ENDURANCE TECHNOLOGIES LIMITED

ENDURANCE
Complete Solutions

Reaping the benefits of TechKnowlogy

ANNUAL REPORT - 2018-19

Contents

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

Forward-Looking Statement

The Annual Report may contain, without limitation, certain statements that include words such as "believes", "expects", "anticipates" and words of similar connotation, which would constitute forward-looking statements. Forward-looking statements are not guarantees of future performance and involve risks and uncertainties that may cause actual performance or results to be materially different from those anticipated in these forward-looking statements. The Company is under no obligation to update any forward-looking statements contained herein should material facts change due to new information, future events or otherwise.

Reaping the benefits of TechKnowlogy

Technology has touched every aspect of life, making it easier, better and different. Technology is equally important in the automotive industry to deliver the most advanced parts and vehicles. The industry is undergoing a profound technology-driven transformation.

At Endurance, our technology capabilities in product design and development as well as production processes gives us a significant advantage in attaining competitiveness and increasing value addition. For us, technology is not limited to shop-floor; it is an all-pervasive approach that impacts the value we create as we supply high-performance products and create an innovation-led strategic product pipeline. Our technology prowess has been recognised by all major OEMs operating in India and overseas for all our product verticals.

Our cognitive capabilities in technology help us in creating new products, strengthening R&D and increasing the customer base. Our domain expertise benefits us with shorter lead time in manufacturing and operational efficiencies and economies of scale.

We use Technology in:

1 New Product Development

2 Understanding Materials

3 Deploying the Right Machinery

4 Processes

5 Quality

6 Post Sales Service

Understanding Endurance Technologies

We are a large-scale, multi-product and advanced auto component manufacturer, driven by new products and technology. We are India's largest aluminium die casting manufacturer. We are an end-to-end solutions provider offering Aluminium Die Casting, Suspension, Transmission and Braking Systems auto components.

The Chosen Path

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

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

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

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

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

No. 1

Aluminium Die Casting Company in India

Tier 1

Supplier to Major OEMs

09

Patents Granted

07

Designs Registered

25

Manufacturing Plants Globally

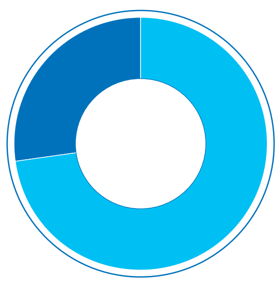
(16 in India, 6 in Italy, 3 in Germany)

Who are We

- A dominant value player in India's 2-wheeler and 3-wheeler auto component industry
- A supplier of aluminium die castings and proprietary products for major 2-wheeler and 3-wheeler manufacturers
- A Tier-1 supplier to major 4-wheeler OEMs in India and Europe
- The largest aluminium die-casting company in India in terms of capacity and output

Our Revenue Profile

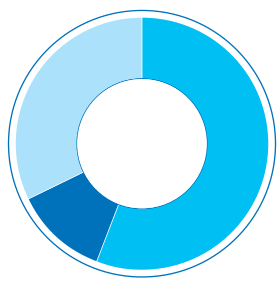
Revenue by Geography



India **72%**

Europe **28%**

Revenue by Vehicle Type



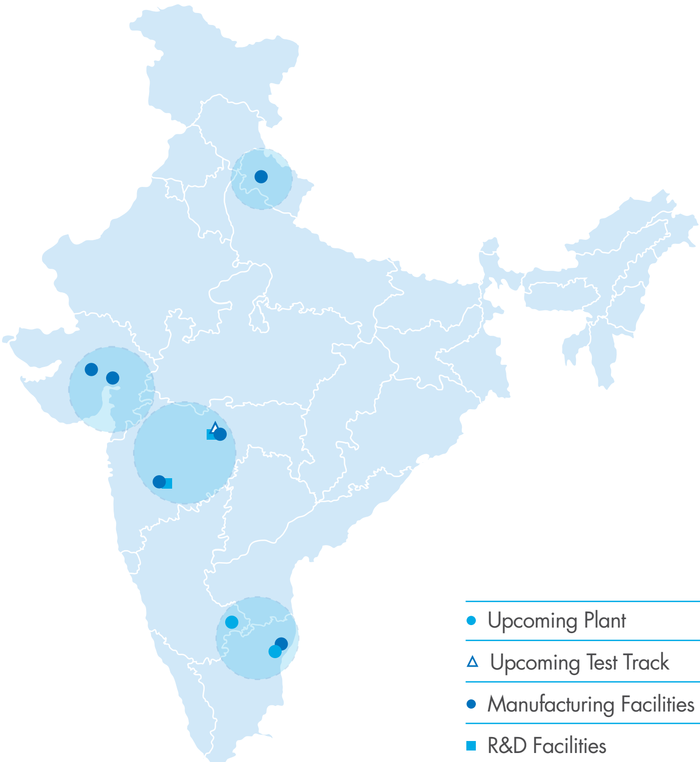
2-Wheelers **56%**

3-Wheelers & Others **12%**

4-Wheelers **32%**

Understanding Endurance Technologies

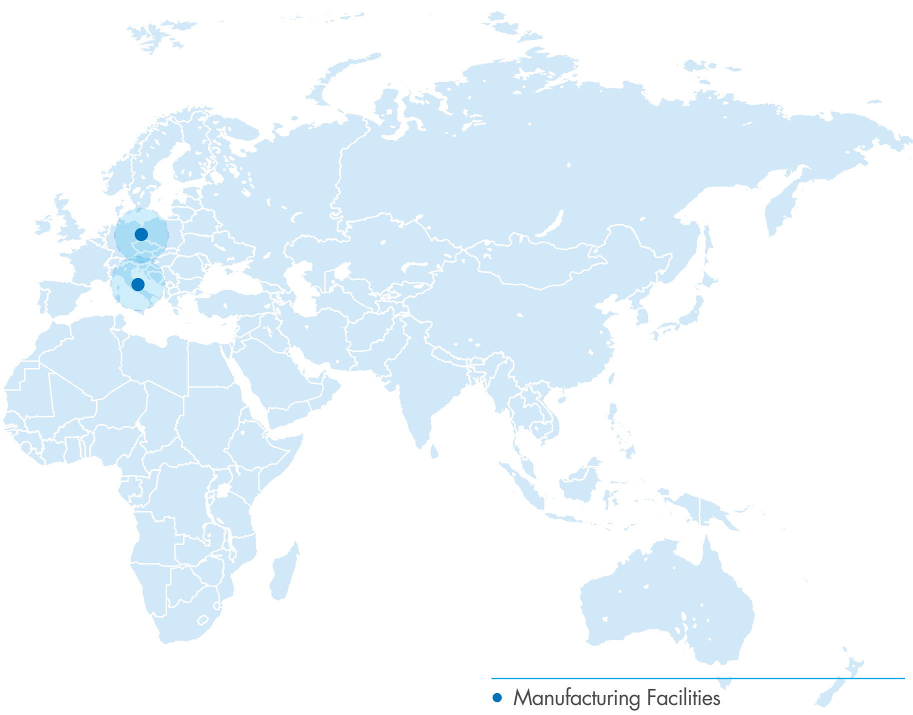
Our Presence



- Upcoming Plant
- Upcoming Test Track
- Manufacturing Facilities
- R&D Facilities

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
Sanand, Gujarat	1
Halol, Gujarat	1
Total	**16**

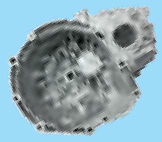


- Manufacturing Facilities

Europe Locations	No. of Plants
Massenbachhausen, Germany	3
Torino, Italy	1
Chivasso, Italy	2
Grugliasco, Italy	1
Lombardore, Italy	1
Bione, Italy	1
Total	**9**

Map not to scale. For illustrative purpose only.

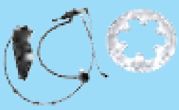
India Business
(2-wheelers and 3-wheelers)



