time, every time, that has sustained our consistent growth and value creation over 33 years.

With the momentum of an excellent year of profitable growth reflected in the 16.8% increase in Total Income to ₹ 65,617 million and 18.3% rise in Net Profit to ₹ 3,908 million, Endurance is positively placed to accelerate.

With OEMs rationalising vendors, we are looking to supply more components from all our four product portfolios to existing customers as well as expanding our presence amongst new OEMs. As a future-ready organisation, we are geared up for changes like Industry 4.0, BS-VI emissions and the hybrid/electric vehicles with focus on light-weighting and frugal engineering. Our R&D and innovation teams are exploring next-gen technologies like Internet of Things and Artificial Intelligence for better trackability and traceability.

Powered by favourable tailwinds in the form of strong growth drivers, we are confident of scaling.

The next phase of growth and expansion in the industry will be unlocked by Quality and Technology, which incidentally, are also our key competitive and comparative advantages, because at Endurance

Highlights of the Year

- Total Income (net of Excise Duty) - ₹ **65,617** million, up by **16.8%**
- EBITDA - ₹ **9,513** million, up by **20.8%**
- PAT - ₹ **3,908** million, up by **18.3%**

MARGINS

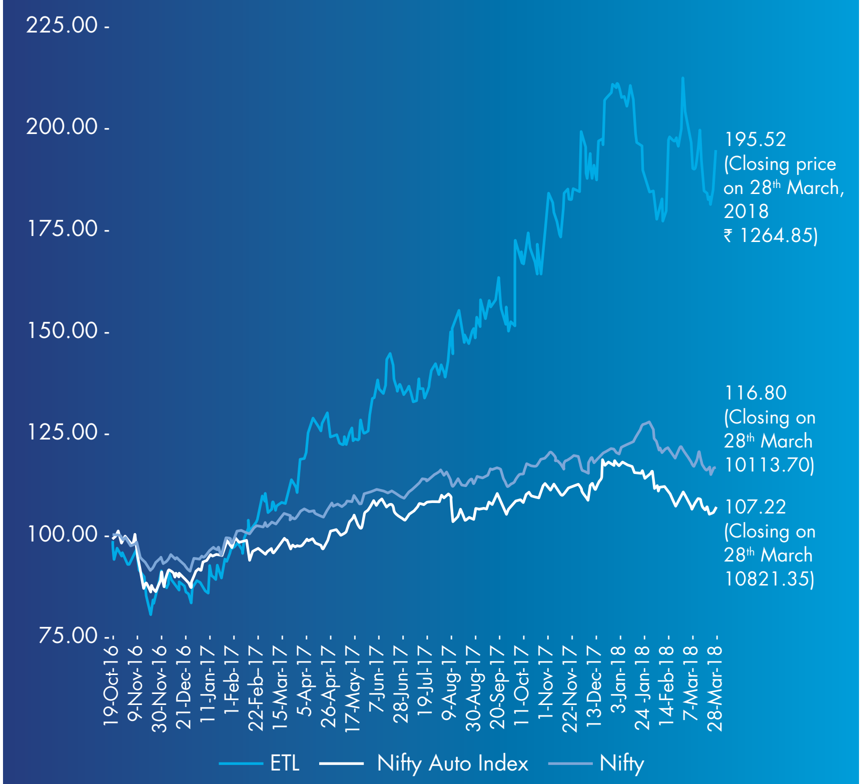
- EBITDA - **14.5%**
- PAT - **6%**

RATIOS

- ROCE - **23.3%**
- ROE - **20%**
- Net Debt / Equity - **0.1x**
- Interest Cover (before exceptional items) - **26.8x**

Based on consolidated financials

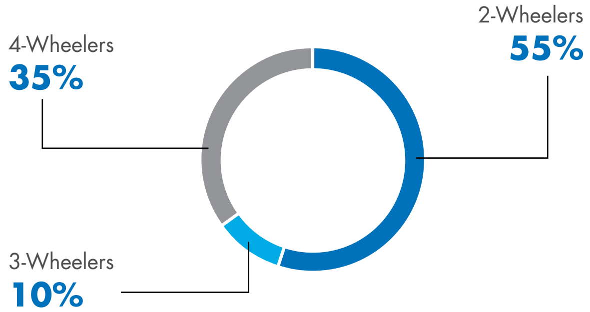
STOCK PERFORMANCE



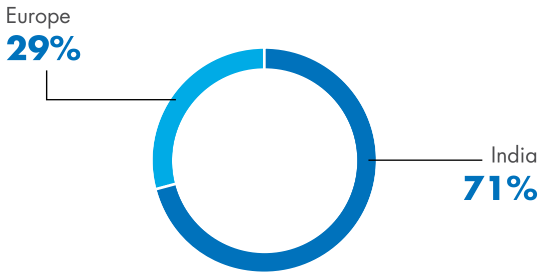
- FY2018 - High ₹ **1,419.75** Low ₹ **765**
- Market Capitalisation as on 31st March 2018 - ₹ **1,77,917.5** million

REVENUE PROFILE

Revenue by Vehicle Type



Revenue by Entity

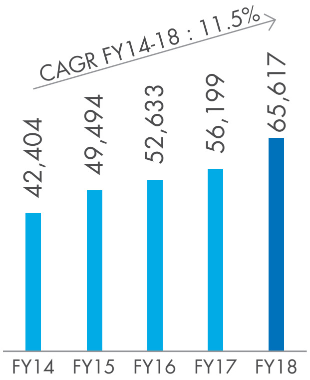


11 - CUSTOMERS WITH OVER ₹ 1 BILLION IN SALES

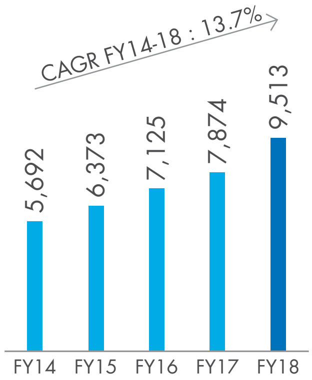
Proven Track Record of Delivering Profitable Growth

Strong CAGR Performance...

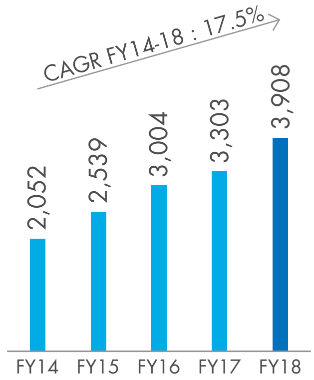
TOTAL INCOME
(₹ MN)



EBITDA
(₹ MN)

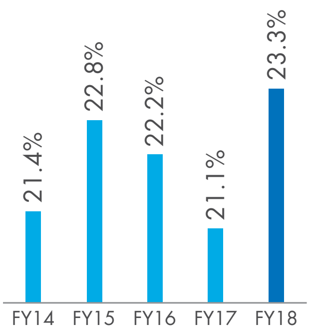


PAT
(₹ MN)

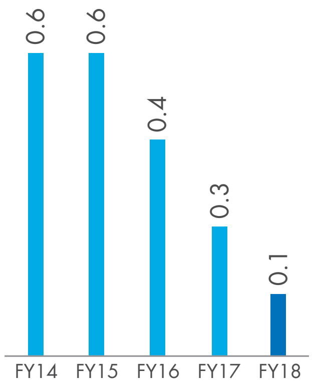


...with a Robust Balance Sheet

RETURN ON AVERAGE CAPITAL EMPLOYED
(%)



NET DEBT / EQUITY RATIO (X)

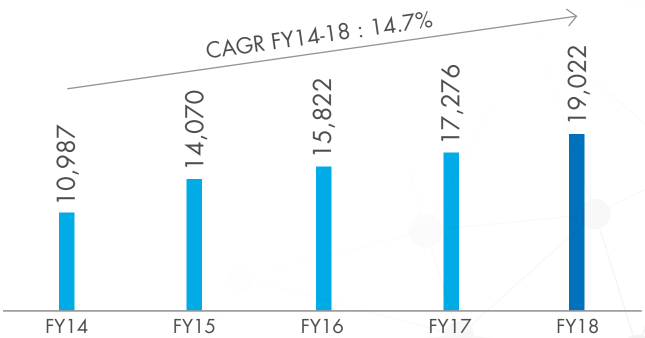


CREDIT RATING

	Apr 2013	Feb 2015	Apr 2017	Jun 2017	May 2018
Long-Term Bank Facilities	CARE	CRISIL	ICRA	CRISIL	CRISIL
	BBB	AA-	AA	AA	AA
		Stable	Positive	Stable	Positive
Short-Term Bank Facilities	CARE	CRISIL	ICRA	CRISIL	CRISIL
	A3+	A1+	A1+	A1+	A1+

Growth in European Business

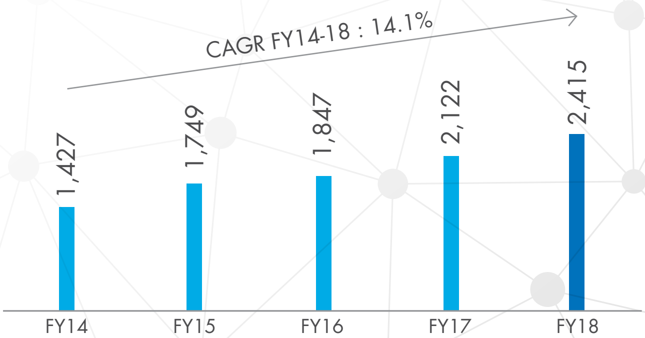
PROFITABLE REVENUE GROWTH[1]
(₹ MN)



[1] Net Revenue from Operations

Expansion of Aftermarket Sales Services

AFTERMARKET SALES
(₹ MN)



Review by the Managing Director

> "We are totally geared to capitalise on BS-VI opportunities. Our teams have been working on various light-weighting and frugal engineering concepts for tomorrow's mobility. Also, we are continuously looking at acquisition opportunities as well as alliances and tie-ups"

Mr. Anurang Jain, the Managing Director of Endurance Technologies Limited, reflects on the Company's performance in FY2018 and shares his thoughts on the future prospects.

Q This is the first full year since the Company was listed in October 2016. What are your views on the operating context and challenges?

A Indeed, it has been an eventful and interesting year for us. The global economy continues on its path to recovery even as new challenges like Brexit negotiations and the threat of tariff war looms large. Both USA and the Eurozone witnessed resurgence with key indicators like job rate, GDP growth and investment sentiments improving.

India continued to surge confidently. While there was a temporary aberration in the first half of the year as the Government introduced the bold GST reform, by the end of the year, the economy was more or less on track. With a normal monsoon for the second year in a row, other key factors remained positive, creating favourable tailwinds for the economy.

Q It was also a positive year for the Automobile industry in particular. Can you throw some more light on this?

A Driven by an overall positive consumer sentiment, the year saw a healthy growth in all the three key segments, namely, Two and Three-Wheelers, Passenger Vehicles and Commercial Vehicles. The Indian automobile industry, including two and three-wheelers crossed 29 million vehicles in sales. In the two-wheeler segment, sales of scooters rose by more than 19% while those of motorcycles rose by more than 15% (including exports). The star performer of the year undoubtedly was the three-wheeler category registering a growth of almost 30% - an outstanding show (including exports).

Majority of global passenger car markets also grew during the year with the exception of North America. In Europe, production of passenger cars reached 19.6 million, exceeding the pre-crisis level for the first time in many years.

How did the year pan out for Endurance Technologies?

It was another year of robust performance by the Company as we continued to leverage our quality and technology edge. We are an end-to-end, multi-solution provider with a diverse product portfolio across four product categories. We continued to outperform the automobile industry.

Our Total Income for the year grew to ₹ 65,617 million from ₹ 56,199 million last year, rising by 16.8%. EBITDA for the year was ₹ 9,513 million against ₹ 7,874 million in the previous year, while the EBITDA margin improved by 50 bps to 14.5% against 14% last year. PAT for the year was ₹ 3,908 million compared to that of ₹ 3,303 million last year, with PAT margin registering an improvement of 10 bps to 6% this year. (All on consolidated basis)

We continue with our B2C expansion through Aftermarket sales and services. The Aftermarket footprint now spans 23 countries and has over 35 distributors. This year, the revenue from Aftermarket sales rose to ₹ 2,415 million from ₹ 2,122 million last year.

What are the key drivers for growth for Endurance Technologies in the near and mid-terms? Are there any particular challenges you foresee?

I am quite optimistic about both the near and mid-term prospects of the Company. While on one hand demand for all key segments in the automobile space is set to continue its momentum, on the other hand, top OEMs are increasingly rationalising their vendor-base. I firmly believe this is a significant opportunity for us as we are amongst the few vendors who provide a one-stop solution for all our product segments. Another positive development is the implementation of GST - a unified market means we can now actually leverage our pan-India presence and reach.

However, the single-biggest driver of growth in the days to come will be Quality; vendors who can consistently meet the exacting quality norms will feature in the top vendor rankings, and consequently OEMs will increase the share of business of such Tier 1 vendors. We are already Tier 1 supplier to major OEMs and are confident of increasing our wallet share with these OEMs as well as expanding our customer base to include new customers across geographies.

There are a lot of new technological advances that will change the automobile space in a few years. How is Endurance Technologies geared for these changes?

Technology has always been integral to Endurance Technologies' consistent growth and expansion. We have built strong R&D capabilities through continuous investments.

Being positioned in a dynamic and, at the same time, volatile industry, we believe that 'change' is the new normal, and therefore our focus is to develop ourselves as a future-ready organisation for tomorrow through innovations today. R&D is, therefore, one of the strong pillars of our organisation to ensure sustainable and profitable growth. We have four DSIR approved R&D facilities and over 200 dedicated R&D personnel globally. We have already received six patents and seven design registrations, while fifty two patent applications are in conduit.

We are totally geared to capitalise on BS-VI opportunities. Our teams have been working on various light-weighting and frugal engineering concepts for tomorrow's mobility. Also, we are continuously looking at acquisition opportunities as well as alliances and tie-ups.

We are also exploring next-gen technologies like Internet of Things (IoT) and Artificial Intelligence (AI), which, I believe will further advance our commitment to provide Complete Solutions through wider product offerings.

We have invested in developing a state-of-the-art, eight-track Automotive Proving Ground at Aurangabad. Expected to be operational during 2018, it will allow us to conduct advanced R&D and evaluate product performance in simulated-road conditions.

Overall, I am confident that Endurance Technologies will continue on the profitable growth trajectory and generate improved returns on capital even as the Company continues to deleverage and strengthen its balance sheet. The Company is committed to deliver to OEMs Complete Solutions that are Quality-led and Technology-driven. On behalf of the management, I express my heartfelt gratitude to all our OEM customers, employees, associates and alliance partners as well as to our investors, bankers and all stakeholders for their continued support and trust.

Thank you,

Anurang Jain

This is Endurance today

The Endurance journey commenced in 1985 with two aluminium die casting machines. Over the last 33 years, Endurance Technologies has emerged as one of India's leading automotive component manufacturing companies operating 16 plants in India and 8 plants in Europe.

Endurance today is

- #1 Aluminium die casting manufacturer*
- Top 2 two-wheeler and three-wheeler auto-component manufacturer for its product segments
- Tier 1 supplier to major OEMs

4,931

Employees across the Group

PURPOSE

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

PHILOSOPHY

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

VISION

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

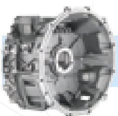
GOAL

To be present in every two-wheeler in the world.

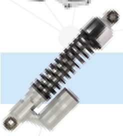
MISSION

To achieve and maintain leadership with focus on Technology & Product Reliability, Environment and Safety through a participative work culture of transparency and ownership.

Snapshot of Business in India - 2W and 3W

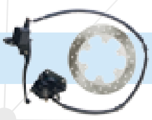


- Aluminium Die Casting



- Suspension

- Transmission



- Braking Systems

- Aftermarket Sales

(*Source: ALUCAST 2017)

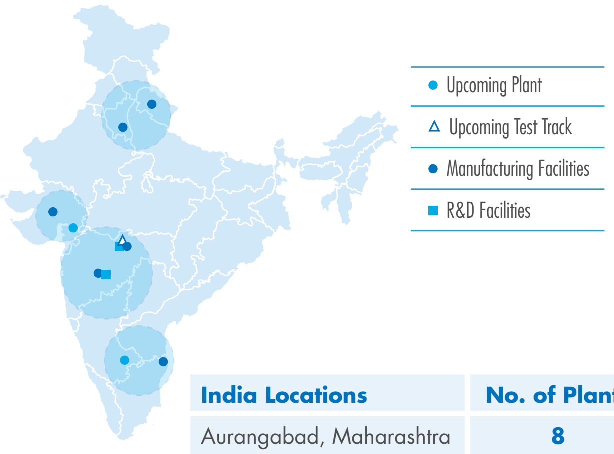
Endurance Overseas - 4W

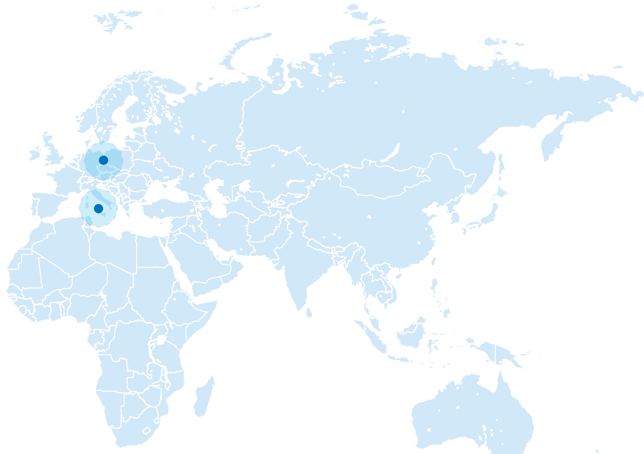
SUSPENSION AND BODY PARTS

ENGINE PARTS

TRANSMISSION PARTS

Reach & Presence





Map not to scale. For illustrative purpose only.

R&D Facilities	
Aurangabad, Maharashtra	3
Pune, Maharashtra	1
Total	**4**

India Locations	No. of Plants
Aurangabad, Maharashtra	8
Pune, Maharashtra	3
Pantnagar, Uttarakhand	2
Chennai, Tamil Nadu	1
Manesar, Haryana	1
Sanand, Gujarat	1
Total	**16**

Europe Locations	No. of Plants
Massenbachhausen, Germany	3
Torino, Italy	1
Chivasso, Italy	2
Grugliasco, Italy	1
Lombardore, Italy	1
Total	**8**

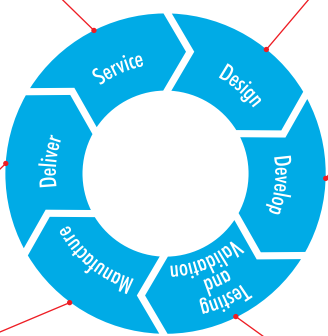
End-to-End Solutions

Provide end-to-end services from conception to end-user delivery

Aftermarket sales service for a wide range of technology-intensive auto component products

Manufacturing facilities in proximity to customers, to ensure timely delivery

Manufacture wide range of products to service the diverse requirements of customers



Focus on developing innovative, lean and cost competitive designs to maintain a technological edge across product range

Structured product development to get "first time right" products

Testing facilities for material, component, product and vehicle level testing

KEY STRENGTHS AND DIFFERENTIATORS

- End-to-end multi-solution provider with diverse product range
- 3-decade experience and expertise in 2W, 3W and 4W components
- Locational advantage with strategic proximity to OEMs
- Strong R&D and Technology capabilities
- Multi Track proving ground
- Manufacturing Excellence through Total Productivity Management
- Enduring Relationships with Top OEM customers and vendors
- Proven track record of profitable growth and robust financials
- Outperforming two-wheeler auto industry growth since 2012

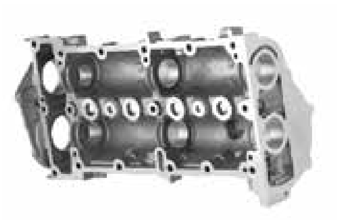
Awards Received in FY 2017-18

- **National Energy Conservation Award** by the Bureau of Energy Efficiency
- Bronze Award under **Excellence in Manufacturing 'Very Large Category' for the year 2016-17** by Automotive Component Manufacturers Association of India (ACMA) to the plant at E-92 & 93, Waluj
- Silver Certificate of Merit to the plant at E-92 & 93, Waluj by the Executive Committee of **'Frost & Sullivan' and FICCI India Manufacturing Excellence Awards 2017** for enhancing Manufacturing and Supply Chain Excellence
- Silver Certificate of Merit to the plant at K-120, Waluj by the Executive Committee of **'Frost & Sullivan' and FICCI India Manufacturing Excellence Awards 2017** for enhancing Manufacturing and Supply Chain Excellence

Our Product Portfolio

Products Manufactured in India

TIER 1 SUPPLIER OF DIVERSE RANGE OF TECHNOLOGY-INTENSIVE PRODUCTS FOR 2W, 3W AND 4W OEMs




ALUMINIUM DIE CASTING AND MACHINING	**SUSPENSIONS**	**TRANSMISSIONS**	**BRAKING SYSTEMS**
HPDC | LPDC | GDC | Machining	Shock absorbers – (hydraulic, mono & oleo pneumatic) | Front forks – (Conventional & inverted)	Clutch assemblies | Friction plates (cork / paper) | CVTs	TMC sub-assemblies | Disc brake assemblies | Drum brake assemblies | Rotary Discs | Brake pads
TWO-WHEELERS			
Crank cases | Cylinder Blocks | Cylinder head Covers | Transmission Covers | Swing Arms | Rear Arms | Alloy Wheels | Cylinder Heads	Shock absorbers and Front forks for: 100cc to 790cc motorcycles, 110cc to 125cc scooters	Clutch assemblies for 100cc to 500cc motorcycles | CVT for 110cc scooters | Friction plates	Rotary Discs | Disc brake assemblies | Brake pads All servicing 125cc to 500cc Motorcycles
THREE-WHEELERS			
Crank Cases - Magneto Side | Crank Cases - Clutch Side | Cylinder Head | Cylinder Blocks | Handle Bars | Fly Wheel Side Covers | Differential Covers | Clutch Covers | Starter Covers	Shock absorbers	Clutch assemblies | Friction plates	Tandem Master Cylinder sub-assembies | Asbestos free brake shoes | Drum brake assemblies
FOUR-WHEELERS			
Transmission Parts Case Transaxles – Clutch | Case Transaxles – Transmission | Clutch Housings | Gear Box Housings | Thermo Housings | Water Inlets Engine Parts Cam Carriers | Ladder Frames | Oil Sumps	Shock absorbers for Quadricycles	Clutch assemblies for Small Commercial Vehicles and Quadricycles | Friction plates	

HPDC - High Pressure Die Casting, LPDC - Low Pressure Die Casting, GDC - Gravity Die Casting, CVT - Continuous Variable Transmission, TMC - Tandem Master Cylinder

Products Manufactured Overseas

TIER 1 SUPPLIER OF DIVERSE RANGE OF MULTIPLE TECHNOLOGY INTENSIVE PRODUCTS TO 4W OEMs IN EUROPE

ALUMINIUM DIE CASTING AND MACHINING

SUSPENSION AND BODY PARTS

- Steel Wheel Hubs
- Head Axles

TRANSMISSION PARTS

- Steel Wheel Hubs
- Gear Box Housing
- Torque Convertor

ENGINE PARTS

- Engine Parts
- Machine Cast Iron Exhaust Manifold

Quality Led

Quality focus at Endurance goes beyond the realm of meeting customer specifications and fit and function requirements towards ensuring customer delight. This is done by delivering world-class products using highly sophisticated equipment designed with fool-proof processes and managed by experienced people.

Suspensions plant at Waluj, Maharashtra

We are Quality Led.

In a competitive business scenario, where OEMs demand nothing but perfection and disciplined adherence to specification, it is important to set high standards of product and service quality to deliver customer delight.

At Endurance, we ensure this through our unwavering focus on operational excellence and commitment to the culture of continuous improvement. We strive to build technically sound teams, who collaborate to bring together the best equipment, set robust processes, and quality operating systems. Our commitment to quality extends across the entire supply chain including post sales services and even to our supplier partners. Our quality mindset is integrated with the values that we cherish – customer centricity, integrity, transparency, teamwork and innovation.

With this, we ensure internal and external customer delight through product reliability, safe and healthy work environment.

Our Quality Policy

Our policy is to design and manufacture automobile products of excellence, consistent and reliable quality to meet customer satisfaction.

This is achieved through continual improvement in technology systems, methods and resource management.

Our TPM (Total Productive Maintenance) Policy

We, at Endurance, are committed to practice TPM to improve product reliability and working culture, to eliminate losses of all types in a continual manner, to maximise operational efficiency and accomplish total internal and external customer satisfaction, safe work environment through total employee involvement.

Technology Driven

While we are Quality-led in products, processes and people, it is Technology that is the driving force propelling us further and faster in our journey of growth and expansion.

We are Technology Driven.

In the ever-evolving world of automobiles, technology impacts and transforms every product, process and solution. From lean-design to light-weighting, from product-longevity to cost-efficiencies, technology today is more important than ever before both as a key differentiator as well as a key competitive advantage.

At Endurance, our products and solutions have always been technology-oriented. We firmly believe that technology has a direct impact on customer satisfaction, which is critical for consistent success.

R&D and Advanced Engineering has always been a top priority and at the very core of our technology capabilities. We have continuously invested in enhancing our R&D and Advanced Engineering strengths. Our R&D capabilities today are class-leading.

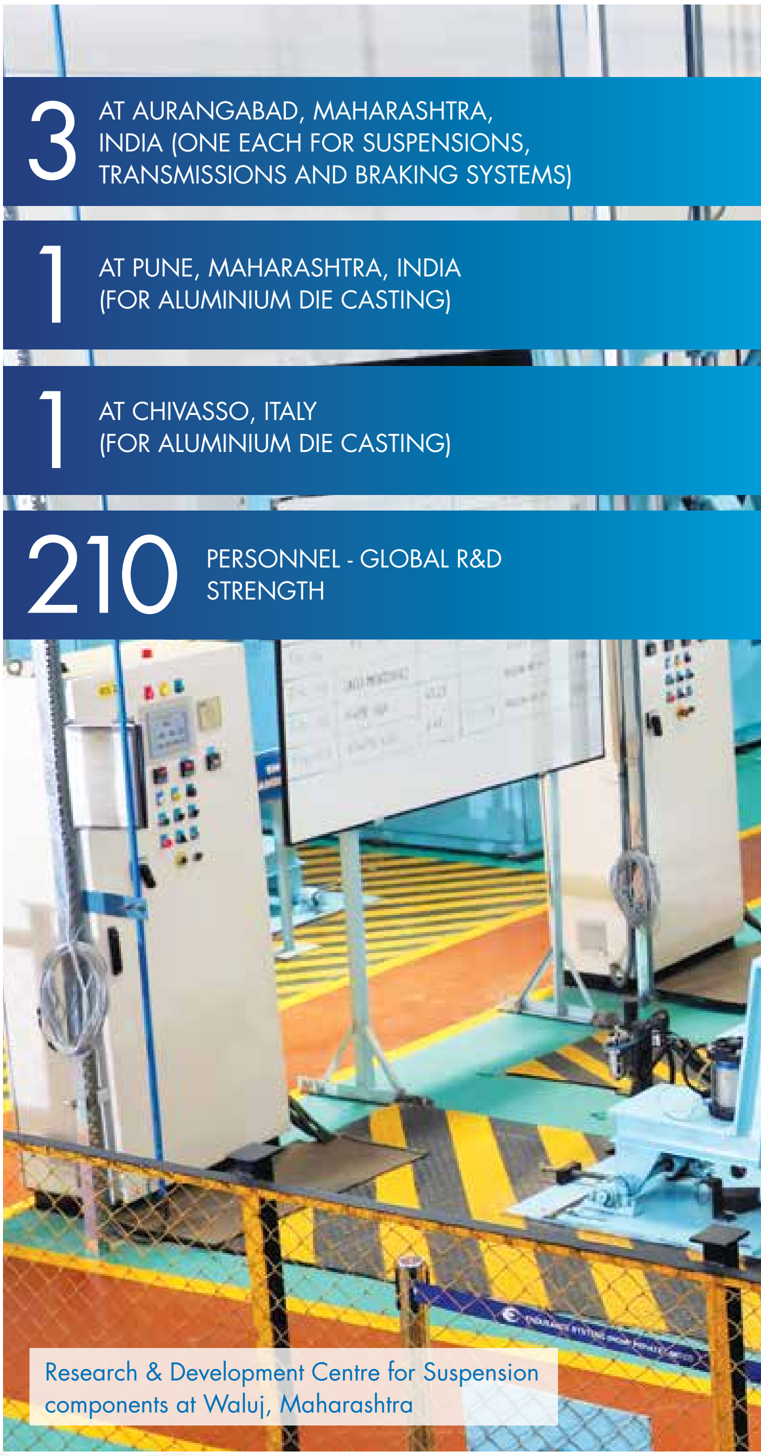
We have a total of 4 R&D centres, one each of our product businesses. All these are approved by the Department of Scientific and Industrial Research (DSIR). We have one technical engineering centre for Aluminium Die castings in Chivasso, Italy.

3 AT AURANGABAD, MAHARASHTRA, INDIA (ONE EACH FOR SUSPENSIONS, TRANSMISSIONS AND BRAKING SYSTEMS)

1 AT PUNE, MAHARASHTRA, INDIA (FOR ALUMINIUM DIE CASTING)

1 AT CHIVASSO, ITALY (FOR ALUMINIUM DIE CASTING)

210 PERSONNEL - GLOBAL R&D STRENGTH



Research & Development Centre for Suspension components at Waluj, Maharashtra

Proving Ground (test track) at Aurangabad

We are developing a state-of-the-art Automotive Proving Ground (test track) at Aurangabad. Spread over vast 29 acre, the ground has eight tracks for conducting advanced R&D to study and evaluate Suspensions, Braking Systems and Transmissions product behaviour on a vehicle in simulated road conditions. The track is expected to become fully operational during 2018.

Another example of our commitment to provide Complete Solutions by being Technology-Driven.

R&D EXPERTISE

Being a technology-led organisation, we work closely with our OEM customers and international partners to understand upcoming industry technologies, enhance competencies and strengthen our IP repertoire. We have developed competencies and infrastructure for advanced engineering as well, which positions us amongst the very few companies in India to be able to undertake high-end R&D activities.

Our focus has been to develop 'future ready' products with better aesthetics and upgraded quality solutions for our customers. Towards this, we are continuously undertaking rigorous research to scale-up the performance of our products through value addition and value engineering such as use of alternate material, design improvements, improvised processes and leading edge testing.

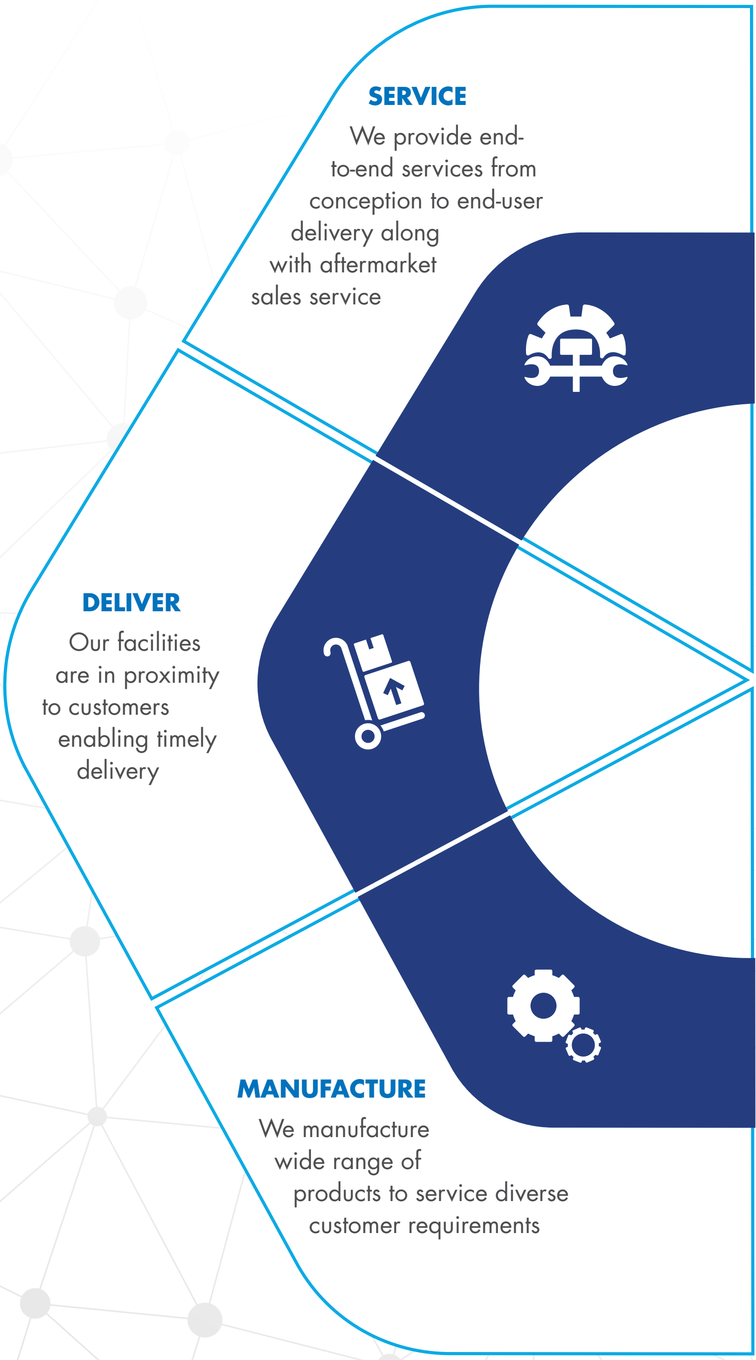
Our global technology partners include KTM Components GmbH, Austria (formerly known as WP Performance Systems GmbH), Adler SpA in Italy, a leading global brake and suspension company, and an European braking system technology provider. Our R&D prowess is evident in our portfolio of six granted patents, seven registered designs, and 52 patent applications as on 31st March, 2018.

Complete Solutions

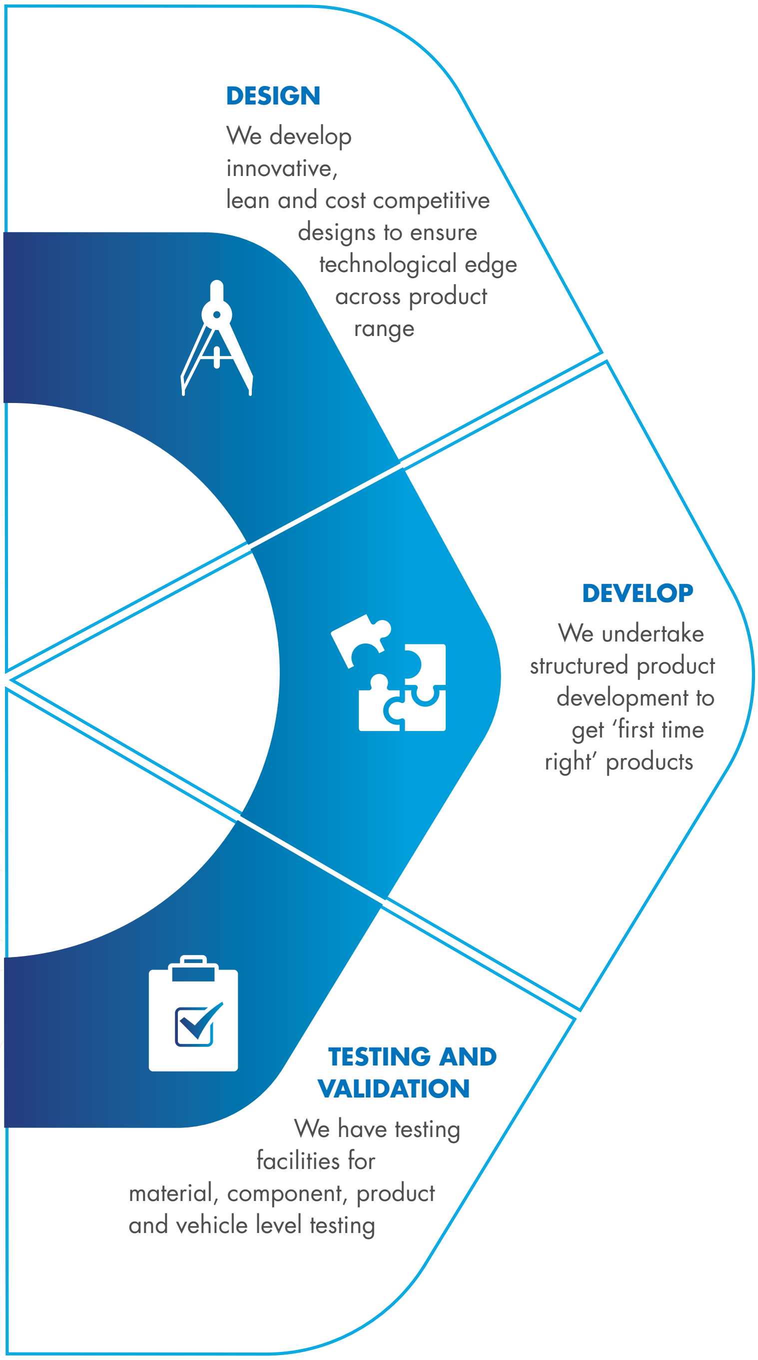
We have the ability to provide end-to-end services across the value chain along with aftermarket sales service for a wide range of technology-intensive auto component products.

We are a complete solution provider and a preferred vendor.

Endurance Technologies is present across the production value-chain. This enables us to have better control over processes, resources, quality and costs, and thus ensure greater customer satisfaction. We leverage our technology competency and international alliances to manufacture a wide range of products. In India, we manufacture diverse automotive castings and machining, braking systems, suspensions, and transmissions products for two and three-wheelers. In Europe, we manufacture casting products for four-wheelers. With this, we service the diverse requirements of our customers.



Being a complete solution provider and having the technology edge, we are in a sweet spot to capitalise on the changing industry scenario.



The automotive industry across the Indian and European markets is increasingly adapting new and emerging technologies, which has led to creation of more opportunities. We are optimistic of grabbing these opportunities on the back of our technological prowess, relationships with our OEMs and our ability to partner them for their new product development.

Some opportunities that led to the evolution of the industry, and which is likely to benefit us in the long run have been encapsulated below:

INDIAN MARKETS

- **Aluminium die casting and machining:** Increase in aluminium die casting requirement for light-weighting purposes and increased machined casting business for two, three and four-wheelers leading to value addition.
- **Suspensions:** Premiumisation in 200CC+ suspension products and replacement of shock absorbers in scooters with higher value front forks.
- **Transmissions:** Increase in paper-based clutch assemblies, increasing business with higher value addition and CVT volume growth from rising scooter demand.
- **Braking systems:** Rising two-wheeler demand, higher penetration of disc brakes and its entry into 200CC+ segment with higher value addition, and the Government's mandate for introducing CBS (combined braking system) and ABS (anti-lock braking system) in FY2020 for all two-wheelers.

EUROPEAN MARKETS

- Innovation in general engineering sectors
- Replacement of conventional metal parts with lighter ones and more tensile aluminium die casting parts to adhere to control regulations on energy efficiency and emissions
- Replacement of conventional ICE parts with the ones relevant for hybrid/electric vehicles

People

People at Endurance are driven by the passion and dedication to set new benchmarks in product quality and customer services.

PERFORMANCE-DRIVEN CULTURE

We follow a 'Balanced Score Card' based performance framework to ensure a high-performance culture and fair appraisal. This performance is linked to the goals of the organisation derived from the long-term strategy and is cascaded across all levels.

LEARNING AND DEVELOPMENT

We provide numerous learning opportunities to employees through structured training programmes along with on-the-job exposure. We have Technical Training Centres, through which we ensure continuous skill upgradation on the functional side. We encourage employees to work on live projects and apply the knowledge gained through learning interventions. This facilitative culture enables a faster learning curve and ensures building-up of talent pool within the organisation.

LEADERSHIP AND SUCCESSION PLANNING

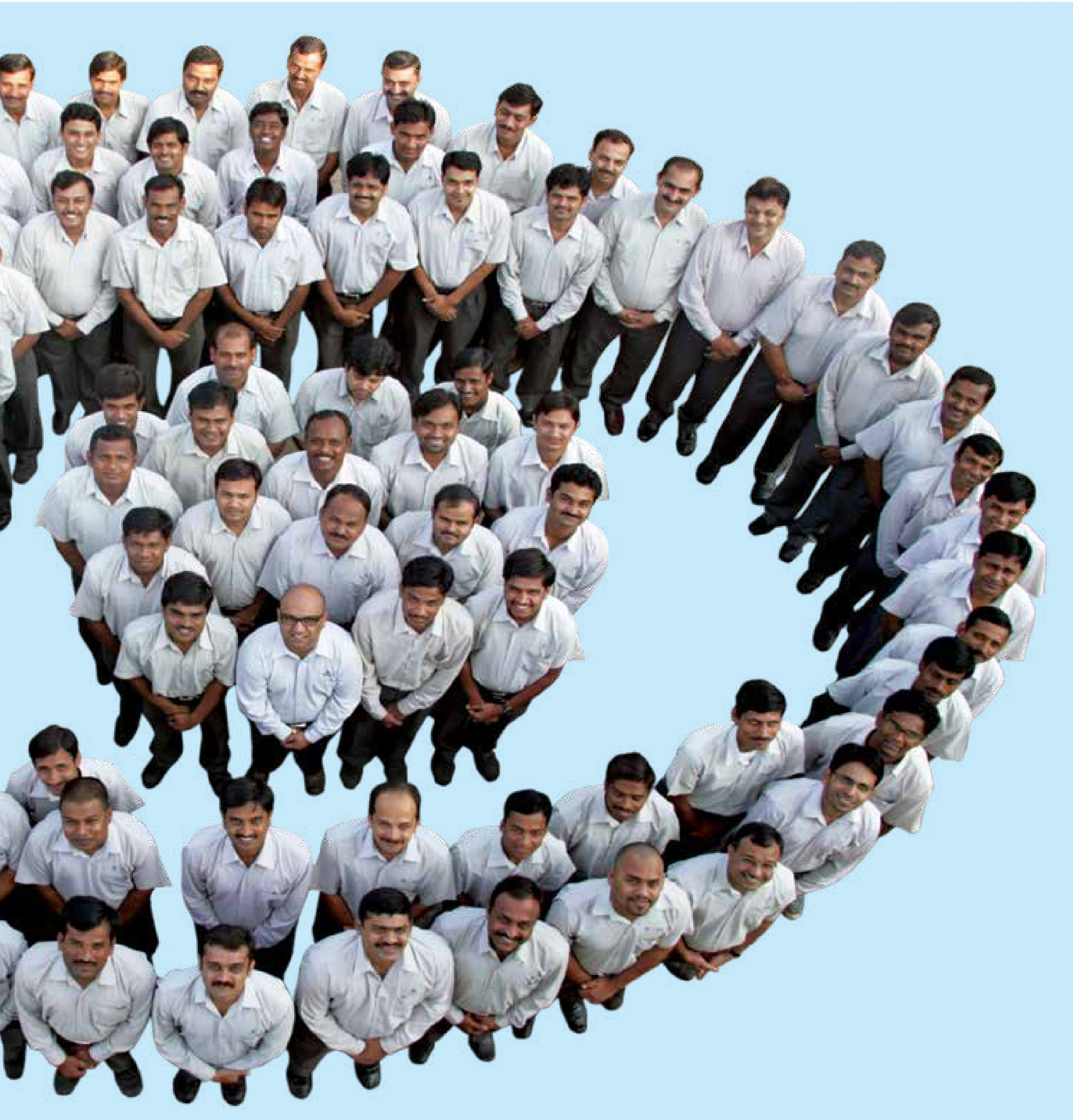
We have taken effective measures to identify high potential employees and provide them the necessary training, grooming and structured development interventions. This prepares the organisation with a ready pipeline of future leaders to ensure that business is not impacted in any manner.

HEALTH AND SAFETY

We strive to become a zero-accident organisation towards which we have taken several initiatives including conducting audits by external consultants and implementation of action plans, workshops and trainings on health and hygiene, and safety-oriented awareness programmes. We have ensured that all our plants adhere to safety standards and that the workforce strictly follows them.

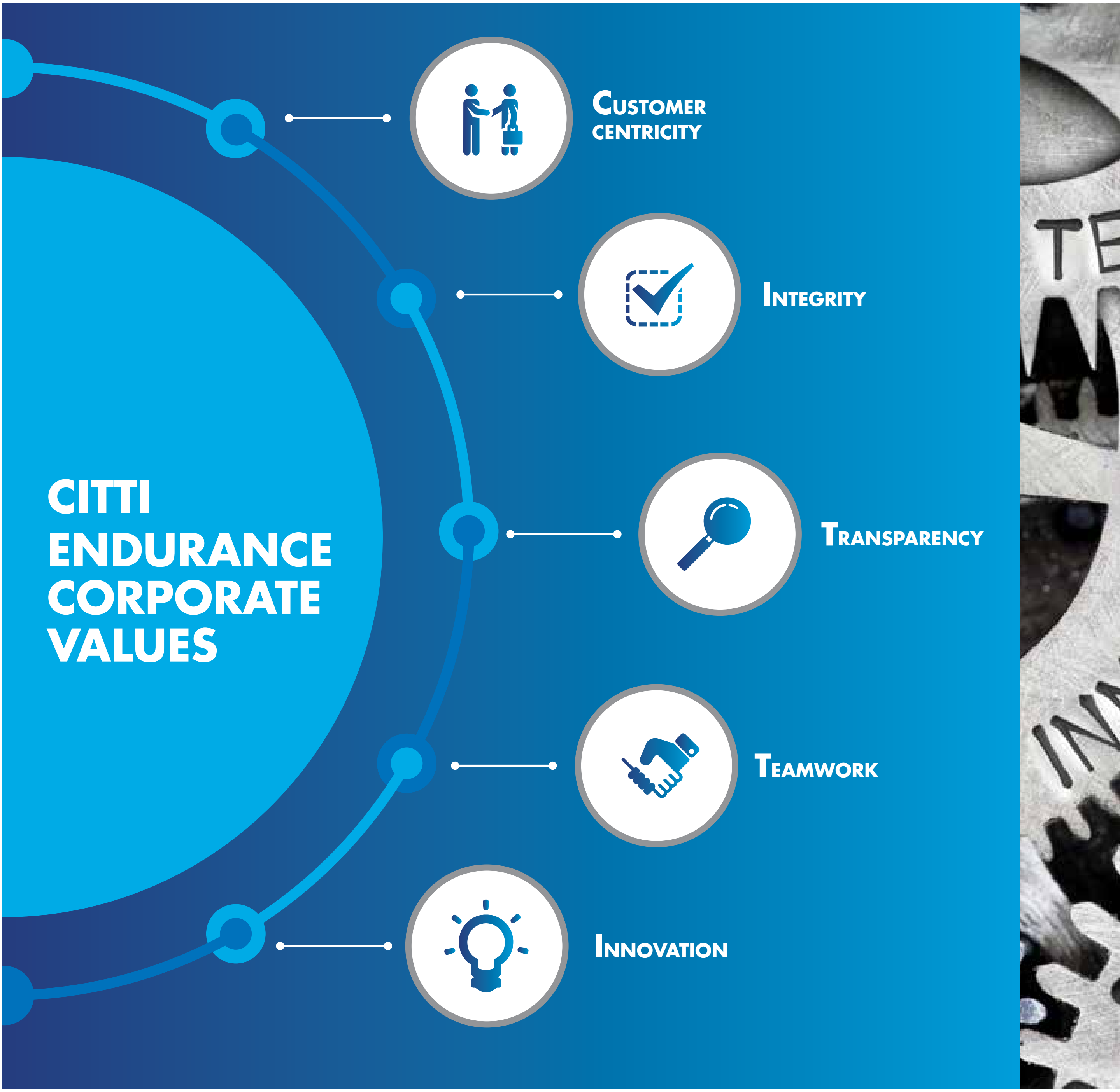
EMPLOYEE ENGAGEMENT

We follow a culture which facilitates free flow of information, ideas and opinions across all levels in a transparent manner. We ensure that people are rightly recognised for their exceptional contributions. We also focus on creating an enjoyable work experience through celebrations to strengthen bonding and collaboration.