- Aluminium Die Casting, including alloy wheels, and machining

- Suspensions

- Transmissions



- Braking Systems

- Aftermarket Sales

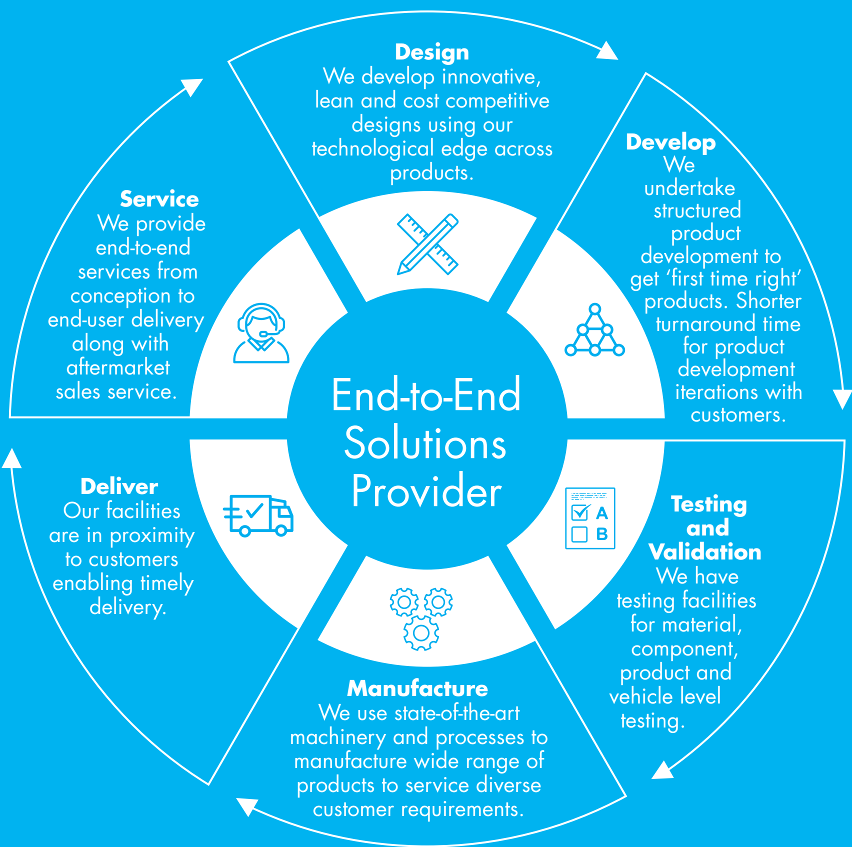
Our Competitive Advantages

- Leading automotive components manufacturer in India and Europe
- Experience and expertise in 2-wheeler, 3-wheeler and 4-wheeler components
- End-to-end multi-solutions provider
- World-class designed multi-track proving ground
- Wide range of value-added products
- Strong focus on R&D and technological capabilities
- Relationships with Top OEM customers and Life Time Suppliers
- Manufacturing Excellence with facilities in India and Europe
- Locational advantage with strategic proximity to OEMs
- Enhancing product content per vehicle

Overseas Business
(4-wheelers)

- Aluminium Die Castings and machining of:
  a. Suspension and body parts
  b. Engine parts
  c. Transmission parts

- Assembly of other metallic components like cast iron and steel



Our
Product Portfolio

Products Manufactured in India

Tier 1 Supplier of Diverse Range of Technology-intensive products for 2W, 3W and 4W OEMs

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

HPDC - High Pressure Die Casting | LPDC - Low Pressure Die Casting | GDC - Gravity Die Casting
CVTs - Continuous Variable Transmissions | TMC- Tandem Master Cylinder

Products Manufactured Overseas

Tier 1 Supplier of Diverse Range of Multiple Technology intensive products to 4W OEMs in Europe

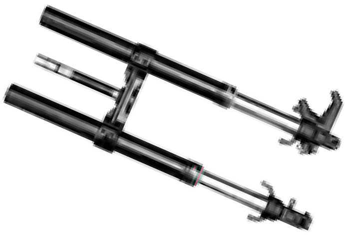
ALUMINIUM DIE CASTING AND MACHINING	**Suspension and Body Parts** • Steel Wheel Hubs • Head Axles • Cross Member • Steering Housing	**Engines Parts** • Cam Carrier • Exhaust Manifold • Oil Pan • Specialty Plastic Cover • Various brackets	**Transmission Parts** • Transmission Housing • Gear Box Housing • Torque Convertor Housing • EV Parts

Key Products Manufactured in India

Clutch Transmission Housing

Rear Disc Brake System with Disc

Mono Shock Absorber

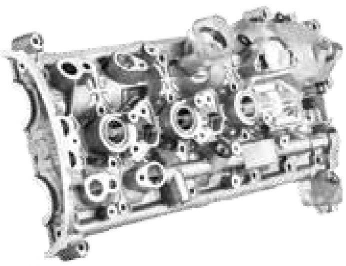


Inverted Front Fork

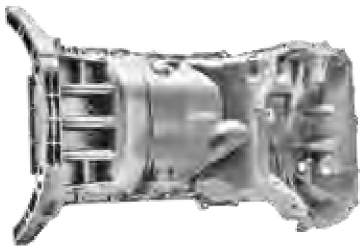
Alloy Wheel

Clutch Assembly

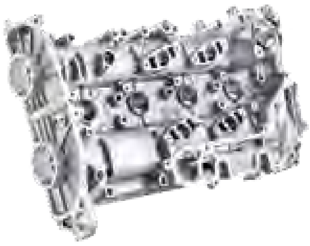
Key Products Manufactured Overseas



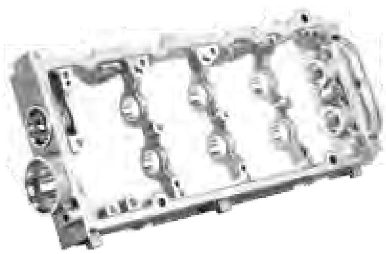
V6 Cam Cover



Oil Pan



1.5 L Cam Carrier with Bearing Frame



1.6 Cam Frame

Message from the Managing Director

" During the year, we acquired an Italian aluminium die casting firm Fonpresmetal Gap SpA through our Italian subsidiary, Endurance Overseas Srl. This company, which has been re-christened as Endurance Castings SpA, has a capacity of 6,500 metric tonnes per annum, and thus will help us increase our overall automotive aluminium casting capacity "

Dear Shareholders,

It is a pleasure to share our Annual Report for FY 2018-19. We are an end-to-end solutions provider to our esteemed customers for the chosen product portfolio, and are recognised on the global stage.

During the year, we continued with our focus on profitable growth. We were fixated on reaping the benefits of our technological capabilities to strengthen our portfolio and improve our market share. Backed by strong R&D and operational efficiencies, we took affirmative steps to deliver profits with scale and sustainability. We continued our trend of growing at a faster pace than the Indian 2-wheeler and automotive industry. We also maintained our focus on diversifying our customer base and manufacturing higher value-added products and refining our products and processes. Some of the key growth drivers for the year have been our R&D and technology capabilities, customer diversification, increasing the wallet share of customers, and consolidating our operations.

Leveraging TechKnowlogy

There is an inherent bias to knowledge in growth and development – particularly in today's knowledge, technology and automation-led automotive components industry. It is this "Knowing" that helps us in different facets of our business. Today, technology is not limited to just manufacturing, but extends well beyond this to quality control, R&D and customer care. It is all pervasive and impacts everything we do. TechKnowlogy, as we call it, is an important thing that we know and practice across the board. While technology is aided and abetted by several other domains, it is our "Knowing" of this technology that helps us deliver the desired results. Our technical know-how relationships in each of our proprietary product segments enables us to offer the best technology to our discerning customers, and ultimately to the users of vehicles.

Our Enduring Endeavours

Our cognitive capabilities are helping us provide end-to-end solutions, increase the range of products with each customer to upsurge our wallet share. Cutting-edge R&D approach makes us the preferred supplier to domestic and global OEMs in 2-wheelers, 3-wheelers and 4-wheelers. Our technology tie-ups have given us a competitive edge.

We consolidated our plant operations by discontinuing manufacturing at the Manesar plant during the year and shifted plant production to Pantnagar. This was done with the aim of improving operational efficiencies and trimming overhead costs. We also completed consolidation of our Pune plant at our larger facility in Chakan and discontinued operations at the Takve facility, aiming at economies of scale and ensuring cost reductions.

During the year, we acquired an Italian aluminium die casting firm Fonpresmetal Gap SpA through our Italian subsidiary Endurance Overseas Srl. This company, which has been re-christened as Endurance Castings SpA, has a capacity of 6,500 metric tonnes per annum, and thus will help us increase our overall automotive aluminium casting capacity.

As we prepare ourselves for our next leg of growth, we are taking strategic steps to achieve size and scale. We are maximising operational efficiencies, reducing costs and ensuring that growth is profitable. We are developing world-class products to expand presence. We are maximising our operational efficiencies, developing

Message from the Managing Director

"In FY 2018-19, Endurance delivered higher-than-industry and profitable growth. Profit has been driven by the strategy of supplying the product "first time right" and with utmost operational efficiency. During FY 2018-19, ₹ 10,336 million estimated annual value of new business was awarded to the Indian operations"

state-of-the-art products, increasing original equipment efficiency and outsourcing our non-core operations to suppliers to achieve economies of scale. Having done major capacity expansion in FY 2018-19, we are controlling our capital expenditure spends and maintaining a watchful eye on sweating of our assets.

Industry Performance

The industry contributes up to 7% of the national GDP and has been identified by the Government as one of the key contributors to the national economy. Various growth plans such as the Automotive Mission Plan have been put in place to reach a target of US$ 300 billion in revenues by 2026 and expand exports to US$ 80 billion. The country has been placed 30th on the Global Manufacturing Index. India is functioning as a regional hub for automobile and automotive component industry.

The automobile industry sold 26.2 million vehicles during the year ended 31st March, 2019 in the domestic market, marking a 5% growth. Sales of Passenger Vehicles grew 2.7% at 3.38 million with passenger cars, utility vehicles and vans clocking growth. Commercial Vehicles grew 17.5% at 1.01 million, while Medium and Heavy Commercial Vehicles increased 14.66% and Light Commercial Vehicles by 19.56%. The sale of 3-wheelers increased 10.27% at 0.7 million vehicles, while 2-wheeler sales registered 4.86% growth as it recorded total sale of 21.1 million units.

The overall automobile exports grew 14.5% to 4.7 million vehicles. While 2-wheelers and 3-wheelers posted handsome growth at 49% and 17%, respectively, export of passenger vehicles witnessed de-growth of 10%.

Production of auto components is expected to increase by 12% to 14% during the year under review, on the back of robust growth in domestic and export markets. India is fast emerging as a global hub for auto component sourcing owing to its cost-effective manufacturing base and also being geographically closer to key automotive markets like Europe. The turnover of the auto component industry, which contributes 2.3% to India's GDP, is anticipated to reach US$ 200 billion by FY 2026.