Governance and Ethics

We are an organisation of trust with a reputation of a transparent, ethical and strong corporate governance practices. We are driven by the core values of Customer centricity, Integrity, Transparency, Teamwork and Innovation.



Core Purpose

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

HONEST AND ETHICAL CONDUCT

We have established various rules and regulations which guide every decision and action of the organisation to ensure honest and ethical business practices. Our Directors and employees uphold these standards with highest integrity.

PROFESSIONAL MANAGEMENT

Our Board comprises members of repute, recognised for their professional acumen. With their rich industry knowledge and experience, they contribute immensely to the organisation's functioning.

STRONG CORPORATE GOVERNANCE PRACTICES

We have devised robust corporate governance practices to ensure strong adherence to various regulatory norms, which have been ardently followed. With these practices, we protect interests of all the stakeholders, while gaining their trust.

Corporate Social Responsibility

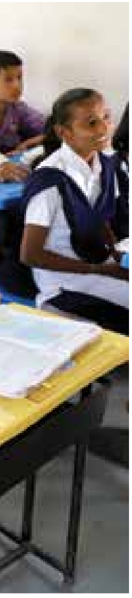
A Shared World

As a growing organisation, we are aware of our social responsibilities and undertake various CSR initiatives targeted to benefit remote sections of the society. These activities are taken under the aegis of Sevak Trust, who has been dedicatedly working towards social upliftment for over a decade. Our dedicated efforts have won us the CSR Leadership Award by World CSR Day and 'Karyagaurav" (along with our NGO partner Sevak Trust) by the Zilla Parishad, Aurangabad.

Our CSR philosophy revolves around assessing the needs of underprivileged strata of the society and undertaking relevant actions. Based on this, we have embarked upon initiatives aimed at increasing employability of youths and improving the condition of villages by fulfilling basic living requirements such as sanitation, health and hygiene, education, profitable agriculture and self-employment.

We run a vocational training institute, Endurance Centre of Vocational Education – ECoVE for imparting specialised training to underprivileged youths, who were unable to pursue education due to lack of resources. The institute provides short-term courses relating to manufacturing and retail sectors along with personality development sessions to groom them into responsible workforce.

We work towards improving education by providing funds to upgrade school infrastructure, arrange teacher training programmes, and distribute various necessities. Towards improving healthcare and sanitation, we organise health check-up camps, facilitate medical treatments and have built toilets. Our community development initiatives include setting-up RO plants for safe drinking water, creating livelihood opportunities by facilitating livestock purchase and setting-up sanitary napkin manufacturing unit, constructing houses, and initiating projects for cleanliness and alcohol de-addiction.



While these activities were initiated in villages near Aurangabad, we plan to extend these to rural areas near our other manufacturing units.

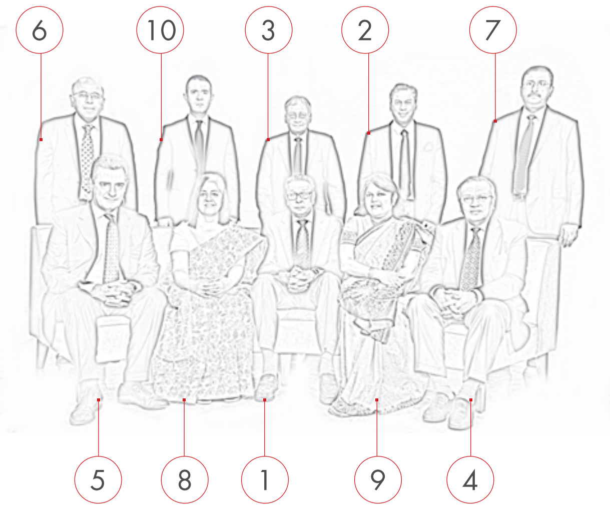
20,000

Lives touched in FY 2017-18 through Village Development Projects

₹ 56.10 million

Contributed in FY 2017-18 towards CSR

Board of Directors



1. Naresh Chandra - *Chairman*
2. Anurang Jain - *Managing Director*
3. Partho Datta - *Independent Director*
4. Soumendra Basu - *Independent Director*
5. Roberto Testore - *Independent Director*
6. Ramesh Gehaney - *Director and Chief Operating Officer*
7. Satrajit Ray - *Director and Group Chief Financial Officer*
8. Anjali Seth - *Independent Director*
9. Falguni Nayar - *Independent Director*
10. Massimo Venuti - *Non-Executive Director*

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

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Anjali Seth

Anurang Jain

Satrajit Ray

SUBSIDIARY COMPANIES

Endurance Overseas Srl, Italy

Endurance Fondalmec SpA, Italy

Endurance FOA SpA, Italy

Endurance Engineering 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

COMPANY SECRETARY

Sunil Lalai
Company Secretary and 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

Manesar (Haryana)
Plot No. 400, Sector 8, IMT, Manesar, Dist. Gurugram – 122 050

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

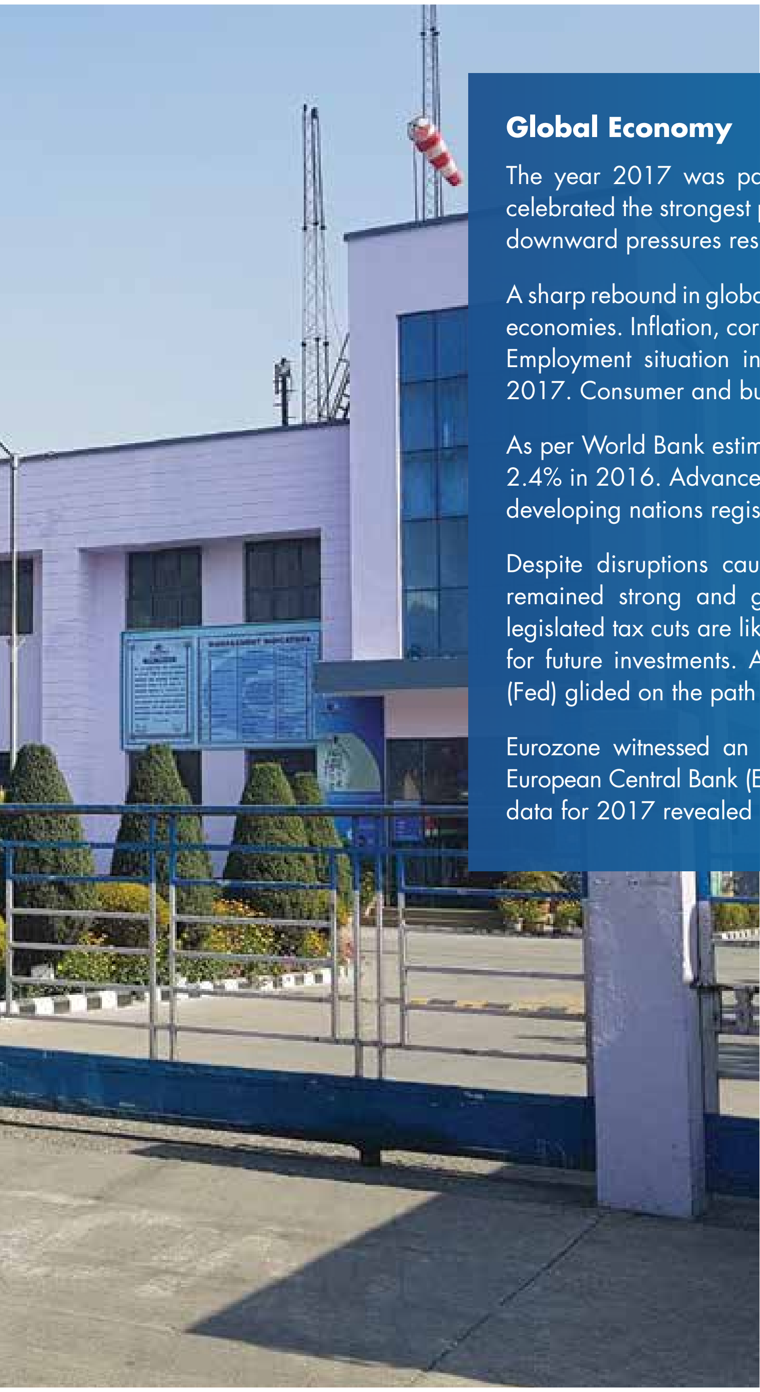
Chennai (Tamil Nadu)
Plot No. F-82, SIPCOT Industrial Park, Irungattaukottai, Pennaur Post, Sriperumbudur Taluk, Kanchipuram Dist. Chennai – 602 105

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

Management Discussion and Analysis

As per World Bank estimates, the global economy expanded at 3.0% in 2017 as against 2.4% in 2016. Advanced economies grew 2.3% in 2017 versus 1.6% in 2016; whereas developing nations registered 4.3% growth in 2017 as against 3.7% in 2016.

Integrated Plant at Pantnagar, Uttarakhand for all product lines



Economy

Global Economy

The year 2017 was paradoxical for the global economy. Countries across the world celebrated the strongest phase of synchronised economic recovery post-financial crisis, but downward pressures resurfaced towards the end of the year.

A sharp rebound in global commodity prices sparked recovery in advanced and developing economies. Inflation, core and food, remained benign for the majority of large economies. Employment situation in United States, Eurozone and Japan improved significantly in 2017. Consumer and business confidence remained favourable for most part of the year.

As per World Bank estimates, the global economy expanded at 3.0% in 2017 as against 2.4% in 2016. Advanced economies grew 2.3% in 2017 versus 1.6% in 2016; whereas developing nations registered 4.3% growth in 2017 as against 3.7% in 2016.

Despite disruptions caused by natural calamities, economic activity in United States remained strong and growth was buoyed by steady private consumption. Recently, legislated tax cuts are likely to help corporates and individuals besides serving as catalyst for future investments. Although inflation undershot its targeted range, Federal Reserve (Fed) glided on the path of monetary policy normalisation.

Eurozone witnessed an incredible recovery led by stimulus measures introduced by the European Central Bank (ECB). Recovery was also supported by robust global demand. Job data for 2017 revealed highest rate of employment since 2009.

Is this growth sustainable?

According to IMF, actual growth in advanced economies inched closer to its maximum potential in 2017. As per IMF estimates, developed economies are likely to reach their full growth potential in 2018 with possibility of a growth plateau thereafter. For emerging economies there is an upside potential, but escalation of trade wars, lower investments and risk of higher inflation may dampen prospects. Therefore, the current uptrend in global economic growth may not sustain in 2018.

Indian Economy

Contrary to the global trend of strong economic recovery, Indian economy grew at a slower pace of 6.6% in FY 2017-18 as compared with 7.1% growth recorded in FY 2016-17. CPI inflation for the fiscal averaged 3.6% which was in line with RBI's medium-term target of 4.0%. This slowdown was primarily on account of the implementation of the Goods and Services Tax (GST), which in the long term, is expected to create a flurry of positive effects on the Indian economy. However, GST, launched within months of demonetisation of high currency notes, created an overhang on the economy and temporary headwinds for growth. Nonetheless, Indian economy rebounded swiftly in the Q3 of FY 2017-18 and growth momentum was sustained thereafter.

Throughout the year, India's Central Bank maintained status quo on the monetary policy front with a neutral stance. It, however, underscored a possibility of change in its approach for fiscal slippages or aggravation of retail inflation.

Moody's upgraded India's outlook to positive from stable and also upgraded sovereign credit rating to 'Baa2' from 'Baa3'. As per Moody's estimates, India's long-term growth potential is substantially higher than most other 'Baa'-rated nations.

India received normal monsoon in FY 2017-18, which created a supportive environment for economic growth. Policy decisions too helped to boost growth when the Government substantially increased budgetary allocations to infrastructure sectors or aimed to alleviate farmers' distress by setting Minimum Support Prices (MSPs) at least 50% above the cost of production. The Government is also likely to spend ₹ 6 trillion on the infrastructure sector and construct 3,20,000 kilometre of roads in rural areas under its flagship programmes, such as, Mahatma Gandhi National Rural Employment Guarantee Programme (MGNREGA) and Pradhan Mantri Gram Sadak Yojana (PMGSY).

Predictions of a near normal monsoon, diminishing effects of GST implementation and the clear focus of the present Government on improving the performance of the rural economy may create a cohesive force for sustained growth in FY 2018-19 and beyond. However, rising crude oil & commodity prices and interest rates remain a threat, along with the widening twin deficits on the Government's fiscal and current account.

As per RBI's projections, Indian economy is slated to grow at 7.4% in FY 2018-19.

Industry Overview

Indian Automobile Industry

Indian automobile industry demonstrates India's technological prowess and showcases its strong execution capabilities. In terms of automobile production volumes, India ranks fourth across the world and is the largest manufacturer of two-wheelers, three-wheelers and tractors. The two-wheeler and three-wheeler segments have a combined market share of 83% in domestic automobile production and play a significant role in the overall performance of the industry.

AUTOMOTIVE ECOSYSTEM

Upstream	Automotive Industry	Downstream
Metals and mining	Auto makers	Logistics, fuel, suppliers, advertising, finance insurance and spares supply and services for OEMs
Rubber		
Glass	Component producers	Used-vehicles market and vehicle rentals
Plastics		
Electronics and software		

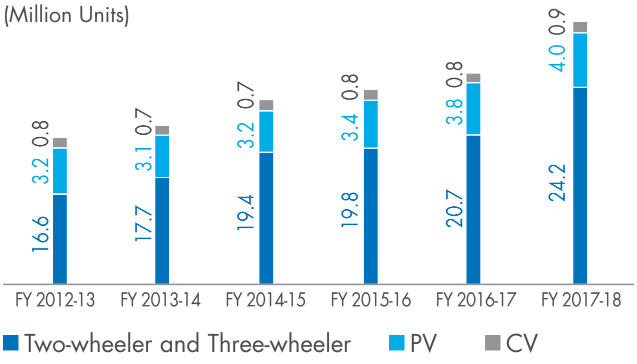
(Source: National Auto Policy Draft, February 2018)

The automobile industry in India creates a higher multiplier effect on economic growth. It accounts for a little over 7% of India's GDP and creates direct and indirect employment opportunities for more than 30 million people.

Growing income levels, improving infrastructure, easy credit-availability and increasing ownership aspirations of middle-income groups have driven the demand for automobiles, over the last 10-15 years.

TRENDS IN DOMESTIC AUTOMOBILE PRODUCTION

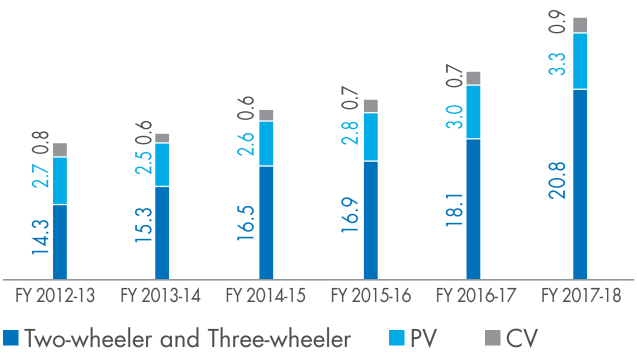
(Million Units)



(Source: SIAM)

TRENDS IN DOMESTIC AUTOMOBILE SALES

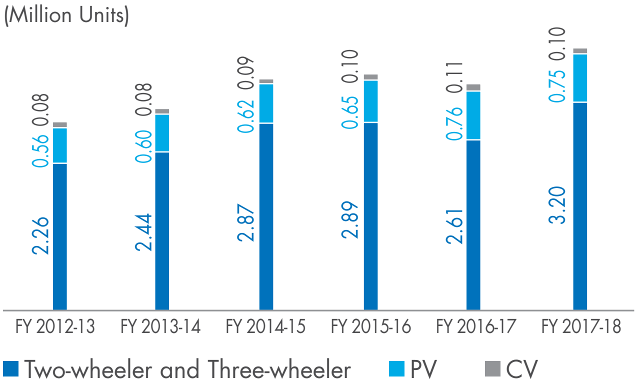
(Million Units)



(Source: SIAM)

AUTOMOBILE EXPORTS

(Million Units)



(Source: SIAM)

Two-wheeler Industry

India's two-wheeler industry may be divided into three segments—motorcycles, scooters and mopeds. The industry is dominated by motorcycles segment, which is primarily driven by rural demand. Scooters segment enjoys higher popularity in urban clusters and has been the fastest growing segment within the two-wheeler industry.

As per March 2018 estimates by SIAM (Society of Indian Automobile Manufacturers), the apex industry body, motorcycles segment constitutes 65.62% of the two-wheeler industry and scooters and mopeds make up 30.57% and 3.81% respectively. There are 11 motorcycle producers and seven scooter makers in India at present.

In FY 2017-18, two-wheeler industry registered a volume growth of 16.1% in production and 15.44% in sales. The industry achieved a new milestone when it surpassed production and sales volumes by 20 million units. Within the two-wheeler segment, scooters and motorcycles clocked growth of 19.9% and 13.7% in domestic sales, respectively. *(Source: SIAM)* Exports of scooters and motorcycles increased 7.3% and 22.5% respectively.

The two-wheeler industry recovered well from the lingering effects of demonetisation and transition to BS-IV. Two back-to-back good monsoons, benign inflation and soft interest rates helped the industry achieve record volumes. Further, lower base effect worked favourably for the industry.

Three-wheeler Industry

India's three-wheeler segment plays a vital role in delivering last-mile connectivity in urban and rural areas at affordable rates. Three-wheeler industry can be further divided into passenger fleet and cargo carrier. Passenger fleet accounts for nearly 88% of total sales volumes in this industry. Despite growing awareness about alternative fuel, nearly 62.5% of three-wheelers sold in India still run on diesel. The top two players hold almost 80% market share in the three-wheeler industry.

The three-wheeler industry expanded at a rapid pace in FY 2017-18. Growing trend of shared mobility, end of licence regime in Maharashtra and issuance of new permits in Delhi helped this industry grow at 29.72% in FY 2017-18. Sales of passenger fleet and cargo carrier vehicles increased 33.23% and 8.8% respectively. The pent-up demand witnessed in FY 2017-18 completely negated the transitory negative impact of demonetisation and transition to BS-IV.

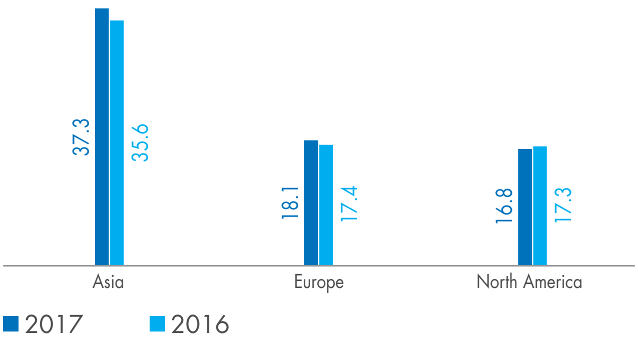
Exports of three-wheelers increased by 40.1% in FY 2017-18.

Global Passenger Vehicle Market

The global Passenger Vehicle (PV) industry reported healthy growth in 2017 buoyed by broad-based economic recovery. Except for North American markets, all other major markets witnessed a noticeable rise in new car registrations, despite the higher base effect. As per the IHS Markit and ACEA estimates, new PV registrations increased by 3.2% as 79.9 million units were sold in 2017 as against 77.4 million sold in 2016.

As per estimates by India Brand Equity Foundation, there are 700 auto component makers in the organised sector and nearly 10,000 in the unorganised sector. However, those in the organised sector collectively dominate a market share of 85%.

CAR SALES
(Million Units)



(Source: IHS Markit, ACEA)

China remained the largest PV market with 30.1% market share and grew at 4.3% in 2017. Europe accounted for 22.6% of the global PV market and reported a growth of 3.8%. With 21.1% share in the world PV market, North America claimed third position, but reported a drop of 2.6% in new passenger car registrations. Resurgence in global trade improved the pace of economic recovery in commodity-exporting nations, which gave a boost to demand for passenger vehicles.

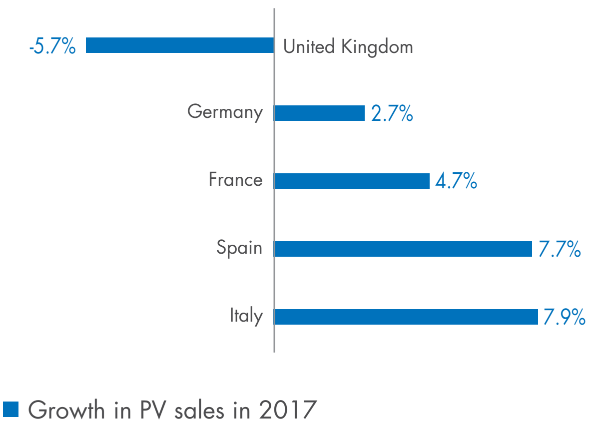
European Union

2017 was an eventful year for EU carmakers. With nearly 17 million cars manufactured in 2017, the annual production exceeded the pre-crisis level for the first time. As against 14.6 million registrations in 2016, the new PV registrations in EU reached 15.1 million in 2017. Except for United Kingdom, all other major markets in EU—Germany, France, Italy and Spain, witnessed a strong surge in demand for Passenger

Aluminium Die Casting Unique Part Serial Number Identification System

Vehicles. EU exported 5.6 million units and imported 3 million units in 2017 and remained a net exporter of cars. Car exports in EU improved 2.3% in terms of value and 3.7% in volume on year-on-year basis.

STRONG GROWTH IN PV SALES



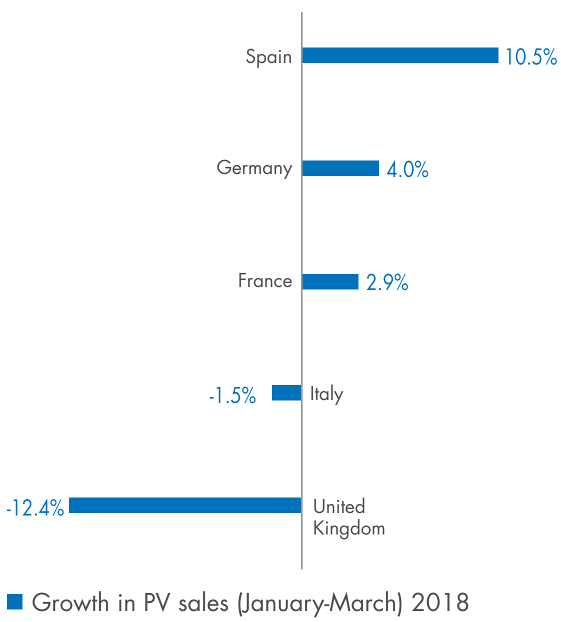
(Source: ACEA)

Diesel cars lost traction in Western Europe as their share in new car sales fell from 49.5% in 2016 to 44.4% in 2017.

The momentum in new car registrations in Eurozone appears to have lost steam in the first three months of 2018. Apprehensions on Brexit dented consumer confidence in United Kingdom. Car sales were further affected by a lacklustre performance of the diesel car segment owing to potentially stricter environmental regulations and an unfavourable tax regime.

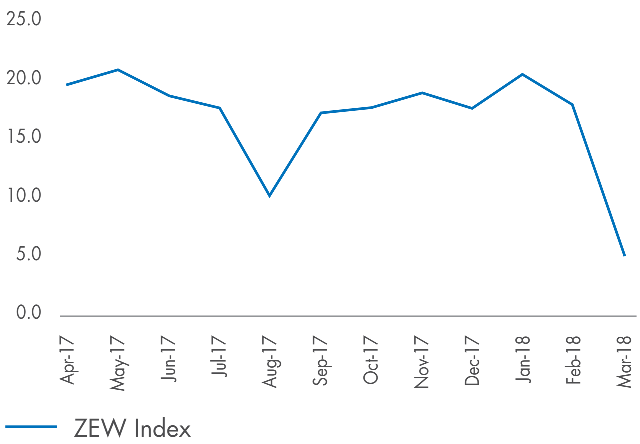
Elsewhere, an uncertain business environment affected car sales.

WILL MOMENTUM CONTINUE IN 2018?



Threats emanating from United States' hawkish stance on free-trade policies rattled consumer and business sentiment across Eurozone, as reflected in the falling economic sentiment index of Germany. Unless global policy makers reach middle-of-the-road policy decisions, retaliatory risks from America's major trade partners may remain elevated.

IMPACT OF TRADE-WAR FEARS ON ECONOMIC SENTIMENT



(Source: The Centre for European Economic Research)

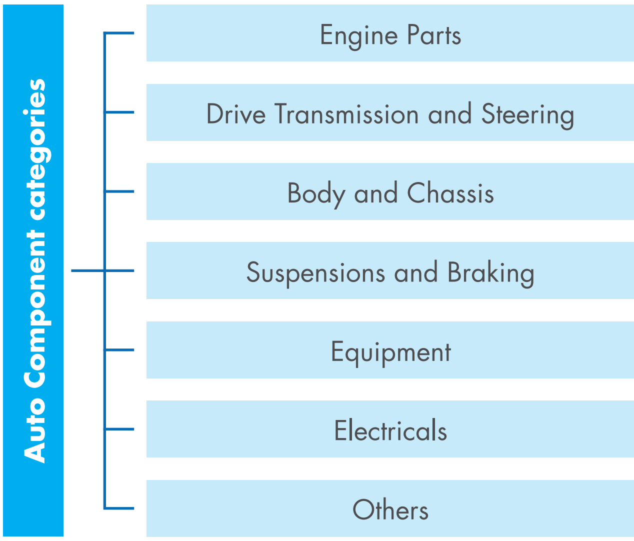
Nonetheless, Moody's predicts that the global auto industry shall grow at 1.5% in 2018. It expects all crucial auto markets, except the United Kingdom, to perform steadily in 2018. It has thus upgraded its outlook on the global auto industry from negative to stable.

Auto Ancillary Industry in India

India is increasingly becoming a hub for domestic and global automakers and Indian auto component manufacturers are becoming trusted partners for the supply of crucial automotive components. Availability of skilled and semi-skilled manpower, cost-efficient manufacturing, proven execution capabilities and proximity to some key global markets such as Middle-East and Europe has helped Indian auto component industry to grow at a compounded annualised rate of 14% over the last one decade. India is also turning out to be a global hub of automotive companies for Research and Development (R&D) activities too.

As per estimates by India Brand Equity Foundation, there are 700 auto component makers in the organised sector and nearly 10,000 in the unorganised sector. However, those in the organised sector collectively dominate a market share of 85%. The presence of unorganised players is mainly in small and technologically insignificant components. They mostly cater to the aftermarket demand.

According to Automotive Component Manufacturers Association of India (ACMA), OEMs of two-wheelers and three-wheelers together consume nearly 25% of the auto components produced by Indian auto component manufacturers.



(Source: CARE Ratings)

Body and chassis, suspension, braking, steering and transmission components collectively account for nearly 43% of the industry production. Engine parts constitute close to 31% of the total production of components in the country.

Changing face of auto component industry

Indian auto component sector is rapidly climbing the value chain, having shed its image of being a highly fragmented and a low volume industry. It is evolving as a globally competitive industry, efficiently handling high volumes to ensure an uninterrupted supply of auto components globally.

India is the third-largest producer of steel and fourth largest producer of primary aluminium. Consequently, Indian auto-component manufacturers do not face any significant risk of disruption in sourcing raw materials. Technologically sound component manufacturers enjoy a high market share and thus have higher bargaining power with OEMs. However, they face a risk of cheaper imports in select product segments. The competition risk is also a ponderable risk for auto-component manufacturers since the Government has deregulated the sector and allowed 100% FDI through automatic route. Domestic players that can ensure a steady and timely supply of quality products are likely to be shielded from these risks.

Leading auto-component makers follow the footsteps of automakers and better managed companies outperform the industry averages.

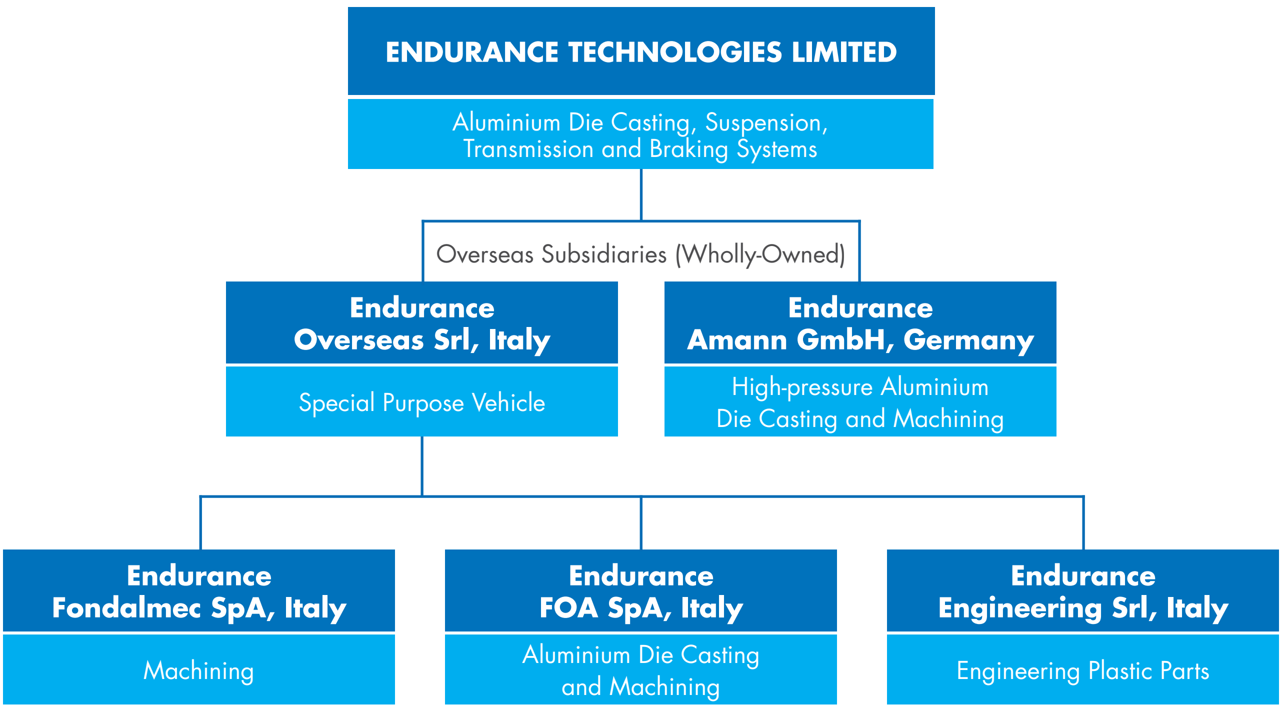
Company Overview

Endurance Technologies is one of India's leading auto-component manufacturing companies, catering mainly to two-wheeler and three-wheeler markets in India. The Company has a significant presence in European markets through its overseas subsidiaries that are trusted manufacturers of auto components used in four-wheeled passenger vehicles.

Endurance Technologies has grown its domestic business organically so far and adopted both organic and inorganic routes for increasing its European business.

It has a special purpose vehicle—Endurance Overseas Srl in Italy—for making strategic overseas investments. Endurance Fondalmec SpA, Endurance FOA SpA and Endurance Engineering Srl are its three step-down subsidiaries established in Italy. The Company also has a subsidiary, Endurance Amann GmbH, in Germany.

Endurance Technologies and its overseas subsidiaries constitute the Endurance Group.



The Company has the highest output and largest installed capacity for aluminium die casting in India. It is also among the top two companies in suspensions, transmissions and braking systems for two-wheelers.

Endurance Technologies is a Tier I supplier to major two and three-wheeler OEMs.

The Company has a diversified portfolio of technology-intensive products, which includes aluminium die castings, suspension components, transmission components and braking systems.

The Company has the highest output and largest installed capacity for aluminium die casting in India. It is also among the top two companies in suspensions, transmissions and braking systems for two-wheelers.

Endurance Technologies is an end-to-end solution provider, which engages with its customers from the stage of product conception to design, development, testing, validation and to end-user delivery. The Company also caters to the B2C replacement market for a wide range of auto components through its aftermarket business for domestic as well as exports market.

Its quality-driven approach and ability to ensure uninterrupted and cost-efficient supply of critical automotive components has made Endurance Technologies a trusted partner of India's top two-wheeler and three-wheeler manufacturers. Endurance's partnerships with global OEMs symbolises its proclivity for quality and innovation.

The Company has 16 strategically located manufacturing facilities in India. It is scheduled to unveil two new plants—one at Halol, Gujarat and the other at Malur Taluka, Kolar District, Karnataka, in FY 2018-19.

The Company has also established its footprint globally through its subsidiaries in Italy and Germany, home to major four-wheeler OEMs. Its subsidiaries are primarily engaged

Aluminium Die Casting plant at Sanand, Gujarat

The Company witnessed substantial growth in volumes across product lines in India. Performance of the Company in European markets also remained upbeat. In FY 2017-18, the Company and its overseas subsidiaries registered a higher-than-industry volume growth.

in manufacturing and machining of aluminium die castings for passenger and commercial vehicles and have eight facilities in Europe.

The Company also has four dedicated Research and Development (R&D) centres, of which three are located in Aurangabad and one in Pune. We also have one technical engineering centre for Aluminium Die castings in Chivasso, Italy.

Business Overview

Indian two-wheeler and three-wheeler industries remained largely unaffected by the short-term negative impact of GST experienced in other manufacturing sectors. Two-wheelers with sub-350cc engine capacity benefited by the implementation of GST. Also, price escalations in the premium segment on account of GST implementation have been marginal. As a result, the majority of two-wheeler and three-wheeler companies, sourcing components from Endurance Technologies, registered double-digit growth in FY 2017-18. Apart from GST, fading impact of demonetisation also encouraged two-wheeler and three-wheeler sales.

Following in the footsteps of its OEM partners, the Company witnessed substantial growth in volumes across product lines in India. Performance of the Company in European markets also remained upbeat. In FY 2017-18, the Company and its overseas subsidiaries registered a higher-than-industry volume growth.

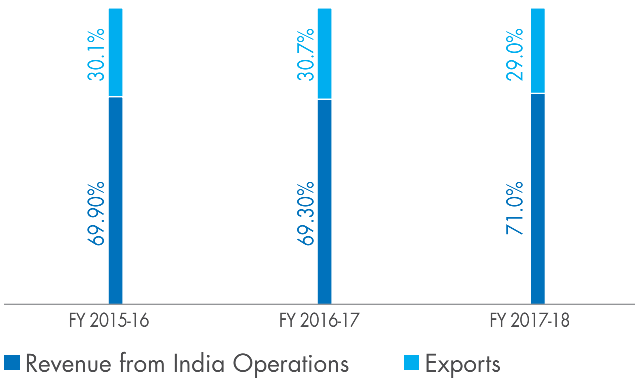
Business highlights of the Company for FY 2017-18

The Company's consolidated total income grew by 16.8% to ₹ 65,617 million in FY 2017-18 as against ₹ 56,199 million reported in FY 2016-17. PAT increased 18.3% on Y-o-Y basis.

Synopsis of domestic operations

Total Income increased to ₹ 46,595 million in FY 2017-18 from ₹ 38,924 million in FY 2016-17. Aftermarket business, which is the only B2C business of the Company, grew by 13.8% to ₹ 2,415 million in FY 2017-18.

In FY 2017-18, aluminium die castings and suspensions continued to enjoy a higher share in the Company's revenues.



Consolidation of plant operations and implementation of Voluntary Separation Scheme

The Company regularly monitors operating efficiencies of each plant and evaluates consolidation of operations at appropriate juncture. In FY 2017-18, the Company decided to consolidate its plant operations in Pune region. Accordingly, operations at the Company's plant in Takve, Dist. Pune, were discontinued and manufacturing activities were consolidated with other plants in Chakan, Dist. Pune.

A number of voluntary separation schemes were also undertaken for eligible permanent workmen at the Company's plants in Takve and Chakan during this exercise.

Synopsis of overseas operations

Out of Company's eight facilities in Europe, three are located at Massenbachhausen, Germany, two at Chivasso, Italy and one each at Grugliasco, Lombardore, and Torino in Italy. Endurance Group's Europe operations predominantly cater to four-wheeler OEMs, focussing on engine and transmission components. These components include raw and machined aluminium die castings (high-pressure and gravity die casting products) and steel, cast iron and manufacturing of plastic parts.

The performance of offshore subsidiaries of Endurance Technologies remained robust in FY 2017-18.

Subsidiary	Total income (in Euro million)		Y-o-Y growth
	FY 2016-17	FY 2017-18	
Endurance Overseas Srl, Italy	8.7	10.3	19.0%
Endurance Fondalmec SpA, Italy	139.9	154.0	10.1%
Endurance FOA SpA, Italy	70.2	75.5	7.6%
Endurance Engineering Srl, Italy	16.8	17.5	4.2%
Endurance Amann GmbH, Germany	47.1	51.0	8.3%

(Financial numbers of the overseas subsidiaries are as per respective country's local GAAP)

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

Endurance Fondalmec SpA, ("EF SpA") is a step-down operating subsidiary of the Company in Italy and is primarily engaged in machining of die-cast components for the automotive sector such as engine, gearbox, transmission parts, and assembly of other metallic components like cast iron and steel.

The increase in income reported by EF SpA in FY 2017-18 was significantly higher than the growth in registrations of new passenger cars in the EU market. Increase in income can be largely attributed to higher demand from domestic and overseas OEM customers and significant growth in production by one of the key German OEMs to whom new products were supplied.

In the Q4, FY 2017-18, the Company recalibrated its strategy to replace the current cam cover starting from 2021. This product has significant strategic value because in addition to its standard application in the 1.5 litre petrol engine, it could be also used in hybrid cars in the medium segment.

Endurance FOA SpA, ("FOA SpA") is a step-down operating subsidiary of the Company in Italy and is primarily engaged in manufacturing operations of high pressure die casting and machining components.

In the early part of FY 2017-18, an industrial research and experimental development project was started for the industrialisation of innovative products in aluminium (project "ICARO") as part of the Regional Operational Programme in Italy.

This project is focussed on providing innovative procedural and production solutions for die casting technology and related machining processing with a time horizon of 36 months. This also involves setting up a die casting R&D centre, focussed on the supply of parts for subsequent machining activities, which will be set up at the Company's facilities in Chivasso.

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.

In FY 2017-18, EEsrl continued to support the Endurance Group in offering solutions to customers for producing engineering plastic components to replace some of the production in aluminium and align itself with the vision of OEMs to shift to alternate lighter material components.


Fully Automated Aluminium Die Casting Machining Line in Endurance Fondalmec, Italy

Endurance Amann GmbH ("Amann"), a wholly-owned subsidiary based in Germany, carries out manufacturing operation of high pressure Aluminium die casting and machining components. It caters to large automotive OEMs in the German market.

The increase in the total income of the Company reported in FY 2017-18, can mainly be attributed to higher sales to its major customers and additional volumes of new parts for transmission applications. However, the reduction in PAT was mainly due to higher depreciation costs and extra costs for meeting start-up expenses and quality standards for the new parts.

Opportunities

Endurance Technologies is expected to benefit from multiple growth opportunities in the future. Like other auto-component makers, future growth of the Company would substantially hinge on the growth of the auto industry. The Company's R&D-centric approach to new product development and the impetus for innovation would also open up other growth opportunities. External and internal factors that would create such opportunities are:

Favourable macros to drive overall two-wheeler market

Government's focus on doubling farmers' income by 2022, higher spends on the road connectivity in rural areas and growing ownership aspirations of consumers will bolster the growth of the two-wheeler market in the long run.

Price affordability and fuel efficiency – for two-wheelers vs passenger vehicles

Factors such as rising interest rates, spike in fuel prices and falling incomes have discouraged the passenger and commercial vehicles markets more than the two-wheeler and three-wheeler markets resulting in higher demand for affordable and fuel-efficient two-wheelers. The Company is likely to benefit by this trend in the foreseeable future.

Growing scooter market to create ample opportunities

Historically, the share of supplies to motorcycles in the total income of the Company has been high mainly on account of the significant presence of its top customers in this segment. This leaves a huge untapped scooter market wide open for the Company. Scooters have been the fastest growing segment within two-wheelers, and its appeal has risen steadily not only in urban areas but also in semi-urban and rural areas. With its proven ability to supply superior products at competitive rates, Endurance Technologies appears to be in a sweet-spot to capitalise the opportunities in the scooter segment.

Rapid urbanisation and ride-hailing

As long as last-mile connectivity remains a concern in the majority of Indian cities, owing to inadequate public transport systems, the importance of three-wheelers in urban transport is bound to increase further. Growing instance of ride-hailing services may further boost the demand for three-wheelers. If more states adopt de-licensing policies for three-wheelers, the demand may be further accelerated. In rural areas too, with

Robotic Machining at the Plant at Sanand, Gujarat

Endurance Technologies is expected to benefit from multiple growth opportunities in the future. Like other auto-component makers, future growth of the Company would substantially hinge on the growth of the auto industry.

improving road connectivity, three-wheeler demand is likely to grow further.

Growing trend of vendor rationalisation among OEMs

Intense competition in the two-wheelers market has made cost-rationalisation imperative for OEMs while consistently working to enhance product quality to meet the pressure of growing consumer expectations. Consequently, OEMs have become more cautious and demanding about the quality of auto components used in vehicle manufacturing and prefer to procure more components from fewer cost-effective vendors, if they match quality requirements.

Endurance Technologies, being one of the top two suppliers across all its product segments, expects to benefit from this trend that will help to increase the content supplied per vehicle.

Quality, Cost and Product Development

The Company always stays ahead of the curve in meeting customer expectations on quality, cost and delivery. It adopted Total Productive Maintenence (TPM) in 2005. Since then, the Company operates plants only when they are commercially viable and enjoys economies of scale. Through operational efficiencies and effective sourcing strategies, it fulfils quality requirements at competitive price points.

Further, R&D teams are continuously working towards developing technology-intensive products through in-house competencies and know-how transfer by collaborators. The R&D function is focussed on developing 'future-ready' products to cater to OEMs' constant demand for better performing solutions at optimum cost.

Safety and environmental concerns-may start a new chapter for component makers

Road fatalities and deteriorating air quality are primary concerns for India. Negligence of traffic rules and rash-driving are the prime reasons for road fatalities. The Government has taken actions to initiate stricter policy measures to increase road safety and reduce emissions.

Various studies conducted across the globe suggest that the Anti-lock Braking System (ABS) can lessen the risk of a crash. It is mandatory for new models of two-wheelers up to 125cc to be manufactured with Combined Braking System (CBS) fitting and those with displacement above 125cc to have ABS fittings. Accordingly, existing models will also have to retrofit ABS and CBS from April 2019 onwards based on their displacement.

The Company has a technological tie-up with a leading global brake and suspension company for ABS assemblies. The ABS project is in the concept validation stage. The Company is expected to submit samples to OEMs for testing during FY 2018-19.

The Company is working to establish capacity for half a million ABS systems and expects to start commercial production during FY 2019-20. As ABS is a more demanding product technologically than CBS, it is likely to fetch higher realisations.

To curb air pollution, the Government has set a deadline of April 2020 to introduce BS-VI emission norms across India. This would open up more growth opportunities for auto component makers. Moreover, to increase fuel efficiency, further light-weighting of vehicles is gaining prominence, which will contribute to a lower carbon footprint.

Endurance Technologies is fully geared up to capitalise on these opportunities.

Demand for technology-intensive products is increasing

Demands of OEMs are fast changing due to the growing number of compliances and changing preferences of end-customers. Large fully-machined castings, paper-based clutch assemblies, scooter front-forks, motorcycle inverted front forks, front and rear hydraulic braking systems among others will present unprecedented high growth opportunities. Being an end-to-end solution provider, Endurance Technologies appears to be in a groove to reap the benefits from this trend.

Prominent growth drivers for Endurance Technologies

India's economic progress would be a growth catalyst for auto ancillary companies such as Endurance Technologies. Apart from benefits attributable to favourable macros, which open up opportunities for all industry players, the Company enjoys several other distinct advantages that will help it achieve better-than-industry growth.

The Company expects to achieve better-than-industry growth, by continuing its strategy which involves:

Greater Market Participation: The goal of Endurance Technologies is to be the preferred supplier to every two-wheeler OEM in the world. The Company has already partnered with five out of the top six two-wheeler OEMs in India, for the supply of auto components.

Endurance Technologies is focussed on building highly productive teams and helping employees develop leadership qualities. Endurance Technologies organises various training and development programmes for its employees.

The Company also supplies to various marquee brands in Europe. Further, the Company continued to increase its penetration in the export market. Its marketing efforts are focussed on supplying a wide range of products to existing and new customers in India and overseas.

Endurance Technologies practices its stated values of customer centricity and innovation. The Company delivers components, which score high on all quality parameters-fitment, function and aesthetics. Its best-in-class products on quality, cost, development and delivery parameters have helped the Company create an impeccable track record. A high level of engagement with customers has also enabled the Company to gain more content-per-vehicle and gain market share.

Premiumisation: The premium segment has opened up ample opportunities for auto-component markets, as awareness about superior aesthetics, safety and ride comfort has grown among riders. Premium products have also received a fillip through new legislation with regard to safety and pollution norms. The Company has appropriate technology and R&D prowess to participate actively in premium products.

In **Aluminium Die Castings**, the Company has increased participation in the value-added machined castings space for two-wheelers and four-wheelers.

In **Suspensions**, Endurance Technologies is the only Company in India to produce and commercially supply inverted front-forks, which are preferred by premium brands. During FY 2017-18, the Company received export orders for inverted front forks and rear monoshocks for heavy-duty motorcycles of higher engine capacity. The Company has also taken steps to increase participation and get orders for scooter front forks and rear shock absorbers.

In **Transmissions**, the Company has achieved an increased share of superior paper-based clutch plates in its supply of clutch assemblies. The Company also aims to provide CVT for scooters.

In **Braking Systems,** the Company is poised to benefit from the higher composition of rear disc brakes as compared to low-end drum brakes, its participation in disk brake assemblies for higher cc motorcycles and also the mandatory ABS/CBS.

Investments: The Company has a robust capital expenditure plan to ensure that additional capacities required for incremental revenues come up at greenfield and brownfield locations in India and Europe. In India, new plants are being set up in Halol, Gujarat and Malur Taluka, Kolar District, Karnataka. Further, additional land has been acquired for expansion at Sanand and Chennai, closer to its existing manufacturing facilities.