Electric vehicles and the upcoming emission norms are expected to give the Indian consumer wider choice and products that are safer for the rider and the environment. It is decreasing pollution by implementing the mandatory BS-VI emission standards and promotion of alternative fuels. Superior braking standards have been mandated. The automotive lightweight material sector is significantly influenced by broader trends in the automobile industry, with the evolving regulations on fuel efficiency.

Business Review

In FY 2019, Endurance delivered higher-than-industry and profitable growth. Profit has been driven by the strategy of supplying the product "first time right" and with utmost operational efficiency. During FY 2019, ₹ 10,336 million estimated annual value of new business was awarded to the Indian operations. In the Aftermarket segment, our sales grew by 13.6% during the year – from ₹ 2,384 million to ₹ 2,707 million, including domestic and export sales. Exports grew by 26.1% from ₹ 2,198 million to ₹ 2,773 million. In Europe, our sales grew from ₹ 18,613 million to ₹ 20,930 million during the year. Several key orders were won for combustion and electric-powered vehicles.

Total Income

(₹ in Million)

FY 2018-19	75,375
FY 2017-18	63,748

18.2% ↑

Net Profit

(₹ in Million)

FY 2018-19	4,950
FY 2017-18	3,908

26.7% ↑

The Company recorded consolidated total income growth of 18.2% from ₹ 63,748 million in FY 2017-18 to ₹ 75,375 million in FY 2018-19. This led to a 21.5% growth in EBITDA from ₹ 9,513 million to ₹ 11,558 million. We registered a 26.7% growth in net profit from ₹ 3,908 million in FY 2017-18 to ₹ 4,950 million in FY 2018-19.

Our offer for sale in March 2019 made at a floor price of ₹ 1,100 per share was over-subscribed by 2.78 times by institutional and retail investors. With this, promoter holding of 82.5% now stands diluted by 7.5% and has declined to 75%. We would like to thank the investors for displaying the level of confidence. With this, the Company has complied with the regulatory mandate of minimum public shareholding within the prescribed timeframe of three years from its initial public offering in October 2016.

New Growth Frontiers

Having incurred investments in the last three years, our aim is to remain tight on capital expenditure over the next couple of years. Consolidation of capex and sweating of our assets will be pursued, with a strategic focus on cost controls and increasing margins. Moving ahead, some of our products that will drive margin expansion are machined aluminium castings, inverted front forks, combined braking system (CBS), anti-lock braking systems (ABS) and paper-based clutch assemblies where realisations are higher. In India, we are also exploring to add new products to our existing product portfolio of aluminium die castings, suspensions, transmissions and braking systems.

Our Europe strategy is to expand our presence in transmission and body parts, which are power-trained, maintain high level of automation, focus on German clients, and make small acquisitions for high-margin business. To increase our presence, we are planning to move beyond Europe. While we are considering serving South East Asia from India, we are also contemplating to foray into newer markets from the European base.

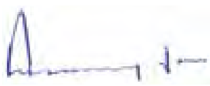
Our aim is to add seven more countries in the aftermarket segment. With the replacement market continuing to show abundant growth opportunities, our aim is to focus on this segment and increase our share in the segment.

Moving Ahead

Today, we are in an enviable position of growth. We will continue to focus on our profitable business across all the four product areas with our existing and new clients. We are working on increasing our aftermarket and export business in Indian operations and have been considering organic and inorganic opportunities in India and Europe. With a relentless focus, synergy and drive to excel, we are constantly enhancing market competitiveness and expanding capabilities to sustain industry-leading growth and margins.

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

Warm Regards,



Anurang Jain
Managing Director

Powering Sustainable Lives

We consider our commitment to the society as part of our responsibility to the environment we operate in. Our focussed initiatives are aimed at achieving inclusive growth for all and creating sustainable value for the community at large.

At Endurance Technologies, we aim to create a sustainable future for the under-privileged through a host of holistic initiatives. Under the aegis of Sevak Trust, the Company has undertaken several steps to create harmonious and equitable growth in the society.

Key focus areas are:

Village Development Project (VDP)

- Aimed to adopt villages located within 50 km radius from Aurangabad
- Initiatives are planned based on assessment of developmental requirement, in consultation with Panchayats
- To ensure sustainability of the developmental initiatives, the residents are encouraged to participate in activities

1,206
Persons treated at health check-up camps

27
Cataract operations facilitated

Health and Nutrition

General health and eye check-up camps were conducted in all villages. Cataract operations were arranged and free medicines were distributed. Primary medical healthcare centres have also been renovated to offer proper medical care.

Water and Sanitation

To solve the issue of availability of safe drinking water, wells were constructed and "reverse osmosis" plants have been set up.

328 toilets were constructed across 8 villages to improve sanitation and maintain hygiene.

The pilot project on 'Cleanliness' at Kachner was replicated at Husenpur, Khodegaon, Kanadgaon, Kanakshil and Padali villages, with waste management activities initiated to provide employment.

Silt lifting undertaken from *Pazar Talav* (river bodies of villages) to increase soil fertility for improved farm productivity. Removal of silt resulted in deepening of water body, increasing storage of rain water and enhancing water table.

Agriculture and Livelihood

Steps were taken to create awareness and enable farmers make agriculture profitable. They were educated on new techniques of farming and allied areas. Some of these included: NADEP composting, setting up hydroponic units for growing cattle feed, and construction of 1,571 mangers across 11 villages.

Education

To promote literacy among children, Zilla Parishad schools were renovated into proper buildings and equipped with adequate infrastructure, including computers, libraries and rainwater harvesting. Solar energy electricity producing units were installed to ensure uninterrupted electricity, to enable e-learning. Teachers were also trained to provide effective learning.

WOW: Sevak Trust engaged with HP India Sales Pvt. Ltd. to provide basic computer education to children through its project World on Wheels (WoW). The project aims to facilitate access of computer education to locations where formal computer education is not available.

Community Development

The key objective of this initiative is to build a self-sustained society, support self-entrepreneurship and provide financial assistance.

Houses were constructed for families falling in low income group.

To promote menstrual hygiene amongst female residents, a unit was set up in Sanjhkheda to locally manufacture Sanitary Napkins. Its sale under the brand 'Libera' has been kick-started in Aurangabad, Ahmednagar and Jalna districts.

An alcohol de-addiction project was undertaken at these villages to improve standard of living.

Female staff actively engaged with CSR team towards these activities. They interacted with children and adolescent girls and educated them on Life Skill Development and the importance of health and hygiene.

₹ 25,000~₹ 40,000

Financial assistance provided to low-income families

₹ 5,000

Amount disbursed to 321 low-income families

Vocational Training Centre (VTC)

A Vocational Training Centre named Endurance Centre of Vocational Empowerment ("ECoVE") has been set up to provide adequate training and education to school drop-outs, families of workers and economically under-privileged youth. This is aimed at enhancing their skill sets to improve employability. ECoVE provides all-round education and training to those who were unable to complete structured education due to lack of resources. It comprises domain-related subjects, basic computer knowledge, communication, presentation skills and physical education.

Courses Provided

Retail Marketing | Electrical-House Wiring
Computer | Tailoring | Die Casting

326

Students graduated from ECoVE

178

Students gainfully employed

₹ 11,772,000

Economic value added by students employed

Our Board of Directors

Sitting Left to Right:

Ramesh Gehaney
Director and Chief Operating Officer

Satrajit Ray
Director and Group Chief Financial Officer

Anurang Jain
Managing Director

Massimo Venuti
Non-Executive Director

Naresh Chandra
Chairman

Falguni Nayar
Independent Director

Anjali Seth
Independent Director

Soumendra Basu
Independent Director

Roberto Testore
Independent Director

Partho Datta
Independent Director

CORPORATE OVERVIEW

Know Our Financial Scorecard

Total Income

(₹ in Million)

FY 19	75,375
FY 18*	63,748
FY 17*	56,199
FY 16*	52,633
FY 15*	49,494

CAGR FY 2015-19: **11.1%**

**Excluding excise duty*

EBITDA

(₹ in Million)

FY 19	11,558
FY 18	9,513
FY 17	7,874
FY 16	7,125
FY 15	6,373

CAGR FY 2015-19: **16.0%**

Profit After Tax

(₹ in Million)

FY 19	4,950
FY 18	3,908
FY 17	3,303
FY 16	3,004
FY 15	2,539

CAGR FY 2015-19: **18.2%**

Return on Average Capital Employed

(%)

FY 19	24.8
FY 18	23.3
FY 17	21.1
FY 16	22.2
FY 15	22.8

Net Debt/Equity Ratio

(No. of times)

FY 19	0.1
FY 18	0.1
FY 17	0.3
FY 16	0.4
FY 15	0.6

Expansion of Aftermarket Sales

(₹ in Million)

FY 19	2,707
FY 18	2,384
FY 17	2,122
FY 16	1,847
FY 15	1,749

CAGR FY 2015-19: **11.5%**

Total Income in European Business

(₹ in Million)

FY 19	21,039
FY 18	18,665
FY 17	17,276
FY 16	15,822
FY 15	14,094

CAGR FY 2015-19: **10.5%**

Our Business Model

Our innovation-led approach and the endeavour to get things "first time right" supports us in developing high-tech and competitive products suited to evolving customer requirements. We are leveraging our strategy on cost and purchasing efficiencies, adding more customers, increasing the range of high-technology products and delivering profit with scale.

Today, we have emerged as a dominant player in India's auto component segment, with a satisfied and diversified customer base. We are in an advantageous position to benefit from the ever-growing global opportunities in automotive components, with a diversified revenue base in products, customers and geographies.

Outpacing Industry Growth

India

We are constantly outpacing industry growth by leveraging our operational strategy with focus on new product development, enhancing original equipment efficiency, cost optimisation, low-cost automation and component cost reduction. We have taken several strategic initiatives over the past few years, including the use of advanced technology in products and processes.

Overseas

Despite the European markets being stagnant, we outperformed industry growth. Also, our profit growth outpaced sales growth. We remain focussed on the evolving product needs of our marquee OEM customers and strive to enhance quality and expand the technology bandwidth.

Achieving Sustainable and Profitable Growth

- Improving efficiencies
- Reducing capex spends
- Maintaining a watchful eye on quality
- Doing more of automation
- Higher value-added products

Leak test station with automation at Lombardore, Italy

Our Business Model

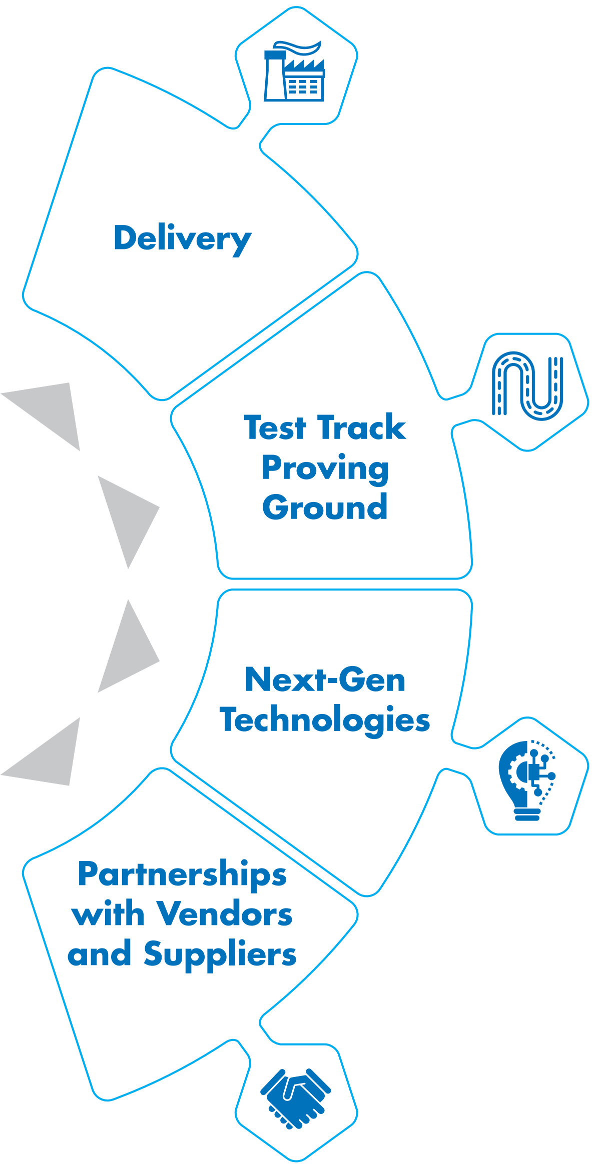
How Are We Creating Value?

We are an "end-to-end solutions provider" to our customers for aluminium die castings, suspensions, transmissions and braking systems. Our wide range of products provided under a single umbrella de-risks the portfolio. We partner with OEM customers from New Product Development to Aftermarket service.

We are a strong auto component supplier with significantly diversified revenue streams. Our multi-solutions and varied product portfolio to OEMs enables us provide a revenue stream spread across products. While we benefit from the presence of key anchor customers in both geographies, we also take pride in becoming important links in the supply chain of multiple customers.

We have built strong R&D capabilities and are developing ourselves as a future-ready organisation. We have four DSIR approved R&D facilities and over 200 dedicated R&D personnel globally. We have received nine patents and seven design registrations, while 60 patent applications are under process.

We are increasing Content per Vehicle with new safety regulation products (Anti-Lock Braking Systems, Combined Braking Systems), Product Premiumisation, use of CVT and use of front forks in more scooters.



Our plants are strategically located, such that large orders are serviced from plants close to the customer. We have set up new plants to achieve this goal. Even when we consolidated operations at Takve and Manesar, we ensured sustained seamless customer deliveries from other plants.

Our state-of-the-art, 8-track Automotive Proving Ground at Aurangabad spread over 29 acres of land enables us to conduct advanced R&D and evaluate product performance in real road conditions. It helps us meet our target of giving "first time right" products to 2-wheeler OEMs.

We make use of state-of-the-art technologies like virtual engineering simulation, best-in-class data loggers & sensors, field usage pattern analysis and advanced material developments. This is aimed at evaluating and ascertaining product performance, delivering improved quality and reliable products and enabling weight optimisation of parts.

We are also enabling our vendors and suppliers improve on quality and supply as per the standards we want. We undertake outsourcing and in-sourcing to improve profitability. Our Endurance Vendors Association enables us achieve our goals on value engineering, cost reduction and return on capital.

The QCDDM Matrix

We satisfy our customers based on the strategy of QCDDM (Quality, Cost, Delivery, Development and Management). Our clear strategy on product development, marketing, operations, sourcing technology and people enables us to deliver this strategy across all the metrics to satisfy our customers. We are gradually increasing our wallet share with each customer. We derive value from this strategy for product development as well as process technology and operations.

TechKnowing
Product Innovation

We are constantly looking at opportunities for high-technology futuristic products to be able to deliver on performance, durability and reliability. This is based on our clear strategy to improve the content per vehicle and our endeavour to manufacture "first time right" products. TechKnowing new products helps us focus on delivering the product as per the client's stated and implied needs.

Manufacturing of fully machined castings at Chakan, Pune

We are an end-to-end service provider with a goal to add more products to the existing "four product area" portfolio. We are excited about all the new business with large opportunities coming our way across all the product areas. We are the largest die casting company in India in terms of output and installed capacity and have been increasing our capabilities based on quality and technology.

We are banking on advancements in product technologies for growth. We are leveraging our domain expertise to tap the multiple new growth opportunities in electric vehicles and hybrid vehicles. The Aftermarket business is also a significant area that we are leveraging for growth.

Expanding Portfolio of Proprietary Products

We manufacture high-technology intensive products such as rear disc brake assemblies, upside down front forks, paper clutch assemblies and rear mono shock absorbers. We entered into a technical assistance agreement with a leading global suspension and brakes company to jointly develop anti-lock braking systems (ABS) for 2-wheelers and 3-wheelers. The move helped us prepare our requisite capabilities prior to the legislative requirement of safety norm of ABS for 2-wheelers of 125 cc and above. In addition to technical collaboration, we are leveraging our own R&D to service our customers based on road conditions and driving habits in India.

Even as ABS is currently under testing, we continue to develop new products in braking systems including CBS, Rear Disc Brakes, and advanced technology clutches for high-end motorcycles. Our capability in upgrading towards paper-based clutches also provides us with a competitive advantage in the market. Our four R&D centres have specialists who track the technology trends worldwide and suggest new value-engineered products for Indian and export markets.

Strengthening Die-Casting

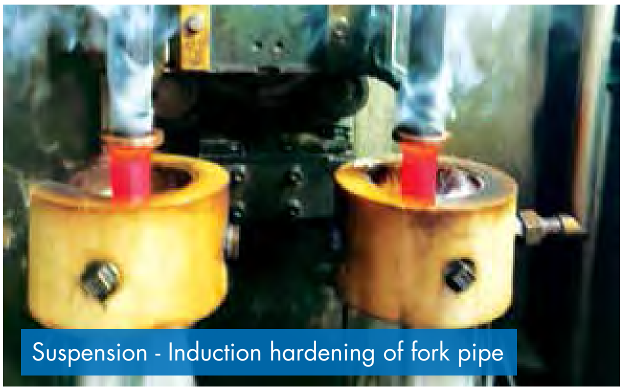
We are also focussed on high-value fully machined aluminium die-castings. We are experiencing growth in machined castings for our castings business. Our capability to manufacture fully machined castings enables us to add value and volumes to the end-product. It also provides us with better performing products, achieve light-weighting of castings and optimised machining processes, thereby improving return on investment.

Aiming to Backward Integrate

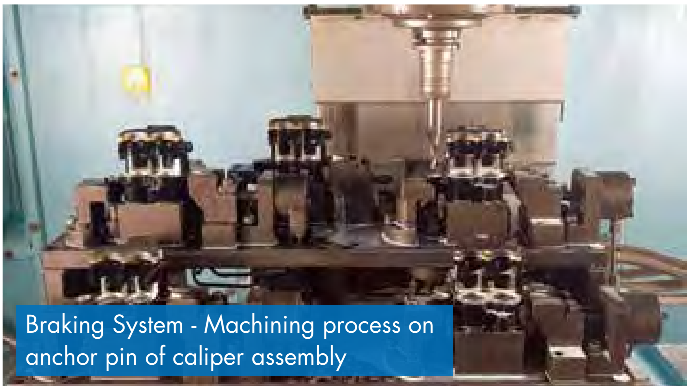
During the year, we acquired our Italian aluminium die-casting supplier Fonpresmetal Gap SpA with a capacity of 6,500 metric tonnes per annum. This acquisition is enabling us to achieve backward integration and strengthen our die-casting operations. With this, we are confident of increasing our profitability by leveraging synergies in tooling, materials and technical department and achieving economies of scale.