The Company also invests extensively in R&D to ensure that its products meet the needs of the market. It is in the process of setting up a proving ground (test track) at Aurangabad, which will help reduce development time for new products.

Aftermarket: The replacement market is also a key growth driver for the Company. It has an extensive network of dealers and distributors in India and other countries, where there is a market for Indian two-wheelers. Many of these overseas markets are witnessing economic recovery with the rebound in oil prices. In India, introduction of GST has given a competitive advantage to organised players.

New Businesses: The Company has secured orders in Europe for electric vehicles and hybrid vehicles. It has capabilities to produce castings in new shapes as required for such vehicles. In the Indian two-wheeler and three-wheeler markets, the Company is well-engaged with companies that are developing electric vehicles.

With its strong financial and managerial bandwidth, the Company also targets to enter new product lines through strategic partnerships, including technology tie-ups and acquisitions.

Risks and Concerns

Cyclical nature of auto industry: Since auto-component manufacturers follow their customers in growth trends, they suffer a risk of slow growth on account of an economic slowdown. All OEMs and auto-component manufacturers are subject to this risk. To effectively deal with these cyclical risks, the Company has diversified its business across geographies.

Volatility in commodity prices: Endurance Technologies primarily consumes aluminium and steel as raw materials, which form a significant part of its expenditure. Any rise in prices could impact the profitability of the Company. To ward off this risk, the Company has a back-to-back pass on arrangement with its customers, with a lag of a quarter or two. This practice helps to protect margins.

Increasing competition: Better prospects for India's automotive market has made competition among component-makers more intense. Endurance Technologies is partially shielded from the competition because of its long-standing partnerships with esteemed customers. Besides, its diversification across geographies and product categories may help the Company tackle intense competition effectively. Moreover, the Company's technological superiority and proven execution track-record of new projects and initiatives, provides it an edge over its competitors. The Company has a diversified portfolio of products. It manufactures some highly technology-intensive products such as rear disc brake assemblies, upside-down front forks, fully machined castings, paper clutch assemblies and rear mono shock absorbers.

Attracting and retaining talent: The Company acknowledges people as its key strength. Given the shortfall of appropriate talent in certain areas, the Company has taken a number of initiatives.

Endurance Technologies is focussed on building highly productive teams and helping employees develop leadership qualities. Endurance Technologies organises various training and development programmes for its employees. It has in place a sound performance appraisal and reward mechanism to support the recruitment and retention programme. The Company's unique programme - "Prashansa" has proved to be effective in talent retention.

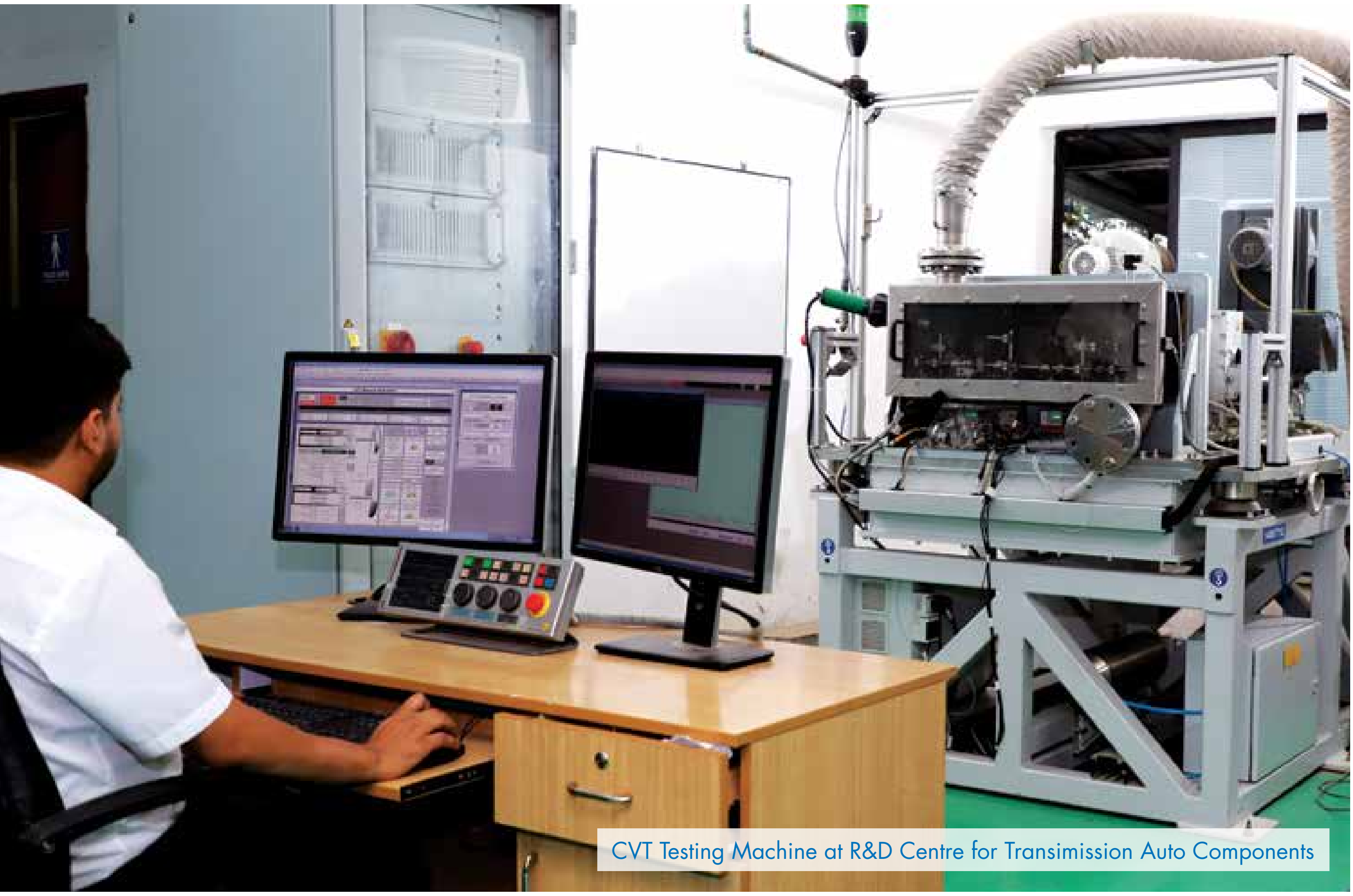
Outlook

Prediction of a near normal monsoon in 2018, higher budgetary allocations to infrastructure development and focus of the Government on rural development is likely to accelerate India's economic growth in FY 2018-19 and beyond. Benign inflation and stable interest rates may keep consumer sentiment upbeat. Endurance Technologies is well-positioned to exploit growth opportunities. In FY 2018-19, the Company aims to further diversify its customer base and achieve more revenues from existing customers by way of cross-selling its products across all four product categories. The Company aims to grow its aftermarket operations and increase its exports from India, and expand its product offerings.

The Company is not only scouting for inorganic growth opportunities through acquisitions and strategic partnerships but is also on the lookout for growing business organically through diversification across automotive segments and product categories.

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

Being a manufacturer of technologically intensive auto components, Endurance Technologies consistently spends a part of its earnings on R&D activities.



CVT Testing Machine at R&D Centre for Transimission Auto Components

The Company has so far registered seven designs of which two were filed in FY 2017-18. It also has to its credit six patents, including the one it secured in FY 2017-18 for the transmission application. It has already applied for 52 patents, which, as and when granted, will facilitate further expansion of the Company's product portfolio.

This focussed approach has helped Endurance Technologies to diversify its product portfolio. To launch more "first-time-right" and customised products, its R&D department engages directly with OEMs during product design and development stage to understand their specific requirements.

The Company remains committed to working closely with its OEM customers at every stage of product development-right from concept design to prototyping and testing.

The Company has made substantial investments in the development of a proving ground, close to its Waluj manufacturing facilities, which will play a crucial role in helping the Company assess the effectiveness of its suspension, transmission and braking systems on the performance of vehicles.

Globally, the R&D function of the Company is supported by a dedicated team of 210 people.

The R&D function helps the Company launch not only new products but also improve product quality and performance. The Company's strong R&D capabilities also help it improve and streamline processes, which helps improve margins.

Health, Safety and Environment (HSE)

Health, Safety and Environment are high-priority areas for Endurance Technologies. The Company has embarked on a critical mission to become a zero-accident organisation. It has in place a strategy, plans and infrastructure for mitigation of risks to HSE at its facilities.

In FY 2017-18, the Company established five HSE Golden Rules defining a minimum compliance framework for all employees and also empowered them to implement proactive actions to improve safety and compliance at the workplace. Increased engagement in HSE at all levels has delivered improved results in HSE performance in the organisation.

The Company took the following HSE initiatives in FY 2017-18:

- Voluntary audits of HSE legal compliance were conducted for all plants and offices by external consultants
- Conducted workshops on HSE legal compliances for the senior management team
- Conducted training for more than 3,000 workmen and staff in various HSE-related training programmes including HSE Golden Rules Training
- Conducted HSE diagnostic study through an external consultant to arrive at the current state of HSE culture by use of Hearts and Minds Tool called "Understanding Your Culture" (UYC)
- Put in place an action plan to enhance the HSE culture to the desired level
- Conducted defensive driving, training and assessment programme for car drivers
- Defined the criteria to evaluate all plants on a monthly basis and outlined the reward system for good HSE performance to encourage participation
- Apart from the mandatory six monthly and yearly health check-ups for plant employees, special drives like cancer screening, anaemia screening of women employees and counselling were organised. Awareness sessions on Ayurveda approach to diabetes were also conducted
- Environment compliances are given first priority in the organisation. In addition, water conservation and energy conservation programmes have also been framed. The Company actively participated in tree plantation and green belt development campaigns in FY 2017-18

ENERCON-a journey towards greener future…

In FY 2014-15, the Company initiated a dedicated project-ENERCON, for the conservation of energy. This project is aimed at implementing various measures to save electricity cost and reduce CO_2 emissions. During the past four financial years, the Company has taken multiple steps such as replacing conventional tube lights and CFLs with LEDs; installing components on machines to save heat energy and promote conservation of compressed air; besides implementing other energy efficient solutions.

These efforts have resulted in saving nearly 3 million units of electricity every year.

Human Resources

Although most manufacturing processes are being automated, human resources still remains the most valuable asset at Endurance Technologies.

As on 31st March, 2018, there were a total 4,931 people in Endurance Group of which 4,204 were employed in India, 493 in Italy and 234 in Germany.

The Company encourages its employees to strike a work-life balance. Moreover, as part of its drive to provide personal growth opportunities to capable employees, it always inspires them to assume greater responsibilities and rewards deserving employees.

Prashansa

"Prashansa" – a "reward and recognition" policy of the Company was rolled out in FY 2013-14 with the objective of identifying high performing employees and recognising their contribution in the organisational goals of creating a healthy and competitive work environment. This policy covers all employees up to the cadre of senior manager. Employees in the cadre of Assistant General Manager to General Manager are considered for one-time appreciation awards.

Under this policy, teams and/or individuals are incentivised for innovation and kaizen, or constant improvement, through efforts that lead to cost optimisation, profitability, improvement in product and process efficiency and/or quality upgrades.

MoU for wage settlement

During the year under review, a wage settlement memorandum of understanding was executed for the Company's plant located at plots no. B – 1/2 & 1/3, Chakan, Dist. Pune and a wage agreement was signed for the plants in Pantnagar, Uttarakhand.

The right-sizing exercise undertaken by the Company has produced results with per employee revenue increasing by 29.1% between FY 2015-16 and FY 2017-18. Endurance Technologies recorded a per employee revenue of ₹13.3 million.

Other highlights of FY 2017-18

1. The Company continued to work on its dedicated programme to build strong teams of employees on the basis of equality, transparency, meritocracy and accountability.

2. To help employees attain greater clarity on organisational responsibility, the Company endeavoured to create unique roles that are based on defined learning strategy.

3. The Company initiated an on-the-job training programme through which it aims to promote innovation among employees and help them acquire skills for future development. Other objectives of this project include better productivity, higher profitability and significant quality improvements along with reducing time to market. To monitor effectiveness of these training programmes, the Company has adopted a well-established process.

4. To nurture leadership qualities among youth, the Company organised various leadership programmes and also organised periodic interactive sessions with the Managing Director.

5. The Company also rolled out Managerial Effectiveness Programme titled EDGE (Endurance Development & Growth for Excellence) for functional managers.

Endurance Technologies has started its journey towards adoption of Industry 4.0/Industrial IOT by connecting machines and data gathering from PLCs and sensors set up on machines to get real-time monitoring of machines, part traceability, auto alerts on various events, downtime analysis, machines availability analysis, performance analysis, quality analysis, trend chart, etc. which ultimately constitutes to generate OEE of individual machine / production line / plant as a whole.

The Company has adopted a Code of Conduct for its Directors and employees. This Code is intended to provide guidance and help in recognising and dealing with the ethical issues and to help foster a culture of honesty and responsibility. It strives to maintain the highest ethical standards and encourages its employees to actively report activities, which in their view are unethical and conflict with the Company's business interest.

Throughout the year, the Company's relations with all its labour unions remained cordial, and no untoward incident was reported.

Industry 4.0

In a digitally connected world, inter-connected feasibility among all production facilities, self-monitoring capabilities and agile supply chain management have assumed critical importance in the success of an auto-ancillary company.

Endurance Technologies has started its journey towards adoption of Industry 4.0/Industrial IOT by connecting machines and data gathering from PLCs and sensors set up on machines to get real-time monitoring of machines, part traceability, auto alerts on various events, downtime analysis, machines availability analysis, performance analysis, quality analysis, trend chart, etc. which ultimately constitutes to generate OEE of individual machine / production line / plant as a whole. This enables our business managers to visualise shop floor operations from their offices or on the go. Such enablement is extremely important for any manufacturer and forward-looking organisations.

Cautionary Statement

This document contains statements about expected future events, financial and operating results of Endurance Technologies, which are forward-looking. By their 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. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Company's Annual Report, 2017-18.

Shock absorber and front fork for 750cc motorcycle

Shock absorber and front fork for 790cc motorcycle

Shock absorber and front fork for 701cc motorcycle

Board's Report

Dear Shareholders,

The Directors of your Company take pleasure in presenting the Nineteenth Annual Report on the business and operations of the Company together with financial statements for the financial year ended 31st March, 2018.

SUMMARISED STATEMENT OF PROFIT AND LOSS:

₹ in million

Particulars	Standalone		Consolidated	
	Financial Year 2017-18	Financial Year 2016-17	Financial Year 2017-18	Financial Year 2016-17
Revenue from operations	47,690.12	42,801.52	66,660.47	59,912.01
Other income	183.93	125.47	235.40	290.71
Total income	**47,874.05**	**42,926.99**	**66,895.87**	**60,202.72**
Raw Material Cost	30,295.82	24,779.95	38,445.93	32,259.45
Excise Duty	1,279.12	4,003.33	1,279.12	4,003.33
Employee Benefit expenses	2,546.95	2,421.80	5,809.33	5,455.15
Finance cost	102.49	178.57	235.23	322.49
Depreciation	1,696.31	1,668.57	3,215.85	2,905.06
Other expenses	7,664.55	6,885.96	11,848.25	10,610.79
Total expenditure	**43,585.24**	**39,938.18**	**60,833.71**	**55,556.27**
Profit before exceptional and extraordinary items, tax and minority interest	4,288.81	2,988.81	6,062.16	4,646.45
Exceptional and Extraordinary Items	268.78	-	268.78	-
Profit before tax	**4,020.03**	**2,988.81**	**5,793.38**	**4,646.45**
Net Tax expense	1,304.00	773.84	1,885.81	1,343.35
Net profit for the year	**2,716.03**	**2,214.97**	**3,907.57**	**3,303.10**

DIVIDEND:

The Board of Directors have recommended dividend of ₹ 4 per equity share of ₹ 10 each (40%) for the financial year 2017-18, for consideration of the shareholders at the ensuing Annual General Meeting ("AGM").

The dividend, if approved by the shareholders, will result in an outgo of ₹ 678.3 million, which includes tax on dividend aggregating to ₹ 115.7 million.

COMPANY'S PERFORMANCE:

During the year under review, the Company's total income (net of excise duty) on standalone and consolidated basis grew by 19.7% and 16.8%, respectively. The Company posted a total income (standalone) of ₹ 46,595 million as against ₹ 38,924 million in the previous year. The total income on consolidated basis was ₹ 65,617 million compared to ₹ 56,199 million in the previous year.

The profit after tax also increased significantly by 22.6% in the financial year 2017-18 at ₹ 2,716 million as against ₹ 2,215 million in the previous year, on standalone basis; while consolidated profit after tax grew by 18.3% at ₹ 3,908 million as against ₹ 3,303 million in the previous year.

CHANGE OF REGISTERED OFFICE:

The Board of Directors, at its meeting held on 14th February, 2018, approved shifting of the registered office of the Company to E-92, MIDC Industrial Area, Waluj, Aurangabad – 431136 (Maharashtra) from K-228, MIDC Industrial Area, Waluj, Aurangabad – 431136 (Maharashtra).

The change in address of registered office was effective 15th February, 2018.

CONSOLIDATED FINANCIAL STATEMENTS:

As per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and applicable provisions of the Companies Act, 2013 ("Act") read with the rules issued thereunder, consolidated financial statements of the Company for the financial year 2017-18 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)

Board's Report (contd.)

of the Act. Consolidated financial statements together with the statutory auditor's report form part of this 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, 2018, the Company had following subsidiaries:

1. Endurance Overseas Srl, Italy (Direct subsidiary);
2. Endurance Fondalmec SpA, Italy (Indirect subsidiary);
3. Endurance FOA SpA, Italy (Indirect subsidiary);
4. Endurance Engineering Srl, Italy (Indirect subsidiary); and
5. Endurance Amann GmbH, Germany (Direct subsidiary).

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 kept for inspection by any Member of the Company at its registered office during business hours. These financial statements are also placed on the Company's website www.endurancegroup.com/investor/investor-relations. Copy of these financial statements shall be made available to any Member of the Company, on request.

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

SHARE CAPITAL:

The paid up equity share capital as on 31st March, 2018 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, nor has it granted any stock options.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Confirmation of appointment of Mr. Massimo Venuti

The Board at its meeting held on 2nd December, 2016 had appointed Mr. Massimo Venuti as an additional director on the Board of the Company, in non-executive capacity. Appointment of Mr. Massimo Venuti as director was confirmed by the Members at the Eighteenth AGM of the Company held on 28th July, 2017.

There was no other change in the Board of Directors during the year under review.

The composition of the Board of the Company, as on 31st March, 2018, is as follows:

Sr. No.	Name of Director	Position
1.	Mr. Naresh Chandra	Chairperson (Non-Executive)
2.	Mr. Anurang Jain	Managing Director (Executive)
3.	Mr. Partho Datta	Independent Director (Non-Executive)
4.	Mr. Soumendra Basu	Independent Director (Non-Executive)
5.	Mr. Roberto Testore	Independent Director (Non-Executive)
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	Independent Director (Non-Executive)
9.	Mrs. Falguni Nayar	Independent Director (Non-Executive)
10.	Mr. Massimo Venuti	Director (Non-Executive)

The Securities and Exchange Board of India ("SEBI") vide notification dated 9th May, 2018 has, *inter alia*, introduced Regulation 17(1A) which mandates approval of Members by way of Special Resolution for appointment or continuing of any person as a non-executive director who has attained the age of seventy five years with effect from 1st April, 2019.

In terms of the aforesaid regulation, it is proposed to continue the directorship of Mr. Naresh Chandra, Chairman of the Company, as he has attained the age of eighty three years. A motion, to this effect, by way of a Special Resolution, is recommended for approval of Members in the notice of the Nineteenth AGM of the Company.

Retirement of directors by rotation

In terms of Section 152 of the Act, Mr. Satrajit Ray, (DIN: 00191467), Director and Group Chief Financial Officer, retires by rotation at the ensuing AGM and being eligible, has

Board's Report (contd.)

offered himself for re-appointment. Information as required under Regulation 36(3) of the Listing Regulations is provided in the Notice of Nineteenth 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 Vice President – Legal *(Company Secretary)*.

There has been no change in the Key Managerial Personnel during the year.

NUMBER OF MEETINGS OF THE BOARD:

During the year under review, six Board meetings were held and a detailed information thereon is given in 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 annual accounts for the year ended 31st March, 2018, applicable accounting standards have been followed along with proper explanations relating to material departures;

(ii) the directors 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 2017-18 and of the profit and loss of the Company for that period;

(iii) the directors 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) the directors have prepared the annual accounts on a going concern basis;

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

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

DECLARATION BY INDEPENDENT DIRECTORS:

In terms of Section 149(7) of the Act, the Independent Directors of the Company have submitted their declaration confirming compliance with the criteria of independence as stipulated under Section 149(6) of the Act.

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

The Company has framed and adopted a Nomination and Remuneration Policy in terms of the Section 178 of the Act. The policy which was effective 10th June, 2016, was last revised by the Board at its meeting held on 15th May, 2018. In terms of the said Section, the scope of the policy covers directors, key managerial personnel and senior management personnel 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 personnel 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 provided under Sub-section (3) of Section 178 of the Act, adopted by the Board, form part of the Corporate Governance Report.

PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND DIRECTORS:

Pursuant to the provisions of Section 178 of the Act, the Listing Regulations and circular dated 5th January, 2017 issued by SEBI giving detailed guidance on the mechanism and objective of performance evaluation, the Board, in consultation with its Nomination & Remuneration Committee, has approved a framework for assessment of the Board and its Committees as a whole and individual directors.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc. as provided by the Guidance Note on Board Evaluation issued by SEBI on 5th January, 2017.

Annual performance evaluation of the Board, its Committees and individual directors for the financial year ended 31st March, 2018 was conducted by:

i. the independent directors, at their meeting held on 24th April, 2018;

ii. the Nomination and Remuneration Committee of the Board, at its meeting held on 25th April, 2018; and

iii. the Board, at its meeting held on 25th April, 2018.

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

Board's Report (contd.)

SECRETARIAL STANDARDS:

The Institute of Company Secretaries of India had revised the Secretarial Standards on Meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) with effect from 1st October, 2017. The Company is in compliance with the revised Secretarial Standards.

INFORMATION ON BOARD MEETING PROCEDURE AND ATTENDANCE DURING THE FINANCIAL YEAR 2017-18:

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; 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.

RISK MANAGEMENT:

The Risk Management Policy framed in June, 2015 was further revised by the Board on 8th August, 2017.

The policy lays down a framework for risk management and mitigation process commensurate with the scale and nature of Company's business. The policy also identifies the category of risks in line with the Company's growth strategy, continuously changing business environment and legislative requirements, and also lays down the role of Board of Directors in ensuring monitoring of risk and provide guidelines for evaluation of key risks to which the Company is subject to.

In terms of the policy, a function-wise risk management framework has been drawn up with defined threshold against each of the identified risk events and mitigation measures implemented to escalate/ contain/ counter such risks. The senior management reviews the critical risk events and implements action plan to avoid recurrence of such events. A Risk Report to this effect is reviewed by Board of directors, bi-annually.

CREDIT RATING:

During the year under review, CRISIL has upgraded the Company's long- term rating to 'AA /stable' from 'AA-/ positive' and reaffirmed rating of 'A1+' for short term loans. ICRA has assigned long-term rating of 'AA' with positive outlook and short-term rating of 'A1+'.

INTERNAL FINANCIAL CONTROLS:

In terms of the Section 134(5)(e) the Act, the term Internal Financial Control means the policies and procedures adopted by the 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 of financial transactions, 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 fraudulent activities. 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 the 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 of processes at specific plants are outsourced. The IA team conducts audits of the processes followed by plants and corporate functions, specifically emphasising on adherence to SOPs, controls and internal guidelines issued by the management. Implementation of the 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

Board's Report (contd.)

Committee. The Committee reviews the report and advises on improvising 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 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:

Regulation 34(2) of the Listing Regulations, as amended, *inter alia*, provides that the annual report of the top 500 listed entities based on market capitalisation (calculated as on 31st March of every financial year), shall include a Business Responsibility Report. In compliance thereto, a Business Responsibility Report for the financial year 2017-18 forms part of this Annual Report.

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

In terms of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a 'Code of Conduct for Prevention of Insider Trading' ("PIT Code"). 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 insiders 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.

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 annexed herewith as **Annexure I**.

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 trainings 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.

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 II** to this Report.

Expenditure towards CSR activities

During the year under review, the Company had earmarked an amount of ₹ 56.10 million for expenditure towards CSR activities. The Board of Directors approved following projects / programmes, which were as per Schedule VII to the Act and CSR Policy of the Company:

1. Village Development Project;
2. Vocational Training Centre; and
3. Sevak Trust Balwadi.

Against the amount earmarked, the Company contributed an equivalent amount towards CSR expenditure on the above projects/ programmes during the said financial year.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS

During the year under review, no instances of fraud have been reported.

Board's Report (contd.)

AUDITORS:

Statutory Auditor

The shareholders of the Company at their Eighteenth AGM 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 AGM of the Company.

In terms of the proviso to Section 139(1) of the Act, the said appointment was subject to ratification by Members at every AGM held during the tenure of their appointment. The proviso to Section 139(1) of the Act has been omitted by the Companies (Amendment) Act, 2017 with effect from 7th May, 2018; accordingly, the requirement of ratifying appointment of statutory auditors at every annual general meeting, during their tenure of appointment, has been dispensed with.

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 Rules"), 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 2018-19. The remuneration proposed is ₹ 2.50 lakh per annum subject to ratification by the Members 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 Personnel) Rules, 2014, the Board of Directors had appointed Mr. Sachin Bhagwat *(Membership No. A10189, CP No. 6029)* Practicing Company Secretary, to conduct audit of the secretarial records for the financial year 2017-18.

The Secretarial Audit Report for the financial year 2017-18 is set out as **Annexure III** to this report. The said secretarial audit 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. These policies are reviewed by the Board at periodic intervals.

Certain key policies that have been adopted are as follows:

Sr. No.	Name of Policy
1.	Nomination and Remuneration Policy
2.	Whistle Blower Policy
3.	Risk Management Policy
4.	Code of Conduct for Prevention of Insider Trading
5.	Code of Conduct for Directors and Employees
6.	Policy on Fair disclosure of Unpublished Price Sensitive Information
7.	Policy for Determination of Materiality of Subsidiaries
8.	Policy for Determination of Materiality of and Dealing with Related Party Transactions
9.	Fraud Prevention and Detection Policy
10.	Policy for Determination of Materiality of Events/ Information
11.	Policy for Preservation of Documents

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

The Nomination and Remuneration ("NR") Policy of the Company, was framed in August 2016. The NR Policy lays down the principles and mechanism for appointment, cessation of engagement, evaluation and remuneration of directors, key managerial personnel and senior management employees.

During the year under review, based on the recommendation of Nomination and Remuneration Committee ("NRC"), the NR Policy was revised by the Board at its meetings held on 8th August, 2017 and 15th May, 2018. The key changes made to the NR Policy are tabulated overleaf:

Board's Report (contd.)

Sr. No.	Existing Clause	Revised Clause	Rationale for revision
VI – Nomination			
A.	4. The Committee shall establish and review succession plans of the Board, Key Managerial Personnel and Senior Management Employees.	The Committee shall review succession plans of the Board, Key Managerial Personnel and Senior Management Employees.	To align the NR Policy with the terms of reference of the NRC.
VII – Remuneration			
B.	2.1.4 Remuneration will be reviewed annually by the management of the Company.	All remuneration, in whatever form, payable to designated senior management employees shall be reviewed and recommended to the Board, after taking into account the views of the management of the Company.	Amendment in the Listing Regulations - Clause A of Part D of Schedule II to the Listing Regulations.
VIII – Evaluation			
C.	4. The Committee shall be responsible for carrying out evaluation of every Director's performance.	5. The Committee shall be responsible for implementation of the methodology to be followed by the Company for performance evaluation of the Board, its committees and individual directors and for periodic review of the same. (Sequencing of clauses 4 and 5 interchanged; this clause is at # 5)	Amendment to Section 178 of the Act.
D.	6. The performance evaluation of Directors shall be done by the entire Board (excluding the director being evaluated) on the basis of recommendations of the Committee and meeting of independent directors.	The performance evaluation of individual directors shall be done by the entire Board (excluding the director being evaluated) on the basis of recommendations of the meeting of independent directors. The Board shall also evaluate performance of the Board of Directors and its committees, as a whole.	Amendment to Section 178 of the Act.

The above-mentioned changes were primarily necessitated on account of amendments in the Act and Listing Regulations.

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

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 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 Members 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.

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 incorporates a whistle blower policy in terms of Regulation 22 of the Listing Regulations) for Directors and employees to report their genuine concerns. The objective of the Policy is to create a window for any person who observes an unethical behavior, actual or suspected fraud, or violation to the Company's Code of Conduct.

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.

In terms of the provisions of the Act, an ombudsman has been appointed to independently investigate protected disclosures communicated under the Whistle Blower Policy and matters of violation to Company's Code of Conduct.

Board's Report (contd.)

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY BETWEEN 31ST MARCH, 2018 AND DATE OF BOARD'S REPORT:

The Company has availed ₹ 700 million by issue of Commercial Paper to meet its fund requirements.

RELATED PARTY TRANSACTIONS:

As per the Listing Regulations, all Related Party Transactions are placed before the Audit Committee for approval.

The Audit Committee and the Board, at its respective meetings held on 9th November 2017, approved re-appointment of Mr. Naresh Chandra, Chairman of the Board as an Advisor to the Company for a period of three years with effect from 1st April, 2018 at a remuneration of ₹ 2.25 lakh per month (excluding applicable taxes).

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 Company's Policy on Determining Materiality of and Dealing with Related Party Transactions ("RPT Policy").

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

The RPT Policy, 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.

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

The Company has a "Safety and Security of Women at Workplace" policy ("Policy") in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The 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 Policy. As per the Policy, the Company has constituted an Internal Complaints Committee ("ICC") which is chaired by a female employee and senior management officials of the Company as its members. The ICC is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the Policy.

During the year under review, there were no complaints received by the ICC under the Policy.

EXTRACT OF ANNUAL RETURN:

Details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as **Annexure V**.

INDUSTRIAL RELATIONS:

During the year under review, the industrial relations remained cordial. Details of wage settlement agreements entered during the year are as follows:

a. For plant located at plot no. B-1/2 and B-1/3, Chakan, Pune: Wage settlement agreement with Maharashtra Rajya Kamgar Sanghatana expired on 30th November, 2016. New wage settlement Memorandum of Understanding ("MOU") was signed on 27th September, 2017. This MOU is effective from 1st April, 2017 and is valid till 30th September, 2020.

b. For plants located at plot nos. 3 & 7, Pantnagar, Uttarakhand: Wage settlement agreement with Endurance Technologies Workers Union expired on 31st January, 2017. New wage settlement agreement was signed on 21st August, 2017. This agreement is effective from 1st February, 2017 and is valid till 31st January, 2021.

ACKNOWLEDGMENTS:

Your Directors take this opportunity to express their sincere appreciation towards commitment and hard work of all its employees 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

Place: Mumbai
Date: 15th May, 2018

Annexure I 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 wind mills installed by the Company at Jaisalmer, Satara and Supa, generated 5,918,614 units of electricity (including 3,507,157 units of captive consumption). The Company earned an income of ₹ 43.24 million (including captive consumption ₹ 29.46 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:

1. Installation of heat pump.
2. Installation of LED lighting and illumination system.
3. Conservation of compressed air by:
   a. change in layout of air-line and compressor;
   b. use of PPCH material for pipeline instead of GI to reduce friction loss; and
   c. modification of layout of pipeline by reducing bends and curves.
4. Installation of auto electric valve on machines to eliminate the compressed air losses.
5. Arresting of air leakages identified during audits, thereby improving compressor efficiency.
6. Installation of automatic 'Cut-off Timer' to switch-off power and air connection during machine idle time i.e. during lunch and tea breaks.
7. Reduction in energy consumption by implementation of VFD (Variable Frequency Drive) Technology in cooling towers, blowers and dust collectors.
8. Installation of 'Flue Gas Analyser' monitoring system and Magnetic Resonator to improve fuel efficiency on melting furnace.
9. Installation of accumulator for Hydraulic Power pack to reduce power consumption of power pack motors.
10. Replacement of Contact based controller by Thyristor control panel on holding furnaces and ovens.
11. Providing sliding door to the holding furnace to reduce heat loss.
12. Implementation of energy efficient motors, pumps, AC and APFC (Automatic Power Factor Controller) panels (as per BEE rating).
13. Kaizens and routine energy saving measures at plants.

Impact

These initiatives have resulted into saving of 2,389,607 units of electricity.

(ii) Steps taken by the Company for utilising alternate sources of energy

The Company continuously explores the use of green source power like solar and/ or wind for its plant operations as an alternative source to thermal power.

(iii) Capital investment on energy conservation equipment

The capital investment made by the Company during the financial year 2017-18, on energy conservation equipment was ₹ 12.99 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 a 'complete solutions' provider, the focus is also to develop and offer 'first time right' products to its customers.

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 around 180 professionals is deployed to develop new products and improvise 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 test equipment and engineering software at its R&D centers.

As a step towards upgrading its testing competencies, the Company is building a state-of-the-art proving ground near Waluj, Aurangabad. The first phase, consisting of high speed and handling track has already been

Annexure I To Board's Report (contd.)

completed. The proving ground, located around 15 km from the Company's plants in Waluj, is spread across 29 acres and has eight test tracks including five different gradients to carry out on-vehicle test performance of its auto components, on simulated road conditions.

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 worldwide to develop new products and enhance its technological capabilities.

During the year under review, the Company was granted a patent for Transmission (clutches) and two designs were registered. As on 31st March, 2018, the Company has six patents granted and seven designs registered. The Company also filed four applications for grant of patents, taking the total number of patents applications to fifty two.

In furtherance to one of its values – Innovation, the Company conducts events which promote 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.

Advanced Engineering

Advanced Engineering Group ("AEG") supports in areas of Virtual validation, Experimental Data Analysis (EDA), Failure Analysis, Advanced Material Analysis, etc.

CAE processes have been matured and automated to improve consistency in results and reduce lead time. During the year, the R&D team focussed on improving the NVH (Noise, Vibration and Harness) performance of products based on CAE simulation.

For EDA the focus, this year, was on data analysis capabilities for rotating machine, vehicle level NVH measurement to complement the CAE. New infrastructure comprising machines and systems like video loggers, wireless data loggers were added for vehicle level test evaluations on Company's proving ground (test track), which is expected to be fully functional during 2018.

During the previous year, the Materials and Failure Analysis Lab (MFA Lab) was operationalised for extending support in failure analysis as well as in New Product Development (NPD) by participating in supplier evaluation audits during the process of identifying new suppliers.

During the previous financial year, the in-house Electronic Control Systems lab became fully functional. This lab is equipped with Electro-Static Discharge protection lines. In addition to the hardware in loop validation equipment, end-of-line measurement system has been added.

All R&Ds, with support of AEG strive to meet customer expectations with "First Time Right" products and "In Time" development.

Specific areas in which R&D was carried out

I. **R&D Centre at B-1/3, Chakan** (Die Casting Components):
   i. The existing on-line X-ray machine was upgraded with Computed Tomography (CT) capability, this enables 3D viewing of the micro defects in casting.
   ii. Major new casting products introduced this year include Clutch housings for passenger car for export to Europe, HCV gear box housings for an Indian customer and other castings (crank case, grips, covers etc.) for two-wheelers.

II. **R&D Centre at K-226/2, Waluj, Aurangabad** (Braking Systems):
   i. Designed, developed and tested four different Combined Braking System ("CBS") concepts which meet the new regulatory norms effective 1st April, 2018.
   ii. Installation of Special Anti-lock Braking System ("ABS") Evac & Bleeding machine. This will facilitate integration of the current ABS modulators with the braking system.
   iii. Braking system for 300cc and 500cc motorcycle segment has been developed and productionised.
   iv. Commenced manufacturing of hydraulic rubber hose assembly for two-wheeler brakes.

III. **R&D Centre at K-226/1, Waluj, Aurangabad** (Transmission components):
   i. Development of high performance:
      a. Paper friction material which gives better performance at low cost for motorcycles with displacement of 100cc to 125cc;

Annexure I To Board's Report (contd.)

b. New paper grades for motorcycles with displacement of 200cc to 500cc; and

c. Paper Liner for Continuous Variable Transmission ("CVT") - Centrifugal clutch.

ii. Installation of CVT design software and CVT performance & durability test rig. These helped in design and development of 110cc CVT with improvement in performance and optimisation of cost.

iii. Developed complete multi plate wet clutch assemblies & CVT assemblies for OEMs. VA/VE activities for Clutch assemblies & CVT assemblies resulting in improved performance at reduced cost.

iv. Effective use of virtual validation for damper characteristics optimization.

v. Judder evaluation on vehicle for Clutch assemblies and CVT assemblies.

vi. Improvement of product testing & validation capacity: Installation & commissioning of following testing rigs

a. Robotic Chassis roller dynamometer; and

b. Data logger for Data acquisition.

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

i. Commercial production of Cartridge type, Adjustable & Non-Adjustable Inverted Front Forks and Mono-tube Mono-shock absorber with Floating Piston and adjustable damping started in January, 2018.

ii. Installation and commissioning of a new High Speed Damping Force test machine and Servo hydraulic Actuator (both MTS-USA make) for structural test.

iii. Successfully developed and launched "Buy-me" products for aftermarket e.g. gas filled shock absorbers for 100cc motorcycles.

iv. Automation done at the suspension durability testing area to enhance the product reliability testing through better monitoring of the sample under testing.

v. Development of full-fledged data acquisition and analysis capability of forces acting on front forks and shock absorbers under dynamic driving conditions.

vi. Various new products were developed for aftermarket to increase its product range in domestic as well as export market.

vii. Ride tuning van is being used for customising suspension components as per customer's requirement at its facility. In 2017-18, nine premium models were tuned with 140 man-days of work.

viii. Various VA/VE ideas were given to different customers in order to ensure cost competitiveness.

ix. Air Spring Shock absorber suspension developed for all terrain vehicle(s) and bicycle(s).

x. Noise Measurement facility has been utilized to improve the NVH characteristics of its suspension components.

xi. Multiple product life improvement ideas initiated for regular front fork, hydraulic & mono-tube shock absorber have been implemented.

xii. Data acquisition & analysis capability is being used to understand various load(s) acting on front fork & shock absorbers during dynamic driving conditions.

xiii. Electronically operated damping adjustable suspension design & development capabilities being developed.

xiv. Capabilities are being developed for electronically operated adjustable dampening suspension.

xv. A Proving Ground (test track) has been developed on an area of around twenty nine acre to facilitate on-vehicle product evaluation having eight different tracks, for testing of two and three wheeled vehicles, as below:

1. High speed performance track;
2. Ride & evaluation track;
3. ABS & Brake evaluation track;
4. Handling track (Cornering);
5. Gradient track;

Annexure I To Board's Report (contd.)

6. Steering pad;
7. Mud, water trough & dust tunnel; and
8. Country track.

Benefit 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. Minimize product development time with the help of new testing facilities and advanced analytical capabilities.
4. Enhanced customer delight and confidence.

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

Year of import	Technology from	Details of technology imported	Status
2013	Adler SpA, Italy	Manufacture of transmission products (clutch assemblies, friction plates and CVTs)	Under absorption
2015	KTM Components GmbH, Austria (formerly known as WP Performance Systems GmbH)	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
2015	European Braking Technology Provider	Combined Braking Systems for two wheelers (and related assemblies)	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

VI. Expenditure incurred on R & D

₹ in million

Sr. no.	Particulars of expenditure	2017-18	2016-17
i.	Capital including technical know-how	291.95	132.23
ii.	Recurring	309.56	271.95
	Total	601.51	404.18
Total research and development expenditure as a percentage of revenue, net of excise duty.		1.30%	1.05%

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	1,705.05
Foreign exchange outgo	4,171.19

Annexure II 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 is given below.

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 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 society and environment.

Area	Projects / Programmes / Activities
Promoting preventive health care and sanitation.	Establishment & maintenance of hospitals, dispensaries, nursing homes, etc.
	Promote basic hygiene through health care centres and sanitation improvement activities.
	Grant medical assistance to poor and deserving people.
Providing safe drinking water and initiating water conservation projects.	Undertake water shed projects.
Promoting education including special education among women, elderly and the differently abled.	Promote education through balwadis, night schools.
Employment enhancing vocation skills and livelihood enhancement projects.	Impart vocational training for livelihood and sustenance.
Protection of national heritage, art and culture.	Restoration of heritage buildings and sites of historical importance and works of art.
Promoting sports.	Provide infrastructure and facilities to promote rural sports and nationally recognized sports.

The Company sets aside a budget to fund the identified projects / programmes/ activities which range from community development to generating employment, health care, women & child welfare and also promoting sports.

Overview of projects or programmes undertaken during the financial year 2017-18

In terms of Schedule VII to the Companies Act, 2013 and Company's 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 trainings 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.

Following projects and programmes have been approved by the Board:

i. A project to set up 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 to find gainful employment; and

ii. A project aimed towards community development through village adoption. Village development activities have been undertaken at:

a. Sanjkheda;
b. Kachner (comprising 8 tandas);
c. Jodwadi;
d. Landak wadi;
e. Bembalyachi wadi;
f. Honobachi wadi;
g. Khodegaon;

Annexure II To Board's Report (contd.)

h. Husenpur (Piwal wadi);
i. Muradabad; and
j. Fulambri wadi.

iii. Sevak Trust Balwadi (Balwadi)

Vocational Training Centre (VTC)

The VTC is an institution set up 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. Electrical;
c. Computer; and
d. Tailoring.

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

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

During the financial year 2017-18, ECoVE completed four batches in the above mentioned training courses where 329 candidates were registered, 276 candidates graduated. Out of these 276 Graduates, 134 candidates have gained employment; while 88 candidates are employed with various organisations, 46 of the graduated candidates are self-employed. 68 candidates opted for higher education and remaining were searching for suitable employment opportunities.

Village Development Project (VDP)

Under the VDP, implementation of developmental activities are taken in the villages located around 35~45 km from Aurangabad. 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.

During the financial year 2017-18, the Company has undertaken VDP at Sanjkheda, Kachner (comprising 8 tandas), Jodwadi, Landak wadi, Bembalyachi wadi, Honobachi wadi, Khodegaon, Husenpur (Piwal wadi), Muradabad and Fulambri wadi. 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.
		• Distribution of medicines at health check-up camps.
		• Renovation of health care centres.
2.	Water & Sanitation	• Installation of a Reverse Osmosis (RO) plants.
		• Construction of toilets.
		• Deepening of runnels (nallahs) for rain water harvesting.
		• Organising cleanliness drive.
3.	Agriculture methodology and Livelihood	• Organising specialised agriculture trainings.
		• Distribution of fodder stumps and providing financial assistance for setting up of hydroponics unit for manufacture of green fodder for the cattle.
		• Construction of mangers.
4.	Education	• Renovation of school building.
		• Setting up of libraries with books and furniture.
		• Installation of invertors to facilitate uninterrupted e-learning.
		• Distribution of bicycles to students to help them commute to schools located far from their residences.
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 organizing of vocational trainings.
		• Setting up of unit for manufacturing of sanitary napkins.
		• Construction of houses for homeless families.

Annexure II To Board's Report (contd.)

Sevak Trust Balwadi (Balwadi)
Balwadi is a school for providing pre-primary education to children. The Sevak Trust Balwadi provides education to around 56 children from nearby areas at a very nominal charge. During the financial year 2017-18, infrastructure facilities of the Balwadi was upgraded.

Overview of projects or programmes proposed to be undertaken:

Presently, the Company's CSR activities are being carried out in the Aurangabad district. The Company aims at extending these activities, especially those relating to the Village Development Project, to villages beyond Aurangabad, Maharashtra.

An overview of the CSR activities planned to be undertaken during the financial year 2018-19 is given below:

Vocational Training Centre (VTC): 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 2018-19:

a. Retail Marketing;

b. Electrical- House Wiring;

c. Computer; and

d. Tailoring.

Village Development Project (VDP): In view of the implementation of developmental activities in progress in Sanjkheda, Kachner (comprising 8 tandas), Jodwadi, Landak wadi, Bembalyachi wadi and Honobachi wadi, it is proposed to continue with VDP initiatives in these villages during the current financial year. Further, following new villages have been identified for extending VDP project thereat, all located within a radius of 35~45 km from Aurangabad:

i. Khodegaon;

ii. Husenpur (Piwal wadi);

iii. Muradabad;

iv. Fulambri wadi;

v. Shirasmal;

vi. Dongargaon;

vii. Kanadgaon;

viii. Mohmadpur;

ix. Kanakshi; and

x. Jafarwadi.

The Company is also exploring to adopt villages located near to its other manufacturing locations viz. Chakan in Maharashtra and Pantnagar in Uttarakhand.

Sevak Trust Balwadi (Balwadi):
During the current financial year, it is proposed to upgrade the infrastructure of the Balwadi with more educational and recreational equipment. It is also proposed to appoint more teachers and support staff in the Balwadi.

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

2. Composition of the CSR Committee:

   The CSR Committee comprises following directors as its members:

   a) Mr. Anurang Jain, Chairman of the Committee

   b) Mr. Soumendra Basu; and

   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 fulfill 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 2014-15, 2015-16 and 2016-17 was ₹ 2,804.89 million.

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

   During the year under review, the Company earmarked ₹ 56.10 million towards CSR activities in terms of the provisions of Section 135 of the Act.

5. Details of CSR spend for the financial year:

   1) Total amount spent in the financial year 2017-18: ₹ 56.10 million

   2) Amount unspent: Nil

Annexure II To Board's Report (contd.)

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

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: Kachner, Sanjkheda, Jodwadi, Landak wadi, Bembalyachi wadi, Honobachi wadi, Khodegaon, Fulambri wadi, Muradabad, & Husenpur (Piwal wadi)	State- Maharashtra District- Aurangabad					
(a)	Water & Sanitation				15.11	15.67	-	15.67	Through Implementing Agency- Sevak Trust*
(b)	Agriculture & Livelihood				5.71	3.70	-	3.70	
(c)	Health & Nutrition				2.16	1.49	-	1.49	
(d)	Education				11.34	15.73	-	15.73	
(e)	Community Development				8.19	8.87	-	8.87	
(f)	General Activities				1.17	0.44	-	0.44	
	Sub Total-(A)				**43.68**	**45.90**	**0.00**	**45.90**	
2	**Vocational Training Centre**	**Refer note (ii) below**	Local Area: Waluj, Aurangabad	State- Maharashtra District- Aurangabad					
(a)	Training & Administrative Expenses				10.00	9.64	-	9.64	Through Implementing Agency- Sevak Trust*
(b)	VTC building construction				37.72	0.42	-	0.42	
	Sub Total- (B)				**47.42**	**10.06**	**0.00**	**10.06**	
3	**Balwadi**	**Refer note (ii) below**	Local Area: Waluj, Aurangabad	State- Maharashtra District- Aurangabad	2.00	0.14	-	0.14	Through Implementing Agency- Sevak Trust*
	Sub Total- (C)				**2.00**	**0.14**	**-**	**0.14**	
	Grand Total (A + B + C)				**93.40**	**56.10**	**0.00**	**56.10**	

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 II To Board's Report (contd.)

6. Reasons for under spending of amount earmarked for CSR expenditure for the financial year 2017-18:
   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 programmes and projects, recommended by it to the Board, are as per the CSR Policy and Schedule VII to the Act. 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.

Sd/-
Anurang Jain
Managing Director
(DIN: 00291662)

Date: 15th May, 2018

Annexure III To Board's Report

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2018
[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, 2018, 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, 2018 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, 2009;

(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, 1998 (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 III 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. There was no change in the composition of the Board of Directors during the period under review.

Adequate notice is 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.

Majority decision is carried through, there were no instances where directors dissented from any decision.

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

Place: Pune
Date: 7th May, 2018

Annexure IV 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 2017-18:

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 2017-18
1	**Mr. Anurang Jain,** Managing Director	143.82	10.28%
2	**Mr. Satrajit Ray,** Director and Group Chief Financial Officer	50.98	14.06%
3	**Mr. Ramesh Gehaney,** Director and Chief Operating Officer	50.52	15.46%

b) The median remuneration of the employees of the Company during the financial year 2017-18 was ₹ 0.37 million.

c) Percentage increase in the median remuneration of employees in the last financial year 2017-18 was 16.79% as compared to the previous year.

d) No. of permanent employees as on 31st March, 2018 are 4,204.

e) Average percentile increase in salaries of employees other than the managerial personnel 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 2017-18 was 11.36%; whereas the increase in the managerial remuneration in the financial year 2017-18 was 12.09%.

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.

Annexure V To Board's Report

Form No. MGT-9
EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2018

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L34102MH1999PLC123296
ii.	Registration Date	27th December, 1999
iii.	Name of the Company	**Endurance Technologies Limited** *[Formerly known as Endurance Technologies Pvt. Ltd.]*
iv.	Category/Sub-Category of the Company	Public Company/ Limited by shares
v.	Address of the Registered office and contact details	E-92, M.I.D.C. Industrial Area, Waluj, Aurangabad – 431136 Tele: 0240 2569737 Fax: 0240 2551700 Email: investors@endurance.co.in
vi.	Whether listed company Yes / No	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C 101, 247 Park, L B S Marg, Vikhroli (West), Mumbai - 400083 Phone: +91 022-49186000 Fax: +91 022-49186060 Email: rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

Sr. No.	Name and Description of main products / services	NIC Code of the product/ service	% to total turnover of the Company
1	Aluminium die castings parts	24320	42.27
2	Shock absorbers & Front forks	30913	36.07

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and address of the company/ body corporate	CIN/ GLN	Holding/ subsidiary/ associate	% of shares held	Applicable Section
1.	Endurance Overseas SrL Via Del Boschetto n. 2/43 – 10040 Lombardore, (TO) Italy	N.A.	Subsidiary (Direct)	100#	2(87)
2.	Endurance Fondalmec SpA Via Del Boschetto n. 2/43 – 10040 Lombardore, (TO) Italy	N.A.	Subsidiary (Step-down)	100 % Shares held by Endurance Overseas SrL	2(87)
3.	Endurance FOA SpA Via Regione Pozzo n. 26, Chivasso, Italy	N.A.	Subsidiary (Step-down)		2(87)
4.	Endurance Engineering SrL Strada del, Cascinotto, 135/A 10156 (TO) Italy	N.A.	Subsidiary (Step-down)		2(87)
5.	Endurance Amann GmbH Jahnstrasse 19, 74252, Massenbachhausen, Germany	N.A.	Subsidiary (Direct)	100*	2(87)

95% of the share capital is held by the Company and remaining 5% is held by Endurance Amann GmbH, Germany (Wholly Owned Subsidiary) of the Company.

* includes treasury shares held by Endurance Amann GmbH, Germany.

Annexure V To Board's Report (contd.)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY):

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (Equity shares of face value of ₹ 10 each)				No. of Shares held at the end of the year (Equity shares of face value of ₹ 10 each)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters (includes Promoter Group)									
(1) Indian									
a. Individual/ HUF	53,949,824	Nil	53,949,824	38.35	53,949,824	Nil	53,949,824	38.35	-
b. Central Govt	-	-	-	-	-	-	-	-	-
c. State Govt(s)	-	-	-	-	-	-	-	-	-
d. Bodies Corp.	-	-	-	-	-	-	-	-	-
e. Banks/FI	-	-	-	-	-	-	-	-	-
f. Any Other (Trust)	62,100,000	-	62,100,000	44.15	62,100,000	-	62,100,000	44.15	-
Sub-total (A)(1)	**116,049,824**	**Nil**	**116,049,824**	**82.50**	**116,049,824**	**Nil**	**116,049,824**	**82.50**	**-**
(2) Foreign									
a. NRIs – Individuals									
b. Other – Individuals									
c. Bodies Corp.					Nil				
d. Banks/FI									
e. Any Other									
Sub-total (A)(2)									
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**116,049,824**	**Nil**	**116,049,824**	**82.50**	**116,049,824**	**Nil**	**116,049,824**	**116,049,824**	**82.50**
B. Public Shareholding									
1. Institutions									
a. Mutual Funds	6,706,556	Nil	6,706,556	4.77	6,990,924	Nil	6,990,924	4.97	0.20
b. Banks / Financial Institutions	66,416	Nil	66,416	0.05	56,692	Nil	56,692	0.04	(0.01)
c. Central Govt.	-	-	-	-	-	-	-	-	-
d. State Govt(s).	-	-	-	-	-	-	-	-	-
e. Venture Capital Funds	-	-	-	-	-	-	-	-	-
f. Insurance Companies	-	-	-	-	-	-	-	-	-
g. FIIs (foreign portfolio investors)	12,263,894	Nil	12,263,894	8.72	14,232,681	Nil	14,232,681	10.12	1.40
h. Foreign Venture Capital	-	-	-	-	-	-	-	-	-
i. Others (specify)									
Body Corporate	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	**19,036,866**	**Nil**	**19,036,866**	**13.53**	**21,280,297**	**Nil**	**21,280,297**	**15.13**	**1.59**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									

Annexure V To Board's Report (contd.)

Category of Shareholders	No. of Shares held at the beginning of the year (Equity shares of face value of ₹ 10 each)				No. of Shares held at the end of the year (Equity shares of face value of ₹ 10 each)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	2,043,712	30	2,043,742	1.45	1,660,679	31	1,660,710	1.18	(0.27)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	216,599	Nil	216,599	0.15	278,110	Nil	278,110	0.20	0.05
c) NBFCs registered with RBI	-	-	-	-	-	-	-	-	-
d) Others (specify)									
Hindu Undivided Family	180,094	Nil	180,094	0.13	152,263	Nil	152,263	0.11	(0.02)
Non Resident Indians (Non Repat)	30,446	Nil	30,446	0.02	24,566	Nil	24,566	0.02	(0.00)
Non Resident Indians (Repat)	38,469	Nil	38,469	0.03	34,695	Nil	34,695	0.02	(0.01)
Clearing Member	147,663	Nil	147,663	0.10	46,111	Nil	46,111	0.03	(0.07)
Bodies Corporate	2,919,145	Nil	2,919,145	2.08	1,136,272	Nil	1,136,272	0.81	(1.27)
Sub-total (B)(2):	**5,576,128**	**30**	**5,576,158**	**3.96**	**3,332,696**	**31**	**3,332,727**	**2.37**	**(1.59)**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**24,612,994**	**30**	**24,613,024**	**17.50**	**24,612,993**	**31**	**24,613,024**	**17.50**	**-**
C. Shares held by Custodian for GDRs& ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**140,662,818**	**30**	**140,662,848**	**100.00**	**140,662,817**	**31**	**140,662,848**	**100.00**	**-**

ii) Shareholding of Promoter (including Promoter Group):

Sr. no.	Shareholder's Name	Shareholding at the beginning of the year as on 1st April, 2017 (Equity shares of face value of ₹ 10 each)			Shareholding at the end of the year as on 31st March, 2018 (Equity shares of face value of ₹ 10 each)			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	%of Shares Pledged / encumbered to total shares	
1.	Mr. Anurang Jain	53,949,664	38.35	NIL	53,949,664	38.35	-	-
		*28,300,000	20.12		*28,300,000	20.12	-	-
2.	Mrs. Varsha Jain	80	0.00		80	0.00	-	-
3.	Mr. Rohan Jain	80	0.00		80	0.00	-	-
4.	Mr. Naresh Chandra	**16,910,000	12.02		**16,910,000	12.02	-	-
5.	Mrs. Suman Jain	***16,890,000	12.01		***16,890,000	12.01	-	-
	Total ii (a+b)	**116,049,824**	**82.50**		**116,049,824**	**82.50**	**-**	**-**

* Holds shares in his capacity as the family trustee of Anurang Rohan Trust

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

*** Holds shares in her capacity as family trustee of NC Trust

Annexure V To Board's Report (contd.)

iii) Change in Promoters' including Promoter Group's Shareholding (please specify, if there is no change): No Change

Sr. no.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	116,049,824	82.50		
	Date wise Increase / Decrease	Nil	Nil	**116,049,824**	**82.50**
	At the end of the year 31st March, 2018			**116,049,824**	**82.50**

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. no.	Particulars	Shareholding at the beginning of the year (Equity shares of face value of ₹ 10 each)		Cumulative Shareholding during the year (Equity shares of face value of ₹ 10 each)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	**AXIS MUTUAL FUND TRUSTEE LIMITED A/C AXIS MUTUAL FUND A/C AXIS LONG TERM EQUITY FUND**				
	At the beginning of the year	3,711,438	2.64	3,711,438	2.64
	Date wise Increase / Decrease				
	7th April, 2017, Market Sale	(37,881)	(0.03)	3,673,557	2.61
	21st April, 2017, Market Sale	(75,000)	(0.05)	3,598,557	2.56
	12th May, 2017, Market Sale	(20,000)	(0.01)	3,578,557	2.54
	26th May, 2017, Market Purchase	245,500	0.17	3,824,057	2.72
	9th June, 2017, Market Purchase	6,885	0.00	3,830,942	2.72
	16th June, 2017, Market Sale	(28,216)	(0.02)	3,802,726	2.70
	30th June, 2017, Market Purchase	50,000	0.04	3,852,726	2.74
	7th July, 2017, Market Sale	(45,000)	(0.03)	3,807,726	2.71
	14th July, 2017, Market Purchase	25,000	0.02	3,832,726	2.72
	21st July, 2017, Market Purchase	20,000	0.01	3,852,726	2.74
	28th July, 2017, Market Purchase	79,000	0.06	3,931,726	2.80
	4th August, 2017, Market Purchase	2,439	0.00	3,934,165	2.80
	11th August, 2017, Market Purchase	423,563	0.30	4,357,728	3.10
	18th August, 2017, Market Purchase	57,353	0.04	4,415,081	3.14
	8th September, 2017, Market Purchase	122,523	0.09	4,537,604	3.23
	15th September, 2017, Market Sale	(16,800)	(0.01)	4,520,804	3.21
	6th October, 2017, Market Purchase	50,000	0.04	4,570,804	3.25
	13th October, 2017, Market Purchase	100,000	0.07	4,670,804	3.32
	20th October, 2017, Market Purchase	25,000	0.02	4,695,804	3.34
	27th October, 2017, Market Purchase	50,000	0.04	4,745,804	3.37
	3rd November, 2017, Market Purchase	19,600	0.01	4,765,404	3.39
	10th November, 2017, Market Sale	(285)	(0.00)	4,765,119	3.39
	17th November, 2017, Market Sale	(45,739)	(0.03)	4,719,380	3.36
	1st December, 2017, Market Sale	(2,300)	(0.00)	4,717,080	3.35
	8th December, 2017, Market Purchase	50,000	0.04	4,767,080	3.39
	15th December, 2017, Market Sale	(50,249)	(0.04)	4,716,831	3.35
	22nd December, 2017, Market Sale	(34,600)	(0.02)	4,682,231	3.33
	12th January, 2018, Market Sale	(7,600)	(0.01)	4,674,631	3.32
	26th January, 2018, Market Sale	(102,858)	(0.07)	4,571,773	3.25
	2nd February, 2018, Market Sale	(39,747)	(0.03)	4,532,026	3.22
	16th February, 2018, Market Sale	(19,294)	(0.01)	4,512,732	3.21
	23rd February, 2018, Market Purchase	125,000	0.09	4,637,732	3.30

Annexure V To Board's Report (contd.)

Sr. no.	Particulars	Shareholding at the beginning of the year (Equity shares of face value of ₹ 10 each)		Cumulative Shareholding during the year (Equity shares of face value of ₹ 10 each)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	2nd March, 2018, Market Purchase	64,613	0.05	4,702,345	3.34
	9th March, 2018, Market Sale	(85,945)	(0.06)	4,616,400	3.28
	16th March, 2018, Market Sale	(39,661)	(0.03)	4,576,739	3.25
	31st March, 2018, Market Sale	(12,480)	(0.01)	4,564,259	3.24
	At the end of the year	-	-	**4,564,259**	**3.24**
2.	**SMALLCAP WORLD FUND, INC**				
	At the beginning of the year	3,763,890	2.68	3,763,890	2.68
	Date wise Increase / Decrease				
	15th September, 2017, Market Purchase	11,657	0.01	3,775,547	2.68
	22nd September, 2017, Market Purchase	37,015	0.03	3,812,562	2.71
	29th September, 2017, Market Purchase	401,328	0.29	4,213,890	3.00
	At the end of the year	-	-	**4,213,890**	**3.00**
3.	**THE NOMURA TRUST AND BANKING CO., LTD AS THE TRUSTEE OF NOMURA INDIA STOCK MOTHER FUND**				
	At the beginning of the year	549,262	0.39	549,262	0.39
	Date wise Increase / Decrease				
	2nd June, 2017, Market Purchase	10,000	0.01	559,262	0.40
	14th July, 2017, Market Purchase	400,000	0.28	959,262	0.68
	21st July, 2017, Market Purchase	100,000	0.07	1,059,262	0.75
	4th August, 2017, Market Purchase	22,881	0.02	1,082,143	0.77
	11th August, 2017, Market Purchase	100,000	0.07	1,182,143	0.84
	8th September, 2017, Market Purchase	17,620	0.01	1,199,763	0.85
	15th September, 2017, Market Purchase	376,000	0.27	1,575,763	1.12
	6th October, 2017, Market Purchase	129,800	0.09	1,705,563	1.21
	20th October, 2017, Market Purchase	8,000	0.01	1,713,563	1.22
	27th October, 2017, Market Purchase	10,156	0.01	1,723,719	1.23
	10th November, 2017, Market Sale	(25,000)	(0.02)	1,698,719	1.21
	22nd December, 2017, Market Sale	(10,000)	(0.01)	1,688,719	1.20
	5th January, 2018, Market Purchase	10,000	0.01	1,698,719	1.21
	2nd February, 2018, Market Purchase	92,827	0.07	1,791,546	1.27
	9th February, 2018, Market Purchase	55,200	0.04	1,846,746	1.31
	9th March, 2018, Market Purchase	24,800	0.02	1,871,546	1.33
	16th March, 2018, Market Purchase	61,500	0.04	1,933,046	1.37
	23rd March, 2018, Market Purchase	95,970	0.07	2,029,016	1.44
	At the end of the year	-	-	**2,029,016**	**1.44**
4.	**UTI - BLUECHIP FLEXICAP FUND**				
	At the beginning of the year	692,000	0.49	692,000	0.49
	Date wise Increase / Decrease				
	28th April, 2017, Market Purchase	15,000	0.01	707,000	0.50
	5th May, 2017, Market Purchase	11,740	0.01	718,740	0.51
	4th August, 2017, Market Sale	(50,000)	(0.04)	668,740	0.48
	11th August, 2017, Market Sale	(30,000)	(0.02)	638,740	0.45
	25th August, 2017, Market Sale	(50,000)	(0.04)	588,740	0.42
	1st September, 2017, Market Sale	(27,000)	(0.02)	561,740	0.40
	15th September, 2017, Market Sale	(20,000)	(0.01)	541,740	0.39
	6th October, 2017, Market Purchase	3,000	0.00	544,740	0.39
	10th November, 2017, Market Purchase	17,584	0.01	562,324	0.40
	17th November, 2017, Market Purchase	10,000	0.01	572,324	0.41

Annexure V To Board's Report (contd.)

Sr. no.	Particulars	Shareholding at the beginning of the year (Equity shares of face value of ₹ 10 each)		Cumulative Shareholding during the year (Equity shares of face value of ₹ 10 each)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	24th November, 2017, Market Purchase	52,000	0.04	624,324	0.44
	1st December 2017, Market Purchase	35,000	0.02	659,324	0.47
	8th December, 2017, Market Purchase	10,765	0.01	670,089	0.48
	15th December, 2017, Market Purchase	47,669	0.03	717,758	0.51
	22nd December, 2017, Market Purchase	65,764	0.05	783,522	0.56
	12th January, 2018, Market Purchase	20,000	0.01	803,522	0.57
	19th January, 2018, Market Purchase	56,720	0.04	860,242	0.61
	26th January, 2018, Market Purchase	138,425	0.10	998,667	0.71
	2nd February, 2018, Market Purchase	111,926	0.08	1,110,593	0.79
	9th February, 2018, Market Purchase	24,162	0.02	1,134,755	0.81
	16th February, 2018, Market Purchase	8,000	0.01	1,142,755	0.81
	9th March, 2018, Market Purchase	5,000	0.00	1,147,755	0.82
	16th March, 2018, Market Purchase	3,000	0.00	1,150,755	0.82
	23rd March, 2018, Market Purchase	8,000	0.01	1,158,755	0.82
	At the end of the year	-	-	**1,158,755**	**0.82**
5.	**GOVERNMENT OF SINGAPORE**				
	At the beginning of the year	1,031,456	0.73	1,031,456	0.73
	Date wise Increase / Decrease				
	14th April, 2017, Market Purchase	27,295	0.02	1,058,751	0.75
	21st April, 2017, Market Purchase	78,761	0.06	1,137,512	0.81
	2nd June, 2017, Market Purchase	21,038	0.01	1,158,550	0.82
	21st July, 2017, Market Purchase	20,517	0.01	1,179,067	0.84
	28th July, 2017, Market Purchase	1,15,351	0.08	1,294,418	0.92
	8th December, 2017, Market Sale	(29,702)	(0.02)	1,264,716	0.90
	15th December, 2017, Market Sale	(21,176)	(0.02)	1,243,540	0.88
	9th March, 2018, Market Sale	(58,825)	(0.04)	1,184,715	0.84
	16th March, 2018, Market Sale	(27,793)	(0.02)	1,156,922	0.82
	At the end of the year	-	-	**1,156,922**	**0.82**
6.	**HDFC STANDARD LIFE INSURANCE COMPANY LIMITED**				
	At the beginning of the year	1,724,255	1.23	1,724,255	1.23
	Date wise Increase / Decrease				
	7th April, 2017, Market Purchase	56,775	0.04	1,781,030	1.27
	14th April, 2017, Market Sale	(18,273)	(0.01)	1,762,757	1.25
	21st April, 2017, Market Sale	(24,911)	(0.02)	1,737,846	1.24
	28th April, 2017, Market Sale	(9,782)	(0.01)	1,728,064	1.23
	19th May, 2017, Market Sale	(48,135)	(0.03)	1,679,929	1.19
	2nd June, 2017, Market Sale	(140,491)	(0.10)	1,539,438	1.09
	9th June, 2017, Market Sale	(100,310)	(0.07)	1,439,128	1.02
	23rd June, 2017, Market Sale	(8,754)	(0.01)	1,430,374	1.02
	30th June, 2017, Market Purchase	352	0.00	1,430,726	1.02
	7th July, 2017, Market Sale	(26,700)	(0.02)	1,404,026	1.00
	14th July, 2017, Market Sale	(237,840)	(0.17)	1,166,186	0.83
	21st July, 2017, Market Sale	(50,591)	(0.04)	1,115,595	0.79
	28th July, 2017, Market Sale	(81,278)	(0.06)	1,034,317	0.74
	4th August, 2017, Market Sale	(22)	(0.00)	1,034,295	0.74
	11th August, 2017, Market Sale	(61,545)	(0.04)	972,750	0.69
	18th August, 2017, Market Sale	(15,047)	(0.01)	957,703	0.68
	8th September, 2017, Market Sale	(6,789)	(0.00)	950,914	0.68

Annexure V To Board's Report (contd.)

Sr. no.	Particulars	Shareholding at the beginning of the year (Equity shares of face value of ₹ 10 each)		Cumulative Shareholding during the year (Equity shares of face value of ₹ 10 each)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	22nd September, 2017, Market Sale	(7,169)	(0.01)	943,745	0.67
	29th September, 2017, Market Purchase	25,955	0.02	969,700	0.69
	6th October, 2017, Market Purchase	24,995	0.02	994,695	0.71
	13th October, 2017, Market Sale	(22,870)	(0.02)	971,825	0.69
	20th October, 2017, Market Sale	(3,949)	(0.00)	967,876	0.69
	27th October, 2017, Market Sale	(1,899)	(0.00)	965,977	0.69
	3rd November, 2017, Market Sale	(3,927)	(0.00)	962,050	0.68
	10th November, 2017, Market Sale	(300)	(0.00)	961,750	0.68
	17th November, 2017, Market Purchase	231	0.00	961,981	0.68
	24th November, 2017, Market Sale	(3,211)	(0.00)	958,770	0.68
	1st December, 2017, Market Sale	(796)	(0.00)	957,974	0.68
	8th December, 2017, Market Sale	(32,824)	(0.02)	925,150	0.66
	15th December, 2017, Market Sale	(305)	(0.00)	924,845	0.66
	22nd December, 2017, Market Sale	(13,353)	(0.01)	911,492	0.65
	29th December, 2017, Market Sale	(411)	(0.00)	911,081	0.65
	5th January, 2018, Market Sale	(252)	(0.00)	910,829	0.65
	12th January, 2018, Market Purchase	20,498	0.01	931,327	0.66
	19th January, 2018, Market Sale	(364)	(0.00)	930,963	0.66
	26th January, 2018, Market Purchase	393	0.00	931,356	0.66
	2nd February, 2018, Market Sale	(33,297)	(0.02)	898,059	0.64
	9th February, 2018, Market Purchase	3,506	0.00	901,565	0.64
	16th February, 2018, Market Sale	(40,348)	(0.03)	861,217	0.61
	23rd February, 2018, Market Sale	(1,216)	(0.00)	860,001	0.61
	2nd March, 2018, Market Sale	(35,729)	(0.03)	824,272	0.59
	9th March, 2018, Market Sale	(9,251)	(0.01)	815,021	0.58
	23rd March, 2018, Market Purchase	13,817	0.01	828,838	0.59
	31st March, 2018, Market Purchase	15,020	0.01	843,858	0.60
	At the end of the year	-	-	**843,858**	**0.60**
7.	**ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE BALANCED 95 FUND**				
	At the beginning of the year	692,299	0.49	692,299	0.49
	Date wise Increase / Decrease				
	22nd December, 2017, Market Purchase	15,150	0.01	707,449	0.50
	16th February, 2018, Market Purchase	50,100	0.04	757,549	0.54
	16th March, 2018, Market Purchase	10,000	0.01	767,549	0.55
	23rd March, 2018, Market Purchase	10,000	0.01	777,549	0.55
	31st March, 2018, Market Purchase	7,200	0.01	784,749	0.56
	At the end of the year	-	-	**784,749**	**0.56**
8.	**THE WELLINGTON TRUST COMPANY NATIONAL ASSOCIATION MULTIPLE COMMON TRUST FUNDS TRUST EMERGING MARKETS LOCAL EQUITY PORTFOLIO**				
	At the beginning of the year	1,162,595	0.83	1,162,595	0.83
	Date wise Increase / Decrease				
	29th September, 2017, Market Sale	(204,277)	(0.15)	958,318	0.68
	6th October, 2017, Market Sale	(89,683)	(0.06)	868,635	0.62
	24th November, 2017, Market Purchase	19,125	0.01	887,760	0.63
	12th January, 2018, Market Purchase	18,178	0.01	905,938	0.64

Annexure V To Board's Report (contd.)

Sr. no.	Particulars	Shareholding at the beginning of the year (Equity shares of face value of ₹ 10 each)		Cumulative Shareholding during the year (Equity shares of face value of ₹ 10 each)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	19th January, 2018, Market Sale	(19,521)	(0.01)	886,417	0.63
	26th January, 2018, Market Sale	(118,374)	(0.08)	768,043	0.55
	2nd February, 2018, Market Sale	(37,556)	(0.03)	730,487	0.52
	23rd February, 2018, Market Sale	(6,013)	(0.00)	724,474	0.52
	2nd March, 2018, Market Sale	(18,946)	(0.01)	705,528	0.50
	At the end of the year	-	-	**705,528**	**0.50**
9.	**WASATCH EMERGING INDIA FUND**				
	At the beginning of the year	275,064	0.20	275,064	0.20
	Date wise Increase / Decrease				
	7th April, 2017, Market Purchase	10,985	0.01	286,049	0.20
	28th April, 2017, Market Purchase	9,898	0.01	295,947	0.21
	5th May, 2017, Market Purchase	8,968	0.01	304,915	0.22
	12th May, 2017, Market Purchase	16,323	0.01	321,238	0.23
	2nd June, 2017, Market Purchase	15,385	0.01	336,623	0.24
	16th June, 2017, Market Purchase	19,490	0.01	356,113	0.25
	28th July, 2017, Market Purchase	11,510	0.01	367,623	0.26
	18th August, 2017, Market Purchase	46,774	0.03	414,397	0.29
	1st September, 2017, Market Purchase	24,178	0.02	438,575	0.31
	8th September 2017, Market Purchase	23,934	0.02	462,509	0.33
	13th October, 2017, Market Purchase	77,000	0.05	539,509	0.38
	5th January, 2018, Market Purchase	46,470	0.03	585,979	0.42
	12th January, 2018, Market Purchase	17,635	0.01	603,614	0.43
	At the end of the year	-	-	**603,614**	**0.43**
10.	**SCHRODER INTERNATIONAL SELECTION FUND ASIAN SMALLER COMPANIES**				
	At the beginning of the year	539,315	0.38	539,315	0.38
	Date wise Increase / Decrease				
	21st April, 2017, Market Sale	(10,188)	(0.01)	529,127	0.38
	28th April, 2017, Market Sale	(5,151)	(0.00)	523,976	0.37
	19th May, 2017, Market Sale	(30,871)	(0.02)	493,105	0.35
	26th May, 2017, Market Sale	(13,931)	(0.01)	479,174	0.34
	21st July, 2017, Market Purchase	3,257	0.00	482,431	0.34
	28th July, 2017, Market Purchase	8,789	0.01	491,220	0.35
	18th August, 2017, Market Sale	(23,397)	(0.02)	467,823	0.33
	13th October, 2017, Market Sale	(4,808)	(0.00)	463,015	0.33
	20th October, 2017, Market Sale	(39,693)	(0.03)	423,322	0.30
	27th October, 2017, Market Sale	(12,448)	(0.01)	410,874	0.29
	3rd November, 2017, Market Sale	(8,707)	(0.01)	402,167	0.29
	12th January, 2018, Market Sale	(18,666)	(0.01)	383,501	0.27
	9th February, 2018, Market Sale	(13,802)	(0.01)	369,699	0.26
	16th February, 2018, Market Sale	(44,365)	(0.03)	325,334	0.23
	9th March, 2018, Market Sale	(14,272)	(0.01)	311,062	0.22
	16th March, 2018, Market Sale	(25,241)	(0.02)	285,821	0.20
	At the end of the year	-	-	**285,821**	**0.20**

Annexure V To Board's Report (contd.)

v) Shareholding of Directors and Key Managerial Personnel:

Sr. no.	Particulars	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
A.	**Mr. Naresh Chandra** *(Holds shares in his capacity as family trustee of Anurang Rhea Trust)*				
	At the beginning of the year	16,910,000	12.02		
	Date wise Increase / Decrease	Nil	Nil		
	At the end of the year	-	-	**16,910,000**	**12.02**
B.	**Mr. Anurang Jain**				
	At the beginning of the year	53,949,664	38.35		
	Date wise Increase / Decrease	Nil	Nil		
	At the end of the year (a)	-	-	**53,949,664**	**38.35**
➤	**Mr. Anurang Nareshchandra Jain** (Holds shares in his capacity as family trustee of Anurang Rohan Trust)				
	At the beginning of the year	28,300,000	20.12		
	Date wise Increase / Decrease	Nil	Nil		
	At the end of the year (b)	-	-	**28,300,000**	**20.12**
	At the end of the year (a+b)	-	-	**82,249,664**	**58.47**
C.	**Name of the Directors and KMPs**				
	At the beginning of the year				
	Date wise Increase / Decrease				
i.	Mr. Partho Datta				
ii.	Mr. Soumendra Basu				
iii.	Mr. Roberto Testore				
iv.	Mr. Ramesh Gehaney, Director and Chief Operating Officer	**Nil**			
v.	Mr. Satrajit Ray, Director and group Chief Financial Officer				
vi.	Ms. Anjali Seth				
vii.	Mrs. Falguni Nayar				
viii.	Mr. Massimo Venuti				
ix.	Mr. Sunil Lalai Company Secretary & Vice President – Legal (KMP)	1	0.00	**1**	**0.00**
	At the end of the year	1	0.00	**1**	**0.00**

Annexure V To Board's Report (contd.)

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

₹ in million

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits#	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	1,115.68	959.92	19.67	2,095.27
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	0.65	0.17	-	0.82
Total (i+ii+iii)	**1,116.33**	**960.09**	**19.67**	**2,096.09**
Change in Indebtedness during the financial year				
Addition*	4,528.14	14,532.89	8.84	19,069.87
Reduction*^	5,327.99	13,827.18	3.25	19,158.42
Net Change	**(799.85)**	**705.71**	**5.59**	**(88.55)**
Indebtedness at the end of the financial year				
i. Principal Amount	315.83	1,665.63	25.26	2,006.72
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	1.12	1.56	-	2.68
Total (i+ii+iii)	**316.96**	**1,667.18**	**25.26**	**2,009.40**

This column contains information on security deposits received from dealers, which are exempt under Rule 2(1)(c)(xii)(a) of the Companies (Acceptance of Deposits) Rules, 2014.

* Includes Short Term Loan.

^ Reduction includes foreign currency realised & unrealised gain/loss.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Amount in ₹

Sr. no.	Particulars of Remuneration	Name of MD/WTD/Manager			
		Mr. Anurang Jain (Managing Director)	Mr. Ramesh Gehaney (Director and Chief Operating Officer)	Mr. Satrajit Ray (Director and Group Chief Financial Officer)	Total Amount
1.	Gross salary				
	a. Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	48,576,000	17,202,795	17,344,552	83,123,347
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961	2,118,563	793,042	838,750	3,750,355
	c. Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total (A)	50,694,563	17,995,837	18,183,302	86,873,702
	Ceiling as per the Act	₹ 438,082,809 [Being 10% of Net profit of the Company computed as per Section 198 of the Companies Act, 2013]			

Annexure V To Board's Report (contd.)

B. Remuneration to other directors:

Amount in ₹

Sr. no.	Particulars of Remuneration	Name of Directors					Total Amount
1.	Independent Directors	**Mr. Soumendra Basu**	**Mr. Partho Datta**	**Mr. Roberto Testore**	**Ms. Anjali Seth**	**Mrs. Falguni Nayar**	
	• Fee for attending board / committee meetings (I)	540,000	500,000	210,000	540,000	190,000	1,980,000
	• Commission (for the FY 2016-17)	2,000,000	2,000,000	2,000,000	*1,616,440	*1,616,440	9,232,880
	• Others, please specify	-	-	-	-	-	-
	Total (1)	**2,540,000**	**2,500,000**	**2,210,000**	**2,156,440**	**1,806,440**	**11,212,880**
2.	Other Non-Executive Directors	**Mr. Naresh Chandra (Chairman)**	-	-	-	-	
	• Fee for attending board / committee meetings (II)	140,000	-	-	-	-	140,000
	• Commission	-	-	-	-	-	-
	• Others, please specify (Advisory fee)	1,800,000	-	-	-	-	1,800,000
	Total (2)	**1,940,000**	**-**	**-**	**-**	**-**	**1,940,000**
	Total (B)=(1+2)	**4,480,000**	**2,500,000**	**2,210,000**	**2,156,440**	**1,806,440**	**13,152,880**
	Ceiling as per the Act	₹ 43,808,281 [Being 1% of Net profit of the Company computed as per Section 198 of the Act]					
3.	Total Remuneration to other directors (1+2-I-II)						11,032,880
	Total Managerial Remuneration (A+B3)						97,906,582
	Overall Ceiling as per the Act	₹ 481,891,090 [Being 11% of Net profit of the Company computed as per Section 198 of the Act]					

* Commission was paid to Ms. Anjali Seth and Mrs. Falguni Nayar on pro-rata basis from the date of their appointment i.e. 10th June, 2016 for the financial year ended 31st March, 2017.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

Sr. no.	Particulars of Remuneration	Mr. Sunil Lalai (Company Secretary & Vice President – Legal)
1.	Gross salary	
	a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6,839,933
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961	195,965
	c. Profits in lieu of salary under section 17(3) Income-tax Act, 1961	–
2.	Stock Option	–
3.	Sweat Equity	–
4.	Commission	–
	- as % of profit	
	- others, specify	
5.	Others, please specify	–
	Total	7,035,898

VII. PENALTIES/PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended 31st March, 2018.

Compliance Certificate under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

15th May, 2018

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, 2018:

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 fradulent, 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 the internal control systems for financial reporting of the Company and there were no deficiencies in the design or operation of such internal controls; and

4. we have indicated to the 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 policy 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

15th May, 2018

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

The Members of Endurance Technologies Limited
Endurance Technologies Limited
E-92, M.I.D.C. Industrial Area,
Waluj, Aurangabad – 431136
Maharashtra, India

1. The Corporate Governance Report prepared by Endurance Technologies Limited (hereinafter the "Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') with respect to Corporate Governance for the year ended 31st March, 2018. This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

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 express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 3 above.

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 key procedures performed include:

   i. Reading and understanding of 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 w.r.t executive and non-executive directors has been met throughout the reporting period;

   iii. Obtained and read the minutes of the following committee meetings held from 1st April, 2017 to 31st March, 2018:

      (a) Board of Directors meeting;

      (b) Audit committee;

      (c) Annual general meeting;

      (d) Nomination and remuneration committee;

      (e) Stakeholders relationship committee;

      (f) Corporate social responsibility committee;

   iv. Obtained necessary representations and declarations from directors of the Company including the independent directors ; and

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

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.

Opinion

8. 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, 2018, referred to in paragraph 1 above.

Other matters and Restriction on Use

9. 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.

10. 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

Place: Mumbai
Date: 15th May, 2018

Corporate Governance Report

The Directors present the Company's Report on Corporate Governance for the financial year 2017-18. 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, 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, 2018, 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. 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.

There is no institutional nominee director on the Board of the Company.

Corporate Governance Report (contd.)

The composition of the Board of directors, during the year was as under:

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

* *In accordance with the provisions of the Listing Regulations, directorships held in private limited 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.*

\## *Original date of appointment. Mr. Ramesh Gehaney was re-appointed as director after retirement by rotation at the Eighteenth Annual General Meeting held on 28th July, 2017.*

$ *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'.*

Mrs. Falguni Nayar sought leave of absence from attending the Eighteenth Annual General Meeting ("AGM") of the Company held on 28th July, 2017.

Corporate Governance Report (contd.)

b) Number of Board meetings:

During the financial year 2017-18, the Board of Directors met six times on following dates, viz. 19th April, 2017, 10th May, 2017, 8th August, 2017, 9th November, 2017, 14th February, 2018 and 30th March, 2018. The statement below tabulates the attendance of each of the director at the aforesaid Board meetings.

Sr. No.	Date of Meeting	Category	19th April, 2017	10th May, 2017	8th August, 2017	9th November, 2017	14th February, 2018	30th March, 2018
	Name of Directors / No. of Meeting		**95th**	**96th**	**97th**	**98th**	**99th**	**100th**
1.	Mr. Naresh Chandra	Chairman, Non-executive, Non-Independent	✓	✓	✓	✓	Leave of absence	Leave of absence
2.	Mr. Anurang Jain	Managing Director, Executive & Promoter	✓	✓	✓	✓	✓	✓
3.	Mr. Partho Datta	Non-executive, Independent	✓	✓	✓	✓	✓	✓
4.	Mr. Soumendra Basu	Non-executive, Independent	✓	✓	✓	✓	✓	✓
5.	Mr. Roberto Testore	Non-executive, Independent	✓	✓	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	✓

Corporate Governance Report (contd.)

c) 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 the Anurang Rhea Trust.*

d) 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 and Whole time Directors. 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 presentations by Company executives.

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. nature of the industry in which the Company operates;

ii. business model 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. They are well conversant with business and finance as also with various requirements applicable to listed entities.

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 Directors

A formal letter of appointment is issued to the 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 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;

ii. Company's values;

iii. Descriptive input on products manufactured by the Company; and

iv. Organogram of the Endurance Group which details the subsidiaries and the shareholding pattern.

b. Board and Management overview:

i. Constitution of the Board of Directors and various committees of the Board along with names of members;

ii. Profile of Board members;

Corporate Governance Report (contd.)

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, Safety and Security of Women at Workplace Policy, Risk Management Policy;

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, acquisition opportunities 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 political specific influence;

iii. Strategic business plans including annual budgets;

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

v. Initiatives relating to health, safety and environment;

vi. Amendments to the 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;

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 interval, Board meetings are held at one of the Company's plant in India or at subsidiary overseas, during which plant 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 the public by way of corporate announcements made to stock exchanges.

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.

Corporate Governance Report (contd.)

Details of the familiarisation programmes undertaken during the financial year 2017-18 are given below:

Sr. No.	Name of Director	Whether attended	No. of hours spent
I.	Visit to the Company's plants located at Waluj, Aurangabad on 28th July, 2017		
1.	Mr. Roberto Testore	Yes	3
2.	Mr. Partho Datta	Yes	3
3.	Mr. Soumendra Basu	Yes	3
4.	Ms. Anjali Seth	Yes	3
5.	Mrs. Falguni Nayar	No	-
II.	Board meeting held at Endurance FOA SpA, Italy on 30th March, 2018. Visit to manufacturing facilities of key operating subsidiaries was organised. At the Board meeting presentation on the key provisions of the Companies (Amendment) Act, 2017 and its impact on the Company & its directors was made		
1.	Mr. Roberto Testore	Yes	5
2.	Mr. Partho Datta	Yes	5
3.	Mr. Soumendra Basu	Yes	5
4.	Ms. Anjali Seth	Yes	5
5.	Mrs. Falguni Nayar	No	-

During the financial year 2016-17, the Company had taken various initiatives to familiarise the Directors on various aspects of business, operations, etc.; the particular number of hours spent in such programmes were not tabulated separately during the financial year 2016-17.

3. AUDIT COMMITTEE:

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

As on 31st March, 2018, 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 independent & non-executive 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 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;

Corporate Governance Report (contd.)

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;

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 in terms of clause (c) of sub-section (3) of Section 134 of the Act;

    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 the Listing Regulations;

        b. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the 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 utilized 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;

Corporate Governance Report (contd.)

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; and

27. Any other term of reference as may be mandated by the Board.

During the financial year 2017-18, the Committee met four times viz.: 10th May 2017, 8th August 2017, 9th November, 2017 and 14th February, 2018.

The details of attendance at the Audit Committee meeting are tabulated below:

Sr. No.	Date of Meeting / Name of Directors / No. of Meeting	Category	10th May, 2017 / 23rd	8th August, 2017 / 24th	9th November, 2017 / 25th	14th February, 2018 / 26th
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 provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations.

As on 31st March, 2018, the Committee comprised following directors as 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.

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.

*Clause added to the terms of reference of the Committee by the Board, at its meeting held on 25th April, 2018.

During the financial year 2017-18, the Committee met three times on 19th April, 2017, 10th May, 2017 and 8th August, 2017. The details of attendance at the Committee meeting are tabulated below:

Corporate Governance Report (contd.)

Sr. No.	Date of Meeting / Name of Directors / No. of Meeting →	Category	19th April, 2017 3rd	10th May, 2017 4th	8th August, 2017 5th
1.	Mr. Soumendra Basu	Non-executive, Independent	✓	✓	✓
2.	Mr. Partho Datta	Non-executive, Independent	✓	✓	✓
3.	Ms. Anjali Seth	Non-executive, Independent	✓	✓	✓

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 is carried out by NRC and the Board.

The performance evaluation of individual directors and the assessment of Committees' and Board's effectiveness was conducted on 24th April, 2018. Based thereon, the Board at its meeting held on 25th April, 2018 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 appointed as the Advisor for a period of five years w e f 1st January, 2013 at a remuneration of ₹ 1.25 lakh per month (excluding applicable taxes). The said engagement was renewed w e f 1st January, 2018 for a period of three years and as per the revised terms, he is entitled to 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 ₹ 140,000; and
- Advisory fee of ₹ 1,800,000.

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.

Corporate Governance Report (contd.)

The Members, in the Extra-ordinary General Meeting of the Company held on 29th June 2016, have approved the payment of commission to the Non-executive Directors within the ceiling of 1% of the 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 adoption of audited financial statements of respective years by the Members in AGM.

In addition to the commission paid to Non-executive Independent Directors, all Non-executive directors, except Mr. Massimo Venuti, were paid sitting fee of ₹ 20,000 (Rupees Twenty Thousand Only) each for the Board and Committee meetings held on 19th April, 2017 and 10th May, 2017. The Board at its meeting held on 8th August, 2017 had approved the revision in payment of sitting fee for attending the meetings of the Board and each of the Committees of the Board based on the recommendations of NRC. Accordingly, the Board members were paid revised sitting fee as per below table w e f 8th August, 2017, 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

The Company has no stock option plans for the directors and hence, it does not form part of the remuneration package payable to any executive and/or Non-executive Director. During the year, the Company did not advance any loan to any of the executive and/or non-executive directors. The details of remuneration paid to directors during 2017-18 are provided in an annexure to the Board's Report in Form MGT-9, extract of the Annual Return of the Company.

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 2016-17)	Sitting Fees	Others	Total
1.	Mr. Naresh Chandra^	Chairman, Non-executive, Non-Independent	-	-	0.14	1.8	1.94
2.	Mr. Anurang Jain	Managing Director, Executive & Promoter	50.69	-	-	-	50.69
3.	Mr. Ramesh Gehaney	Director and Chief Operating Officer, Executive	17.99	-	-	-	17.99
4.	Mr. Satrajit Ray	Director and Group Chief Financial Officer, Executive	18.18	-	-	-	18.18
5.	Mr. Massimo Venuti	Non-executive, Non-Independent	-	-	-	-	-
6.	Mr. Roberto Testore	Non-executive, Independent	-	2.00	0.21	-	2.21
7.	Mr. Partho Datta	Non-executive, Independent	-	2.00	0.50	-	2.50
8.	Mr. Soumendra Basu	Non-executive, Independent	-	2.00	0.54	-	2.54

Corporate Governance Report (contd.)

(Amount in ₹ million)

Sr. No.	Name of Director	Category	Salary	Commission (for the FY 2016-17)	Sitting Fees	Others	Total
9.	Ms. Anjali Seth^^	Non-executive, Independent	-	1.62	0.54	-	2.16
10	Mrs. Falguni Nayar^^	Non-executive, Independent	-	1.62	0.19	-	1.81

^ *Mr. Naresh Chandra has been re-appointed as an advisor to the Company for a period of three years w.e.f. 1st January, 2018, vide letter dated 9th November, 2017. He was paid advisory fee of ₹ 125,000 per month from April, 2017 to December, 2017 and ₹ 225,000 per month, excluding applicable taxes, from January, 2018 to March, 2018.*

^^ *Commission was paid to Ms. Anjali Seth and Mrs. Falguni Nayar on pro-rata basis from the date of their appointment i.e. 10th June, 2016 for the financial year ended 31st March, 2017.*

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, 2018, the Committee comprised following directors as members:

i. Mr. Anurang Jain, Chairman;

ii. Mr. Soumendra Basu; and

iii. Mr. Ramesh Gehaney

The terms of reference of the Committee include the following:

i. Recommend activities and the amount of expenditure to be incurred to fulfill CSR; and

ii. Monitor the CSR Policy from time to time.

During the financial year 2017-18, the CSR Committee met twice on 10th May, 2017 and 9th November, 2017. The details of attendance at the Committee meetings are tabulated below:

Sr. No.	Date of Meeting	Category	10th May, 2017	9th November, 2017
	Name of Directors / No. of Meeting →		7th	8th
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, 2018, the Committee comprised following directors as members:

i. Ms Anjali Seth, Chairperson;

ii. Mr. Anurang Jain; and

iii. Mr. Satrajit Ray.

Corporate Governance Report (contd.)

The terms of reference of the Committee are:

i. Redressal of grievances of shareholders, debenture holders and other security holders;

ii. Redressal of grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of annual report and non-receipt of declared dividends; and

iii. Carry out such other function as prescribed under the Act, Listing Regulations and other applicable law.

During the financial year 2017-18, the SR Committee met twice on 19th April, 2017 and 8th August, 2017. The details of attendance at the Committee meetings are tabulated below:

Sr. No.	Date of Meeting	Category	19th April, 2017	8th August, 2017
	Name of Directors / No. of Meeting →		**1st**	**2nd**
a)	Ms. Anjali Seth	Non-executive, Independent	✓	✓
b)	Mr. Anurang Jain	Managing Director, Executive & Promoter	✓	✓
c)	Mr. Satrajit Ray	Director and Group Chief Financial Officer, Executive	✓	✓

Compliance Officer:

Mr. Sunil Lalai, Company Secretary and Vice President-Legal is the Compliance Officer of the Company and acts as Secretary to the Committee.

Investor grievance and other communication

The communications and/ or correspondence received during the financial year 2017-18, were primarily pertaining to:

a. Non-allotment of shares in the Initial Public Offer of the equity shares of the Company of ₹ 10 each ("IPO");

b. Non-refund of application money;

c. Non-receipt of Annual Report; and

d. Non-receipt of dividend warrants.

During this period, the Company received and disposed of 21 investor queries/ complaints. All the grievances were resolved to the satisfaction of shareholders and other investors, and as on 31st March, 2018, 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 IPO. All the Equity Shares were allotted 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. OTHER COMMITTEES:

A. Finance Committee

As on 31st March, 2018, the Committee comprised following directors as members:

i. Mr. Naresh Chandra, Chairman;

ii. Mr. Anurang Jain;

iii. Mr. Satrajit Ray; and

iv. Mr. Ramesh Gehaney.

The Finance Committee of the Company has been empowered by the Board to meet the fund requirements of the Company through borrowings from banks and/ or financial institutions, within the borrowing limit of ₹ 12,500 million granted by the shareholders of the Company at its meeting held on 20th November, 2013.

The Committee did not convene any meeting during the financial year 2017-18.

B. IPO Committee

An IPO Committee was constituted on 10th June, 2016 to facilitate completion of various pre and post IPO formalities and to take decisions in relation thereto. The Committee comprised following directors as its members:

i. Mr. Anurang Jain; and

ii. Mr. Satrajit Ray.

Corporate Governance Report (contd.)