Casting - 1,350 tonne High Pressure Die Casting Machine

Transmission - Torque application on wet-plate clutch assembly



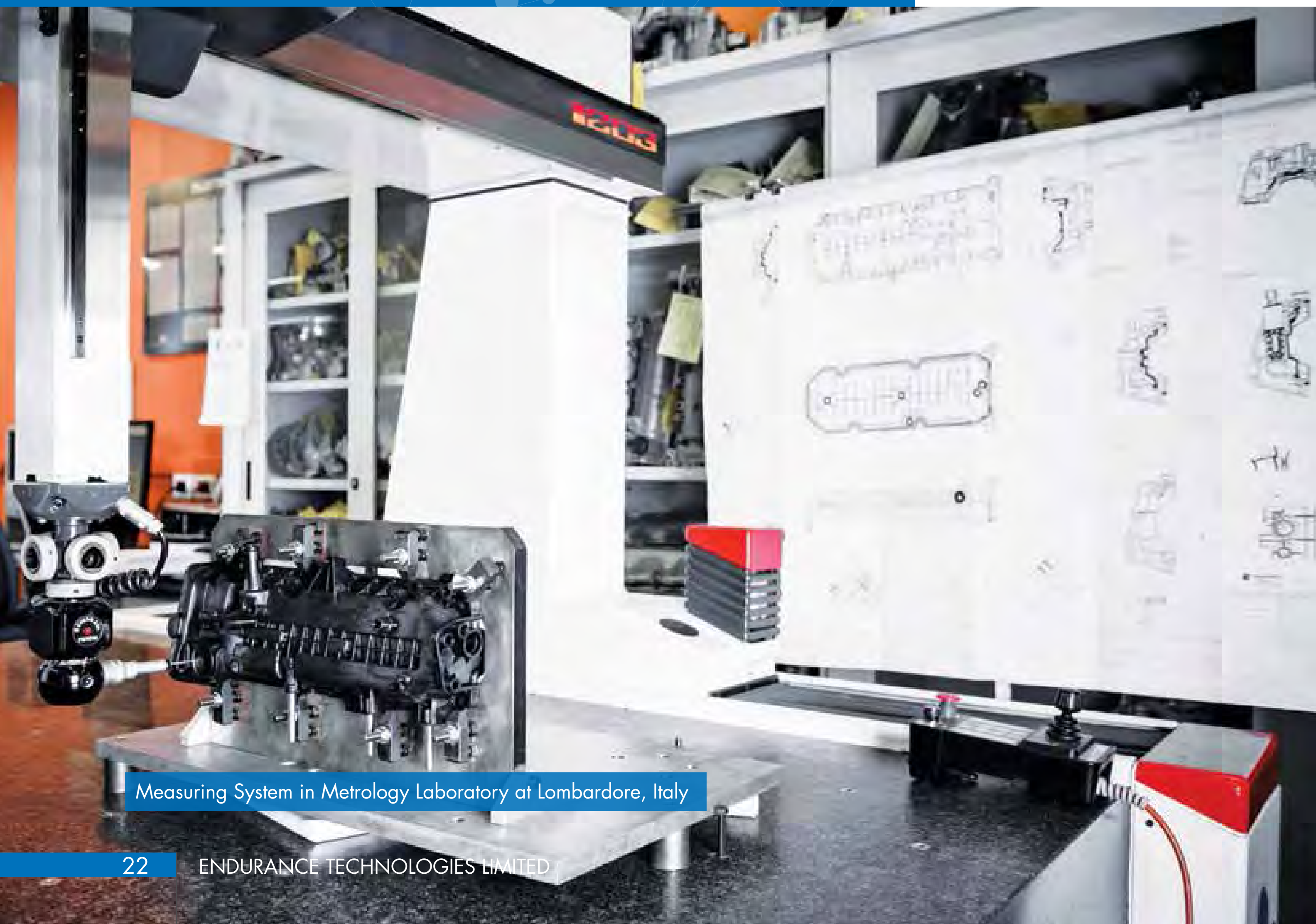
Suspension - Induction hardening of fork pipe



Braking System - Machining process on anchor pin of caliper assembly

TechKnowing
Process Efficiency

With leaner production being our key goal, our constant focus is on refining the ratio of outsourcing and in-house production and to consolidate our plants and to achieve process efficiency. Our model is to do more business with less plants, more outsourcing and focussing on investments in critical operations such as front forks and brake hoses for disc brake assembly.



Measuring System in Metrology Laboratory at Lombardore, Italy

Our strategic focus is on enhancing process efficiency for manufacturing of products to ensure better quality delivery and arrest warranty failures. We continued to implement Total Productive Maintenance (TPM) across all the manufacturing locations to improve operational efficiency and reliability of our manufacturing processes. We manufacture machined castings, which enables us to add value and volumes to the end-product and improve the return on investment.

We are leveraging the Endurance Vendor Association for outsourcing component manufacturing to smaller suppliers and increasing our list of lifetime suppliers, reducing capital expenditure and maintaining a watchful eye on quality. Also, making the moulds in-house helps us reduce the time taken to develop products.

Process Efficiency in Suspension Operations

We are constantly working towards achieving process efficiency for higher productivity. To illustrate, we are taking up assembly providing low-cost automation solutions, which includes vision monitoring and traceability. To improve operational reliability, we are reducing manual intervention in operations by providing Auto Feeder vision system and pick & place mechanism to avoid part missing and wrong part assembly, thereby achieving quality. For critical operations, real-time data is recorded for future analysis and product traceability. There is online auto gauging inspection processes to ensure 100% dimensional accuracy and avoid flow of defective parts to our customers.

Productivity is enhanced by using NC technology in SPM, which increases the flexibility of product range, reducing the set-up change time. It also increases the accuracy of the product parameter. We are also improving material handling to make single piece flow by installing conveyor and feeding mechanism. This helps us reduce in-process inventory. We also emphasise on space utilisation by making use of vertical spaces.

Shock Absorber Assembly Operation at Waluj, Aurangabad

TechKnowing
Research & Development

Technology is a cornerstone for progress and a key differentiator for Endurance. Our R&D facilities enable us maintain a key focus on development of state-of-the-art technology products to sustain profitable growth. Some of our key deliverables in this endeavour are improvement in performance, reliability, durability, and quality, etc. and lean designs through value engineering.

Multi Track Proving Ground in Aurangabad

We have strong R&D capabilities including product design, development, virtual simulation/validation, rapid prototyping and testing. Our emphasis on advanced engineering is aimed at getting products "first time right" by following our QCDDM approach (Quality, Cost, Delivery, Development and Management). Aluminium Die Casting not being proprietary by nature, our R&D capabilities enable us to offer value engineering solutions and achieve light-weighting, which helps us improve upon optimal design and cost.

At Endurance, technology is the starting point for business growth. There is constant upgrading of technology to provide value-added products, backed by our four R&D centres approved by the Department of Scientific and Industrial Research (DSIR). Our product technology has endeavoured us to get new patents and designs. We have been grantead nine patents, while 60 applications are under approval in all the four product segments.

We have a Central Advanced Engineering Group (AEG) to support all R&Ds and get the performance/reliability optimisation for entire product range. Within AEG, there are different cells for CAE (Computer Aided Engineering Analysis), Road Load Data Acquisition, Oil & Friction, Elastomers, and Failure analysis. Our cell for Electronics Control System helps strengthen our engineering prowess in the respective areas.

There is a separate "Intellectual Property Cell" that helps us safeguard our IP as well as track patents in the areas of our business and pursue new ones.

Our engineering departments in Germany and Italy take care of products design, optimisation and development, applying Computer Aided Design and virtual process simulation. Innovative foundry related technologies are tested and developed in our TechCenter in Chivasso, Italy.

At Advanced Engineering, we are making use of state-of-the-art technologies like virtual engineering simulation, best-in-class data loggers & sensors, field usage pattern analysis and advanced material developments. The objective is to evaluate and ascertain product performance, not as a product in isolation, but on full vehicle level. This is aimed towards delivering not only improved quality & reliable product, but also help in weight optimisation of parts contributing to reduction in carbon footprint.

Our World-Class Proving Ground (Test Track)

Our 29-acre test track at Aurangabad is a world-class facility designed by Horiba Mira, a UK-based renowned automotive engineering Company, with 8 types of tracks for automotive proving ground. The 7.8-km long test facility with a high-speed stretch of over one km adds to our engineering capabilities and supports us in our "first time right" endeavour. It serves as a test facility for the evaluation of brakes, suspension and transmission for 2-wheelers and 3-wheelers.

The new test track helps us evaluate the products on vehicle on-proving ground, and not only on the test rig. It enables us enhance the durability and performance of products by testing them on different tracks. This ultimately reduces the time of product development and also the tuning time for OEMs. This also avoids duplication of testing and saves time on new product development. The key highlight of this is the full-fledged ABS testing track which is now complete and operational. Being an end-to-end solutions provider, the test track adds another feather in our cap. It enables us get products first time right, and conduct testing and validation on behalf of customers, thereby reducing duplication of work at their end.