The IPO process was completed with listing of the Company's equity shares of ₹ 10 each on the stock exchanges *viz.* BSE Limited and National Stock Exchange of India Ltd.

Considering the successful completion of the IPO of the Company and receipt of the security deposit of ₹ 116.17 million in May 2017, being 1% of the issue size placed with BSE Limited, the purpose of the Committee was fulfilled. Consequently, the Board, at its meeting held on 8th August, 2017, dissolved the IPO Committee.

The Committee did not convene any meeting during the period from 1st April, 2017 to 8th August, 2017.

8. GENERAL BODY MEETINGS:

Details of the AGMs of the Company held during the preceeding three years are tabulated below:

AGM	Date and time of AGM	Location	Details of special resolution(s) passed at the AGMs, if any
16th AGM	17th August, 2015 at 10.00 a.m.	K-228, MIDC Industrial Area, Waluj, Aurangabad – 431136, Maharashtra	Adoption of new set of Articles of Association containing clauses as per the Act. This was passed unanimously.
17th AGM	3rd August, 2016 at 10.00 a.m.		No special resolution was passed.
18th AGM	28th July, 2017 at 10.30 a.m.	Vivanta by Taj, 8-N-12, CIDCO, Dr. Rafiq Zakaria Marg, Rauza Bagh, Aurangabad – 431003, Maharashtra	No special resolution was passed.

Details of special resolutions passed at the Extraordinary General Meetings ('EGM") held during the preceding three years are tabulated below:

Date and time of AGM	Location	Details of special resolution(s) passed at the AGMs, if any
30th April, 2015 at 10.00 a.m.	74B, 7th Floor, Nariman Bhavan, Nariman Point, Mumbai - 400 021	Appointment of Mrs. Varsha Jain, a related party, as an employee of the Company.
18th May, 2016 at 9.00 a.m.	E-92, MIDC Industrial Area, Waluj, Aurangabad - 431 136	a. Re-appointment of Mr. Anurang Jain as the Managing Director of the Company for a period of 5 years w.e.f. 1st April, 2016; b. Amendment of Capital clause of the Memorandum of Association consequent to change in Authorised Share Capital of the Company; c. Conversion of the Company from 'private limited' to 'public limited' and consequential alteration of the Memorandum and Articles of Association of the Company; and d. Adoption of new set of Articles of Association.
22nd June, 2016 at 9.00 a.m. (meeting adjourned and held on 29th June, 2016 at 9.00 a.m.)	E-92, MIDC Industrial Area, Waluj, Aurangabad - 431 136	Amendment in Articles of Association of the Company.

Corporate Governance Report (contd.)

No resolution of shareholders was passed through postal ballot in the above-mentioned AGMs and EGMs. Further, during the year under review, no special resolution was proposed through postal ballot.

9. 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, 2017 and 31st December, 2017	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 with investors/analysts on the results published, after Board meetings.

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 persons and Registrar & Transfer Agent of the Company, shareholding pattern, etc. Information published by the Company i.e. financial results, press release are also available on Company's website. Further, all news releases, transcripts of conference calls and other communications to stock exchanges, are also uploaded on the Company's website.

10. GENERAL SHAREHOLDER INFORMATION:

a) Nineteenth Annual General Meeting:

The date, time and venue of the Nineteenth Annual General Meeting of the Company is provided hereunder:

Date:	6th September, 2018
Time:	10.30 a.m.
Venue:	Vivanta by Taj, 8-N-12, CIDCO, Dr. Rafiq Zakaria Marg, Rauza Bagh, Aurangabad 431003, Maharashtra

b) Financial Year (tentative and subject to change):

Particulars	Date
Entitlement date for payment of dividend subject to approval of shareholders	On 29th August, 2018
Dividend payment date (if declared)	On or after 11th September, 2018
1st quarter ending on 30th June, 2018	On or before 14th August, 2018
2nd quarter ending on 30th September, 2018	On or before 14th November, 2018
3rd quarter ending on 31st December, 2018	On or before 14th February, 2019
Financial year ending on 31st March, 2019	On or before 30th May, 2019

c) Date of Dividend Payment:

Dividend on equity shares, if declared at the ensuing AGM, will be credited/dispatched on or after on 11th September, 2018 as under:

i. to all those beneficial owners holding shares in electronic form, as per the beneficial ownership data made available to the Company by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) as of the close of business hours on Wednesday, 29th August, 2018; and

ii. to all those shareholders holding shares in physical form, after giving effect to all the valid share transfers lodged with the Company/ Registrar and Transfer Agent (i.e. Link Intime India Pvt. Ltd.) on or before the closing hours on Wednesday, 29th August, 2018.

d) 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
	BSE Limited (BSE)	1st Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	540153
	National Stock Exchange of India Limited (NSE)	Exchange Plaza, Bandra - Kurla Complex, Bandra (E), Mumbai 400 051	ENDURANCE

Corporate Governance Report (contd.)

Pursuant to the Listing Regulations, the Company has entered into uniform listing agreements with BSE and NSE, both dated 17th October, 2016. For the year 2017-18, the listing fee payable to NSE and BSE have been paid in full on 19th April, 2017 and 21st April, 2017 respectively.

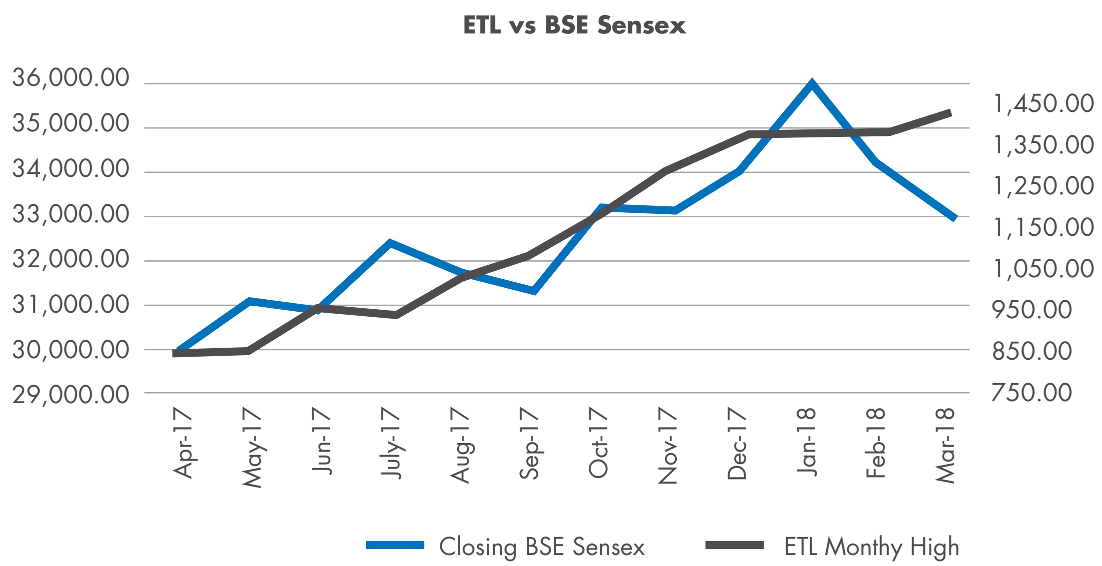
e) Market Price Data:

Monthly highs and lows of Company's shares during 2017-18 (₹ *vis-à-vis* CNX Nifty & BSE Sensex):

Month	BSE		NSE		Closing CNX Nifty	Closing BSE Sensex
	High	Low	High	Low		
Apr-17	855.00	767.30	857.40	765.00	9,304.05	29,918.40
May-17	854.40	782.00	854.70	782.20	9,621.25	31,145.80
Jun-17	950.90	822.90	951.00	820.05	9,520.90	30,921.61
Jul-17	935.00	855.10	933.95	855.25	10,077.10	32,514.94
Aug-17	1,024.95	894.00	1,026.90	893.80	9,917.90	31,730.49
Sep-17	1,075.00	966.00	1,074.00	965.25	9,788.60	31,283.72
Oct-17	1,169.05	965.80	1,169.75	965.25	10,335.30	33,213.13
Nov-17	1,300.55	1,091.00	1,300.00	1,108.10	10,226.55	33,149.35
Dec-17	1,382.40	1,195.00	1,387.20	1,193.05	10,530.70	34,056.83
Jan-18	1,397.00	1,153.00	1,400.00	1,101.55	11,027.70	35,965.02
Feb-18	1,390.00	1,040.00	1,389.90	1,080.00	10,492.85	34,184.04
Mar-18	1,422.00	1,149.80	1,419.75	1,146.05	10,113.70	32,968.68

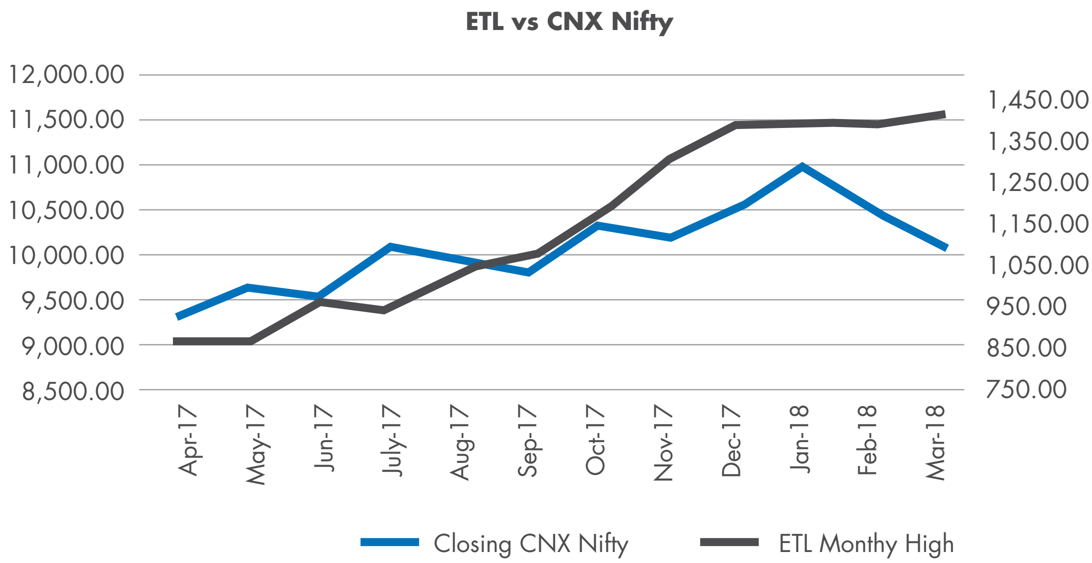
The charts below show the comparison of the Company's share price (monthly high) movement vis-à-vis the movement of the BSE Sensex and CNX Nifty for the financial year 2017-18 (based on month end closing).

Endurance Technologies Limited Vs BSE Sensex, indexed to 100 on 31st March, 2018



Corporate Governance Report (contd.)

Endurance Technologies Limited Vs CNX Nifty, indexed to 100 on 31st March, 2018



f) Share Transfer Agent:

The Company vide Agreement dated 15th October, 2016 has appointed following agency to act as its Registrar and Share Transfer Agent ("RTA"). The RTA is, *inter alia*, responsible for processing of requests pertaining to share transfers/ 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. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (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

g) 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, 2018, the Company has only two shareholders who hold shares in physical form. During the year 2017-18, there were no requests received by the RTA/Company for transfer of physical shares.

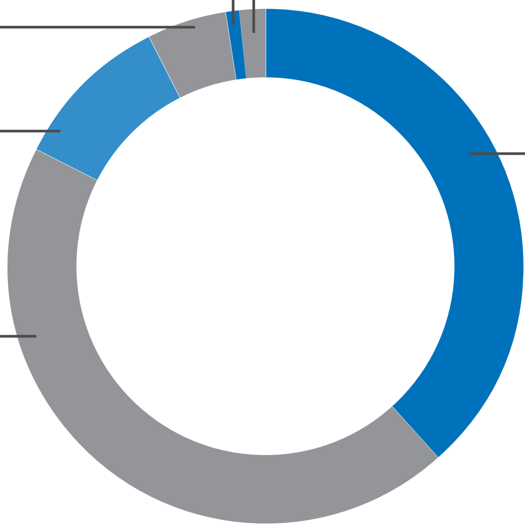
h) Distribution of Shareholding:

The below two tables provide details about the pattern of shareholding among various categories and number of shares held, as on 31st March, 2018.

Corporate Governance Report (contd.)

Category Distribution:

Categories	March 31st, 2018	
	No. of shares	Percentage
Promoter	53,949,664	38.35%
Promoter Group	62,100,160	44.15%
Foreign Portfolio Investors (Corporate)	14,219,109	10.11%
Mutual Funds	6,990,924	4.97%
Other Bodies Corporate	1,136,272	0.81%
Public	2,266,719	1.61%
Total	140,662,848	100.00%



Shareholding as on 31st March, 2018

Distribution of Shareholding as on 31st March, 2018:

No. of shares held	No. of shareholders		Shares held in each class	
	Number	%	Number	%
1 to 500	38,813	98.58	1,359,679	0.97
501 to 1000	237	0.60	181,491	0.13
1001 to 2000	102	0.26	148,426	0.11
2001 to 3000	29	0.07	71,184	0.05
3001 to 4000	22	0.06	77,999	0.06
4001 to 5000	21	0.05	95,823	0.07
5001 to 10000	25	0.06	202,107	0.14
10001 and above	124	0.31	138,526,139	98.48
Total	**39,373**	**100.00**	**140,662,848**	**100.00**

Corporate Governance Report (contd.)

i) Dematerialisation/Rematerialisation of Shares and liquidity:

The RTA received a request for rematerialisation of one (1) equity share on 13th July, 2017, which was processed within a period of 30 days from the date of receipt thereof.

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, 2018 are given in the table below:

Particulars	Position as on 31st March, 2018	
	No. of shares	Percentage
Physical	31	0.00
Dematerialised		
NSDL	139,706,409	99.32
CDSL	956,408	0.68
Sub-total	140,662,817	99.99
Total	**140,662,848**	**100.00**

j) Outstanding Convertible Instruments/ADRs/GDRs/Warrants:

The Company has not issued any convertible instruments/ ADRs/ GDRs/ Warrants.

k) 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.

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 & 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 & 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
9	Plot No. B-1/2 & 1/3, MIDC Industrial Area, Chakan, Village Nighoje, Taluka Khed, Dist. Pune - 410 501	10	Plot No. B-20, MIDC Industrial Area, Chakan, Village Nighoje, Taluka Khed, Dist. Pune - 410 501
11	Plot No. B-22, MIDC Industrial Area, Chakan, Village Nighoje, Taluka Khed, Dist. Pune - 410 501	12	Plot No. 400, Sector 8, IMT, Manesar, Dist - Gurugram, Haryana - 122 050
13	Plot No. 3, Sector 10, I.I.E. Pantnagar, U.S. Nagar Dist., Uttarakhand - 263 153	14	Plot No. 7, Sector 10, I.I.E. Pantnagar, U.S. Nagar Dist., Uttarakhand - 263 153
15	Plot No. F-82, SIPCOT Industrial Park, Irungattaukottai, Pennaur Post, Shriperumburam Taluk, Kanchipuram Dist Chennai - 602 105	16	Plot No. E4 & E21, GIDC, Phase 2, Industrial Estate, Sanand, Ahmedabad, Gujarat - 382 110

Note: Manufacturing activities at the plant located at Gat No. 416, Village Takve Budruk, Taluka Vadgaon Maval, Pune - 412 106 have been discontinued with effect from 1st January, 2018.

Corporate Governance Report (contd.)

m) Address for correspondence:

Effective 15th February, 2018, the registered office of the Company has been shifted to E-92, MIDC Industrial Area, Waluj, Aurangabad (M.S.) – 431 136 from K-228 MIDC Industrial Area, Waluj, Aurangabad (M.S.) – 431 136.

Investors and shareholders can correspond with the RTA or at registered office of the Company at the following addresses:

Registrar and transfer agent - Link Intime India Private Limited	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 – 431136, Maharashtra Contact person: Mr. Sunil Lalai, Company Secretary and Vice President – Legal and Compliance Officer Telephone: +91 (240) 2569600 Facsimile: +91 (240) 2551700 E-mail: investors@endurance.co.in

11. OTHER DISCLOSURES:

a) Related party transactions:

During the year under review, the Company had entered into the following related party transactions:

Sr. No.	Name of the Related party	Particulars of transaction	Approving authority
1	Varroc Engineering Limited *(Formerly known as Varroc Engineering Pvt. Ltd.)*	Sale/purchase of goods & material and availing/ rendering of services for a period two years w.e.f. 1st July, 2017	The Audit Committee at its meeting held on 10th May, 2017.
3	Mr. Naresh Chandra	Re-appointment as an Advisor to the Company for a period of three years w.e.f. 1st January, 2018	Audit Committee and the Board of Directors at their respective meetings held on 9th November, 2017.

There were no other 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, as required under Section 177 of the Act and Regulation 23 of the Listing Regulations, all RPTs were placed before 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.

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.

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

Corporate Governance Report (contd.)

any other statutory authority on any matter related to capital markets, during the last three years.

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 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 said 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 has made 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) **Compliance of Mandatory and Non-Mandatory 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 the 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, after the financial results are approved by the Board. These results are also filed with stock exchanges and uploaded on Company's website immediately after the Board meeting. 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. Separate posts of Chairperson and Chief Executive Officer:

The Company has in place separate persons to the post of Chairman and Managing Director.

V. Reporting of Internal Auditor:

The Internal Auditor reports directly to the Audit Committee.

Corporate Governance Report (contd.)

f) Subsidiary companies:

The Company has five overseas subsidiaries *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 Fondalmec SpA, Italy	N.A.	Otherwise
3.	Endurance FOA SpA, Italy	N.A.	Otherwise
4.	Endurance Engineering SrL, Italy	N.A.	Otherwise
5.	Endurance Amann GmbH, Germany	N.A.	Otherwise

* EOSRL is a direct subsidiary of the Company and holding company of Endurance Fondalmec SpA, Endurance FOA SpA and Endurance Engineering SrL. Based on consolidated financial statements, EOSRL is a material subsidiary of the Company.

A Policy for Determining Material Subsidiaries in terms of Regulation 16(1)(c) of the Listing Regulations is placed on the Company's website at www.endurancegroup.com/investor/investor-relations.

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. Minutes of the Board meetings of subsidiary companies were regularly placed before the Board.

g) 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.

h) In terms of Regulation 55A of the SEBI (Depositories and Participants) Regulations, 1996, 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 shares held in depositories i.e. NSDL & CDSL and in 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 all activities in relation to both physical and electronic share transfer facility are being maintained by its Registrar and Share Transfer Agent, Link Intime India Private Limited.

12. 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 Board had satisfied itself that in the event of a requirement for addition/succession at the Board level or in the Senior Management, there is a process in place.

ii. Information supplied to the Board:

In advance 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 or for resolving an issue. Presentations are also made to the Board by different function heads 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. The independent directors of the Company at their meeting held on 24th April, 2018,

Corporate Governance Report (contd.)

expressed satisfaction on 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 its 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 2017-18, the Board has carried out annual performance evaluation of independent directors, at its meeting held on 25th April, 2018. The Board acknowledged that each of the independent directors held rich experience required to effectively fulfill his/her individual and collective duties.

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, 2018, 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.

The independent directors present, elected Mr. Partho Datta as Chairman of the meeting. All independent directors were present at the meeting. The independent directors present, deliberated on the aforementioned matters and expressed overall satisfaction on performance of directors evaluated and placed on record that the Management had established a robust mechanism for dissemination of information to the Board.

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.

12. 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; and
- Corporate Social Responsibility Committee.

Corporate Governance Report (contd.)

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 2017-18. 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. "11 (c)" of this report.

v. Criteria of making payments to Non-executive Directors:

Refer item no. "4 (ii)" of this report.

vi. Policy on dealing with related party transactions:

Refer item no. "11(g)" of this report.

vii. Policy for determining 'material' subsidiaries:

Refer item no. "11(f)" of this report.

viii. Details of familiarisation programmes imparted to independent directors:

Refer item no. "2 (d)" of this report.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE CONDITIONS OF THE 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

The Company is glad to present its first 'Business Responsibility Report' (BRR) in line with the 'National Voluntary Guidelines on Social, Environmental and Economic responsibilities of Business' as 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 431136
4	Website	www.endurancegroup.com
5	E-mail id	investors@endurance.co.in
6	Financial Year reported	2017-18
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)	Die-casting, suspension and transmission 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 16 plants in India at below locations: i. Waluj, Aurangabad (Maharashtra) ii. Chakan, Dist.Pune (Maharashtra) iii. Sriperumbudur Taluk, Dist. Chennai (Tamil Nadu) iv. Manesar, Gurugram (Haryana) v. Pantnagar (Uttarakhand) vi. Sanand, Ahmedabad (Gujarat).
10	Markets served by the Company – Local/State/ National/International	The Company and its subsidiary companies serve the Indian market and 23 countries across the world.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital : ₹ 1,406.63 million
2. Total Turnover : ₹ 47,874.05 million
3. Total profit after taxes : ₹ 2,716.03 million
4. Total Spending on Corporate Social Responsibility (CSR) (as % of Profit After Tax) : ₹ 56.10 million being 2.07% of the Profit After Tax for the year ended 31st March, 2018.
5. List of activities in which expenditure has been incurred: The Company's CSR initiatives are focused around three broad areas viz.

(a) Village Development Project with a thrust on promoting education, health & hygiene, agriculture methods & means of livelihood, community development;

(b) Imparting skill building through vocational training centre; and

(c) Support in the running of *Sevak Trust Balwadi*.

Please refer Annexure II – 'Annual Report on CSR Activities' to the Board's Report for details.

SECTION C: OTHER DETAILS

1	Does the Company have any Subsidiary Company/ Companies?	The Company has five subsidiaries, detailed hereinbelow: i. Endurance Overseas Srl, Italy (Direct Subsidiary); ii. Endurance Fondalmec SpA, Italy (Indirect Subsidiary); iii. Endurance FOA SpA, Italy (Indirect Subsidiary); iv. Endurance Engineering Srl, Italy (Indirect Subsidiary); and v. Endurance Amann GmbH, Germany (Direct Subsidiary).
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company?	The subsidiary companies are based in Italy and Germany. They have autonomy in operations and follow the principles of Business Responsibility (BR) 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.

Business Responsibility Report (contd.)

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/policies:

1. DIN Number: 00291662
2. Name: Mr. Anurang Jain
3. Designation: Managing Director

(b) Details of the BR Head

Sr. No.	Particulars	Details
1.	DIN Number (if applicable)	00291662
2.	Name	Mr. Anurang Jain
3.	Designation	Managing Director
4.	Telephone number	0240 2569600
5.	E-mail id	corporate@endurance.co.in; and vjr@endurance.co.in

2. Principle-wise (as per NVGs) BR Policy/policies – National Voluntary Guidelines.

Principle No.	Requirement
1	Business should conduct and govern themselves with Ethics, Transparency and Accountability
2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
3	Business should promote the well-being of all employees
4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
5	Businesses should respect and promote human rights
6	Business should respect, protect, and make efforts to restore the environment
7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
8	Business should support inclusive growth and equitable development
9	Businesses should engage with and provide value to their customers and 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								

Business Responsibility Report (contd.)

Sr. No.	Particulars	P1	P2	P3	P4	P5	P6	P7**	P8	P9
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/ documented procedures and SOPs.*

** *The management of the Company engages in public policy through industry associations only.*

\# *Internal Policies and SOPs are available on internal portal 'e-swagat' which is accessible only to employees.*

(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.	Questions	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 BR

(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 reviews 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?

BRR for the financial year 2017-18 is the first report of the Company that is published. Going forward, we will be publishing BRR for a financial year, annually, as part of the Annual Report.

PRINCIPLE 1: ETHICS, TRANSPARENCY AND ACCOUNTABILITY

Values form the core foundation and define the ethos and culture of an organisation. They provide guidance to deal with business issues and are at fore while formulating and implementing strategies, policies, objectives and procedures. Values are indispensable for 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 through structured training programmes across all levels and are directed towards continuously improving the governance framework of the Company.

Business Responsibility Report (contd.)

Accountability is driven based on very robust performance management system.

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 international best practices. Ethics, transparency and accountability are governed by the Code of Conduct for Directors and Employees ("Code"). The Code is detailed in the Corporate Governance Report of the Company.

The Company also has a Whistle Blower Policy which provides a mechanism for directors and employees to approach an Ombudsman appointed to investigate alleged violation of the Code. The Audit Committee reviews matters reported in terms of this policy on a quarterly basis. For more details relating to the said policy, relevant section in the Corporate Governance Report of the Company may be referred.

Q2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

We have structured and unstructured mechanisms for engagement with our relevant stakeholders. In the reporting year, all grievances were satisfactorily resolved.

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE.

The Company is committed to environmental stewardship and towards ensuring that its products are safe and provide driving comfort to the end-user during its life cycle. Company takes focused initiatives in areas of weight reduction, material substitution, increasing recycled components in raw material and embracing sustainable procurement practices. The Management recognises that every small initiative has positive impact in terms of improved efficiency, product responsibility and safety of the customers at all stages of the product lifecycle.

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):

The Company manufactures products (with variations to suit requirements of respective OEM) under each business portfolio. Social and environmental concerns are always on the fore with regard to all manufacturing processes. In view of the foregoing requirement, Company is reporting the following three key processes implemented at its manufacturing plants:

Weight Reduction of Casting components:

Improvements have been made to the castings by reducing their weight. Casting weight reduction helps in reducing unsprung mass which gives better ride performance of vehicle. Some of the examples of components improvised through weight reduction are front fork bottom case, rear shock absorber (RSA) canister, aluminium grips (Pillion Handle); Trans Axle (introduction of metal saving pocket) and transmission case (component weight was reduced by 2.5 kg with the help of die-manufacturing expertise from overseas, thereby resulting in saving of aluminium loss and reduced fuel consumption).

Application of alternate processes:

The Company continuously improvises its manufacturing methods through use of alternate and pro-environment processes also aimed at enhancing safety of the product and optimisation of costs; a few significant ones being:

- Replacing Ni-Cr plating with powder coating for outer springs and outer tube in shock absorbers.
- 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.
- Improved ozone resistance of rubber components to enhance product life.

Use of non-hazardous material:

The Company does not use hazardous material like asbestos, cadmium, lead and mercury in its manufacturing process. Some of the examples are, manufacturing of:

- disc brake calipers with asbestos free brake pads,
- disc brake systems with lead free aluminium pistons,
- drum brakes with asbestos free brake shoes.

The above-mentioned initiatives have resulted into savings for the Company to the extent mentioned below:

1. Saving of around 227 KL of furnace oil as compared to last year for alloy melting in Die casting plant; saving in terms of cost is ₹ 6.4 million.
2. Water and fuel saving.

   2.1. Reduction in water usage.

   2.2. Minimal generation of hazardous waste/ sludge.

Business Responsibility Report (contd.)

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.

Supply chain sustainability is ensured through various initiatives, which include:

i. Constitution of Endurance Vendor Association, a mutual forum of the Company with its vendors and provides a platform to resolve concerns, minimise interface losses.

ii. Engagement with vendors to ensure environmental compliance and promoting use of recycled/ returnable packaging for the components sourced.

iii. Optimisation of transportation & 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 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 75 vendors around its manufacturing locations. To encourage small producers, 46 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:

- **Cluster Quality Improvement Programs** for existing and potential LTS vendors. 34 vendors were covered in four Cluster programs over the last three years.
- **Trainings for Total Productive Maintenance (TPM)** way of working are conducted; these are aimed at overall efficiency improvement with defined PQCDSM targets (Productivity, Quality, Cost, Delivery, Safety, and Morale). 20 vendors are Practicing TPM and 9 out of them were awarded by the Company for TPM sustenance during the FY 2017-18.
- **Specific Supplier Audits of Surface Treatment Suppliers** (Tier II) to ensure environmental compliance.
- **Technology up-gradation of suppliers** by providing training for manufacturing, validation and testing of components.

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 believes that waste can be used as a resource and recycles/ reuses the waste generated during manufacturing process. Some of the initiatives taken in the reporting year are:

- **Aluminium Recycling:** Process rejects and aluminium scrap (turnings), gates and raiser material is remelted and reused for manufacture of non-critical components
- **Coolant Recovery -** A coolant recovery plant is installed to recycle the coolant and the Company is able to recover more than 10% of the coolant.
- **Water Saving and Recycling -** Awareness sessions and workshops are conducted on water conservation. Water saving *kaizens* are implemented through use of water balance diagram.

PRINCIPLE 3: BUSINESS SHOULD PROMOTE THE WELL-BEING OF ALL 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 4,204 as on 31st March, 2018.

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, 2018 were 4,781.

Business Responsibility Report (contd.)

Q3. Number of permanent women employees

The number of permanent women employees as on 31st March, 2018 were 55.

Q4. Number of permanent employees with disabilities

Endurance is an equal opportunity employer. It does 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 recognised by management?

There are twelve agreements entered into with labour unions for the Company's plants located at Waluj (Aurangabad, Maharashtra), Chakan (Dist. Pune, Maharashtra), Manesar (Gurugram, Haryana) and Pantnagar (Uttarakhand).

Q6. Percentage of permanent employees who are members of these recognised employee association.

As of 31st March, 2018, 1,929 employees, representing 45.88% of our workforce, are members of labour unions.

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 labour, forced labour, involuntary labour or sexual harassment.

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 and 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 Value Workshop;

f) Safety related training programs; and

g) System related programs (such as IATF, ISMI, SOP awareness programs etc.)

During the FY 2017-18, around 39 training and workshops were conducted focused specifically on various aspects of health, environment and safety covering 1349 permanent employees (991 mandays).

In addition regular training sessions are organised on Safety and Factory rules & Discipline and the participants comprise both employees and contract workmen.

Overall, more than 50% permanent employees underwent above-mentioned trainings spanning to around 4,593 mandays.

PRINCIPLE 4: BUSINESS SHOULD RESPECT THE INTERESTS OF, AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALIZED.

The Company has undertaken various CSR initiatives to address directly the 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 marginalized stakeholders?

The Company has identified the disadvantaged and vulnerable stakeholders in Aurangabad especially in the areas surrounding its manufacturing locations located in Waluj, Aurangabad. These include unemployed & unskilled youth, villages in poor socio-economic conditions lacking basic needs such as safe water for drinking and access to toilets, children having limited or no access to basic education and avenues for gainful employment.

Based on identification of their needs, Company has implemented following CSR programmes:

Business Responsibility Report (contd.)

(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 focussing on health & nutrition, sanitation, agriculture & livelihood, education and community development.

(c) Supporting pre-primary education by setting up of *Balwadi*.

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

The Company respects and is committed to promote the principles of human rights. We ensure compliance with all 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?

Measures taken by us to promote the principles of human rights cover the Company only. Its subsidiaries, suppliers and other entities associated with the Company are governed by their respective policies on the subject.

Prohibition of child labour forms an important part of contract workmen engagement at our manufacturing plant.

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 relating to violation of human rights.

PRINCIPLE 6: BUSINESS SHOULD RESPECT, PROTECT, AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT

The Company believes that sustainable growth is possible only when the Company's manufacturing efficiencies are coupled with a healthy work environment and safe work conditions. We strongly believe that every small step contributes towards resolving global environmental issues.

Q1. Does the policy related to Principle 6 cover only the Company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others

The 'Environment, Health and Safety' policy is applicable to the Company. The subsidiary companies adhere to local regulations with respect to environment, health and safety.

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 saving. Please refer Annexure 1 to the Board's report for the initiatives taken by the Company during the FY 2017-18.

Q3. Does the Company identify and assess potential environmental risks? Y/N

Environmental risks is part of the Risk Management Framework. Risks identified and measures for mitigation thereof are documented in the risk management framework of the Company. In terms of the monitoring mechanism defined in the risk management framework, these risks and mitigation plans are reviewed biannually by the executive management and the Board of Directors.

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. 5 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 1 to the Board's Report, which forms a 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.

Business Responsibility Report (contd.)

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, 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 along with other industries in the Waluj industrial area. The Company was directed by the Hon'ble National Green Tribunal ("NGT") to deposit ₹ 100 million in an escrow account of the District Collector, Aurangabad, towards remedial costs for alleged ground water contamination and soil degradation.

In response thereto, the said amount was deposited and an appeal was made by the Company before the NGT. Hearings were held before the NGT duly represented by MPCB and the Company. In view of absence of information regarding the source of pollution/ water contamination, it was decided to allocate remediation cost amongst the industries in Waluj area. Accordingly, out of ₹ 100 million, deposited in escrow, ₹ 79.1 million has been refunded to the Company as on 31st March, 2018 after retaining the balance towards remediation costs attributable to the Company which is sub-judice and pending before the NGT.

PRINCIPLE 7: BUSINESSES, WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER

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,
- BAVA- Bajaj Auto Vendor Association,
- 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, and
- 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: BUSINESSES SHOULD SUPPORT 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 CSR Policy available at https://endurancegroup.com/investor/investor-relations.

In line with the provisions of Companies Act, 2013, ("Act") the Company has constituted a CSR Committee which reviews the implementation of the CSR Policy. Please refer 'Annexure II – 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?

In terms of the provisions of Section 135 read with Schedule VII to the Act and CSR Policy of the Company, following CSR projects and programmes have been undertaken by the Company:

- Vocational Training Centre;
- Village Development Project ; and
- Sevak Trust Balwadi

The above-mentioned projects and programmes have been undertaken by the Company through Sevak Trust, with whom it has been associated for more than a decade.

Q3. Have you done any impact assessment of your initiative?

The CSR Committee reviews the progress of the initiatives for all projects and programmes to assess the desired outcome on the society.

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.

Qualitative impact of such training is evident from their confidence after they engage into self-employment or gain employment in various organisations, after

Business Responsibility Report (contd.)

graduating from the courses. The CSR Committee reviews the quantitative impact through the EVA (i.e. Economic Value Added) for each of such courses.

Village Development Project ("VDP"):
Under the VDP projects, certain villages are selected based on the development requirement assessed. The activities are mostly focused on health, sanitation, education, employment and community development. In case of VDP projects, the impact is assessed based on the improvement in the standard of living of the villagers.

Sevak Trust Balwadi
Balwadi provides pre-primary education to children from nearby localities.

For details on the CSR initiatives taken by the Company, please refer 'Annexure II – Annual Report on CSR activities', to the Board's report.

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 2017-18
Vocational Training Centre	10.06
Village Development Project	45.90
Sevak Trust Balwadi	0.14
Total	**56.10**

For details on Company's contribution to its CSR projects and programmes, please refer 'Annexure II – Annual Report on CSR activities', to the Board's report.

Q6. Have you taken steps to ensure that this community development initiative is 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 progress of the CSR activities is also monitored closely by the CSR Committee of the Company.

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER

The Company prides itself on being a customer centric organisation. In line with this value, we have devised a mechanism that aims at minimising customer complaints and grievances, while ensuring prompt redressal. In order to make the Company's redressal mechanism more meaningful and effective, 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. OEMs 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 can be raised through any or all of the following modes:

- Lodging of complaint on dedicated Customer Care number;
- Sending complaints through email at customercare@endurance.co.in;
- Communicate the complaint at the customer care desk at local office/ distributor.

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 at the end of financial year 2017-18.

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 STANDALONE IND AS FINANCIAL STATEMENTS

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, 2018, 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 a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("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 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 of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements. 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.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS financial statements give the information required by 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, 2018, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

OTHER MATTER

The Ind AS standalone financial statements of the Company for the year ended 31st March, 2017 have been audited by the predecessor auditor who expressed an unmodified opinion on those financial statements on 10th May, 2017.

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, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.

Independent Auditor's Report (contd.)

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 purpose 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, 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 written representations received from the directors as on 31st March, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018, 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) 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, 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 28(a) to the standalone Ind AS financial statements;

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

      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

Place: Mumbai
Date: 15th May, 2018

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 31st March, 2018 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, there are no loans, investments, guarantees, and securities given in respect of which provisions of Section 185 and 186 of the Act are applicable. Accordingly, the provisions of clause 3 (iv) of the Order are not applicable to the Company and hence not commented upon.

(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 to the Company and hence not commented upon.

(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 Companies Act, 2013, 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, income-tax, sales-tax, service tax, customs duty, excise duty, goods and service tax, value added 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, service tax, sales-tax, customs duty, excise duty, goods and service tax, value added 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	1.24	2012 - 2018	Superintendent of Central Excise and Customs
Central Excise Act, 1944	Excise Duty	36.23	2002 - 2016	Assistant / Deputy Joint / Additional / Commissioner of Central Excise and Customs
Central Excise Act, 1944	Excise Duty	2.94	1999 - 2015	Commissioner of Central Excise and Customs (Appeals)

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
Central Excise Act, 1944	Excise Duty	30.63	2003 - 2017	CESTAT
Central Excise Act, 1944	Excise Duty	0.13	2001 - 2002	High Court
Central Excise Act, 1944	Excise Duty	2.30	2001 - 2009	Supreme Court
Finance Act, 1994	Service Tax	2.82	1999 - 2015	Commissioner of Central Excise and Customs (Appeals)
Maharashtra Value Added Tax Act, 2002	Value Added Tax	5.53	2015 - 2014	Joint Commissioner of Sales tax
Central Sales Tax Act, 1956	Central Sales Tax	3.11	2012 - 2014	Joint Commissioner of Sales tax
Income Tax Act, 1961	Income Tax	10.69	2013 - 2016	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	131.73	2008 - 2013	ITAT

** amount deposited under protest ₹ 4.45 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. The Company has not issued any debentures.

(ix) In our opinion and according to the information and explanations given by the management, the Company has utilised the monies raised by way of term loans for the purposes for which they were raised. 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.

(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) Based on our 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 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) are not applicable to the Company and, not commented upon.

(xv) Based on our 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, 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

Place: Mumbai
Date: 15th May, 2018

Annexure 2

Anexure referred to in paragraph 2 (f) under heading "Report on Other Legal and Regulatory Requirements" of our 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, 2018 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 (the "Guidance Note") 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 based on our audit. We conducted our audit in accordance with 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 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting 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 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.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, 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 to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Annexure 2 (contd.)

Referred to in paragraph 2 (f) under heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditor's Report of even date on the Standalone Financial Statements of Endurance Technologies Limited

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, 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 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

Place: Mumbai
Date: 15th May, 2018

Balance Sheet

as at 31st March, 2018

₹ in million

Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017
ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	3	9,571.27	8,388.12
(b) Capital work-in-progress		505.22	332.20
(c) Intangible assets	3	57.00	74.46
(d) Intangible assets under development		47.77	4.02
(e) Investments in subsidiaries	4	3,637.61	3,636.96
(f) Financial assets			
(i) Investments	4A	10.08	10.10
(ii) Other financial assets	5	58.60	63.00
(g) Deferred tax assets (net)	17A	-	95.43
(h) Other non-current assets	6	1,843.98	1,651.12
		15,731.53	**14,255.41**
2 Current assets			
(a) Inventories	7	2,466.24	2,490.71
(b) Financial assets			
(i) Investments	4B	449.13	316.37
(ii) Trade receivables	8	7,065.70	4,846.36
(iii) Cash and cash equivalents	9	85.32	26.23
(iv) Bank balances other than (iii) above	9A	1.61	3.53
(v) Loans	5A	13.02	16.22
(vi) Other financial assets	5B	15.80	45.88
(c) Other current assets	6A	226.75	500.25
		10,323.57	**8,245.55**
Total Assets (1+2)		**26,055.10**	**22,500.96**
EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	10	1,406.63	1,406.63
(b) Other equity	10A	16,515.95	14,224.01
		17,922.58	**15,630.64**
Liabilities			
2 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	11	49.58	198.52
(ii) Other financial liabilities	12	30.82	22.55
(b) Provisions	13	21.60	165.36
(c) Deferred tax liabilities (net)	17A	10.83	-
		112.83	**386.43**
3 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	14	1,782.68	1,424.90
(ii) Trade payables	15	4,832.29	3,479.53
(iii) Other financial liabilities	12A	457.39	615.80
(b) Other current liabilities	16	728.37	701.58
(c) Provisions	13A	190.39	222.80
(d) Current tax liabilities (net)	17	28.57	39.28
		8,019.69	**6,483.89**
Total Equity and Liabilities (1+2+3)		**26,055.10**	**22,500.96**
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: 15th May, 2018
Place: Mumbai

For and on behalf of the Board of Directors

Naresh Chandra
Chairman
(DIN : 00027696)

Anurang Jain
Managing Director
(DIN : 00291662)

Partho S Datta
Director
(DIN : 00040345)

Satrajit Ray
Director &
Group CFO
(DIN : 00191467)

Sunil Lalai
Company Secretary & Vice President–Legal
(Membership No : A8078)

Date: 15th May, 2018
Place: Mumbai

Statement of Profit and Loss

for the year ended 31st March, 2018

₹ in million

	Particulars	Note No.	For the year ended 31st March, 2018	For the year ended 31st March, 2017
I	Revenue from operations	18	47,690.12	42,801.52
II	Other income	19	183.93	125.47
III	**Total income (I + II)**		**47,874.05**	**42,926.99**
IV	**Expenses:**			
	(a) Cost of materials consumed	20A	30,110.62	25,114.10
	(b) Purchases of stock-in-trade (traded goods)	20B	90.93	98.09
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	20C	94.27	(432.24)
	(d) Excise duty		1,279.12	4,003.33
	(e) Employee benefits expense	21	2,546.95	2,421.80
	(f) Finance costs	22	102.49	178.57
	(g) Depreciation and amortisation expense	3	1,696.31	1,668.57
	(h) Other expenses	23	7,664.55	6,885.96
	Total expenses (IV)		**43,585.24**	**39,938.18**
V	**Profit before exceptional items and tax (III-IV)**		**4,288.81**	**2,988.81**
VI	Exceptional items	40	268.78	-
VII	**Profit before tax (V - VI)**		**4,020.03**	**2,988.81**
VIII	**Tax expense:**	24		
	(a) Current tax expense		1,261.24	757.80
	(b) Short/(excess) provision for tax relating to prior years		(63.95)	1.26
	Total current tax expense		1,197.29	759.06
	(c) Deferred tax		106.71	14.78
	Total tax expense		**1,304.00**	**773.84**
IX	**Profit for the year (VII - VIII)**		**2,716.03**	**2,214.97**
X	**Other comprehensive income**			
	(a) Item that will not be reclassified to profit and loss in subsequent years			
	- Remeasurements of defined benefit plan		(1.29)	(27.27)
	(b) Income-tax relating to items that will not be reclassified to profit and loss in subsequent years		0.45	9.44
	Total other comprehensive income for the year		**(0.84)**	**(17.83)**
XI	**Total comprehensive income for the year (IX + X)**		**2,715.19**	**2,197.14**
XII	Basic and diluted earnings per equity share (₹) (Face value per equity share ₹ 10)	31	19.31	15.75

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: 15th May, 2018
Place: Mumbai

For and on behalf of the Board of Directors

Naresh Chandra
Chairman
(DIN : 00027696)

Anurang Jain
Managing Director
(DIN : 00291662)

Partho S Datta
Director
(DIN : 00040345)

Satrajit Ray
Director & Group CFO
(DIN : 00191467)

Sunil Lalai
Company Secretary & Vice President–Legal
(Membership No : A8078)

Date: 15th May, 2018
Place: Mumbai

Statement of Changes in Equity

for the year ended 31st March, 2018

A EQUITY SHARE CAPITAL

₹ in million

Particulars	As at 31st March, 2018	As at 31st March, 2017
Balance at the beginning of the year	1,406.63	175.83
Bonus shares issued during the year	-	1,230.80
Balance at the end of the year	1,406.63	1,406.63

B CHANGES IN OTHER EQUITY

₹ in million

Particulars	Capital redemption reserve	Securities premium reserve	General reserve	Retained earnings	Total equity
Balance as at 1st April, 2016	23.21	1,367.99	1,208.89	10,721.07	13,321.16
Profit for the year	-	-	-	2,214.97	2,214.97
Other comprehensive income for the year, net of tax	-	-	-	(17.83)	(17.83)
Utilised for issue of bonus shares	(23.21)	(1,207.59)	-	-	(1,230.80)
Payment of dividend	-	-	-	(52.75)	(52.75)
Tax on dividend	-	-	-	(10.74)	(10.74)
Subtotal	**(23.21)**	**(1,207.59)**	**-**	**2,133.65**	**902.85**
Balance as at 31st March, 2017	-	160.40	1,208.89	12,854.72	14,224.01

₹ in million

Particulars	Capital redemption reserve	Securities premium reserve	General reserve	Retained earnings	Total equity
Balance as at 1st April, 2017	-	160.40	1,208.89	12,854.72	14,224.01
Profit for the year	-	-	-	2,716.03	2,716.03
Other comprehensive income for the year, net of tax	-	-	-	(0.84)	(0.84)
Payment of dividend (Refer note 39)	-	-	-	(351.66)	(351.66)
Tax on dividend	-	-	-	(71.59)	(71.59)
Subtotal	**-**	**-**	**-**	**2,291.94**	**2,291.94**
Balance as at 31st March, 2018	-	160.40	1,208.89	15,146.66	16,515.95

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: 15th May, 2018
Place: Mumbai

For and on behalf of the Board of Directors

Naresh Chandra
Chairman
(DIN : 00027696)

Anurang Jain
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Satrajit Ray
Director & Group CFO
(DIN : 00191467)

Sunil Lalai
Company Secretary & Vice President–Legal
(Membership No : A8078)

Date: 15th May, 2018
Place: Mumbai

Cash Flow Statement

for the year ended 31st March, 2018

₹ in million

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
A Cash flow from operating activities		
Profit before tax	4,020.03	2,988.81
Adjustments for:		
Depreciation and amortisation expense	1,696.31	1,668.57
Incentive received	(48.51)	(110.40)
Allowance for doubtful debts	(7.43)	4.02
Bad debts written off	7.43	-
Finance costs incurred	82.91	145.49
Profit on sale of property, plant and equipment (net)	(32.22)	(22.47)
Excess provision/creditors written back	(20.27)	(12.44)
Unrealised exchange (gain)/loss differences (net)	(23.20)	14.56
Income from investments in mutual funds	(26.41)	(19.26)
Interest income	(8.92)	(6.35)
Operating profit before working capital changes	**5,639.72**	**4,650.53**
Movement in working capital		
Adjustments for (increase)/decrease in operating assets		
Inventories	24.47	(506.00)
Trade receivables	(2,212.48)	(1,685.32)
Other financial assets	22.54	(4.11)
Other current assets	273.52	(15.46)
Other non-current assets	(140.73)	86.54
Adjustments for increase/(decrease) in operating liabilities		
Trade payables	1,377.32	372.44
Provisions	(173.52)	47.42
Other current liabilities	(25.04)	314.57
Other financial liabilities	10.78	(7.89)
Cash generated from operating activities	**4,796.58**	**3,252.72**
Direct taxes paid (net of refund)	(1,205.03)	(728.56)
Net cash generated from operating activities	**3,591.55**	**2,524.16**
B Cash flow from investing activities		
Acquisition of property, plant and equipment (including capital work in progress and capital advances)	(2,931.35)	(2,304.89)
Proceeds on sale of property, plant and equipment	98.76	55.34
Investment in equity shares	(0.64)	-
Mutual fund - (investment) / sale proceeds	(110.00)	174.14
Income from redemption of liquid mutual funds	3.67	-
Fixed deposits with bank not considered as cash and cash equivalents	1.92	15.13
Interest received	9.01	7.37
Net cash (used) in investing activities	**(2,928.63)**	**(2,052.91)**

Cash Flow Statement (contd.)

for the year ended 31st March, 2018

₹ in million

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
C Cash flow from financing activities		
Repayment of long term borrowings	(452.18)	(1,021.77)
Proceeds / (repayments) from short term borrowings (net)	356.50	742.79
Dividend paid including tax on dividend	(423.20)	(63.49)
Finance costs paid	(84.95)	(159.68)
Net cash (used) in financing activities	**(603.83)**	**(502.15)**
Net increase in cash and cash equivalents	59.09	(30.90)
Cash and cash equivalents at the beginning of the year	26.23	57.13
Cash and cash equivalents at the end of the year	85.32	26.23
Net increase in cash and cash equivalents	**59.09**	**(30.90)**

Significant accounting policies 2

See accompanying notes forming part of the financial statements.

Notes:

1 Figures in brackets represent outflows.

2 During the previous year, cash flow from financing activity does not include issue of bonus shares to existing share holders through capitalisation of the capital redemption reserve and securities premium of ₹ 1,230.80 million.

3 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: 15th May, 2018
Place: Mumbai

For and on behalf of the Board of Directors

Naresh Chandra
Chairman
(DIN : 00027696)

Anurang Jain
Managing Director
(DIN : 00291662)

Partho S Datta
Director
(DIN : 00040345)

Satrajit Ray
Director & Group CFO
(DIN : 00191467)

Sunil Lalai
Company Secretary & Vice President–Legal
(Membership No : A8078)

Date: 15th May, 2018
Place: Mumbai

Notes forming part of Financial Statements

1 CORPORATE INFORMATION

Endurance Technologies Limited ("Endurance" or "the Company") is engaged in manufacturing and selling of aluminium die casting (including alloy wheel), suspension, transmission and braking products with operations spread across India.

The name of the Company changed from Endurance Technologies Private Limited to Endurance Technologies Limited consequent upon its conversion from a Private Limited Company to a Public Limited Company with effect from 31st May, 2016. 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, 2018 were approved by the Board of Directors and authorised for issue on 15th May, 2018.

2 SIGNIFICANT ACCOUNTING 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).

2.02 Basis of preparation and presentation

These financial statements consist of standalone financial statements of the Company and have been prepared on historical cost basis, except for certain financial instruments which have been measured at fair values at the end of each reporting period, as explained under accounting policy 2.15.

2.03 Use of estimates and assumptions

The preparation of these financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities 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 recognised 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 Recognition

Revenue is measured at the fair value of the consideration received or receivable taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

1. Sale of goods

   Revenue from the sale of goods is recognised when the goods are delivered and titles have transferred, at which time all the following conditions are satisfied:

   - the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
   - the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
   - the amount of revenue can be measured reliably;
   - it is probable that the economic benefits associated with the transaction will flow to the Company; and
   - the costs incurred or to be incurred in respect of the transaction can be measured reliably.

   Revenue from operations includes excise duty but excludes sales tax, vat and GST.

2. Job-work revenues are accounted as and when such services are rendered.

3. Export incentives in the nature of Merchandise Exports from India Scheme (MEIS) and Duty Drawback is recognised on accrual basis in the year of export.

4. Dividend income from investments is recognised when the shareholder's 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).

Notes forming part of Financial Statements (contd.)

5. 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.

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. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

1. Operating Lease

   Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term. Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

2. Finance Lease

   Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the financial statements as a finance lease obligation.

   Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in the statement of profit and loss.

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 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 Company accounts for foreign exchange gains and losses in respect of derivative instruments based on mark to market valuation as on balance sheet date.

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 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.

2.08 Government grants and export incentives

1. Government grants

   Government grants are recognised where there is 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 period necessary to match them with the costs that they are intended to compensate and presented within other operating revenues. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related

Notes forming part of Financial Statements (contd.)

asset. The Company accounts for its entitlements on accrual basis on approval of the initial claim by the relevant authorities.

2. Export Benefits
   Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

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.

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 statement of financial position 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. 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.

   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. Other long term employee benefits:
   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.

2.10 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 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 Company's current tax is measured using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Notes forming part of Financial Statements (contd.)

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 asset 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 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 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.

The Company recognises interest levied and penalties related to income tax assessments in income tax expenses.

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 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 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 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.

2.12 Intangible Assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated

Notes forming part of Financial Statements (contd.)

amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation 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. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. Internally generated intangible assets, excluding capitalised development cost, are not capitalised and the related expenditure is reflected in statement of profit and loss in the period in which the expenditure is incurred.

2.13 Impairment

1. Financial assets (other than at fair value)

   The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired.

   Ind AS 109 requires expected credit losses to be measured through a loss allowance. Company performs credit assessment for customers on an annual basis. Company recognizes credit risk, on the basis of lifetime expected losses and where receivables are due for more than six months.

   For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

2. Non-financial assets

   Tangible and intangible assets

   Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, 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 recognised 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.

2.14 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 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.

2.15 Financial instruments

Financial assets and liabilities are recognised 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

Notes forming part of Financial Statements (contd.)

amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of 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 assets and liabilities at fair value through profit and loss are immediately recognised in the 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, 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 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 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 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 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 Company 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 Company of similar financial assets) is primarily derecognised (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 recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company 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 Company has retained.

Notes forming part of Financial Statements (contd.)

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.

2.16 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 attributable to equity holders of the Company after deducting preference dividends and 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.

2.17 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 & equipment utilised for research and development are capitalised and depreciated/ amortised in accordance with the policies stated for Property plant & equipment and Intangible Assets.

2.18 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.

2.19 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

Notes forming part of Financial Statements (contd.)

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.

2.20 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 principle market for the asset or liability
- In the absence of a principle market, in the most advantageous market for the asset or liability.

The principle 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:

- 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 categorised within Level 3 of the fair value hierarchy.

Valuation Techniques used to determine face 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.

2.21 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.

2.22 Dividend

Dividend on share is recorded as liability on the date of approval by the shareholders.

2.23 Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 introducing / amending the following standards:

Notes forming part of Financial Statements (contd.)

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on 29th March, 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1st April, 2018. The Company plans to adopt the new standard on the required effective date using the modified retrospective method. The Company performed a detailed assessment of Ind AS 115 to determine the impact in its financial statements.

Based on the assessment, the application of Ind AS 115 is not expected to have any major impact on the Company's profitability, liquidity and capital resources or financial position.

Amendments to Ind AS 112 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in Ind AS 112

The amendments clarify that the disclosure requirements in Ind AS 112, other than those in paragraphs B10–B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal Company that is classified) as held for sale.

Based on the Company's evaluation, these amendments does not affect the Company's financial statements.

Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 1st April, 2018. These amendments are not expected to have any impact on the Company.

Transfers of Investment Property – Amendments to Ind AS 40

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight. The amendments are effective for annual periods beginning on or after 1st April, 2018. The Company will apply amendments when they become effective. These amendments are not expected to have any impact on the Company.

Ind AS 28 Investments in Associates and Joint Ventures – Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice

The amendments clarify that:

An entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss.

If an entity, that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement

Notes forming part of Financial Statements (contd.)

applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associate or joint venture is initially recognised; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent.

The amendments should be applied retrospectively and are effective from 1st April, 2018. These amendments are not expected to have any impact on the Company.

Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration

The Appendix clarifies that, 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 an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

(i) The beginning of the reporting period in which the entity first applies the Appendix, or

(ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after 1st April, 2018. However, since the Company's current practice is in line with the Interpretation, the Company does not expect any effect on its financial statements

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 recognised 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 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.

2.26 Investment in subsidiaries

Investment in subsidiaries are measured at cost as per Ind AS 27 - Separate Financial Statements.

Notes forming part of Financial Statements (contd.)

3 PROPERTY, PLANT AND EQUIPMENT

₹ in million

Particulars	Gross Block				Depreciation/Amortisation				Net Block
	As at 1st April, 2017	Additions during the year	Deductions during the year	As at 31st March, 2018	Up to 1st April, 2017	For the year	Deductions during the year	Up to 31st March, 2018	As at 31st March, 2018
	(a)	(b)	(c)	(d=a+b-c)	(e)	(f)	(g)	(h=e+f-g)	(i=d-h)
A) TANGIBLE ASSETS									
Freehold land [Refer note no (i) below]	473.06	4.72	-	477.78	-	-	-	-	477.78
	(473.06)		-	(473.06)	-	-	-	-	(473.06)
Buildings	2,122.35	472.82	-	2,595.17	150.08	99.71	-	249.79	2,345.38
	(1,823.96)	(298.39)	-	(2,122.35)	(68.50)	(81.58)	-	(150.08)	(1,972.27)
Plant and equipments	8,109.62	2,279.37	253.93	10,135.06	2,495.49	1,443.36	200.02	3,738.83	6,396.23
	(6,357.40)	(1,978.98)	(226.76)	(8,109.62)	(1,258.16)	(1,434.35)	(197.02)	(2,495.49)	(5,614.13)
Wind energy generators	88.56	-	-	88.56	43.22	21.61	-	64.83	23.73
	(88.56)	-	-	(88.56)	(21.61)	(21.61)	-	(43.22)	(45.34)
Computers	104.64	25.99	0.29	130.34	52.55	26.26	0.25	78.56	51.78
	(84.00)	(20.81)	(0.17)	(104.64)	(28.83)	(23.89)	(0.17)	(52.55)	(52.09)
Electrical fittings	50.27	23.45	-	73.72	11.02	6.79	-	17.81	55.91
	(33.25)	(17.02)	-	(50.27)	(5.14)	(5.88)	-	(11.02)	(39.25)
Vehicles	114.70	36.27	12.52	138.45	32.00	22.55	5.25	49.30	89.15
	(85.65)	(33.51)	(4.46)	(114.70)	(15.10)	(18.24)	(1.34)	(32.00)	(82.70)
Furniture and fixtures	93.64	33.96	0.01	127.59	30.81	14.34	0.01	45.14	82.45
	(79.90)	(13.74)	-	(93.64)	(15.66)	(15.15)	-	(30.81)	(62.83)
Office equipments	84.92	20.12	0.81	104.23	38.47	17.46	0.56	55.37	48.86
	(69.61)	(15.31)	-	(84.92)	(19.49)	(18.98)	-	(38.47)	(46.45)
Total - A	**11,241.76**	**2,896.70**	**267.56**	**13,870.90**	**2,853.64**	**1,652.08**	**206.09**	**4,299.63**	**9,571.27**
Previous year as at 31st March, 2017	(9,095.39)	(2,377.76)	(231.39)	(11,241.76)	(1,432.49)	(1,619.68)	(198.53)	(2,853.64)	(8,388.12)
B) INTANGIBLE ASSETS									
(Other than internally generated)									
Technical know-how	74.65	-	-	74.65	36.24	13.76	-	50.00	24.65
	(55.27)	(19.38)	-	(74.65)	(17.13)	(19.11)	-	(36.24)	(38.41)
Software	92.96	26.76	-	119.72	56.91	30.47	0.01	87.37	32.35
	(55.55)	(37.79)	(0.38)	(92.96)	(25.38)	(31.90)	(0.37)	(56.91)	(36.05)
Total - B	**167.61**	**26.76**	**-**	**194.37**	**93.15**	**44.23**	**0.01**	**137.37**	**57.00**
Previous year as at 31st March, 2017	(110.82)	(57.17)	(0.38)	(167.61)	(42.51)	(51.01)	(0.37)	(93.15)	(74.46)
Total - A+B	**11,409.37**	**2,923.46**	**267.56**	**14,065.27**	**2,946.79**	**1,696.31**	**206.10**	**4,437.00**	**9,628.27**
Previous year as at 31st March, 2017	(9,206.21)	(2,434.93)	(231.77)	(11,409.37)	(1,475.00)	(1,670.69)	(198.90)	(2,946.79)	(8,462.58)

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 regrouped under freehold land.

ii) Depreciation for the year includes Nil (previous year ₹ 2.12 million) capitalised during the year.

iii) Figures in brackets represent figures of previous year ended 31st March, 2017.

Notes forming part of Financial Statements (contd.)

4 INVESTMENTS IN SUBSIDIARIES

₹ in million

Particulars	As at 31st March, 2018	As at 31st March, 2017
Investments in equity shares of (measured at cost) :		
Endurance Amann GmbH (Refer note 25)	1,930.62	1,930.74
Endurance Overseas Srl (Refer note 26)	1,706.99	1,706.22
Total	**3,637.61**	**3,636.96**

4A NON-CURRENT INVESTMENTS

₹ in million

	Particulars	As at 31st March, 2018	As at 31st March, 2017
	Unquoted Investments (all fully paid) *		
I	Other Investments *		
	Marathwada Auto Cluster	10.00	10.00
	[10,000 (previous year 10,000) shares of ₹ 100 each]		
	National Savings Certificates	0.04	0.04
	(Lodged with Government authorities)		
	Total unquoted investments	**10.04**	**10.04**
II	Quoted Investments *		
	Indian Overseas Bank	0.04	0.06
	[2,300 (previous year 2,300) equity shares of ₹ 10 each]		
	Total quoted investments	**0.04**	**0.06**
	Total	**10.08**	**10.10**
	Aggregate book value of quoted investments	0.04	0.06
	Aggregate market value of quoted investments	0.04	0.06
	Aggregate amount of unquoted investments	10.04	10.04

* Refer note 32 for determination of their fair value

4B CURRENT INVESTMENTS

₹ in million

	Particulars	As at 31st March, 2018	As at 31st March, 2017
	Investment in Mutual Funds (unquoted) *		
i)	ICICI Prudential - Flexible Income Plan - Direct Growth	149.77	139.71
	446,974.67 units (previous year 446,974.67 units)		
ii)	Birla Sunlife Cash Plus - Growth - Direct Plan	299.36	176.66
	1,071,753.13 units (previous year 676,041.92 units)		
	Total	**449.13**	**316.37**

* Refer note 32 for determination of their fair value

5 OTHER NON-CURRENT FINANCIAL ASSETS (unsecured, considered good unless otherwise stated)

₹ in million

	Particulars	As at 31st March, 2018	As at 31st March, 2017
(a)	Security deposits	58.60	49.22
(b)	Foreign currency derivative assets	-	13.78
	Total	**58.60**	**63.00**

Notes forming part of Financial Statements (contd.)

5A LOANS (unsecured, considered good unless otherwise stated)

₹ in million

Particulars	As at 31st March, 2018	As at 31st March, 2017
(a) Loans to employees	13.02	16.22
Total	**13.02**	**16.22**

5B OTHER CURRENT FINANCIAL ASSETS (unsecured, considered good unless otherwise stated)

₹ in million

Particulars	As at 31st March, 2018	As at 31st March, 2017
(a) Interest accrued on deposits	0.09	0.18
(b) Receivable for sale of property, plant and equipment	2.57	7.66
(c) Foreign currency derivative assets	3.83	-
(d) Government incentive receivable	1.01	31.06
(e) Others	8.30	6.98
Total	**15.80**	**45.88**

6 OTHER NON-CURRENT ASSETS (Unsecured, considered good unless otherwise stated)

₹ in million

Particulars	As at 31st March, 2018	As at 31st March, 2017
(a) Capital advance	179.79	124.69
(b) Prepayments	5.82	7.42
(c) Lease prepayments	1,610.68	1,464.97
(d) Taxes paid in advance less provision	8.44	11.41
[Net of provision ₹ 9.30 million (previous year ₹ 9.30 million)]		
(e) Sales tax/Vat receivable	18.40	12.63
(f) Deposit under protest [Refer note 28 (a)(ix)]	20.85	30.00
Total	**1,843.98**	**1,651.12**

6A OTHER CURRENT ASSETS (unsecured, considered good unless otherwise stated)

₹ in million

Particulars	As at 31st March, 2018	As at 31st March, 2017
(a) Advances for supplies	75.58	77.18
(b) Prepayments	48.92	45.00
(c) Current portion of lease prepayment	19.88	18.63
(d) Balances with central excise, customs, port trust etc.	-	214.16
(e) Others*	82.37	145.28
Total	**226.75**	**500.25**

* Includes amount of ₹ 2.98 million (previous year ₹ 2.57 million) paid to various regulatory authorities under protest. Also includes export incentive receivables, wind power receivables and other receivables.

Notes forming part of Financial Statements (contd.)

7 INVENTORIES (valued at lower of cost and net realisable value)

₹ in million

Particulars		As at 31st March, 2018	As at 31st March, 2017
(a)	Raw materials and components	677.12	630.17
(b)	Work-in-progress	664.72	776.02
(c)	Finished goods (other than those acquired for trading)	841.59	823.84
(d)	Stock-in-trade (acquired for trading)	17.89	18.61
(e)	Stores, spares and packing material	227.04	210.62
(f)	Loose tools and instruments	37.88	31.45
	Total	**2,466.24**	**2,490.71**
	Included above, Goods-in-transit in respect to		
(i)	Raw materials and components	102.08	154.90
(ii)	Finished goods (other than those acquired for trading)	652.28	542.75
	Total	**754.36**	**697.65**

8 TRADE RECEIVABLES

₹ in million

Particulars	As at 31st March, 2018	As at 31st March, 2017
Unsecured :		
i) Considered good	7,065.70	4,846.36
ii) Considered doubtful	1.27	8.70
Less: Allowance for doubtful debts	(1.27)	(8.70)
Total	**7,065.70**	**4,846.36**

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.

3 No trade or other receivable are due from Directors or other officers of the Company either severally or jointly with any other person or nor any trade or other receivable are due from firm or private companies respectively in which any Director is a partner, a director or member.

4 Trade receivables include receivable from related parties (Refer note 34).

9 CASH AND CASH EQUIVALENTS

₹ in million

Particulars		As at 31st March, 2018	As at 31st March, 2017
(a)	Cash on hand	0.57	0.68
(b)	Cheques on hand	0.84	-
(c)	Balances with banks:		
	- In current accounts	83.91	25.55
	Total	**85.32**	**26.23**

9A OTHER BANK BALANCES

₹ in million

Particulars	As at 31st March, 2018	As at 31st March, 2017
Other bank balances (in earmarked accounts)		
- In current account for equity dividend	0.05	-
- Balance held as margin money against borrowings *	1.56	3.53
Total	**1.61**	**3.53**

* Represents margin money amounting to ₹ 1.56 million as at 31st March, 2018 (previous year ₹ 3.53 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.

Notes forming part of Financial Statements (contd.)

10 SHARE CAPITAL

A Authorised, issued, subscribed and paid-up share capital

₹ in million

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	No. of shares	Amount	No. of shares	Amount
Authorised:				
Equity shares of ₹ 10 each (Refer note C (iii)) (Previous year ₹ 10 each)	165,000,000	1,650.00	165,000,000	1,650.00
Total	**165,000,000**	**1,650.00**	**165,000,000**	**1,650.00**
Issued, subscribed and fully paid up:				
Equity shares of ₹ 10 each (Refer note C (iii)) (Previous year ₹ 10 each)	140,662,848	1,406.63	140,662,848	1,406.63
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, 2018		As at 31st March, 2017	
	No. of shares	Amount	No. of shares	Amount
No. of shares outstanding at the beginning of the year				
- Equity shares (Refer note C(iii))	140,662,848	1,406.63	43,957,140	175.83
- Redeemable preference shares	-	-	-	-
Consolidation of equity shares during the year				
- Shares of face value ₹ 4 each	-	-	(43,957,140)	(175.83)
- Shares of face value ₹ 10 each	-	-	17,582,856	175.83
- Issue of bonus shares in the ratio 7:1	-	-	123,079,992	1,230.80
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, 2018	%	No of shares as at 31st March, 2017	%
Equity shares:				
1 Mr. Naresh Chandra##	16,910,000	12.02	16,910,000	12.02
2 Mrs. Suman Jain#	16,890,000	12.01	16,890,000	12.01
3 Mr. Anurang Jain	53,949,664	38.35	53,949,664	38.35
4 Mr. Anurang Jain*	28,300,000	20.12	28,300,000	20.12

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.

Notes forming part of Financial Statements (contd.)

Held by Mrs. Suman Naresh Chandra 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.

* Held by Mr. Anurang Jain in his capacity as the family trustee of 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.

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.

iii) Pursuant to the approval of the shareholders at the Extra ordinary general meeting of the Company held on 18th May, 2016 for consolidation of the Equity shares of the Company, 2.5 Equity shares of face value of ₹ 4 each were consolidated to 1 Equity share of ₹ 10 each. The effective date for the said consolidation was 18th May, 2016, resulting in 86,500,000 equity shares of ₹ 10 each in authorised share capial. Further, authorised share capital of redeemable preference share has been reclassified into 2,000,000 equity shares of ₹ 10 each. Further, the Company has increased the authorised share capital from ₹ 885 million to ₹ 1,650 million vide shareholders approval dated 18th May, 2016.

Subsequently the Company has issued bonus equity shares (123,079,992 equity shares for consideration other than cash) in the ratio of 7:1 (7 bonus equity shares for 1 equity share held) approved by Board of Directors pursuant to a resolution passed at their meeting held on 17th May, 2016 and resolution passed by shareholders at the Extraordinary General Meeting held on 18th May, 2016 through capitalisation of the Capital redemption reserve and securities premium of ₹ 1,230.80 million. These equity shares have been allotted on 29th May, 2016.

iv) The Company completed the Initial Public Offering (IPO) through an offer for sale of 24,613,024 equity shares of ₹ 10 each at a price of ₹ 472 per equity share, aggregating upto ₹ 11,617.35 million. The Company listed its equity shares on 19th October, 2016 on BSE Limited and National Stock Exchange of India Limited.

10A OTHER EQUITY

₹ in million

Particulars	As at 31st March, 2018	As at 31st March, 2017
(a) Capital redemption reserve		
Balance at the beginning of the year	-	23.21
Less: Utilised on account of issue of bonus shares	-	23.21
Balance at the end of the year	-	-
(b) Securities premium account:		
Balance at the beginning of the year	160.40	1,367.99
Less: Utilised on account of issue of bonus shares	-	1,207.59
Balance at the end of the year	160.40	160.40
(c) General reserve		
Balance at the beginning and end of the year	1,208.89	1,208.89
(d) Retained earnings		
Balance at the beginning of the year	12,854.72	10,721.07

Notes forming part of Financial Statements (contd.)

₹ in million

Particulars	As at 31st March, 2018	As at 31st March, 2017
Profit for the year	2,716.03	2,214.97
Remeasurements of defined benefit plans, net of tax	(0.84)	(17.83)
Dividend (Refer note 39)	(351.66)	(52.75)
Tax on dividend	(71.59)	(10.74)
Balance at the end of the year	15,146.66	12,854.72
Total	**16,515.95**	**14,224.01**

11 NON CURRENT BORROWINGS

₹ in million

Particulars	As at 31st March, 2018	As at 31st March, 2017
Measured at amortised cost		
A Secured borrowings		
Term loans :		
From banks (Refer note 11.01)	-	85.19
Total secured borrowings	-	85.19
B Unsecured borrowings		
Deferred sales tax loan	49.58	113.33
Total unsecured borrowings	49.58	113.33
Total	**49.58**	**198.52**

11.01 Details of security and interest rates in respect of secured non-current borrowings

Term Loans from banks include foreign currency term loans for capital assets secured by first charge on specified immovable/ movable properties.

Secured term loans in foreign currency and in rupee terms from banks are bearing interest rates at 3M LIBOR + 175 bps and 10.30% p.a. respectively.

11.02 Maturity profile

₹ in million

Particulars	Term loans from banks	Deferred sales tax loan	Total
Current maturities			
2018-19	85.47	63.75	149.22
Non-current maturities			
2019-20	-	19.80	19.80
2020-21	-	16.41	16.41
2021-22	-	10.06	10.06
2022-23	-	3.31	3.31
Total	**-**	**49.58**	**49.58**

Notes forming part of Financial Statements (contd.)

12 OTHER NON-CURRENT FINANCIAL LIABILITIES

₹ in million

Particulars	As at 31st March, 2018	As at 31st March, 2017
(a) Security deposits received from dealers	25.26	19.67
(b) Retention money payable	5.56	0.38
(c) Foreign currency derivative liabilities	-	2.50
Total	**30.82**	**22.55**

12A OTHER CURRENT FINANCIAL LIABILITIES

₹ in million

Particulars	As at 31st March, 2018	As at 31st March, 2017
(a) Current maturities of long-term borrowings (Refer note 11.02)	149.22	452.18
(b) Interest accrued but not due on borrowings	2.68	0.82
(c) Foreign currency derivative liabilities	4.71	25.78
(d) Unpaid equity dividend	0.05	-
(e) Payables on purchase of property, plant and equipment	300.73	137.02
Total	**457.39**	**615.80**

13 NON-CURRENT PROVISIONS

₹ in million

Particulars	As at 31st March, 2018	As at 31st March, 2017
(a) Provision for employee benefits:		
Provision for gratuity (net) (Refer note 29)	-	145.49
(b) Provision for others:		
Warranty provision (Refer note 13.01)	21.60	19.87
Total	**21.60**	**165.36**

13A CURRENT PROVISIONS

₹ in million

Particulars	As at 31st March, 2018	As at 31st March, 2017
(a) Provision for employee benefits:		
i) Provision for compensated absences (net)	95.02	115.70
ii) Provision for gratuity (net) (Refer note 29)	57.19	63.84
(b) Provision for others:		
i) Warranty provision (Refer note 13.01)	38.18	43.26
Total	**190.39**	**222.80**

13.01 Details of warranty provision (refer note 13 (b) and 13A (b))

₹ in million

Particulars	As at 31st March, 2018	As at 31st March, 2017
Carrying amount as at 1st April, 2017	63.13	54.68
Additional Provision made during the year	49.04	30.64
Provision reversed during the year	(3.99)	-
Discounting/unwinding effect	(3.89)	5.05
Less : Amount paid/utilised during the year	44.51	27.24
Carrying amount as at 31st March, 2018	59.78	63.13

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.

Notes forming part of Financial Statements (contd.)

14 CURRENT BORROWINGS

₹ in million

Particulars	As at 31st March, 2018	As at 31st March, 2017
Measured at amortised cost		
A. Secured borrowings (Refer note 14.01 and 14.02)		
a) Loans:		
- from bank	230.00	39.69
b) Cash credit/working capital demand loans	0.37	650.00
Total secured borrowings	**230.37**	**689.69**
B. Unsecured borrowings (Refer note 14.02)		
a) From bank		
- Short Term Loan	640.96	535.63
- Cash credit/working capital demand loans	461.35	199.58
b) From others		
- Loan from public limited company	450.00	-
Total unsecured borrowings	**1,552.31**	**735.21**
Total	**1,782.68**	**1,424.90**

14.01 Details of security provided in respect of current borrowings

Working capital limits of ₹ 3,750.00 million (previous year ₹ 3,750.00 million) 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,

c) second pari passu charge (subject to first 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 2018 carries interest rate linked to LIBOR rates with mutually agreed spread (effective interest rate ranges between 0.00% p.a. to 2.34% 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 9.85% p.a.)

15 TRADE PAYABLES

₹ in million

Particulars	As at 31st March, 2018	As at 31st March, 2017
Trade payable for goods and services		
- Total outstanding dues of micro and small enterprises (Refer note 30)	767.23	454.06
- Total outstanding dues of other than micro and small enterprises (other than acceptances)	4,065.06	3,025.47
Total	**4,832.29**	**3,479.53**

Notes forming part of Financial Statements (contd.)

16 OTHER CURRENT LIABILITIES

₹ in million

Particulars	As at 31st March, 2018	As at 31st March, 2017
(a) Advances received from customers	306.74	459.08
(b) Income received in advance	5.39	4.81
(c) EPCG deferred payable	61.95	10.11
(d) Statutory remittances (contribution to PF, ESIC, Withholding taxes, Goods and Service tax etc.)	354.29	227.58
Total	**728.37**	**701.58**

17 CURRENT TAX LIABILITIES (NET)

₹ in million

Particulars	As at 31st March, 2018	As at 31st March, 2017
(a) Provision for tax:	28.57	39.28
[Net of TDS and advance tax ₹ 1,232.67 million (previous year ₹ 720.50 million)]		
Total	**28.57**	**39.28**

17A DEFERRED TAX ASSETS/(LIABILITIES)

₹ in million

Particulars	As at 31st March, 2018	As at 31st March, 2017
Deferred tax liabilities		
On account of temporary difference in		
Property, plant and equipment and intangible assets	(107.28)	-
Fair valuation of current investment	(20.20)	(12.03)
Warranty discounting	(1.36)	-
Gross deferred tax liabilities	**(128.84)**	**(12.03)**
Deferred tax assets		
On account of temporary difference in		
Property, plant and equipment and intangible assets	-	2.03
Warranty discounting	-	1.30
Provision for employee benefits	28.73	86.53
Provision for doubtful debts	0.45	3.01
Expenses disallowed	88.83	9.75
Unrealised exchange fluctuation on ECB	-	4.84
Gross deferred tax assets	**118.01**	**107.46**
Net deferred tax assets/(liabilities)	**(10.83)**	**95.43**

18 REVENUE FROM OPERATIONS (Refer note 18.01(i) below)

₹ in million

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
(a) Revenue from sale of goods	46,742.90	41,884.75
(b) Revenue from rendering of services	58.75	58.08
(c) Other operating income	888.47	858.69
Total	**47,690.12**	**42,801.52**

Notes forming part of Financial Statements (contd.)

Sale of goods includes excise duty collected from customers ₹ 1,279.12 million (previous year ₹ 4,003.33 million). Revenue from operations for periods up to 30th June, 2017 includes excise duty. From 1st July, 2017 onwards excise duty have been replaced by Goods and Service Tax (GST). The Company collects GST on behalf of the Government. Hence, GST is not included in Revenue from operations. In view of the aforesaid change in indirect taxes, Revenue from sale of goods for the year ended 31st March, 2018 is not comparable with that of 31st March, 2017.

18.01 Details of sale of goods and services and other operating revenue

₹ in million

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
i) Sale of products comprises:		
Manufactured goods		
Shock absorbers	16,738.16	14,377.62
Disc brake assembly (including rotary disc)	2,909.72	2,855.65
Aluminium die casting parts	17,195.03	15,989.98
Alloy wheels	2,420.68	2,300.50
Clutch and clutch parts	4,032.95	3,303.73
Others	3,296.50	2,907.55
Total - (A)	**46,593.05**	**41,735.03**
Traded goods		
Components and spares	149.85	149.72
Total - (B)	**149.85**	**149.72**
Total - (A+B)	**46,742.90**	**41,884.75**
ii) Sale of services comprises:		
Job work receipts	58.75	58.08
iii) Other operating revenue comprises;		
Scrap sales	719.38	620.69
Government incentives (Refer note 35)	54.23	141.47
Wind power generation	13.78	11.39
Export incentives	101.08	85.14
Total	**888.47**	**858.69**

19 OTHER INCOME

₹ in million

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
(a) Interest income		
i) Bank deposits	2.24	0.66
ii) Income tax refund	2.59	-
iii) Others	4.09	5.69
(b) Other non operating income -		
i) Excess provision/creditors' balances written back	20.27	12.44
ii) Income from investments in mutual funds	26.41	19.26
iii) Profit on sale of property, plant and equipment (net)	32.22	22.47
iv) Miscellaneous income	40.02	47.97
(c) Net gain on foreign currency transactions	56.09	16.98
(other than considered as finance costs)		
Total	**183.93**	**125.47**

Notes forming part of Financial Statements (contd.)

20A COST OF MATERIALS CONSUMED

₹ in million

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Opening stock (including goods in transit)	630.17	550.91
Add: Purchases	30,243.20	25,240.12
	30,873.37	25,791.03
Less: Closing stock (including goods in transit)	677.12	630.17
Cost of materials consumed	**30,196.25**	**25,160.86**
Cost of materials capitalised	(85.63)	(46.76)
Total	**30,110.62**	**25,114.10**
Material consumed comprises		
i) Aluminium alloy	10,393.04	8,731.92
ii) Others	19,803.21	16,428.94
Total	**30,196.25**	**25,160.86**

20B PURCHASES OF STOCK-IN-TRADE (traded goods)

₹ in million

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Components and spares	90.93	98.09
Total	**90.93**	**98.09**

20C CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

₹ in million

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Inventories at the end of the year		
Finished goods	(841.59)	(823.84)
Work-in-progress	(664.72)	(776.02)
Stock-in-trade	(17.89)	(18.61)
Inventories at the beginning of the year		
Finished goods	823.84	644.42
Work-in-progress	776.02	526.97
Stock-in-trade	18.61	14.84
Net (increase)/decrease	**94.27**	**(432.24)**

21 EMPLOYEE BENEFITS EXPENSE

₹ in million

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
(a) Salary, wages and bonus	2,251.29	2,110.89
(b) Contribution to provident and other funds	190.00	204.05
(c) Staff welfare expenses	85.19	76.85
(d) Expenses towards voluntary separation scheme	20.47	30.01
Total	**2,546.95**	**2,421.80**

Notes forming part of Financial Statements (contd.)

22 FINANCE COSTS

₹ in million

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
(a) Interest expenses on		
i) Fixed period term loans	15.66	45.33
ii) Others	24.70	46.89
(b) Other borrowing cost		
i) Discounting charges on commercial paper	42.55	53.27
ii) Bank charges	6.79	6.14
(c) Exchange difference regarded as an adjustment to borrowing cost	12.79	26.94
Total	**102.49**	**178.57**

23 OTHER EXPENSES

₹ in million

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Stores and spares consumed	903.98	780.83
Packing material consumed	430.30	346.28
Tools and instruments consumed	183.40	180.77
Processing charges	1,272.46	1,124.58
Labour charges	887.06	796.11
Power, water and fuel	1,699.97	1,516.67
Rent	87.71	68.19
Repairs and maintenance:		
Plant and machinery	519.16	508.22
Building	47.74	51.23
General	154.75	140.36
Insurance	45.57	38.51
Rates and taxes	21.75	21.11
Travelling and conveyance	224.73	237.09
Freight	667.15	507.49
Advertisement	3.70	9.59
Donation	1.20	-
Payment to auditors (Refer note 23.01 below)	6.88	10.13
Directors fees and travelling expenses	32.23	27.54
Allowance for doubtful debts	(7.43)	4.02
Bad debts written off	7.43	-
Warranty claims	50.37	43.21
Increase/(decrease) in excise duty on finished goods	(26.26)	5.39
Expenditure on corporate social responsibility (Refer note 37)	56.10	18.30
Miscellaneous expenses	482.88	524.20
Total	**7,752.83**	**6,959.82**
Less: Expenses capitalised	88.28	73.86
Total	**7,664.55**	**6,885.96**

Notes forming part of Financial Statements (contd.)

23.01 Payment to auditors

₹ in million

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
As auditor		
Audit fee	3.20	5.40
Audit of Internal Controls over Financial Reporting	-	0.50
Limited review	3.00	1.40
In other capacity		
Audit fees in relation to IPO	-	11.00
Other services (certification fees)	0.30	2.34
Expenses reimbursed	0.38	0.49
Reimbursement of expenses in relation to IPO	-	0.46
Less : Reimbursed by selling shareholders	-	(11.46)
Total	**6.88**	**10.13**

24 TAXES

Income tax expense

The major component of income tax expenses for the year ended 31st March, 2018 and 31st March, 2017 are:

(i) Statement of Profit and Loss section

₹ in million

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
(a) Current Tax expenses [Short/(Excess) provision for tax relating to prior years ₹ (63.95) million, previous year ₹ 1.26 million]	1,197.29	759.06
(b) Deferred tax	106.71	14.78
Total	**1,304.00**	**773.84**

(ii) Other Comprehensive Income (OCI) section

₹ in million

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
(a) Net gain / (loss) on remeasurement of defined benefit plan	(1.29)	(27.27)
Income tax charged to OCI on remeasurement of defined benefit plan	0.45	9.44

(iii) Reconciliation of effective tax rate

₹ in million

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
(a) Accounting profit before income tax	4,020.03	2,988.81
(b) Enacted tax rate in India	34.61%	34.61%
(c) Computed tax expense	1,391.25	1,034.37
(d) Reconciliation items		
R&D expenses - revenue	(143.52)	(255.38)
R&D expenses - capital	(21.95)	(110.77)
Investment allowance	28.06	(251.69)

Notes forming part of Financial Statements (contd.)

₹ in million

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Deduction under 80-IC (2)	-	(200.25)
Expenses disallowances	0.05	33.13
CSR expenditure	28.65	9.15
Others	22.62	0.75
Lease written off	18.77	18.66
(e) Net adjustment	(67.33)	(756.40)
(f) Tax expense/ (saving) on net adjustment (e*b)	(23.30)	(261.79)
(g) Current tax expense recognised in Statement of Profit and Loss (c+f)	1,367.95	772.58
(h) Short/(Excess) provision for tax relating to prior years	(63.95)	1.26
(i) Net current tax expense recognised in Statement of Profit and Loss (g+h)	1,304.00	773.84

(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. Majority of such capital loss will expire between March 2019 to March 2022.

₹ in million

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
(a) Long term capital loss	219.84	361.45
(b) Short term capital loss	66.16	69.83
Total	**286.00**	**431.28**

25 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, 2018 amounts to Euro 30.93 million (₹ 1,930.62 million) [previous year Euro 30.94 million (₹ 1,930.74 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.

26 ENDURANCE OVERSEAS SRL, ITALY (EOSRL)

The total investment of the Company in EOSrl as at 31st March, 2018 amounts to Euro 25.83 million (₹ 1,706.99 million) [previous year Euro 25.82 million (₹ 1,706.22 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 Ind AS - 108, “Operating Segments” represents 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, 2018	As at 31st March, 2017
i) Outstanding letters of credit	460.78	430.45
ii) Guarantees given by the Company's bankers	236.01	295.44
iii) Standby letter of credit given by the Company's bankers	2.67	2.67
iv) Disputed excise demand#	73.46	48.12
v) Service tax matters#	2.82	15.14
vi) Sales tax matters#	5.83	14.83
vii) Income tax matters#	142.42	143.15
viii) Employees related disputes#	12.73	25.07
ix) Environment pollution control matters*	20.85	26.57

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.

* 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. During the current year, MPCB has 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.

(b) Commitments

₹ in million

Particulars	As at 31st March, 2018	As at 31st March, 2017
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
- Tangible assets	863.39	467.67
(ii) Other commitment		
- Aluminium alloy	1,748.82	897.87
Total	**2,612.21**	**1,365.54**

29 In conformity with the principles set out in the Ind AS - 19 Employee Benefits, liability for employee benefits needs to be determined by an actuary appointed for the purpose, the disclosures are given below:

(a) Defined contribution plan:

₹ in million

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Employers contribution to provident fund/pension fund	112.13	107.07
Employers contribution to superannuation fund	12.16	10.50
Employers contribution to ESIC	11.00	5.36
Total	**135.29**	**122.93**

Note: Above contributions are included in contribution to provident and other funds reported in note 21 of employee benefits expense.

(b) Defined benefit plan:

The defined benefit plan comprises of gratuity (included in contribution to provident and other funds in note 21 of employee benefits expense). 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, which recognizes each period of service as giving rise to additional unit of employee benefit. The obligations are measured at the present value of the estimated future cash flows. The Company provides for its liability towards gratuity as per actuarial valuation. The present value of accrued gratuity is provided in the books of account after reducing the fund value with Life Insurance Corporation of India.

Notes forming part of Financial Statements (contd.)

I) Reconciliation of benefit obligation:

₹ in million

Particulars	As at 31st March, 2018	As at 31st March, 2017
Liability at the beginning of the year	408.77	297.23
Interest cost	26.88	22.30
Past service cost	-	36.89
Current service cost	42.19	33.40
Benefits paid*	(49.54)	(7.81)
Remeasurement (gain) / loss	4.52	26.76
Liability at the end of the year	432.82	408.77

*Includes amount directly paid by the Company.

II) Reconciliation of fair value of plan assets:

₹ in million

Particulars	As at 31st March, 2018	As at 31st March, 2017
Fair value of plan assets at the beginning of the year	199.44	125.97
Interest income	15.66	11.99
Contributions	198.95	69.80
Benefits paid	(41.65)	(7.81)
Return on plan assets - gain / (loss)	3.23	(0.51)
Fair value of plan assets at the end of the year	375.63	199.44
Actual return on plan assets	18.89	11.48

III) Amount to be recognised in the Balance Sheet

₹ in million

Particulars	As at 31st March, 2018	As at 31st March, 2017
Liability at the end of the year	432.82	408.77
Fair value of plan assets at the end of the year	375.63	199.44
Amount to be recognised in Balance Sheet	57.19	209.33

IV) Expenses recognised in the Statement of Profit and Loss under the head employee benefits expense

₹ in million

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Current service cost	42.19	33.40
Past service cost	-	36.89
Interest cost	11.22	10.30
Expenses recognised in Statement of Profit and Loss	53.41	80.59

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

V) Remeasurement for the year

₹ in million

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Experience (gain)/ loss on plan liabilities	19.18	10.42
Financial (gain)/ loss on plan liabilities	(14.66)	16.33
Experience (gain)/ loss on plan assets	(4.57)	(0.90)
Financial (gain)/ loss on plan assets	1.34	1.42

Notes forming part of Financial Statements (contd.)

VI) Amount recognised in statement of other comprehensive income (OCI)

₹ in million

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Opening amount recognised in OCI	27.27	-
Remeasurement for the year - obligation (gain)/ loss	4.52	26.76
Remeasurement for the year - plan assets (gain)/ loss	(3.23)	0.51
Total remeasurements cost / (credit) for the year recognised in OCI	1.29	27.27
Closing amount recognised in OCI	28.56	27.27

VII) Principal actuarial assumptions:

Particulars	As at 31st March, 2018	As at 31st March, 2017
Discount rate	7.50%	7.00%
Rate of return on plan assets	7.00%	7.60%
Salary escalation	6.00%	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, 2018

₹ in million

Years ending	Amount
31st March, 2019	67.40
31st March, 2020	46.93
31st March, 2021	47.85
31st March, 2022	50.71
31st March, 2023	57.85
31st March, 2024 to 2028	385.72

(v) Weighted Average duration of defined benefit obligation: 10.56 year

(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, 2018 is as shown below:

₹ in million

A. Effect of 1 % change in the assumed discount rate	1% Increase		1% Decrease	
	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017
1. Defined Benefit Obligation	405.96	382.17	463.06	438.80

Notes forming part of Financial Statements (contd.)

₹ in million

B. Effect of 1 % change in the assumed salary escalation rate	1% Increase		1% Decrease	
	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017
1. Defined Benefit Obligation	459.15	434.89	408.95	385.14

₹ in million

C. Effect of 1 % change in the assumed withdrawal rate	1% Increase		1% Decrease	
	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017
1. Defined Benefit Obligation	434.86	409.89	430.54	407.46

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, 2018 is ₹ 767.23 million (previous year ₹ 454.06 million). The unpaid amount outstanding for more than 45 days as of 31st March, 2018 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, 2018 is ₹ Nil (previous year ₹ Nil)

31 EARNINGS PER SHARE (EPS)

Particulars	Shares in Nos	
	For the year ended 31st March, 2018	For the year ended 31st March, 2017
a) Earnings for the purpose of basic / diluted earnings per share -		
Net profit after tax (₹ in million)	2,716.03	2,214.97
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	19.31	15.75

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, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
FINANCIAL ASSETS				
Financial assets measured at amortised cost				
(a) Security deposits	58.60	49.22	58.60	49.22
(b) Other non current investments	10.04	10.04	10.04	10.04
(c) Trade receivable	7,065.70	4,846.36	7,065.70	4,846.36
(d) Loans to employees	13.02	16.22	13.02	16.22
(e) Interest accrued on deposits	0.09	0.18	0.09	0.18

Notes forming part of Financial Statements (contd.)

₹ in million

Particulars	Carrying amount		Fair Value	
	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
(f) Cash on hand	0.57	0.68	0.57	0.68
(g) Cheques on hand	0.84	-	0.84	-
(h) Balance with banks in current account	83.96	25.55	83.96	25.55
(i) Balance held as margin money against borrowings	1.56	3.53	1.56	3.53
(j) Receivable for sale of property, plant and equipment	2.57	7.66	2.57	7.66
(k) Government incentives receivable	1.01	31.06	1.01	31.06
(l) Other current financial assets	8.30	6.98	8.30	6.98
Financial assets measured at fair value through Statement of Profit and Loss				
(a) Current investments	449.13	316.37	449.13	316.37
(b) Non current investments quoted	0.04	0.06	0.04	0.06
(c) Foreign currency derivative asset	3.83	13.78	3.83	13.78
FINANCIAL LIABILITIES				
Financial liabilities measured at amortised cost				
(a) Non current borrowing	49.58	198.52	49.58	198.52
(b) Current borrowing	1,782.68	1,424.90	1,782.68	1,424.90
(c) Security deposits received from dealers	25.26	19.67	25.26	19.67
(d) Retention money	5.56	0.38	5.56	0.38
(e) Current maturities of long-term borrowings	149.22	452.18	149.22	452.18
(f) Interest accrued but not due on borrowings	2.68	0.82	2.68	0.82
(g) Payables on purchase of property, plant & equipment	300.73	137.02	300.73	137.02
(h) Trade payables	4,832.29	3,479.53	4,832.29	3,479.53
(i) Unpaid equity dividend	0.05	-	0.05	-
Financial assets measured at fair value through Statement of Profit and Loss				
(a) Foreign currency derivative liabilities	4.71	28.28	4.71	28.28

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 among willing parties, other than in a forced or liquidation sale.

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 / unquoted net assets value from the fund. Further, the subsequent measurement of all financial assets and liabilities (other than investment in mutual funds) is at amortised cost, using the effective interest method.

Notes forming part of Financial Statements (contd.)

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 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, 2018 and 31st March, 2017

₹ in million

Particulars	Level 1	Level 2	Level 3
31st March, 2018			
Investment in mutual funds	449.13	-	-
Equity	0.04	-	10.00
31st March, 2017			
Investment in mutual funds	316.37	-	-
Equity	0.06	-	10.00

During the year ended 31st March, 2018, there were no transfer between Level 1 and Level 2 fair value measurement and no transfer into and out of Level 3 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	31st March, 2018	31st March, 2017
Net Debt (A) *	1,447.03	1,733.00
Equity (B)	17,922.58	15,630.64
Debt Ratio (A / B)	0.08:1	0.11:1

* Net debt includes non current borrowing, current borrowing, current maturities of non current borrowing net off current investment and cash and cash equivalent.

II. Financial Risk Management Framework

Endurance Technologies Limited 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. We are exposed to credit risk from our operating activities, primarily from trade receivables. We typically have credit terms of 30 to 60 days with our customers in India and of 30 to 120 days with our customers in Europe. Most of our largest customers have high credit ratings, which helps to mitigate credit risk.

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 customers in Europe. 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 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 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.

The Movement in the expected credit loss allowance is as given below:

₹ in million

Particulars	As at 31st March, 2018	As at 31st March, 2017
Balance at the beginning of the year	8.70	4.68
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	(7.43)	4.02
Balance at the end of the year	1.27	8.70

Company's exposure to customers is diversified and some customers contribute more than 10% of outstanding accounts receivable which forms 75% of total receivables as of 31st March, 2018 (79% 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.