TechKnowlogy - A Way of Life at Endurance

Being technology-driven is a part of our corporate philosophy. This key attribute catapults us in the marketplace with a competitive edge. Besides a wide range of our technology-intensive products, we are also undertaking technology to scale-up performance through value addition and value engineering. From people to processes and our culture to systems, and well supported by our "First Time Right" philosophy, technology has become an all-pervasive and collective mindset.

Clutch Damper Testing Machine at Transmissions R&D Centre at Waluj, Aurangabad

Being technology-driven runs in our DNA. While R&D is the centre-piece of our technological expertise which helps us develop future-ready products with better aesthetics and upgraded quality solutions, we also deploy technology in our processes, materials sourced and customer complaints. Our competencies for advanced engineering places us amongst the few players in India with the capability to undertake high-end R&D. Today, we have a portfolio of nine granted patents, seven registered designs and 60 patent applications.

Technology at Every Step

We also utilise the technology edge towards other processes including advancements in the IT domain and the ISO 27001 compliance. We are also using IOT in a focussed manner for our operations. In R&D, we have set up technologically advanced and state-of-the-art laboratories, which are monitored 24 hours through a central monitoring and control system.

We also absorb technological expertise from our global technology partners to maintain product quality. Some of our partners are: KTM Components GmbH, Austria; leading global brake and suspension company Alder SpA, Italy; and a European braking system technology provider.

Industrial IOT Applications in Automotive Components

IIOT (Industrial Internet of Things) applications are unlocking the value in the automotive components industry. New technology is bringing about a transformation in the sector and these changes are both rapid and disruptive. At Endurance, we are aiming towards enhanced application of IIOT in automotive components. We have set up an energy monitoring system and die casting machines monitoring and performance system and extending it further to capture/monitor process parameter through IIOT. In the tool room and CPDC technology of vacuum-assisted dies, squeeze pins, thermoregulations are being used, in collaboration with a Europe-based die manufacturer. This is aimed towards improving quality of the product, enabling long life of die and reducing weight of parts.

Multi-Station Damper RIG at Suspension R&D Centre at Waluj, Aurangabad

TechKnowing
Our Customers

We are leveraging our relationships with OEMs in India and overseas to increase our product range with each customer by supplying higher technology products. This helps us mitigate the risk of client concentration and increase our wallet share with each of them. Our technological expertise enables us to leverage the changing face of mobility and be a preferred supplier to OEMs as they embark on their journey of manufacturing technologically advanced vehicles, including electric and hybrid vehicles.

We cater to majority of the 2-wheeler and 3-wheeler OEMs in India. We are also supplying to every possible marquee OEM in Europe into 4-wheelers and competing with some of the top names in the region.

We are increasing our wallet share with each customer by increasing our range of products with each of them in India and overseas. We are engaging with each customer in all the four business areas in order to increase our share of business. We have built long-term and strong relationships with our customers, through continuous engagement. We are constantly upgrading our technology in order to satiate customer requirements.

Partnering Customers in their Value Addition journey

We are constantly eyeing our customers' requirements in the existing and planned platforms. Based on changing trends in global markets, our in-house R&D team also provides suggestions on new products to our customers. We are also leveraging the changing face of mobility the world over by maintaining a strategic focus on electric vehicles and hybrid vehicles. As some global OEMs gravitate towards "total electric", we wish to be their preferred suppliers in this journey. In India, too, we have engaged with several vehicle manufacturers in their EV journey. As our domestic customers plan new launches of higher-end 2-wheelers with bigger engines, they count on us to provide them with cost-effective technologies across all the four product segments.

Adding New Customers

We strive to determine the technology needs of all our potential customers, and provide them with solutions through our deep understanding of products and our ability to value engineer them. We persevere to make our technology offerings to customers more attractive to enable them to garner new business. This approach has led us to add more customers across segments. We have recently joined hands with a large player in India's 2-wheeler segment. Our first order from them for disc brake assemblies is expected to start a new chapter in our history. We will gradually add more product areas with them through a step-by-step approach.

Experience Centre at Waluj, Aurangabad

Award for New Part Development 2018-19 from Honda

Exterior and interior view of Tuning van

Aftermarket Product Launch Campaign

Creating Business Drivers of Tomorrow

Our HR policies are aimed towards promoting a culture of innovation and hiring the right people. It endeavours to empanel people who can align with our Company's culture and leadership, and ensure longevity. We work together with our employees for their personal and professional development. Training and employee motivation are also an integral part of our philosophy.

At Endurance, we have inculcated the right values that guide us towards realising our purpose of continuous value creation. Our values – Customer Centricity, Integrity, Transparency, Teamwork and Innovation – form the foundation on which our organisation is built. It is these values that shape our culture and will continue to shape our actions and choices, as an organisation.

Upping the Human Capital

Our constant objective is to transform the employees of today into the business drivers of tomorrow. We encourage people with strong domain knowledge to move to tactical or strategic roles and embark on leadership positions.

As both technical and domain expertise are critical, we are striving to develop critical mass of domain, by moving tech-oriented people with readiness for domain to Development Centre to build competencies. Based on competencies and employee's understanding of new technology, we provide opportunities to assume strategic roles.

We have a high retention rate as our capable employees are provided with ample growth opportunities and rewards to climb the corporate ladder. Employees are also rewarded for excellent work in day-to-day work through self-nomination or by a co-worker, thereby enhancing productivity and efficiency. As on 31st March, 2019, there were a total 4,967 people in Endurance Group of which 4,149 were employed in India, 575 in Italy and 243 in Germany.

Right Skilling

Our recruitment process enables diversity at the workplace. During the year, we visited campuses of several engineering colleges across India and NITs in Surathkal, Nagpur and Bhopal to hire the best and the right talent. We inducted around 270-300 new employees across the country. We also offered full-time placement to our summer trainees. Diversity is a key word within the Group. With this value system, we take special efforts to hire females without compromising on our competencies. Under Women at Endurance (WAE), our women's cell, we hold monthly meetings to understand issues faced by women employees and also groom them with effective managerial skills.

Our Key HR Policies:

Prashansa

This is our reward and recognition policy that identifies high-performing employees who exhibit teamwork and integrity, and recognises their contribution with ample rewards. We encourage individuals following organisational goals of creating a healthy and competitive work environment. Employees are motivated to project right information. On-the-spot rewards are given to employees for imbibing and exhibiting the core organisational values. To promote the understanding of organisational values, plays/skits are periodically conducted for shop floor employees.

Aspire

With a focussed impetus on innovation and value creation for our organisation, we started the ASPIRE series of events in 2013. ASPIRE inspires us to adopt innovation as a way of life. As a part of ASPIRE, we offer recognition to our employees who provide their contribution in innovation and value creation for the organisation by way of patents, industrial designs and technical papers. Additionally, we also invite esteemed speakers who give motivational talks on insights of innovation and value building, which helps our employees imbibe a culture of innovation as a way of life. In the past, Padma Vibhushan Dr. Raghunath Mashelkar, Prof. Anil Gupta, Dr. Pawan Agarwal (of Mumbai Dabbawala fame), and such other eminent personalities, have visited our organisation and shared words of wisdom with the employees.

> "We encourage people with strong domain knowledge to move to tactical or strategic roles and embark on leadership positions. We have also initiated 'Management Development Programmes' and commenced institute conducting training and skill development"

Additionally, we also conduct IdeaFest within the organisation, inviting ideas from all employees. IdeaFest was put in action to stimulate idea-sharing and recognising the importance of innovation among all levels of employees and across all functions. Till today, almost 12,000 ideas have been received, covering a wide range of areas such as cost reduction, quality improvement, safety and environmental improvement.

Townhalls

We conducted quarterly Townhalls for a combination of 3-4 plants in a cluster. At these Townhalls, the Cluster Business Head shares details on business operations with all the employees, with small activities conducted and employees awarded and recognised for their performance. The Managing Director is also a part of the Townhall twice a year. This highly motivational event resulted in building of energies amongst the employees.

Corporate Information

Board of Directors

Naresh Chandra
Chairman

Anurang Jain
Managing Director

Partho Datta

Soumendra Basu

Roberto Testore

Ramesh Gehaney

Satrajit Ray

Anjali Seth

Falguni Nayar

Massimo Venuti

Audit Committee

Partho Datta

Soumendra Basu

Anjali Seth

Nomination and Remuneration Committee

Soumendra Basu

Partho Datta

Anjali Seth

Corporate Social Responsibility Committee

Anurang Jain

Soumendra Basu

Ramesh Gehaney

Risk Management Committee

Anurang Jain

Partho Datta

Ramesh Gehaney

Satrajit Ray

Stakeholders' Relationship Committee

Anjali Seth

Anurang Jain

Satrajit Ray

Subsidiary Companies

Endurance Overseas Srl, Italy
Endurance SpA, Italy
Endurance Engineering Srl, Italy
Endurance Castings SpA, Italy
Endurance Amann GmbH, Germany

Management Team

Ramesh Gehaney
Director and Chief Operating Officer

Satrajit Ray
Director and Group Chief Financial Officer

Ravindra Kharul
Chief Technology Officer

Sunil Kolhe
Chief Sourcing Officer

Biswajit Choudhury
President - Aftermarket and Exports

Manoj Rajimwale
Chief Human Resource Officer

Pravin Saraf
President - Operations

Company Secretary

Sunil Lalai
Company Secretary and Vice President – Legal

Auditors

S R B C & Co. LLP
Chartered Accountants

Secretarial Auditor

Sachin Bhagwat
Practicing Company Secretary

Bankers

Citibank N.A.