The maturity profile of various financial assets is as given below:

₹ in million

Particulars	31st March, 2018		31st March, 2017	
	Less than 1 Year	1-5 Years	Less than 1 Year	1-5 Years
Non-derivative financial assets				
Trade receivables	7,065.70	-	4,846.36	-
Total	**7,065.70**	**-**	**4,846.36**	**-**

Investments and other financial assets

Investments consist mainly of investments in mutual funds and fixed deposits. Other financial assets consist of loans to employees 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 to meet regular capital expenditures. The Company maintains a very low debt to equity ratio.

Notes forming part of Financial Statements (contd.)

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, 2018		31st March, 2017	
	Less than 1 Year	1-5 Years	Less than 1 Year	1-5 Years
Non-derivative financial liabilities				
Trade payables	4,832.29	-	3,479.53	-
Other financial liabilities	303.46	30.82	137.84	20.05
Working capital demand loans / term loans	1,931.90	49.58	1,877.08	198.52
Total	**7,067.65**	**80.40**	**5,494.45**	**218.57**

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.

₹ 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, 2018	INR	+100	(18.07)	Debt obligation	1,807.02
	INR	-100	18.07	Debt obligation	1,807.02
31st March, 2017	INR	+100	(14.98)	Debt obligation	1,497.85
	INR	-100	14.58	Debt obligation	1,497.85

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 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.

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:

Notes forming part of Financial Statements (contd.)

(a) Details of Forward Exchange Contract, Currency swaps, Currency options:

₹ in million

Particulars	Currency	As at 31st March, 2018		As at 31st March, 2017	
		Foreign Currency Notional Amount	Rupees	Foreign Currency Notional Amount	Rupees
Forward contract - USD-INR	USD	5.01	326.16	7.27	471.54
No. of Contracts		28		43	
Forward contract - JPY -INR	JPY	-	-	188.00	108.96
No. of Contracts		-		2	
Forward contract - EURO - INR	EURO	1.16	93.72	0.71	48.83
No. of Contracts		14		12	
Fixed currency swap USD-INR	USD	0.56	36.69	2.82	182.85
No. of Contracts		1		1	
Coupon only swap USD-INR	USD	0.38	24.39	2.63	170.20
No. of Contracts		2		3	

(b) Foreign currency exposures that are not hedged by derivative instruments

₹ in million

Particulars	Currency	As at 31st March, 2018		As at 31st March, 2017	
		Foreign Currency Notional Amount	Rupees	Foreign Currency Notional Amount	Rupees
IA. Term loans /PCFC/ECB	USD	7.62	495.35	6.86	444.90
	EURO	-	-	0.05	3.36
			495.35		448.26
IB. Interest on term loans	USD	0.01	0.50	0.01	0.52
			0.50		0.52
II. Trade receivables :	USD	2.17	140.84	1.69	109.78
	EURO	0.91	73.03	0.31	21.20
			213.87		130.98
III. Trade payables :	CHF	0.03	2.14	-	-
	USD	0.52	33.71	0.22	14.18
	EURO	0.49	39.46	0.23	16.23
	GBP	0.00	0.23	-	-
	CNY	0.03	0.28	-	-
	JPY	4.38	2.69	3.84	2.23
			78.51		32.64
Total	CHF	0.03	2.14	-	-
	USD	5.98	388.72	5.40	349.82
	EURO	(0.42)	(33.57)	(0.03)	(1.61)
	GBP	0.00	0.23	-	-
	CNY	0.03	0.28	-	-
	JPY	4.38	2.69	3.84	2.23

Notes forming part of Financial Statements (contd.)

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, 2018	USD	+10%	(38.87)
	USD	-10%	38.87
	EURO	+10%	3.36
	EURO	-10%	(3.36)
	GBP	+10%	(0.02)
	GBP	-10%	0.02
	CHF	+10%	(0.21)
	CHF	-10%	0.21
	JPY	+10%	(0.27)
	JPY	-10%	0.27
	CNY	+10%	(0.03)
	CNY	-10%	0.03
31st March, 2017	USD	+10%	(34.98)
	USD	-10%	34.98
	EURO	+10%	0.16
	EURO	-10%	(0.16)
	JPY	+10%	(0.22)
	JPY	-10%	0.22

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, 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 prices of materials.

34 Related party disclosure as required by Ind AS - 24 is annexed. Key Management Personnel (KMP) has been identified as per Ind AS - 24.

35 GOVERNMENT INCENTIVES:

a) Industrial Promotion Subsidy:

As per Eligibility Certificate (EC) dated 17th October, 2014 the Company is eligible for Industrial Promotion Subsidy of ₹ 191 million in connection with 6 plants at Waluj, Aurangabad. Also Company has received EC dated 23rd June, 2015 of ₹ 47.10 million for IPS under the Package Scheme of Incentives 2007 ('the Scheme') in connection with the Plant at K 226/1 & K 227 at Waluj.

In terms of the Scheme and based on the EC received, during the current year, the Company received sanction letter from Directorate of Industries and accrued income of ₹ 1.01 million (previous year ₹ 31.06 million).

b) EPCG benefit:

During the year the Company has imported plant and equipment under EPCG scheme thereby saving total customs duty payment of ₹ 100.35 million (previous year ₹ 120.51 million). The export obligation under the scheme against this saving comes to ₹ 602.10 million (previous year ₹ 713.89 million). Balance export obligation yet to be fulfilled as on 31st March, 2018 is ₹ 371.69 million (previous year ₹ 51.46 million). In accordance with Ind AS 20, the duty saved is capitalised and ₹ 48.51 million (previous year ₹ 110.40 million) is recognised 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") recognised by Department of Scientific and Industrial Research (DSIR), as accounted for in the books of account, is 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, excluding advances)					
For the year ended 31st March, 2018	238.90	16.33	9.78	13.60	13.34
For the year ended 31st March, 2017	-	62.14	20.13	19.97	29.99
ii) Revenue expenditure					
For the year ended 31st March, 2018					
Salaries/wages	0.01	81.65	39.66	27.94	23.33
Materials/consumables/spares/tools	0.05	3.65	0.88	18.96	3.02
Utilities	0.26	9.01	3.69	5.11	1.46
Any other expenditure directly relating to R & D	3.67	31.02	24.91	20.37	10.91
Total Revenue expenditure	**3.99**	**125.33**	**69.14**	**72.38**	**38.72**
For the year ended 31st March, 2017					
Salaries/wages	-	65.69	47.81	18.91	19.26
Materials/consumables/spares/tools	-	5.95	1.32	15.62	7.01
Utilities	-	2.86	3.36	1.43	0.87
Any other expenditure directly relating to R & D	-	29.22	27.75	14.47	10.42
Total Revenue expenditure	**-**	**103.72**	**80.24**	**50.43**	**37.56**

37 CORPORATE SOCIAL RESPONSIBILITY (CSR)

Pursuant to Companies Act, 2013 gross amount required to be spent by the Company towards CSR during the year is ₹ 56.10 million (previous year ₹ 49.60 million).

During the year the Company has contributed ₹ 56.10 million (previous year ₹ 18.30 million) to Sevak Trust.

Sevak Trust has implemented following projects:

₹ in million

Nature of expenditure	For the year ended 31st March, 2018	For the year ended 31st March, 2017
i) Construction/acquisition of any asset	-	0.31
ii) On the purpose other than (i) above		
Village Development Project (VDP)	45.90	9.35
Balwadi	0.13	-
Vocational Training Centre (VTC)	10.07	8.64
Total	**56.10**	**18.30**

38 The figures for the previous year ended 31st March, 2017 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 financials
Assets:				
(i) Investments in subsidiaries	(a)	-	3,636.96	3,636.96
(ii) Non-current financial investments	(a)	3,647.06	(3,636.96)	10.10
(iii) Other non-current financial assets	(b)	49.22	13.78	63.00
(iv) Loans	(c)	-	16.22	16.22
(v) Other current financial assets	(c),(d)	26.33	19.55	45.88
(vi) Other current assets	(d)	536.02	(35.77)	500.25
			13.78	

Notes forming part of Financial Statements (contd.)

₹ in million

Particulars	Reference	As per previous year financials	Change	As per current year financials
Liabilities:				
(i) Other non-current financial liabilities	(b)	20.05	2.50	22.55
(ii) Other current financial liabilities	(b)	604.52	11.28	615.80
			13.78	

(a) Investments in subsidiaries have been regrouped from non-current financial investments and separately disclosed as Investment in subsidiaries.

(b) Foreign currency derivative liability included in other current financial liabilities has been regrouped to disclose derivative assets and liabilities separately in current year. Accordingly, these have been disclosed in other non current and current financial assets and financial liabilities.

(c) Loans to employees has been regrouped from other current financial assets and separately disclosed as loans.

(d) Government incentives receivable ₹ 31.06 million, insurance claim receivable ₹ 3.02 million and duty drawback receivable ₹ 1.69 million have been regrouped to other current financial assets from other current assets

₹ in million

Particulars	Reference	As per previous year financials	Change	As per current year financials
Income:				
(i) Revenue from operations	(a)	42,660.05	141.47	42,801.52
(ii) Other income	(a)	287.14	(161.67)	125.47
			(20.20)	
Expenses:				
(i) Cost of materials consumed	(a)	25,134.30	(20.20)	25,114.10
			(20.20)	

(a) Government incentives received and cash discount have been regrouped from other income to other operating income and material consumed respectively

39 On 15th May, 2018, the Board of Directors of the Company proposed a final dividend of ₹ 4 per share of face value ₹ 10 each in respect of the year ended 31st March, 2018. The dividend payout is subject to approval of shareholders at the Annual General Meeting.

Dividend paid during the year ended 31st March, 2018 is an amount of ₹ 2.50 per equity share of face value ₹ 10 each, towards final dividend for the year ended 31st March, 2017.

40 As a part of consolidation of operations in Pune region, the operations at Company's plant located at Takve, Taluka Vadgaon Maval, Dist. Pune have been discontinued effective from 1st January, 2018 and the manufacturing activities have been consolidated with other plants in Pune region. During the year ended 31st March, 2018, the Company has incurred ₹ 268.78 million towards Voluntary Separation Scheme for eligible workmen, which has been disclosed as an exceptional item in the Statement of Profit and Loss.

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: 15th May, 2018
Place: Mumbai

For and on behalf of the Board of Directors

Naresh Chandra
Chairman
(DIN : 00027696)

Anurang Jain
Managing Director
(DIN : 00291662)

Partho S Datta
Director
(DIN : 00040345)

Satrajit Ray
Director & Group CFO
(DIN : 00191467)

Sunil Lalai
Company Secretary & Vice President–Legal
(Membership No : A8078)

Date: 15th May, 2018
Place: Mumbai

Related Party Disclosure

For the year ended 31st March, 2018

(Refer Note 34)

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 Fondalmec S.p.A, Italy (Indirect Subsidiary)
		Endurance Engineering S.r.L., Italy (Indirect Subsidiary)
		Endurance F.O.A. S.p.A., Italy (Indirect Subsidiary)
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 (w.e.f. 10th June, 2016)
		Mrs. Falguni Nayar, Independent Director (w.e.f. 10th June, 2016)
		Mr. Asanka Rodrigo, Nominee Director (upto 19th October, 2016)
		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 Pvt. Ltd. Varroc Elastomers Pvt. Ltd. (upto 31st March, 2017)

^^ Mr. Massimo Venuti was a director upto 9th June, 2016 and was reappointed as an additional director w.e.f. 2nd December, 2016.

(Refer Note 34)

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	-	-	-	91.56	91.56
	(0.25)	-	-	(188.82)	(189.07)
Purchase of property, plant & equipment	-	-	-	-	-
	-	-	(0.07)	-	(0.07)
Purchase of services	-	-	-	-	-
	-	-	-	(0.71)	(0.71)
Sale of products	-	-	-	-	-
	-	-	-	(1.06)	(1.06)

Related Party Disclosure (contd.)

For the year ended 31st March, 2018

₹ 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	-	91.66	8.00	-	99.66
	-	(77.57)	(6.38)	-	(83.95)
Directors' sitting fees	-	2.12	-	-	2.12
	-	(0.84)	-	-	(0.84)
Directors' commission	-	10.75	-	-	10.75
	-	(15.23)	-	-	(15.23)
Professional fees	-	2.11	-	-	2.11
	-	(1.72)	-	-	(1.72)
Reimbursement of IPO expenses	-	-	-	-	-
	(31.43)	-	-	-	(31.43)
Reimbursement of travelling & other expenses	-	0.50	-	-	0.50
	-	(0.77)	(0.10)	-	(0.87)
Dividend paid	-	^247.90	#42.23	-	290.13
	-	(39.17)	(6.33)	-	(45.50)
Reimbursement received related to IPO expenses	-	-	-	-	-
	-	(80.91)	-	-	(80.91)
Expenses recovered	-	-	-	-	-
	-	-	-	(0.01)	(0.01)
Other income	-	-	-	0.02	0.02
	-	-	-	(0.19)	(0.19)
Investment in subsidiaries	0.64	-	-	-	0.64
	(0.43)	-	-	-	(0.43)
Balances Outstanding as at the end of the year					
i) Payables	-	10.80	-	8.02	18.82
	-	(10.78)	(0.15)	(15.08)	(26.01)
ii) Travel advance	-	0.25	-	-	0.25
	-	-	-	-	-
iii) Receivables	-	-	-	-	-
	-	-	-	(1.06)	(1.06)
iv) Investments	3,637.61	-	-	-	3,637.61
	(3,636.96)	-	-	-	(3,636.96)

* 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, 2018 (31st March, 2017) 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 ₹ 70.75 million (₹ 10.61 million) dividend received by Mr. Anurang Jain in his capacity as family trustee of Anurang Rohan Trust.

^ Includes ₹ 42.28 million (₹ 6.34 million) dividend received by Mr. Naresh Chandra in his capacity as family trustee of Anurang Rhea Trust.

Includes ₹ 42.23 million (₹ 6.33 million) dividend received by Mrs. Suman Jain in her capacity as family trustee of NC Trust.

Related Party Disclosure (contd.)

For the year ended 31st March, 2018

(Refer Note 34)

c) Disclosure in respect of material transactions with related parties (Previous year figures are in brackets)

₹ in million

Particulars	Endurance Amann GmbH, Germany	Endurance Overseas S.r.L., Italy	Endurance Fondalmec S.p.A, Italy	Varroc Engineering Pvt. Ltd.	Varroc Elastomers Pvt. Ltd.	Total
Purchase of raw material and components	-	-	-	91.56	-	91.56
	-	-	(0.25)	(64.70)	(124.12)	(189.07)
Purchase of services	-	-	-	-	-	-
	-	-	-	-	(0.71)	(0.71)
						-
Sale of products	-	-	-	-	-	-
	-	-	-	-	(1.06)	(1.06)
Reimbursement of IPO expenses	-	-	-	-	-	-
	(13.54)	(17.89)	-	-	-	(31.43)
Expenses recovered	-	-	-	-	-	-
	-	-	-	(0.00)	(0.01)	(0.01)
Other income	-	-	-	0.02	-	0.02
	-	-	-	(0.00)	(0.19)	(0.19)
Investment in subsidiaries	-0.12	0.77	-	-	-	0.64
	-	(0.43)	-	-	-	(0.43)
Balances Outstanding as at the end of the year						
i) Payables	-	-	-	8.02	-	8.02
	-	-	-	(3.47)	(11.61)	(15.08)
ii) Receivables	-	-	-	-	-	-
	-	-	-	-	(1.06)	(1.06)

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.

Independent Auditor's Report

To the Members of Endurance Technologies Limited

REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

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 March 31, 2018, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("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 accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) 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; the 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 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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

OPINION

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 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, 2018, their consolidated profit including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

OTHER MATTER

a) We did not audit the financial statements and other financial information, in respect of 5 subsidiaries, whose Ind AS financial statements include total assets of ₹ 21,746.79 million and net assets of ₹ 7,579.04 million as at 31st March, 2018, and total revenues of ₹ 19,697.01 million and net cash inflows of ₹ 2,770.66 million for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements,

Independent Auditor's Report (contd.)

other financial information and auditor's reports have been furnished to us. 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.

(b) The consolidated Ind AS financial statements of the Company for the year ended March 31, 2017, included in these consolidated Ind AS financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on 10th May, 2017.

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.

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 reports 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 purpose 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, 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 Standard) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2018 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act. The Holding Company did not have any subsidiary in India.

(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 subsidiaries, 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 15th May, 2018, issued on the standalone financial statements of the Holding Company regarding Internal controls Over Financial Reporting;

(g) 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, 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 – Refer Note 28 to the consolidated Ind AS financial statements;

ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Arvind Sethi
Partner
Membership Number: 89802
Place: Mumbai
Date: 15th May, 2018

Consolidated Balance Sheet

as at 31st March, 2018

₹ in million

Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017
ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	3	16,706.24	14,734.25
(b) Capital work-in-progress		639.75	434.22
(c) Goodwill	25	1,577.23	1,354.83
(d) Other intangible assets	3	226.19	247.77
(e) Intangible assets under development		47.77	4.02
(f) Financial assets			
(i) Investments	4	10.14	10.15
(ii) Other financial assets	5	63.20	67.39
(g) Deferred tax assets (net)	17A	119.89	189.52
(h) Other non-current assets	6	2,521.31	2,054.15
		21,911.72	**19,096.30**
2 Current assets			
(a) Inventories	7	4,938.50	4,438.27
(b) Financial assets			
(i) Investments	4A	449.13	316.37
(ii) Trade receivables	8	9,688.17	7,608.70
(iii) Cash and cash equivalents	9	5,025.56	2,195.81
(iv) Bank balances other than (iii) above	9A	1.61	3.53
(v) Loans	5A	13.02	16.22
(vi) Other financial assets	5B	15.80	45.88
(c) Current tax assets (net)	6A	50.03	-
(d) Other current assets	6B	1,319.27	1,391.29
		21,501.09	16,016.07
Total Assets (1+2)		**43,412.81**	**35,112.37**
EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	10	1,406.63	1,406.63
(b) Other equity	10A	20,321.90	15,886.71
Equity attributable to the shareholders of the Company		**21,728.53**	**17,293.34**
Liabilities			
2 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	11	3,803.26	3,422.27
(ii) Other financial liabilities	12	95.76	63.47
(b) Provisions	13	196.54	307.02
(c) Deferred tax liabilities (net)	17A	17.32	7.75
		4,112.88	**3,800.51**
3 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	14	1,782.68	1,735.85
(ii) Trade payables	15	11,284.23	8,641.88
(iii) Other financial liabilities	12A	3,304.82	2,238.29
(b) Other current liabilities	16	971.54	883.71
(c) Provisions	13A	191.03	223.84
(d) Current tax liabilities (net)	17	37.10	294.95
		17,571.40	**14,018.52**
Total Equity and Liabilities (1+2+3)		**43,412.81**	**35,112.37**
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: 15th May, 2018
Place: Mumbai

For and on behalf of the Board of Directors

Naresh Chandra
Chairman
(DIN:00027696)

Anurang Jain
Managing Director
(DIN:00291662)

Partho S Datta
Director
(DIN:00040345)

Satrajit Ray
Director & Group CFO
(DIN:00191467)

Sunil Lalai
Company Secretary & Vice President–Legal
(Membership No : A8078)

Date: 15th May, 2018
Place: Mumbai

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2018

₹ in million

	Particulars	Note No.	For the year ended 31st March, 2018	For the year ended 31st March, 2017
I	Revenue from operations	18	66,660.47	59,912.01
II	Other income	19	235.40	290.71
III	**Total income (I + II)**		**66,895.87**	**60,202.72**
IV	**Expenses**			
	(a) Cost of materials consumed	20A	38,536.27	32,571.55
	(b) Purchases of stock-in-trade (traded goods)	20B	90.93	98.09
	(c) Changes in stock of finished goods, stock-in-trade and work-in-progress	20C	(181.27)	(410.19)
	(d) Excise duty		1,279.12	4,003.33
	(e) Employee benefits expense	21	5,809.33	5,455.15
	(f) Finance costs	22	235.23	322.49
	(g) Depreciation and amortisation expense	3	3,215.85	2,905.06
	(h) Other expenses	23	11,848.25	10,610.79
	Total expenses (IV)		**60,833.71**	**55,556.27**
V	**Profit before exceptional items and tax (III - IV)**		**6,062.16**	**4,646.45**
VI	Exceptional items	43	268.78	-
VII	**Profit before tax (V - VI)**		**5,793.38**	**4,646.45**
VIII	**Tax expense**	24		
	Current tax expense		1,865.31	1,354.98
	Short/(excess) provision for tax relating to prior years		(74.74)	(17.81)
	Total current tax expense		1,790.57	1,337.17
	Deferred tax		95.24	6.18
	Total tax expense		**1,885.81**	**1,343.35**
IX	**Profit for the year (VII - VIII)**		**3,907.57**	**3,303.10**
X	**Other comprehensive income**			
	Items that will not be reclassified to profit and loss in subsequent years			
	Remeasurements of defined benefit plans		(4.00)	(26.45)
	Income-tax relating to items that will not be reclassified to profit and loss in subsequent years		1.21	9.44
	Total		(2.79)	(17.01)
	Items that will be reclassified to profit and loss in subsequent years			
	Exchange differences on translation of foreign operations		953.66	(427.36)
	Total other comprehensive income for the year (net of tax)		**950.87**	**(444.37)**
XI	**Total comprehensive income for the year (net of tax) (IX + X)**		**4,858.44**	**2,858.73**
XII	**Profit for the year attributable to:**			
	Shareholders of the Company		3,907.57	3,303.10
	Non controlling interest		-	-
	Total		**3,907.57**	**3,303.10**
XIII	**Total comprehensive income for the year attributable to:**			
	Shareholders of the Company		4,858.44	2,858.73
	Non controlling interest		-	-
	Total		**4,858.44**	**2,858.73**
XIV	Basic and diluted earnings per equity share (₹)	33	27.78	23.48
	(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: 15th May, 2018
Place: Mumbai

For and on behalf of the Board of Directors

Naresh Chandra
Chairman
(DIN:00027696)

Anurang Jain
Managing Director
(DIN:00291662)

Partho S Datta
Director
(DIN:00040345)

Satrajit Ray
Director & Group CFO
(DIN:00191467)

Sunil Lalai
Company Secretary &
Vice President–Legal
(Membership No : A8078)

Date: 15th May, 2018
Place: Mumbai

Consolidated Statement of Changes in Equity

for the year ended 31st March, 2018

A. EQUITY SHARE CAPITAL

₹ in million

Particulars	As at 31st March, 2018	As at 31st March, 2017
Balance at the beginning of the year	1,406.63	175.83
Bonus shares issued during the year	-	1,230.80
Balance 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
	Capital redemption reserve	Securities premium	General reserve	Capital Reserve	Retained earnings	Foreign Currency Translation Reserve			
Balance as at 1st April, 2016	23.21	1,367.99	1,193.98	209.32	11,087.40	440.37	14,322.27	-	14,322.27
Profit for the year ended	-	-	-	-	3,303.10	-	3,303.10	-	3,303.10
Other comprehensive income for the year, net of tax	-	-	-	-	(17.01)	(427.36)	(444.37)	-	(444.37)
Utilised for issue of bonus shares	(23.21)	(1,207.59)	-	-	-	-	(1,230.80)	-	(1,230.80)
Payment of dividend	-	-	-	-	(52.75)	-	(52.75)	-	(52.75)
Tax on dividend	-	-	-	-	(10.74)	-	(10.74)	-	(10.74)
Subtotal	(23.21)	(1,207.59)	-	-	3,222.60	(427.36)	1,564.44	-	1,564.44
Balance as at 31st March, 2017	**-**	**160.40**	**1,193.98**	**209.32**	**14,310.00**	**13.01**	**15,886.71**	**-**	**15,886.71**

₹ in million

Particulars	Reserves and Surplus					Other Comprehensive Income	Equity attributable to shareholders of the Company	Non Controlling Interests	Total Equity
	Capital redemption reserve	Securities premium	General reserve	Capital Reserve	Retained earnings	Foreign Currency Translation Reserve			
Balance as at 1st April, 2017	-	160.40	1,193.98	209.32	14,310.00	13.01	15,886.71	-	15,886.71
Profit for the year ended	-	-	-	-	3,907.57	-	3,907.57	-	3,907.57
Other comprehensive income for the year, net of tax	-	-	-	-	(2.79)	953.66	950.87	-	950.87
Payment of dividend (Refer note 41)	-	-	-	-	(351.66)	-	(351.66)	-	(351.66)
Tax on dividend	-	-	-	-	(71.59)	-	(71.59)	-	(71.59)
Subtotal	-	-	-	-	3,481.53	953.66	4,435.19	-	4,435.19
Balance as at 31st March, 2018	**-**	**160.40**	**1,193.98**	**209.32**	**17,791.53**	**966.67**	**20,321.90**	**-**	**20,321.90**

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: 15th May, 2018
Place: Mumbai

For and on behalf of the Board of Directors

Naresh Chandra
Chairman
(DIN:00027696)

Anurang Jain
Managing Director
(DIN:00291662)

Partho S Datta
Director
(DIN:00040345)

Satrajit Ray
Director & Group CFO
(DIN:00191467)

Sunil Lalai
Company Secretary &
Vice President–Legal
(Membership No : A8078)

Date: 15th May, 2018
Place: Mumbai

Consolidated Cash Flow Statement

for the year ended 31st March, 2018

₹ in million

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
A Cash flow from operating activities		
Profit before tax	5,793.38	4,646.45
Adjustments for:		
Depreciation and amortisation expense	3,215.85	2,905.06
Incentive received	(48.51)	(110.40)
Allowance for doubtful debts	(0.79)	5.68
Bad debts written off	8.05	2.20
Finance costs incurred	215.29	288.64
Excess provision/creditors written back	(20.80)	(21.90)
(Profit) / loss on sale of property, plant and equipment (net)	(32.58)	(24.67)
Interest income	(12.57)	(6.50)
Income from investments in mutual funds	(26.41)	(19.26)
Unrealised exchange (gain)/loss differences (net)	(23.20)	14.56
Exchange difference arising on consolidation	466.61	(409.53)
Operating profit before working capital changes	**9,534.32**	**7,270.33**
Movement in working capital		
Adjustments for (increase) / decrease in operating assets		
Inventories	(500.23)	(339.65)
Trade receivables	(2,079.87)	(1,688.72)
Other financial assets	22.34	171.99
Other current assets	72.02	35.07
Other non-current assets	(142.94)	(206.31)
Adjustments for increase / (decrease) in operating liabilities		
Trade payables	2,667.42	1,282.14
Provisions	(142.19)	62.71
Other current liabilities	35.99	131.42
Other financial liabilities	49.30	(11.34)
Cash generated from operations	**9,516.16**	**6,707.64**
Direct taxes paid (net of refund)	(2,095.48)	(1,336.87)
Net cash generated from operating activities	**7,420.68**	**5,370.77**
B Cash flow from investing activities		
Acquisition of property, plant and equipment (including capital work in progress and capital advances)	(4,452.69)	(4,100.68)
Proceeds on sale of property, plant and equipment	189.11	296.66
Fixed deposits with banks not considered as cash and cash equivalents	1.92	15.13
Mutual fund - (investment) / sale proceeds	(110.00)	174.52
Income from redemption of liquid mutual funds	3.67	-
Interest received	12.66	7.52
Net cash (used) in investing activities	**(4,355.33)**	**(3,606.85)**

Consolidated Cash Flow Statement (contd.)

for the year ended 31st March, 2018

₹ in million

Particulars		For the year ended 31st March, 2018	For the year ended 31st March, 2017
C Cash flow from financing activities			
Proceeds from long term borrowings		2,473.66	1,693.56
Repayment of long term borrowings		(2,123.12)	(2,470.11)
Proceeds / (repayments) from short term borrowings (net)		45.55	(84.76)
Finance costs paid		(208.49)	(298.86)
Dividend paid including tax on dividend		(423.20)	(63.49)
Net cash (used) in financing activities		**(235.60)**	**(1,223.66)**
Net increase in cash and cash equivalents		**2,829.75**	**540.26**
Cash and cash equivalents at the beginning of the year		2,195.81	1,655.55
Cash and cash equivalents at the end of the year		5,025.56	2,195.81
		2,829.75	**540.26**
Significant accounting policies	2		

See accompanying notes forming part of the financial statements.

Note :

1 Figures in brackets represent outflows.

2 During the previous year, cash flow from financing activity does not include issue of bonus shares to existing share holders through capitalisation of the capital redemption reserve and securities premium of ₹ 1,230.80 million.

3 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: 15th May, 2018
Place: Mumbai

For and on behalf of the Board of Directors

Naresh Chandra
Chairman
(DIN:00027696)

Anurang Jain
Managing Director
(DIN:00291662)

Partho S Datta
Director
(DIN:00040345)

Satrajit Ray
Director & Group CFO
(DIN:00191467)

Sunil Lalai
Company Secretary &
Vice President–Legal
(Membership No : A8078)

Date: 15th May, 2018
Place: Mumbai

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 engaged in the manufacturing and selling of aluminium die casting (including alloy wheel), suspension, transmission and braking products with operations spread across India, Italy and Germany.

The name of the Company has changed from Endurance Technologies Private Limited to Endurance Technologies Limited consequent upon its conversion from a Private Limited Company to a Public Limited Company with effect from 31st May, 2016. 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, 2018 were approved by the Board of Directors and authorised for issue on 15th May, 2018.

2 SIGNIFICANT ACCOUNTING POLICIES

2.01 Statement of Compliance

The 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).

2.02 Basis of preparation and presentation

These financial statements have been prepared on 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 2.18.

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, 2018	As at 31st March, 2017
Endurance Overseas S.r.l (EOSRL)	Italy	100%	100%
Endurance Fondalmec S.p.A.	Italy	100%	100%
Endurance Engineering S.r.l	Italy	100%	100%
Endurance F.O.A. S.p.A.	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 Recognition

Revenue is measured at the fair value of the consideration received or receivable taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

1. Sale of goods - Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

    - the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
    - the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
    - the amount of revenue can be measured reliably;

Notes forming part of Consolidated Financial Statements (contd.)

- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from operation includes excise duty but excludes sales tax, VAT and GST.

2. Job-work revenues are accounted as and when such services are rendered.

3. Export incentives in the nature of Merchandise Exports from India Scheme (MEIS) and Duty Drawback is recognised on accrual basis in the year of export.

4. Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

5. Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group 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.

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. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating Lease

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term. Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

Finance Lease

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss.

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 mark 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

Notes forming part of Consolidated Financial Statements (contd.)

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.

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 Incentive

(i) Government grants

Government grants are recognised where there is 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 period necessary to match them with the costs that they are intended to compensate and presented within other operating revenues. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset. The Group accounts for its entitlements on accrual basis on approval of the initial claim by the relevant authorities.

(ii) Export Benefits

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

(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 statement of financial position 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. 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

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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 (profits) losses. The amount of the defined benefit obligation has been calculated by an external actuary according to the "Projected credit units" method.

3. **Other long term benefits :**
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 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.

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

Notes forming part of Consolidated Financial Statements (contd.)

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.

The Group recognises interest levied and penalties related to income tax assessments in income tax expenses.

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 / amortization 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 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.

Assets held under finance leases are depreciated over the shorter of the lease term and their useful lives.

2.15 Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation 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. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Internally generated intangible assets, excluding capitalised development cost, are not capitalised and the related expenditure is reflected in statement of profit and loss in the period in which the expenditure is incurred.

2.16 Impairment

(i) Financial assets (other than at fair values)

The Group assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Group recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

(ii) Non-financial assets

(a) Tangible and intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, 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

Notes forming part of Consolidated Financial Statements (contd.)

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 recognised in the consolidated statement of profit and 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.

(b) 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.

2.17 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, 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.

2.18 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 from the date of purchase, 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 are subsequently measured at amortised cost if these financial assets are held within a business 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

Notes forming part of Consolidated Financial Statements (contd.)

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, 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 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

Notes forming part of Consolidated Financial Statements (contd.)

recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

2.19 Earning 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 attributable to equity holders of the Company after deducting preference dividends and 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.

2.20 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.

2.21 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 '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 represents the revenue, total expenses and the net profit of the sole reportable segment.

2.22 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.

2.23 Current / 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.

2.24 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.

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2.25 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

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 face 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.

2.26 Dividend

Dividend on share is recorded as liability on the date of approval by the shareholders.

2.27 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.

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2.28 Standards issued but not yet effective

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on 29th March, 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1st April, 2018. The Group plans to adopt the new standard on the required effective date using the modified retrospective method. The Group performed a detailed assessment of Ind AS 115 to determine the impact in its financial statements.

Based on the assessment, the application of Ind AS 115 is not expected to have any major impact on the Group's profitability, liquidity and capital resources or financial position.

Amendments to Ind AS 112 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in Ind AS 112

The amendments clarify that the disclosure requirements in Ind AS 112, other than those in paragraphs B10–B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal Company that is classified) as held for sale.

Based on the Group's evaluation, these amendments does not affect the Group's financial statements.

Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 1st April, 2018. These amendments are not expected to have any impact on the Group.

Transfers of Investment Property — Amendments to Ind AS 40

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight.

The amendments are effective for annual periods beginning on or after 1st April, 2018. The Group will apply amendments when they become effective. These amendments are not expected to have any impact on the Group.

Ind AS 28 Investments in Associates and Joint Ventures – Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice

The amendments clarify that:

- An entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss.

- If an entity, that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, the entity may, when applying

Notes forming part of Consolidated Financial Statements (contd.)

the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associate or joint venture is initially recognised; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent.

The amendments should be applied retrospectively and are effective from 1st April, 2018. These amendments are not applicable to the Group.

Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration

The Appendix clarifies that, 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 an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

(i) The beginning of the reporting period in which the entity first applies the Appendix, or

(ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after 1st April, 2018. However, since the Group's current practice is in line with the Interpretation, the Group does not expect any effect on its financial statements

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3 PROPERTY, PLANT AND EQUIPMENT

₹ in million

Particulars	Gross Block					Depreciation/Amortisation					Net Block
	As at 1st April, 2017	Additions during the year	Deductions during the year	Translation Adjustment	As at 31st March, 2018	As at 1st April, 2017	For the year	Deductions during the year	Translation Adjustment	As at 31st March, 2018	As at 31st March, 2018
A) TANGIBLE ASSETS											
Freehold Land (Refer note i)	725.60	4.72	-	41.48	771.80	-	-	-	-	-	771.80
	(746.81)	(0.11)	-	(-21.32)	(725.60)	-	-	-	-	-	(725.60)
Buildings	4,052.24	500.70	-	318.59	4,871.53	326.59	188.36	-	35.12	550.07	4,321.46
	(3,585.19)	(623.72)	(0.37)	(-156.30)	(4,052.24)	(168.81)	(170.90)	-	(-13.12)	(326.59)	(3,725.65)
Plant and equipments	14,118.67	3,542.75	387.97	1,065.58	18,339.03	4,326.50	2,777.24	251.92	389.28	7,241.10	11,097.93
	(11,754.31)	(3,350.52)	(500.43)	(-485.73)	(14,118.67)	(2,121.22)	(2,576.44)	(238.55)	(-132.61)	(4,326.50)	(9,792.17)
Wind energy generators	88.56	-	-	-	88.56	43.22	21.61	-	-	64.83	23.73
	(88.56)	-	-	-	(88.56)	(21.61)	(21.61)	-	-	(43.22)	(45.34)
Computer	132.28	36.02	0.29	5.25	173.26	63.38	34.21	0.25	2.33	99.67	73.59
	(105.89)	(28.74)	(0.17)	(-2.18)	(132.28)	(34.25)	(30.09)	(0.17)	(-0.79)	(63.38)	(68.90)
Electrical fittings	52.80	23.45	-	-	76.25	11.02	6.79	-	-	17.81	58.44
	(35.78)	(17.02)	-	-	(52.80)	(5.14)	(5.88)	-	-	(11.02)	(41.78)
Vehicles	171.86	36.79	29.51	8.25	187.39	58.09	34.10	14.40	4.45	82.24	105.15
	(153.33)	(40.25)	(16.78)	(-4.94)	(171.86)	(31.91)	(35.21)	(7.05)	(-1.98)	(58.09)	(113.77)
Furniture and fixtures	147.96	59.56	1.10	10.33	216.75	40.41	24.44	1.10	2.20	65.95	150.80
	(111.77)	(40.10)	-	(-3.91)	(147.96)	(21.12)	(20.00)	-	(-0.71)	(40.41)	(107.55)
Office equipments	85.54	20.19	0.81	0.06	104.98	38.58	17.52	0.56	0.02	55.56	49.42
	(70.02)	(15.54)	-	(-0.02)	(85.54)	(19.55)	(19.03)	-	-	(38.58)	(46.96)
Assets under finance lease	108.49	-	-	17.82	126.31	41.96	22.04	-	8.39	72.39	53.92
	(117.65)	-	-	(-9.16)	(108.49)	(22.98)	(22.06)	-	(-3.08)	(41.96)	(66.53)
Total - A	**19,684.00**	**4,224.18**	**419.68**	**1,467.36**	**24,955.86**	**4,949.75**	**3,126.31**	**268.23**	**441.79**	**8,249.62**	**16,706.24**
As at 31st March, 2017	**(16,769.31)**	**(4,116.00)**	**(517.75)**	**(-683.56)**	**(19,684.00)**	**(2,446.59)**	**(2,901.22)**	**(245.77)**	**(-152.29)**	**(4,949.75)**	**(14,734.25)**
B) INTANGIBLE ASSETS											
Technical know-how	258.14	2.04	-	30.28	290.46	54.59	54.34	-	5.82	114.75	175.71
	(55.27)	(214.46)	-	(-11.59)	(258.14)	(17.13)	(38.62)	-	(-1.16)	(54.59)	(203.55)
Software	109.53	39.54	-	3.60	152.67	65.31	35.20	0.01	1.69	102.19	50.48
	(68.92)	(42.30)	(0.38)	(-1.31)	(109.53)	(30.33)	(35.97)	(0.37)	(-0.62)	(65.31)	(44.22)
Total - B	**367.67**	**41.58**	**-**	**33.88**	**443.13**	**119.90**	**89.54**	**0.01**	**7.51**	**216.94**	**226.19**
As at 31st March, 2017	**(124.19)**	**(256.76)**	**(0.38)**	**(-12.90)**	**(367.67)**	**(47.46)**	**(74.59)**	**(0.37)**	**(-1.78)**	**(119.90)**	**(247.77)**
Total - A+B	**20,051.67**	**4,265.76**	**419.68**	**1,501.24**	**25,398.99**	**5,069.65**	**3,215.85**	**268.24**	**449.30**	**8,466.56**	**16,932.43**
As at 31st March, 2017	**(16,893.50)**	**(4,372.76)**	**(518.13)**	**(-696.46)**	**(20,051.67)**	**(2,494.05)**	**(2,975.81)**	**(246.14)**	**(-154.07)**	**(5,069.65)**	**(14,982.02)**

Notes :

i) Freehold land includes land procured from Karnataka Industrial Areas Development (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 regrouped under freehold land.

ii) Depreciation for the year includes Nil (previous year ₹ 70.75 million) capitalised during the year.

iii) Figures in brackets represent figures of previous year ended 31st March, 2017.

Notes forming part of Consolidated Financial Statements (contd.)

4 NON CURRENT INVESTMENTS

₹ in million

Particulars	As at 31st March, 2018	As at 31st March, 2017
I. Unquoted Investments (all fully paid)*		
Marathwada Auto Cluster	10.00	10.00
[10,000 (previous year 10,000) of ₹ 100 each]		
National Savings Certificates	0.04	0.04
(Lodged with Government authorities)		
Investments in Government or trust securities	0.06	0.05
Total unquoted investments	10.10	10.09
II. Quoted Investments*		
Indian Overseas Bank	0.04	0.06
[2,300 (previous year 2,300) equity shares of ₹ 10 each]		
Total quoted investments	0.04	0.06
Total	**10.14**	**10.15**
Aggregate book value of quoted investments	0.04	0.06
Aggregate market value of the quoted investments	0.04	0.06
Aggregate amount of unquoted investments	10.10	10.09

* Refer note 31 for determination of their fair value

4A CURRENT INVESTMENTS

₹ in million

Particulars	As at 31st March, 2018	As at 31st March, 2017
Investments in Mutual Funds (Unquoted)*		
i) ICICI Prudential Fund-Flexible Income Plan- Direct Growth 446,974.67 units (previous year 446,974.67 units)	149.77	139.71
ii) Birla Sun Life Cash Plus-Growth-Direct Plan	299.36	176.66
1,071,753.13 units (previous year 676,041.920 units)		
Total	**449.13**	**316.37**

* Refer note 31 for determination of their fair value

5 OTHER NON CURRENT FINANCIAL ASSETS

(Unsecured, considered good unless otherwise stated)

₹ in million

Particulars	As at 31st March, 2018	As at 31st March, 2017
a) Security deposits	63.20	53.61
b) Foreign currency derivative assets	-	13.78
Total	**63.20**	**67.39**

5A LOANS

(Unsecured, considered good unless otherwise stated)

₹ in million

Particulars	As at 31st March, 2018	As at 31st March, 2017
a) Loans to employees	13.02	16.22
Total	**13.02**	**16.22**

Notes forming part of Consolidated Financial Statements (contd.)

5B OTHER CURRENT FINANCIAL ASSETS
(Unsecured, considered good unless otherwise stated)

₹ in million

Particulars		As at 31st March, 2018	As at 31st March, 2017
a)	Interest accrued on deposits	0.09	0.18
b)	Receivables on sale of property, plant and equipment	2.57	7.66
c)	Foreign currency derivative assets	3.83	-
d)	Government incentive receivable	1.01	31.06
e)	Others	8.30	6.98
	Total	**15.80**	**45.88**

6 OTHER NON-CURRENT ASSETS
(Unsecured, considered good unless otherwise stated)

₹ in million

Particulars		As at 31st March, 2018	As at 31st March, 2017
a)	Capital advances	648.26	321.07
b)	Other advances	208.86	155.62
c)	Prepayments	5.82	7.42
d)	Lease prepayments	1,610.68	1,464.97
e)	Taxes paid in advance less provision	8.44	11.41
f)	Sales tax/ vat receivable	18.40	12.63
g)	Government grant receivable	-	51.03
h)	Deposits under protest [Refer note 28 (i)]	20.85	30.00
	Total	**2,521.31**	**2,054.15**

6A CURRENT TAX ASSETS (NET)

₹ in million

Particulars		As at 31st March, 2018	As at 31st March, 2017
a)	Current tax assets (net)	50.03	-
	Total	**50.03**	**-**

6B OTHER CURRENT ASSETS
(Unsecured, considered good unless otherwise stated)

₹ in million

Particulars		As at 31st March, 2018	As at 31st March, 2017
a)	Advances for supplies	708.22	471.34
b)	Prepayments	116.97	108.61
c)	Current portion of lease prepayments	19.88	18.63
d)	Government incentive receivable	24.02	-
e)	Balance with central excise, customs, port trust etc.	332.20	622.50
f)	Others*	117.98	170.21
	Total	**1,319.27**	**1,391.29**

*Includes amount of ₹ 2.98 million (previous year ₹ 2.57 million) paid to various regulatory authorities under protest. Also includes export incentives receivables, wind power receivables and other receivables.

Notes forming part of Consolidated Financial Statements (contd.)

7 INVENTORIES

(Valued at lower of cost and net realisable value)

₹ in million

Particulars	As at 31st March, 2018	As at 31st March, 2017
a) Raw materials and components	1,020.32	800.49
b) Work-in-progress	1,666.02	1,621.16
c) Finished goods (other than those acquired for trading)	1,607.03	1,469.90
d) Stock-in-trade of goods (acquired for trading)	17.89	18.61
e) Stores, spares and packing material	589.36	496.66
f) Loose tools and instruments	37.88	31.45
Total	**4,938.50**	**4,438.27**
Included above, Goods-in-transit in respect to		
i) Raw materials and components	102.08	154.90
ii) Finished goods (other than those acquired for trading)	652.28	542.75
Total	**754.36**	**697.65**

8 TRADE RECEIVABLES

₹ in million

Particulars	As at 31st March, 2018	As at 31st March, 2017
Unsecured:		
i) Considered good	9,688.17	7,608.70
ii) Considered doubtful	36.57	32.93
Less: Allowance for doubtful debts	(36.57)	(32.93)
Total	**9,688.17**	**7,608.70**

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 customer.
3. Trade receivables include receivables from related parties (Refer note 36).

9 CASH AND CASH EQUIVALENTS

₹ in million

Particulars	As at 31st March, 2018	As at 31st March, 2017
a) Cash on hand	1.05	1.25
b) Cheques on hand	0.84	-
c) Balance with banks:		
- In current account	5,023.67	2,194.56
Total	**5,025.56**	**2,195.81**

9A OTHER BANK BALANCES

₹ in million

Particulars	As at 31st March, 2018	As at 31st March, 2017
Other bank balances (in earmarked accounts)		
- In current account for equity dividend	0.05	-
- Balance held as margin money against borrowings*	1.56	3.53
Total	**1.61**	**3.53**

*Represents margin money amounting to ₹ 1.56 million as at 31st March, 2018 (previous year ₹ 3.53 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.

Notes forming part of Consolidated Financial Statements (contd.)

10 SHARE CAPITAL

A Authorised, issued, subscribed and paid-up share capital

₹ in million

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	No. of shares	Amount	No. of shares	Amount
Authorised:				
Equity shares of ₹ 10 each (Refer note C (iii))	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 (Refer note C (iii))	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, 2018		As at 31st March, 2017	
	No. of shares	Amount	No. of shares	Amount
No. of shares outstanding at the beginning of the year				
- Equity shares (Refer note C(iii))	140,662,848	1,406.63	43,957,140	175.83
Consolidation of equity shares during the year				
- Shares of face value ₹ 4 each	-	-	(43,957,140)	(175.83)
- Shares of face value ₹ 10 each	-	-	17,582,856	175.83
- Issue of bonus shares in the ratio 7:1	-	-	123,079,992	1,230.80
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		As at 31st March, 2018		As at 31st March, 2017	
		No. of shares	%	No. of shares	%
Equity shares:					
1	Mr. Naresh Chandra ##	16,910,000	12.02	16,910,000	12.02
2	Mrs. Suman Jain #	16,890,000	12.01	16,890,000	12.01
3	Mr. Anurang Jain	53,949,664	38.35	53,949,664	38.35
4	Mr. Anurang Jain*	28,300,000	20.12	28,300,000	20.12

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.

Held by Mrs. Suman Naresh Chandra 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.

Notes forming part of Consolidated Financial Statements (contd.)

* Held by Mr. Anurang Jain in his capacity as the family trustee of 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.

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.

iii) Pursuant to the approval of the shareholders at the Extra ordinary general meeting of the Company held on 18th May, 2016 for consolidation of the Equity shares of the Company, 2.5 Equity shares of face value of ₹ 4 each was consolidated to 1 Equity share of ₹ 10 each. The effective date for the said consolidation was 18th May, 2016, resulting in 86,500,000 equity shares of ₹ 10 each in authorised share capital. Further, the authorised share capital of redeemable preference shares has been reclassified into 2,000,000 equity shares of ₹ 10 each. Further, the Company has increased the authorised share capital from ₹ 885.00 million to ₹ 1,650 million vide shareholders approval dated 18th May, 2016.