Corporation Bank

ICICI Bank Ltd.

IDBI Bank Ltd.

Standard Chartered Bank

Registrar and Transfer Agent

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

Registered Office

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

Plants

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

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

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

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

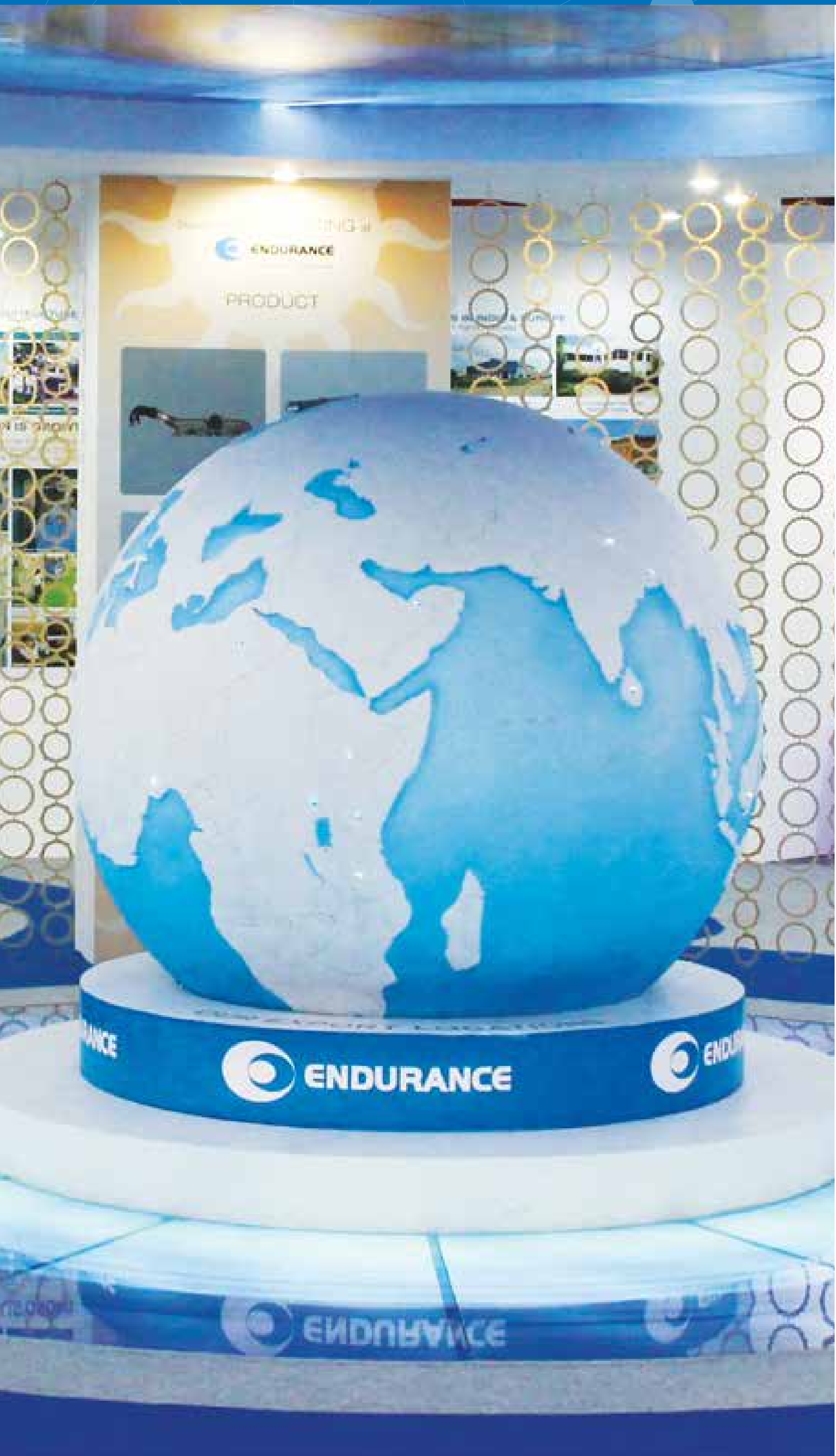
Chennai (Tamil Nadu)
Plot No. F-82, SIPCOT Industrial Park, Irungattaukottai, Pennaur Post, Sriperumbudur Taluk, Kanchipuram Dist. Chennai – 602 105

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

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

Management Discussion and Analysis

"In the emerging market and the developing economies, growth came in at 4.5% in 2018, as activity in commodity exporting countries continued to recover"



GLOBAL ECONOMIC OVERVIEW

The global economy continues to expand, albeit at a slower pace. Several factors, not least the various trade disputes and consequent tariff hikes, are creating an overhang for growth. Unstable crude prices, particularly in the first half of 2018, added to the wariness.

The world growth slowed down slightly to 3.6% in 2018, as compared to 3.8% in 2017, according to World Economic Outlook, April 2019. Second half of 2018 was impacted by several factors such as a decline in China's growth due to regulatory tightening, US-China trade tensions, weak business and consumer confidence in Euro zone, widening of sovereign spreads impacting investments in Italy and softening of external demand from Asia. Growth in advanced economies moderated slightly to 2.2%, as central banks gradually removed their post-crisis accommodation and upturn in investment levelled off. In the emerging market and the developing economies, growth came in at 4.5% in 2018, as activity in commodity exporting countries to recover.

Outside of the United States (US), industrial production, particularly of capital goods, slowed taking global trade growth to pre-2017 levels. Concerns with regard to Chinese demand have elevated, which in turn has resulted in softening of prices of metals and agricultural commodities. In the first half of 2018, oil prices firmed up to levels that were pre-2014, before dipping down towards the year-end, as fears of global oversupply, amid retrenchment in global economic growth, began to kick in. The decline in crude prices in the second half of the year has been a welcome development for emerging markets, as it resulted in reduced inflationary pressures and stabilised their currencies.

Challenges in Continuing the Growth Momentum

With slack in the economy expected to dissipate, policy makers will need to look beyond monetary and fiscal policy tools to stimulate short-term growth. There is a need to consider initiatives that will more likely boost long-term potential and to take necessary steps to revitalise potential growth. With the economic picture brighter in advanced economies and developing world alike, policymakers are considering fresh approaches to further sustain this growth momentum.

Global Passenger Vehicle Market

The number of cars sold worldwide grew from 77.3 million units in 2016 to 78.7 million units in 2018, according to data from Statista. The global passenger vehicle market size is estimated to grow at a CAGR of 2.68% during FY 2018-22. (Source: technavio.com). Global sales gathered momentum in 2018, led by emerging markets in general, and a revived Russia in particular. The industry is on the cusp of witnessing an era of electrification, automated driving and new mobility ideas, according to a Forbes Report.

> "The number of cars sold worldwide grew from 77.3 million units in 2016 to 78.7 million units in 2018. The global passenger vehicle market size is estimated to grow at a CAGR of 2.68% during FY 2018-22"

Overview of World Economic Growth* (Actual and Projections)

	2017	2018	2019(P)	2020(P)
World Output	3.8	3.7	3.5	3.6
Advanced Economies	2.4	2.3	2.0	1.7
Emerging Market and Developing Economies	4.7	4.6	4.5	4.9

**Figures in Percentages*

Global Car and LCV Sales by Region

Region	Sales in 2018 (In Million Units)	YoY Growth over 2017
North America	20.86	-0.2%
South America	4.30	+7.0%
EMEA	22.70	-1.1%
Asia Pacific	10.65	+3.3%
China	28.08	-2.8%
Russia	1.8	+13%
Italy	2.08	-3%
Germany	3.72	0

Source: JATO

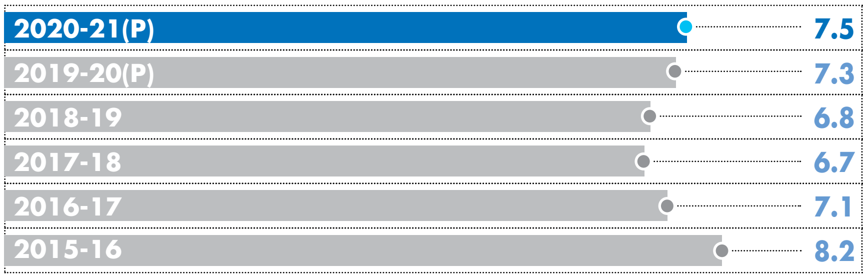
INDIA ECONOMIC OVERVIEW

Moving past the teething challenges from the twin initiatives of Goods & Services Tax (GST) and demonetisation of high currency notes, India's GDP is estimated to have increased by 6.8% in FY 2018-19. India's foreign exchange reserves were in excess of US$ 400 billion by end-March 2019, according to data from Reserve Bank of India (RBI). The country's labour force is estimated to add 160-170 million by 2020, based on the rate of population growth, increased labour force participation and higher education enrolment, according to a study by ASSOCHAM and Thought Arbitrage Research Institute. Exports increased 8.73% year-on-year to US$ 484 billion in April-February 2019. Cumulative growth in India's Index of Industrial Production (IIP) rose 4.4% year-on-year in April-January 2019, according to data from the Centre of Monitoring Indian Economy (CMIE).