Subsequently the Company has issued bonus equity shares (123,079,992 equity shares for consideration other than cash) in the ratio of 7:1 (7 bonus equity shares for 1 equity share held) approved by Board of Directors pursuant to a resolution passed at their meeting held on 17th May, 2016 and resolution passed by shareholders at the Extraordinary General Meeting held on 18th May, 2016 through capitalisation of the Capital Redemption Reserve and Securities Premium of ₹ 1,230.80 million. These equity shares have been allotted on 29th May, 2016.

iv) The Company completed the initial public offering (IPO) through an offer for sale of 24,613,024 equity shares of ₹ 10 each at a price of ₹ 472 per equity share, aggregating upto ₹ 11,617.35 million. The Company listed its equity shares on 19th October, 2016 on BSE Limited and National Stock Exchange of India Limited.

10A OTHER EQUITY

₹ in million

Particulars		As at 31st March, 2018	As at 31st March, 2017
(a)	Capital redemption reserve		
	Balance at the beginning of the year	-	23.21
	Less: Utilised on account of issue of bonus shares	-	(23.21)
	Balance at the end of the year	-	-
(b)	Securities premium account:		
	Balance at the beginning of the year	160.40	1,367.99
	Less: Utilised on account of issue of bonus shares	-	(1,207.59)
	Balance at the end of the year	160.40	160.40
(c)	Capital reserve		
	Balance at the beginning and end of the year	209.32	209.32
(d)	Foreign currency translation reserve		
	Balance at the beginning of the year	13.01	440.37
	Add : Exchange differences arising on translating the foreign operation	953.66	(427.36)
	Balance at the end of the year	966.67	13.01
(e)	General reserve		
	Balance at the beginning and end of the year	1,193.98	1,193.98
(f)	Retained earnings		
	Balance at the beginning of the year	14,310.00	11,087.40
	Profit for the year	3,907.57	3,303.10
	Remeasurements of defined benefit plans, net of tax	(2.79)	(17.01)
	Dividend (Refer note 41)	(351.66)	(52.75)
	Tax on dividend	(71.59)	(10.74)
	Balance at the end of the year	17,791.53	14,310.00
	Total	**20,321.90**	**15,886.71**

Notes forming part of Consolidated Financial Statements (contd.)

11 NON CURRENT BORROWINGS

(Refer Note 11.02)

₹ in million

Particulars	As at 31st March, 2018	As at 31st March, 2017
Measured at amortised cost		
A. Secured borrowings (Refer Note 11.01)		
Term loans:		
From banks	983.60	1,717.82
Total secured borrowings	983.60	1,717.82
B. Unsecured borrowings (Refer Note 11.01)		
a) Term loans:		
From banks	2,477.53	572.59
b) Other loans		
(i) Deferred sales tax loan	49.58	113.33
(ii) Long term maturities of finance lease obligation	292.55	689.98
(iii) Deferred payment liability	-	328.55
Total unsecured borrowings	2,819.66	1,704.45
Total	**3,803.26**	**3,422.27**

11.01 Details of security and interest rates in respect of non-current borrowings

1 Term Loans from banks include foreign currency term loans for capital assets secured by first charge on specified immovable/ movable properties.

Secured term loans in foreign currency and in rupee terms from banks are bearing interest rates at 3M LIBOR + 175 bps and 10.30% p.a. respectively.

2 Secured loan from bank taken by foreign subsidiary is secured by first legal charge on certain property, plant and equipment. The interest rate on both secured and unsecured loans ranges from Euribor 1 month to Euribor 1 year with spread ranging from 0.60% to 2.50%.

11.02 Maturity profile

₹ in million

Particulars	Term loan from banks	Sales tax deferral loan	Deferred payment liability	Finance lease obligation	Total
Current maturities					
2018-19	1,605.33	63.75	394.92	490.86	2,554.86
Non current maturities					
2019-20	1,288.22	19.80	-	103.33	1,411.35
2020-21	962.91	16.41	-	83.87	1,063.19
2021-22	682.42	10.06	-	62.46	754.94
2022-23	349.06	3.31	-	41.32	393.69
2023-24	178.52	-	-	1.57	180.09
Total	**3,461.13**	**49.58**	**-**	**292.55**	**3,803.26**

12 OTHER NON CURRENT FINANCIAL LIABILITIES

₹ in million

Particulars	As at 31st March, 2018	As at 31st March, 2017
a) Security deposits received from dealers	25.26	19.67
b) Retention money payable	5.56	0.38
c) Deferred government grants	64.94	40.92
d) Foreign currency derivative liabilities	-	2.50
Total	**95.76**	**63.47**

Notes forming part of Consolidated Financial Statements (contd.)

12A OTHER CURRENT FINANCIAL LIABILITIES

₹ in million

	Particulars	As at 31st March, 2018	As at 31st March, 2017
a)	Current maturities of long-term debt (Refer note 11.02)	2,064.00	1,635.40
b)	Current maturities of finance lease obligation (Refer note 11.02)	490.86	146.28
c)	Interest accrued but not due on borrowings	2.68	0.82
d)	Interest accrued and due on borrowings	3.24	1.20
e)	Foreign currency derivative liabilities	11.49	25.78
f)	Payables on purchase of property, plant and equipment	706.45	417.27
g)	Deferred government grants	26.05	11.54
h)	Unpaid equity dividend	0.05	-
	Total	**3,304.82**	**2,238.29**

13 NON CURRENT PROVISIONS

₹ in million

	Particulars	As at 31st March, 2018	As at 31st March, 2017
a)	Provision for employee benefits		
	i) Provision for gratuity (net) (Refer note 30)	-	145.49
	ii) Provision for employee severance indemnity (Refer note 30)	174.94	141.66
b)	Provision for others		
	Warranty provision (Refer note 13.01 below)	21.60	19.87
	Total	**196.54**	**307.02**

13A CURRENT PROVISIONS

₹ in million

	Particulars	As at 31st March, 2018	As at 31st March, 2017
a)	Provision for employee benefits		
	i) Provision for compensated absences (net)	95.02	115.70
	ii) Provision for gratuity (net) (Refer note 30)	57.19	63.84
	iii) Provision for employee separation cost	0.64	1.03
b)	Provision for others		
	Warranty provision (Refer note 13.01 below)	38.18	43.27
	Total	**191.03**	**223.84**

13.01 Details of warranty provision (Refer note 13 (b) and 13A (b)

₹ in million

Particulars	As at 31st March, 2018	As at 31st March, 2017
Carrying amount as at 1st April, 2017	63.14	54.68
Additional provision made during the year	49.04	30.64
Provision reversed during the year	(3.99)	-
Discounting/unwinding effect	(3.89)	5.05
Amount paid/utilised during the year	(44.52)	(27.23)
Carrying amount as at 31st March, 2018	59.78	63.14

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

Notes forming part of Consolidated Financial Statements (contd.)

14 CURRENT BORROWINGS

₹ in million

Particulars	As at 31st March, 2018	As at 31st March, 2017
Measured at amortised cost		
A. Secured Borrowings (Refer note 14.01 and 14.02)		
a) Loans:		
- From banks	230.00	39.69
b) Cash credit / working capital demand loans	0.37	650.00
Total Secured borrowings	230.37	689.69
B. Unsecured Borrowings (Refer note 14.02)		
a) From bank		
- Short term loan	640.96	846.58
- Cash credit / working capital demand loans	461.35	199.58
b) From others		
- Loan from public limited company	450.00	-
Total Unsecured borrowings	1,552.31	1,046.16
Total	**1,782.68**	**1,735.85**

14.01 Details of security provided in respect of current borrowings in holding company

Working capital facilities of ₹ 3,750.00 million (previous year ₹ 3,750.00 million) 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,

c) second pari passu charge (subject to first 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 2018 carries interest rate linked to LIBOR rates with mutually agreed spread (effective interest rate ranges between 0.00% p.a. to 2.34% 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 9.85% p.a.)

15 TRADE PAYABLES

₹ in million

Particulars	As at 31st March, 2018	As at 31st March, 2017
Trade payables for goods and services		
- Total outstanding dues of micro and small enterprises	767.23	454.06
- Total outstanding dues of other than micro and small enterprises (other than acceptances)	10,517.00	8,187.82
Total	**11,284.23**	**8,641.88**

16 OTHER CURRENT LIABILITIES

₹ in million

Particulars	As at 31st March, 2018	As at 31st March, 2017
a. Advances received from customers	328.41	459.77
b. Income received in advance	5.39	4.81
c. EPCG deferred payables	61.95	10.11
d. Statutory remittances (contribution to PF, ESIC, Withholding taxes, Goods and Service Tax Etc.)	575.79	409.02
Total	**971.54**	**883.71**

Notes forming part of Consolidated Financial Statements (contd.)

17 CURRENT TAX LIABILITIES (NET)

₹ in million

Particulars	As at 31st March, 2018	As at 31st March, 2017
Provision for tax (net)	37.10	294.95
Total	**37.10**	**294.95**

17A DEFERRED TAX ASSETS/(LIABILITIES)

₹ in million

Particulars	As at 31st March, 2018	As at 31st March, 2017
Deferred tax liabilities		
On account of temporary difference in		
Property, plant and equipment and intangible assets	(107.28)	-
Fair valuation of current investment	(20.20)	(12.03)
Warranty discounting	(1.36)	-
Gross deferred tax liabilities	(128.84)	(12.03)
Deferred tax assets		
On account of temporary difference in		
Property, plant and equipment and intangible assets	-	2.03
Provision for employee benefits	28.73	86.53
Provision for doubtful debts	0.45	3.01
Expenses disallowed	88.83	9.76
Unrealised exchange fluctuation on ECB	-	4.83
Warranty discounting	-	1.29
Others	113.40	86.35
Gross deferred tax assets	231.41	193.80
Net	**102.57**	**181.77**
Disclosed by adding up assets/liability of subsidiaries		
Deferred tax liabilities	17.32	7.75
Deferred tax assets	119.89	189.52

18 REVENUE FROM OPERATIONS

₹ in million

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Revenue from sale of goods	65,483.54	58,818.40
Revenue from rendering of services	58.75	58.08
Other operating revenue (refer note 18.01)	1,118.18	1,035.53
Total	**66,660.47**	**59,912.01**

Sale of goods includes excise duty collected from customers ₹ 1,279.12 million (Previous year ₹ 4,003.33 million). Revenue from operations for periods up to 30th June, 2017 includes excise duty. From 1st July, 2017 onwards excise duty have been replaced by Goods and Service Tax (GST). The Company collects GST on behalf of the Government. Hence, GST is not included in Revenue from operations. In view of the aforesaid change in indirect taxes, Revenue from sale of goods for the year ended 31st March, 2018 is not comparable with that of 31st March, 2017.

Note 18.01 Other operating revenue comprises

₹ in million

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Scrap sales	892.97	769.02
Wind power generation	13.78	11.39
Export incentives	101.09	85.14
Government incentives	110.34	169.98
Total	**1,118.18**	**1,035.53**

Notes forming part of Consolidated Financial Statements (contd.)

19 OTHER INCOME

₹ in million

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
a) Interest Income		
i) Bank deposits	5.89	1.25
ii) Income tax refund	2.59	-
iii) Others	4.09	5.25
b) Other non operating income		
i) Excess provision/creditors' balances written back	20.80	21.90
ii) Income from investments in mutual funds	26.41	19.26
iii) Miscellaneous income	86.95	201.40
iv) Profit on sale of property, plant and equipment (net)	32.58	24.67
c) Net gain on foreign currency transactions (other than considered as finance cost)	56.09	16.98
Total	**235.40**	**290.71**

20A COST OF MATERIALS CONSUMED

₹ in million

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Opening stock (including goods in transit)	800.49	873.04
Add: Purchases	38,864.70	32,545.76
	39,665.19	33,418.80
Less: Closing stock (including goods in transit)	1,020.32	800.49
Cost of materials consumed	**38,644.87**	**32,618.31**
Cost of materials capitalised	(108.60)	(46.76)
Total	**38,536.27**	**32,571.55**

20B PURCHASES OF STOCK-IN-TRADE (TRADED GOODS)

₹ in million

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Components and spares	90.93	98.09
Total	**90.93**	**98.09**

20C CHANGES IN STOCK OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

₹ in million

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Inventories at the end of the year:		
Finished goods	1,607.03	1,469.90
Work-in-progress	1,666.02	1,621.16
Stock-in-trade	17.89	18.61
	3,290.94	3,109.67
Inventories at the beginning of the year:		
Finished goods	1,469.90	1,305.56
Work-in-progress	1,621.16	1,379.09
Stock-in-trade	18.61	14.83
	3,109.67	2,699.48
Net (increase) / decrease	**(181.27)**	**(410.19)**

Notes forming part of Consolidated Financial Statements (contd.)

21 EMPLOYEE BENEFITS EXPENSE

₹ in million

Particulars		For the year ended 31st March, 2018	For the year ended 31st March, 2017
a)	Salary, wages and bonus	4,935.14	4,617.12
b)	Contribution to provident and other funds	189.99	204.06
c)	Staff welfare expenses	663.73	625.96
d)	Expenses towards voluntary separation scheme	20.47	30.01
	Less : Expenses capitalised	-	(22.00)
	Total	**5,809.33**	**5,455.15**

22 FINANCE COSTS

₹ in million

Particulars		For the year ended 31st March, 2018	For the year ended 31st March, 2017
a)	Interest expenses on		
	i) Fixed period term loans	114.15	120.20
	ii) Others	58.59	115.17
b)	Other borrowing cost		
	i) Discounting charges on commercial paper	42.55	53.27
	ii) Bank charges	7.15	6.91
c)	Exchange difference regarded as an adjustment to borrowing cost	12.79	26.94
	Total	**235.23**	**322.49**

23 OTHER EXPENSES

₹ in million

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Stores and spares consumed	1,362.41	1,191.23
Packing material consumed	534.24	450.31
Tools and instruments consumed	183.40	180.77
Processing charges	2,345.26	2,107.69
Labour charges	1,234.54	1,046.25
Power, water and fuel	2,432.28	2,231.31
Rent	211.51	176.15
Repairs and maintenance:		
Plant and machinery	1,187.63	1,100.37
Building	52.09	55.64
General	207.92	169.65
Insurance	102.70	90.87
Rates and taxes	25.27	24.83
Travelling and conveyance	288.45	278.59
Freight	767.33	569.73
Advertisement	14.84	10.74
Donation	1.20	-
Payment to auditors (refer note 23.01)	15.22	18.29
Directors fees and travelling expenses	35.14	31.80
Allowance for doubtful debts	(0.79)	5.68
Bad debts written off	8.05	2.20
Warranty claims	134.17	165.32
Increase/(decrease) in excise duty on finished goods	(26.26)	5.39
Expenditure on corporate social responsibility	56.10	18.30
Miscellaneous expenses	763.83	753.53
Total	**11,936.53**	**10,684.65**
Less : Expenses capitalised	(88.28)	(73.86)
Total	**11,848.25**	**10,610.79**

Notes forming part of Consolidated Financial Statements (contd.)

23.01 PAYMENT TO AUDITORS

₹ in million

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
As Auditors		
Audit fees	11.54	12.74
Audit of Internal Controls over Financial Reporting	-	0.50
Limited Review	3.00	1.40
In other Capacity		
Audit fees in relation to IPO	-	21.70
Other Services (certification fees)	0.30	3.16
Expenses reimbursed	0.38	0.49
Reimbursement of expenses in relation to IPO	-	0.46
Less : Reimbursed by selling shareholders	-	(22.16)
Total	**15.22**	**18.29**

24 TAXES

(a) Income tax expenses

The major component of income tax expenses for the year ended 31st March, 2018 and 31st March, 2017 are :

(i) Statement of Profit and Loss Section

₹ in million

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
(a) Current Tax expenses [Short/(Excess) provision for tax relating to prior period ₹ (74.74) million for the year ended 31st March, 2018 and ₹ (17.81) million for the year ended 31st March, 2017]	1,790.57	1,337.17
(b) Deferred tax	95.24	6.18
Total	**1,885.81**	**1,343.35**

(ii) Other Comprehensive Income (OCI) Section

₹ in million

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
a) Net gain / (loss) on remeasurement of defined benefit plans	(4.00)	(26.45)
Income tax charged to OCI on remeasurement of defined benefit plan	1.21	9.44

(iii) Reconciliation of effective tax rate

₹ in million

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
(a) Accounting profit before income tax	5,793.38	4,646.45
(b) Enacted tax rate in India	34.61%	34.61%
(c) Computed tax expense	2,004.97	1,608.04
(d) Reconciliation items		
R&D expenses - Revenue	(143.52)	(255.38)
R&D expenses - Capital	(21.95)	(110.77)
Investment Allowance	28.06	(251.69)
Deduction under 80-IC (2)	-	(200.25)
Expenses disallowances	297.23	245.35
CSR expenditure	28.65	9.15
Others	77.77	0.72

Notes forming part of Consolidated Financial Statements (contd.)

₹ in million

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
(e) Lease written off	18.77	18.66
(f) Net Adjustment	**285.01**	**(544.21)**
(g) Tax expenses/ (saving) on net adjustment (f*b)	98.64	(188.34)
(h) Difference in overseas tax rates	(143.06)	(58.54)
(i) Current tax expenses recognised in Statement of Profit and Loss (c+g+h)	**1,960.55**	**1,361.16**
(j) Excess provision for tax relating to prior year	(74.74)	(17.81)
(k) Net current tax expenses recognised in Statement of Profit and Loss (i+j)	**1,885.81**	**1,343.35**

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. Majority of such capital loss will expire between March 2019 to March 2022.

₹ in million

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
(a) Long term capital loss	219.84	361.45
(b) Short term capital loss	66.16	69.83
	286.00	**431.28**

25 DISCLOSURE OF GOODWILL

₹ in million

Particulars	As at 31st March, 2018	As at 31st March, 2017
Opening balance	1,354.83	1,469.25
Add: Impact of foreign currency translation	222.40	(114.42)
Closing balance	**1,577.23**	**1,354.83**

26 INVESTMENTS IN OVERSEAS COMPANIES

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, 2018 amounts to Euro 30.93 million (₹ 1,930.62 million) [previous year Euro 30.94 million (₹ 1,930.74 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 S.r.l, Italy (EOSrl)

The total investment of the Company in EOSrl as at 31st March, 2018 amounts to Euro 25.83 million (₹ 1,706.99 million) [previous year Euro 25.82 million (₹ 1,706.22 million)].

Notes forming part of Consolidated Financial Statements (contd.)

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 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.

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, 2018	For the year ended 31st March, 2017
Revenue from external customers		
India	45,478.32	41,110.72
Outside India	21,182.15	18,801.29
Total	**66,660.47**	**59,912.01**

Non current Assets

₹ in million

Particulars	As at 31st March, 2018	As at 31st March, 2017
India	12,028.89	10,453.57
Outside India	9,689.61	8,375.67
Total	**21,718.50**	**18,829.24**

28 CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR)

₹ in million

Particulars	As at 31st March, 2018	As at 31st March, 2017
a) Outstanding letters of credit	460.78	430.45
b) Guarantees given by the Company's bankers	236.01	295.44
c) Standby letter of credit given by the Company's bankers	2.67	2.67
d) Disputed excise demands#	73.46	48.12
e) Service tax matters#	2.82	15.14
f) Sales tax matters#	5.83	14.83
g) Income tax matters#	142.42	143.15
h) Employee related disputes #	12.73	25.07
i) Environment pollution control matters**	20.85	26.57
j) Other tax matters#	7.10	31.18

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.

** 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. During the current year, MPCB has 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.

Notes forming part of Consolidated Financial Statements (contd.)

29 COMMITMENTS

₹ in million

Particulars	As at 31st March, 2018	As at 31st March, 2017
a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
- Tangible assets	2,186.10	855.70
b) Other commitments		
- Aluminium alloy	1,748.82	897.87
Total	**3,934.92**	**1,753.57**

30 In conformity with the principles set out in the Ind AS - 19 Employee Benefits, liability for employee benefits needs to be determined by an actuary appointed for the purpose, the disclosures are given below:

a) Defined contribution plan:

₹ in million

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Employers contribution to provident fund/pension fund	112.13	107.07
Employers contribution to superannuation fund	12.16	10.50
Employers contribution to ESIC	11.00	5.36
Total	**135.29**	**122.93**

Note : Above contributions are included in the contribution to provident and other funds reported in note 21 of employee benefits expense.

b) Defined benefit plan:

The defined benefit plan comprises of gratuity (included in contribution to provident and other funds in note 21 of employee benefits expense). 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, which recognizes each period of service as giving rise to additional unit of employee benefit. The obligations are measured at the present value of the estimated future cash flows. The present value of accrued gratuity is provided in the books of account 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, 2018		As at 31st March, 2017	
	Foreign Employees Severance Indemnity	Domestic Gratuity	Foreign Employees Severance Indemnity	Domestic Gratuity
Liability at the beginning of the year	141.66	408.77	149.30	297.23
Interest cost	1.12	26.88	1.62	22.30
Past service cost	-	-	-	36.89
Current service cost	16.23	42.19	14.33	33.40
Benefit paid*	(10.70)	* (49.54)	(10.89)	* (7.81)
Remeasurement (gain) / loss on obligations	2.71	4.52	(0.82)	26.76
Exchange variation	23.92	-	(11.88)	-
Liability at the end of the year	174.94	432.82	141.66	408.77

*Includes amount 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, 2018 Domestic	As at 31st March, 2017 Domestic
Fair value of plan assets at the beginning of the year	199.44	125.97
Interest income	15.66	11.99
Contributions	198.95	69.80
Benefits paid	(41.65)	(7.81)
Return on plan assets - gain / (loss)	3.23	(0.51)
Fair value of plan assets at the end of the year	375.63	199.44
Actual return on plan assets	18.89	11.48

f) Amount to be recognised in balance sheet:

₹ in million

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Foreign	Domestic	Foreign	Domestic
	Employees Severance Indemnity	Gratuity	Employees Severance Indemnity	Gratuity
Liability at the end of the year	174.94	432.82	141.66	408.77
Fair value of plan assets at the end of the year	-	375.63	-	199.44
Amount to be recognised in the balance sheet	174.94	57.19	141.66	209.33

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, 2018		For the year ended 31st March, 2017	
	Foreign	Domestic	Foreign	Domestic
Current service cost	16.23	42.19	14.33	33.40
Past service cost	-	-	-	36.89
Interest cost	1.12	11.22	0.80	10.30
Expenses recognised in Statement of Profit and Loss	17.35	53.41	15.13	80.59

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, 2018		For the year ended 31st March, 2017	
	Foreign	Domestic	Foreign	Domestic
Experience (gain)/ loss on plan liabilities	2.71	19.18	(0.82)	10.42
Financial (gain)/ loss on plan liabilities	-	(14.66)	-	16.33
Experience (gain)/ loss on plan assets	-	(4.57)	-	(0.90)
Financial (gain)/ loss on plan assets	-	1.34	-	1.42

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, 2018		For the year ended 31st March, 2017	
	Foreign	Domestic	Foreign	Domestic
Opening amount recognised in OCI	(0.82)	27.27	-	-
Remeasurement for the year - obligation (gain)/ loss	2.71	4.52	(0.82)	26.76
Remeasurement for the year - plan assets (gain)/ loss	-	(3.23)	-	0.51
Total remeasurements cost / (credit) for the year recognised in OCI	2.71	1.29	(0.82)	27.27
Closing amount recognised in OCI	1.89	28.56	(0.82)	27.27

k) Principal actuarial assumptions:

₹ in million

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Foreign	Domestic	Foreign	Domestic
	Employees Severance Indemnity	Gratuity	Employees Severance Indemnity	Gratuity
Discount rate	1.14%	7.50%	1.10%	7.00%
Rate of return on plan assets	-	7.00%	-	7.60%
Salary escalation	1.00%	6.00%	1.00%	6.00%
Withdrawal rate	-	8.00%	-	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, 2018

₹ in million

Years ending	As at 31st March, 2018
31st March, 2019	67.40
31st March, 2020	46.93
31st March, 2021	47.85
31st March, 2022	50.71
31st March, 2023	57.85
31st March, 2024 to 2028	385.72

(v) Weighted Average duration of defined benefit obligation in form of gratuity: 10.56 years

(vi) Sensitivity anlaysis:

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, 2018 is as shown below:

₹ in million

A. Effect of 1 % change in the assumed discount rate	1% Increase		1% Decrease	
	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017
1. Defined Benefit Obligation (Domestic)	405.96	382.17	463.06	438.80

B. Effect of 1 % change in the assumed salary escalation rate	1% Increase		1% Decrease	
	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017
1. Defined Benefit Obligation (Domestic)	459.15	434.89	408.95	385.14

C. Effect of 1 % change in the assumed withdrawal rate	1% Increase		1% Decrease	
	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017
1. Defined Benefit Obligation (Domestic)	434.86	409.89	430.54	407.46
2. Defined Benefit Obligation (Foreign)	173.95	138.69	176.08	140.42

D. Effect of 0.25 % change in the assumed discount rate	0.25% Increase		0.25% Decrease	
	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017
1. Defined Benefit Obligation (Foreign)	171.14	136.43	178.89	142.70

E. Effect of 0.25 % change in the assumed salary escalation rate	0.25% Increase		0.25% Decrease	
	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017
1. Defined Benefit Obligation (Foreign)	177.72	141.70	172.24	137.36

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	
	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017
FINANCIAL ASSETS				
Financial assets measured at amortised cost				
(a) Security deposits	63.20	53.61	63.20	53.61
(b) Other non current investments	10.10	10.09	10.10	10.09
(c) Trade receivables	9,688.17	7,608.70	9,688.17	7,608.70
(d) Loans to employees	13.02	16.22	13.02	16.22
(e) Interest accrued on deposits	0.09	0.18	0.09	0.18
(f) Receivables for sale of property, plant and equipment	2.57	7.66	2.57	7.66
(g) Cash on hand	1.05	1.25	1.05	1.25
(h) Cheques on hand	0.84	-	0.84	-
(i) Balance with banks in current account	5,023.72	2,194.56	5,023.72	2,194.56
(j) Balance held as margin money against borrowings	1.56	3.53	1.56	3.53
(k) Government incentives receivable	1.01	31.06	1.01	31.06
(l) Other current financial assets	8.30	6.98	8.30	6.98

Notes forming part of Consolidated Financial Statements (contd.)

₹ in million

Particulars	Carrying amount		Fair Value	
	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017
Financial assets measured at fair value through Statement of Profit and Loss				
(a) Current investments	449.13	316.37	449.13	316.37
(b) Non current investments quoted	0.04	0.06	0.04	0.06
(c) Foreign currency derrivative assets	3.83	13.78	3.83	13.78
FINANCIAL LIABILITIES				
Financial liabilities measured at amortised cost				
(a) Non current borrowings	3,803.26	3,422.27	3,803.26	3,422.27
(b) Current borrowings	1,782.68	1,735.85	1,782.68	1,735.85
(c) Security deposits received from dealers	25.26	19.67	25.26	19.67
(d) Retention money	5.56	0.38	5.56	0.38
(e) Current maturities of long-term debt	2,064.00	1,635.40	2,064.00	1,635.40
(f) Current maturities of long-term finance lease obligation	490.86	146.28	490.86	146.28
(g) Interest accrued but not due on borrowings	2.68	0.82	2.68	0.82
(h) Interest accrued and due on borrowings	3.24	1.20	3.24	1.20
(i) Deferred government grants	90.99	52.46	90.99	52.46
(j) Payables on purchase of property, plant and equipment	706.45	417.27	706.45	417.27
(k) Trade payables	11,284.23	8,641.88	11,284.23	8,641.88
(l) Unpaid equity dividend	0.05	-	0.05	-
Financial liabilities measured at fair value through Statement of Profit and Loss				
(a) Foreign currency derivative liabilities	11.49	28.28	11.49	28.28

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 Company determines fair values of financial assets and financial liabilities by discounting the contractual cash inflows/ outflows using prevailing interest rates of financial 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 / unquoted net assets value from the fund. Further, the subsequent measurement of all financial assets and liabilities (other than investment in mutual funds) 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.

Notes forming part of Consolidated Financial Statements (contd.)

(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, 2018 and 31st March, 2017 :

₹ in million

Particulars	Level 1	Level 2	Level 3
31st March, 2018			
Investment in mutual funds	449.13	-	-
Equity	0.04	-	10.00
31st March, 2017			
Investment in mutual funds	316.37	-	-
Equity	0.06	-	10.00

During the year ended 31st March, 2018, there were no transfers between Level 1 and Level 2 fair value measurement and no transfer into and out of Level 3 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.

Debt-to-equity ratio is as follows:

₹ in million

Particulars	31st March, 2018	31st March, 2017
Net Debt* (A)	2,666.11	4,427.62
Equity (B)	21,728.53	17,293.34
Debt Ratio (A / B)	0.12 : 1	0.26 : 1

* Net debt includes non current borrowing, current borrowing, current maturities of non current borrowing net off current investment and cash and cash equivalent.

Notes forming part of Consolidated Financial Statements (contd.)

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. We are exposed to credit risk from our operating activities, primarily from trade receivables. We typically have credit terms of 30 to 60 days with our customers in India and of 30 to 120 days with our customers in Europe. Most of our largest customers have high credit ratings, which helps to mitigate credit risk.

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 customers in Europe. 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.

The movement in the expected credit loss allowance is as given below:

₹ in million

Particulars	As at 31st March, 2018	As at 31st March, 2017
Balance at the beginning of the year	32.93	29.25
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	3.64	3.68
Balance at the end of the year	36.57	32.93

The Group's exposure to customers is diversified and some customers contribute more than 10% of outstanding accounts receivable which forms 66% of total receivables as of 31st March, 2018 (62% 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.

Notes forming part of Consolidated Financial Statements (contd.)

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, 2018		31st March, 2017	
	Less than 1 Year	1-5 Years	Less than 1 Year	1-5 Years
Non-derivative financial assets				
Trade receivables	9,688.17	-	7,608.70	-
Total	**9,688.17**	**-**	**7,608.70**	**-**

Investments and other financial assets

Investments consist mainly of investments in mutual funds and fixed deposits. Other financial assets consist of loans to employees 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.

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, 2018		31st March, 2017	
	Less than 1 Year	1-5 Years	Less than 1 Year	1-5 Years
Non-derivative financial liabilities				
Trade payables	11,284.23	-	8,641.88	-
Other financial liabilities	738.47	95.76	430.83	60.97
Working capital demand loans / term loans / finance lease	4,337.54	3,803.26	3,517.53	3,422.27
Total	**16,360.24**	**3,899.02**	**12,590.24**	**3,483.24**

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.

Notes forming part of Consolidated Financial Statements (contd.)

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, 2018	INR	+100	(49.68)	Debt obligation	5,186.30
	INR	-100	42.13	Debt obligation	5,186.30
31st March, 2017	INR	+100	(45.30)	Debt obligation	4,337.09
	INR	-100	42.77	Debt obligation	4,337.09

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 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.

a) Details of Forward Exchange Contract, Currency swaps, Currency options :

₹ in million

Particulars	Currency	As at 31st March, 2018		As at 31st March, 2017	
		Foreign Currency Notional Amount	Rupees	Foreign Currency Notional Amount	Rupees
Forward contract - USD - INR	USD	5.01	326.16	7.27	471.54
No. of Contracts		28		43	
Forward contract - JPY -INR	JPY	-	-	188.00	108.96
No. of Contracts		-		2	
Forward contract - EURO - INR	EURO	1.16	93.72	0.71	48.83
No. of Contracts		14		12	
Fixed currency swap USD - INR	USD	0.56	36.69	2.82	182.85
No. of Contracts		1		1	
Coupon only swap USD - INR	USD	0.38	24.39	2.63	170.20
No. of Contracts		2		3	
Interest rate swaps	EURO	17.20	1,386.70	12.03	832.96
No. of Contracts		4		5	
Interest rate CAP	EURO	5.80	467.39	5.04	349.35
No. of Contracts		5		3	

b) Foreign currency exposures that are not hedged by derivative instruments

₹ in million

Particulars	Currency	As at 31st March, 2018		As at 31st March, 2017	
		Foreign Currency Notional Amount	Rupees	Foreign Currency Notional Amount	Rupees
IA. Term loans /PCFC/ECB	USD	7.62	495.35	6.86	444.90
	EURO	-	-	0.05	3.36
			495.35		**448.26**
IB. Interest on term loans	USD	0.01	0.50	0.01	0.52
			0.50		**0.52**

Notes forming part of Consolidated Financial Statements (contd.)

₹ in million

Particulars	Currency	As at 31st March, 2018		As at 31st March, 2017	
		Foreign Currency Notional Amount	Rupees	Foreign Currency Notional Amount	Rupees
II. Trade receivables	USD	2.17	140.84	1.69	109.78
	EURO	0.91	73.03	0.31	21.20
			213.87		**130.98**
III. Trade payables	USD	0.52	33.71	0.22	14.18
	CHF	0.03	2.14	-	-
	EURO	0.49	39.46	0.23	16.23
	GBP	0.00	0.23	-	-
	JPY	4.38	2.69	3.84	2.23
	CNY	0.03	0.28	-	-
			78.51		**32.64**
Total	USD	5.98	388.72	5.40	349.82
	EURO	(0.42)	(33.57)	(0.03)	(1.61)
	GBP	0.00	0.23	-	-
	JPY	4.38	2.69	3.84	2.23
	CHF	0.03	2.14	-	-
	CNY	0.03	0.28	-	-

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.

₹ in million

For the year ended	Currency	Change in rate	Effect on pre-tax equity
31st March, 2018	USD	+10%	(38.87)
	USD	-10%	38.87
	EURO	+10%	3.36
	EURO	-10%	(3.36)
	GBP	+10%	(0.02)
	GBP	-10%	0.02
	JPY	+10%	(0.27)
	JPY	-10%	0.27
	CHF	+10%	(0.21)
	CHF	-10%	0.21
	CNY	+10%	(0.03)
	CNY	-10%	0.03
31st March, 2017	USD	+10%	(34.98)
	USD	-10%	34.98
	EURO	+10%	0.16
	EURO	-10%	(0.16)
	JPY	+10%	(0.22)
	JPY	-10%	0.22

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, 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.

Notes forming part of Consolidated Financial Statements (contd.)

33 EARNINGS PER SHARE (EPS)

Particulars		Shares in Nos	
		For the year ended 31st March, 2018	For the year ended 31st March, 2017
a)	Earnings for the purpose of basic / diluted earnings per share - Net profit after tax (₹ in million)	3,907.57	3,303.10
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	27.78	23.48

34 (A) DISCLOSURE IN RESPECT OF OPERATING LEASE

a) Assets taken on lease

₹ in million

(i) The total of present value for a period:	As at 31st March, 2018	As at 31st March, 2017
- Not later than 1 year	75.92	50.24
- Later than 1 year and not later than 5 year	114.65	94.07
- Later than 5 years	0.60	-

₹ in million

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Amount charged to the statement of profit and loss for operating lease	118.74	98.23

(B) DISCLOSURE IN RESPECT OF FINANCE LEASES

a) Assets taken on lease

₹ in million

(i) Total of minimum lease payments for a period:	As at 31st March, 2018	As at 31st March, 2017
- Not later than 1 year	510.01	179.39
- Later than 1 year and not later than 5 years	317.73	555.34
- Later than 5 years	0.87	267.70

₹ in million

(ii) Total of present value	As at 31st March, 2018	As at 31st March, 2017
- Not later than 1 year	490.86	146.28
- Later than 1 year and not later than 5 years	290.98	455.94
- Later than 5 years	1.57	234.04

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 m² including a production facility, warehouse and administration building to Alyssum Grundstücksverwaltungsgesellschaft GmbH & Co. Vermietungs-KG, Wiesbaden, (sale and leaseback).

Notes forming part of Consolidated Financial Statements (contd.)

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.

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.

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

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 INDUSTRIAL PROMOTION SUBSIDY

As per Eligibility Certificate (EC) dated 17th October, 2014 the Company is eligible for Industrial Promotion Subsidy of ₹ 191 million in connection with 6 plants at Waluj, Aurangabad. Also Company has received EC dated 23rd June, 2015 of ₹ 47.10 million for IPS under the Package Scheme of Incentives 2007 ('the Scheme') in connection with the Plant at K 226/1 & K 227 at Waluj.

In terms of the Scheme and based on the EC received, during the current year the Company received sanction letter from Directorate of Industries and accrued income of ₹ 1.01 million (previous year ₹ 31.06 million).

38 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 will be receivable in the form of tax credits in 3 yearly installments starting from September, 2017. This grant will be 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 EUR 0.17 million (₹ 12.57 million) against above referred grant. Further, grant of EUR 0.43 million (₹ 32.78 million) is recognised in the form of tax credits on incremental R&D expenditure and EUR 0.14 million (₹ 10.77 million) is recognised for solar power utilization and surplus energy produced.

39 EPCG BENEFIT

During the year the Company has imported plant and equipment under EPCG scheme thereby saving total customs duty payment of ₹ 100.35 million (previous year ₹ 120.51 million). The export obligation under the scheme against this saving comes to ₹ 602.10 million (previous year ₹ 713.89 million). Balance export obligation yet to be fulfilled as on 31st March, 2018 is ₹ 371.69 million (previous year ₹ 51.46 million).

In accordance with Ind AS 20, the duty saved is capitalised and ₹ 48.51 million (previous year ₹ 110.40 million) is recognised as incentive received, included in other operating revenue, on account of proportionate fulfilment of the export obligation.

Notes forming part of Consolidated Financial Statements (contd.)

40 The figures for the previous year ended 31st March, 2017 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 financials
Assets:				
(i) Other non-current financial assets	(a)	53.61	13.78	67.39
(ii) Loans	(b)	-	16.22	16.22
(iii) Other current financial assets	(b), (c)	26.33	19.55	45.88
(iv) Other current assets	(c)	1,427.06	(35.77)	1,391.29
			13.78	
Liabilities:				
(i) Other non-current financial liabilities	(a)	60.97	2.50	63.47
(iii) Other current financial liabilities	(a)	2,227.01	11.28	2,238.29
			13.78	

(a) Foreign currency derivative liability included in other current financial liabilities has been regrouped to disclose derivative assets and liabilities separately in current year. Accordingly, these have been disclosed in other non current and current financial assets and financial liabilities.

(b) Loans to employees has been regrouped from other current financial assets and separately disclosed as loans.

(c) Government incentives receivable ₹ 31.06 million, insurance claim receivable ₹ 3.02 million and duty drawback receivable ₹ 1.69 million have been regrouped to other current financial assets from other current assets.

₹ in million

Particulars	Reference	As per previous year financials	Change	As per current year financials
Income:				
(i) Revenue from operations	(a)	59,742.03	169.98	59,912.01
(ii) Other income	(a)	480.89	(190.18)	290.71
			(20.20)	
Expenses:				
(i) Material consumed	(a)	32,591.75	(20.20)	32,571.55
			(20.20)	

(a) Government incentives received and cash discount have been regrouped from other income to other operating income and material consumed respectively.

41 On 15th May, 2018, the Board of Directors of the Company proposed a final dividend of ₹ 4 per share of face value ₹ 10 each in respect of the year ended 31st March, 2018. The dividend payout is subject to approval of shareholders at the Annual General Meeting.

Dividend paid during the year ended 31st March, 2018 is an amount of ₹ 2.50 per equity share of face value ₹ 10 each, towards final dividend for the year ended 31st March, 2017.

Notes forming part of Consolidated Financial Statements (contd.)

42 DISCLOSURE OF ADDITIONAL INFORMATION AS REQUIRED BY THE SCHEDULE III :

a) As at and for the year ended 31st March, 2018 :

₹ 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 profit or loss	Amount	As a % of consolidated profit or loss	Amount
Holding company								
Endurance Technologies Limited	82.48%	17,922.58	69.51%	2,716.03	-0.09%	(0.84)	55.89%	2,715.19
Foreign subsidiaries								
Endurance Amann GmbH	12.24%	2,659.31	7.79%	304.51	-1.51%	(14.37)	5.97%	290.14
Endurance Overseas Srl	22.64%	4,919.73	22.76%	889.47	5.78%	54.93	19.44%	944.40
Eliminations	-17.36%	(3,773.09)	-0.06%	(2.44)	95.82%	911.15	18.70%	908.71
Total	**100.00%**	**21,728.53**	**100.00%**	**3,907.57**	**100.00%**	**950.87**	**100.00%**	**4,858.44**

b) As at and for the year ended 31st March, 2017 :

₹ 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 profit or loss	Amount	As a % of consolidated profit or loss	Amount
Holding company								
Endurance Technologies Limited	90.39%	15,630.64	67.06%	2,214.97	4.01%	(17.83)	76.86%	2,197.14
Foreign subsidiaries								
Endurance Amann GmbH	11.59%	2,004.51	10.45%	345.25	7.95%	(35.34)	10.84%	309.91
Endurance Overseas Srl	19.72%	3,410.68	21.02%	694.26	14.51%	(64.45)	22.03%	629.81
Eliminations	-21.70%	(3,752.49)	1.47%	48.62	73.53%	(326.75)	-9.73%	(278.13)
Total	**100.00%**	**17,293.34**	**100.00%**	**3,303.10**	**100.00%**	**(444.37)**	**100.00%**	**2,858.73**

43 As a part of consolidation of operations in Pune region, the operations at Company's plant located at Takve, Taluka Vadgaon Maval, Dist. Pune have been discontinued effective from 1st January, 2018 and the manufacturing activities have been consolidated with other plants in Pune region. During the year ended 31st March, 2018, the Company has incurred ₹ 268.78 million towards Voluntary Separation Scheme for eligible workmen, which has been disclosed as an exceptional item in the Consolidated Statement of Profit and Loss.

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: 15th May, 2018
Place: Mumbai

For and on behalf of the Board of Directors

Naresh Chandra
Chairman
(DIN:00027696)

Anurang Jain
Managing Director
(DIN:00291662)

Partho S Datta
Director
(DIN:00040345)

Satrajit Ray
Director & Group CFO
(DIN:00191467)

Sunil Lalai
Company Secretary &
Vice President–Legal
(Membership No : A8078)

Date: 15th May, 2018
Place: Mumbai

Related Party Disclosure

(For the year ended 31st March, 2018)

(Refer Note 36)

a) List of Related Parties and nature of relationships

S.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 (w.e.f. 10th June, 2016)
		Mrs. Falguni Nayar, Independent Director (w.e.f. 10th June, 2016)
		Mr. Asanka Rodrigo, Nominee Director (upto 19th October, 2016)
		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 Pvt. Ltd.
		Varroc Elastomers Pvt. Ltd. (upto 31st March, 2017)

^^ Mr. Massimo Venuti was a director upto 9th June, 2016 and was reappointed as an additional director w.e.f. 2nd December, 2016.

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	-	-	91.56	91.56
	-	-	(188.82)	(188.82)
Purchase of property, plant and equipment	-	-	-	-
	-	(0.07)	-	(0.07)
Purchase of services	-	-	-	-
	-	-	(0.71)	(0.71)
Sale of products	-	-	-	-
	-	-	(1.06)	(1.06)
Remuneration - short term employee benefits	201.98	8.00	-	209.98
	(183.14)	(6.38)	-	(189.52)
Post employment and other long term benefits*	196.51	-	-	196.51
	(120.83)	-	-	(120.83)
Directors' sitting fees	2.12	-	-	2.12
	(0.84)	-	-	(0.84)
Directors' commission	10.75	-	-	10.75
	(15.23)	-	-	(15.23)
Professional fees	2.11	-	-	2.11
	(1.72)	-	-	(1.72)
Reimbursement of travelling and other expenses	0.59	-	-	0.59
	(0.83)	(0.10)	-	(0.93)
Dividend paid	^ 247.90	# 42.23	-	290.13
	(39.17)	(6.33)	-	(45.50)
Reimbursement received related to IPO expenses	-	-	-	-
	(80.91)	-	-	(80.91)

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
Expenses recovered	-	-	-	-
	-	-	(0.01)	(0.01)
Other income	-	-	0.02	0.02
	-	-	(0.19)	(0.19)
Balances Outstanding as at the end of the year				
i) Payables	12.22	-	8.02	20.24
	(11.95)	(0.15)	(15.08)	(27.18)
ii) Travel advance	0.25	-	-	0.25
	-	-	-	-
iii) Receivables	-	-	-	-
	-	-	(1.06)	(1.06)
iv) Security deposit receivable	2.30	-	-	2.30
	(1.97)	-	-	(1.97)

* 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, 2018 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 ₹ 70.75 million (₹ 10.61 million) dividend received by Mr. Anurang Jain in his capacity as family trustee of Anurang Rohan Trust.

^ Includes ₹ 42.28 million (₹ 6.34 million) dividend received by Mr. Naresh Chandra in his capacity as family trustee of Anurang Rhea Trust.

Includes ₹ 42.23 million (₹ 6.33 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 Pvt. Ltd.	Varroc Elastomers Pvt. Ltd.	Total
Purchase of raw material and components	91.56	-	91.56
	(64.70)	(124.12)	(188.82)
Purchase of services	-	-	-
	-	(0.71)	(0.71)
Sale of products	-	-	-
	-	(1.06)	(1.06)
Expenses Recovered	-	-	-
	-	(0.01)	(0.01)
Other Income	0.02	-	0.02
	-	(0.19)	(0.19)
Balances Outstanding as at the end of the year			
i) Payables	8.02	-	8.02
	(3.47)	(11.61)	(15.08)
ii) Receivables	-	-	-
	-	(1.06)	(1.06)

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 the 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	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of share holding
1.	Endurance Overseas SrL, Italy	31st March, 2018	1 EURO: ₹ 80.6222 (for balance sheet items); 1 EURO: ₹ 75.4148 (for P&L items)	1,298.44	983.60	6,264.39	3,982.34	2,906.78	750.08	338.37	73.42	264.95	-	100 (#)
2.	Endurance Fondalmec SpA, Italy*	31st March, 2018	1 EURO: ₹ 80.6222 (for balance sheet items); 1 EURO: ₹ 75.4148 (for P&L items)	217.68	2,321.15	8,817.41	6,278.58	0.01	11,400.59	617.55	141.01	476.54	-	100.00
3.	Endurance FOA SpA, Italy*	31st March, 2018	1 EURO: ₹ 80.6222 (for balance sheet items); 1 EURO: ₹ 75.4148 (for P&L items)	30.81	1,271.91	4,143.91	2,841.18	0.01	5,645.54	542.09	188.82	353.27	-	100.00
4.	Endurance Engineering SrL, Italy*	31st March, 2018	1 EURO: ₹ 80.6222 (for balance sheet items); 1 EURO: ₹ 75.4148 (for P&L items)	8.06	333.86	849.69	507.77	0.04	1,314.26	122.66	49.57	73.08	-	100.00
5.	Endurance Amann GmbH, Germany	31st March, 2018	1 EURO: ₹ 80.6222 (for balance sheet items); 1 EURO: ₹ 75.4148 (for P&L items)	245.90	2,390.80	4,355.21	1,718.51	372.15	3,839.10	416.16	105.82	310.33	-	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 ₹ 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
(DIN:00027696)

Anurang Jain
Managing Director
(DIN:00291662)

Partho S Datta
Director
(DIN:00040345)

Satrajit Ray
Director & Group CFO
(DIN:00191467)

Sunil Lalai
Company Secretary &
Vice President–Legal

Date: 15th May, 2018
Place: Mumbai

Notes

ENDURANCE
Complete Solutions

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