India contributes 15% of growth to the global economy in purchasing power parity measures, next only to China and the US. With this, it continues to be the world's fastest-growing major economy. Investment growth firmed up as the effects of temporary factors waned and consumption remained the major contributor to growth, according to World Bank. During the year, domestic demand strengthened as the benefits of structural reforms, such as GST harmonisation and bank recapitalisation, took effect.

India's GDP Growth – Actual and Projected

(In %)



(Source: CSO; Growth projections for FY 2019-20 and FY 2020-21 are IMF's estimates)

Outlook for Economic Growth

India's GDP is forecast to expand by 7.3% in FY 2019-20 and 7.5% in FY 2020-21, as a result of an upswing in consumption and investment, as per estimates from IMF. In its January 2019 update, the World Economic Outlook stated that it expects the Indian economy to pick up in 2019, benefiting from deceleration in crude oil prices and a slower pace of monetary policy tightening across the globe, as inflation pressures ease. Increase in the Minimum Support Prices (MSP) is seen contributing to improved agricultural incomes and alleviate farmer distress. Initiatives such as the Government of India's Pradhan Mantri Awas Yojana, completion of rural electrification, and revisions in Income-Tax slabs will also contribute to long-term growth.

INDUSTRY OVERVIEW

Indian Automobile Industry

The Indian automobile industry is the fourth-largest in the world and is a US$ 70 billion market, with revenues growing at a 12% CAGR over the last decade. Riding on rapid economic development, rising urbanisation, burgeoning middle class, supportive regulations and the Government's strong push for growth, the industry is soon estimated to become the 3rd largest by 2020. It has the potential to generate up to US$ 300 billion in revenues by 2026, creating 65 million additional jobs and contributing over 12% to the country's GDP. Growth will be supported by factors such as the availability of low-cost skilled labour and low-cost steel production. The industry has attracted Foreign Direct Investment (FDI) worth US$ 20.85 billion during April 2000 to December 2018, according to data released by Department for Promotion of Industry and Internal Trade.

How the Industry Performed

The second half of FY 2018-19 was a challenging one for the automobile sector, driven by lower liquidity, rising insurance costs and increasing popularity of ride-hailing apps. Companies were cutting production levels to manage inventory, and margins witnessed some erosion. Domestic automobile production increased by 6.26% during FY 2018-19, with 30,915,420 vehicles manufactured, according to data released by the Society of Indian Automobile Manufacturers (SIAM) during FY 2018-19. Domestic sales of automobiles stood at 26,267,783 units in FY 2018-19, up 5.15% compared to 24,981,312 units sold in 2017-18, as per the data from SIAM. While the year saw a growth of 5.15%, the fourth quarter of the year witnessed a degrowth. Several initiatives taken by the Government and some major domestic automobile players are estimated to make India amongst the world leaders in 2-wheeler and 4-wheeler market by 2020. India's household car penetration, which currently stands at ~7%, is expected to steeply increase as the country's GDP improves.

Domestic Automobile Sales

Segment	FY 2017-18	FY 2018-19	% Change
Passenger Vehicles	3,288,581	3,377,436	2.7
Commercial Vehicles	856,916	1,007,319	17.55
3-Wheelers	635,698	701,011	10.27
2-Wheelers	20,200,117	21,181,390	4.86
Grand Total (Including All Categories)	24,981,312	26,267,783	5.15

(Source: SIAM)

"The automobile sector is projected to record robust growth in the next few years, considering the infrastructure push from the Government and schemes such as PMGSY. In addition, increased disposable incomes, favourable Government policies for rural growth, personal taxation rebates, easy availability of finance, implementation of BS-VI (from BS-IV) by 2020, and emerging concepts such as light-weighting and e-mobility are encouraging growth"

Benefits of New Emission Standards

The BS-VI norms which are the new emission standards, will bring in more volatility ahead of implementation in April 2020. Automobile sales will revive as OEMs will clear their inventory with heavy discounts, prior to the enforcement. To keep up with growing demand, several automobile makers have begun heavy investments in various segments. In February 2019, the Union Cabinet notified FAME II (Faster Adoption and Manufacturing of Electric and Hybrid Vehicles) to promote electric and hybrid vehicles. This is aimed towards accelerating the Indian Government's commitment to a clean mobility future, with electrification of transportation as a primary focus area. This involves readying the market with faster adoption of electric vehicles for durable economic growth and global competitiveness for India's automotive industry.

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

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

Source: 'India's Electric Mobility Transformation: Progress to Date and Future Opportunities' Report

2-Wheeler Industry

During FY 2018-19, the 2-wheeler industry sales grew by 4.86% year-on-year, according to SIAM data. Sale of scooters declined 0.27%, whereas that of motorcycles and mopeds grew 7.76% and 2.41%, respectively. With BS-VI being made mandatory from April 2020, the 2-wheeler industry in India will be among the world's first to follow such strict emission norms. In April 2019, the country has already moved to the mandatory Combined Braking Systems (CBS) for 2-wheelers of less than 125 cc and Anti-lock Braking Systems (ABS) norms for higher cc 2-wheelers. As other countries are expected to follow suit, these initiatives are expected to give India a head-start over other major 2-wheeler markets such as China, Korea, Taiwan and Indonesia, which currently follow Euro-3 equivalent norm.

Some critical changes being implemented under BS-VI norms include:

- Shift from carburettors to electronic fuel injection (EFI)
- Use of three-way catalyst systems to lower NOx
- Upgrade to Onboard diagnostics system that ensures sensors dial-up to vehicle's computer

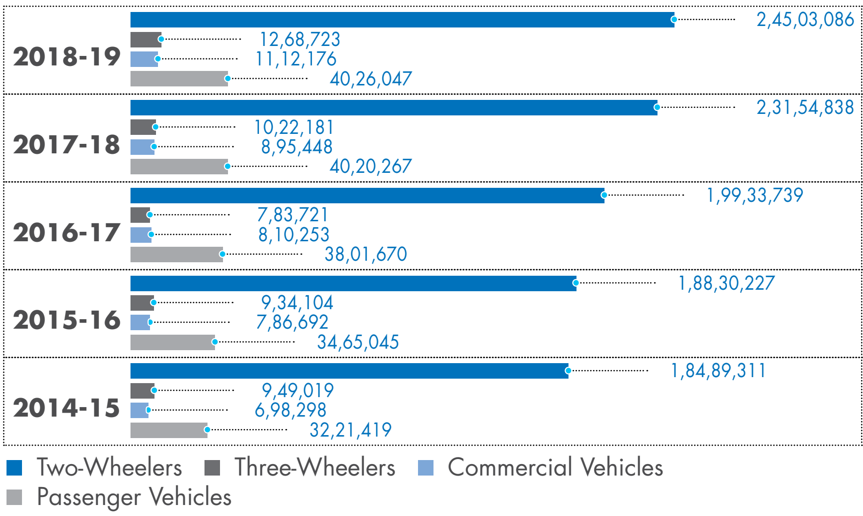
3-Wheeler Industry

The Indian 3-wheeler segment is extremely relevant and critical in urban and rural areas, especially in cities where infrastructural challenges make the use of other modes of transport unfeasible. Internationally, too, there is an increasing use of 3-wheelers – both as goods and passenger carriers. For the year under review, the 3-wheeler industry grew 10.27% year-on-year, largely driven by exports which grew 49%. Domestic sales benefited by states such as Maharashtra having done away with the permit system and certain other states have released fresh permits.

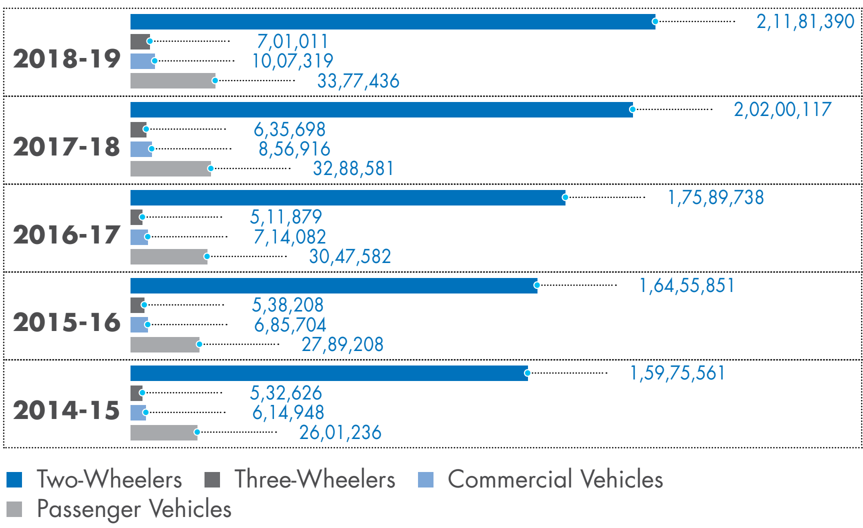
Indian Auto Industry – At the Cusp of Change

India is fast being recognised as a hub for high-quality managerial talent. The automobile sector is projected to record robust growth in the next few years, considering the infrastructure push from the Government and schemes such as PMGSY. In addition, increased disposable incomes, favourable Government policies for rural growth, personal taxation rebates, easy availability of finance, implementation of BS-VI (from BS-IV) by 2020, and emerging concepts such as light-weighting and e-mobility are encouraging growth. The large-scale opportunities generated by the industry are changing the game for those players who are stepping beyond traditional roles and engaging better with customers.

Automobile Production Trends in India

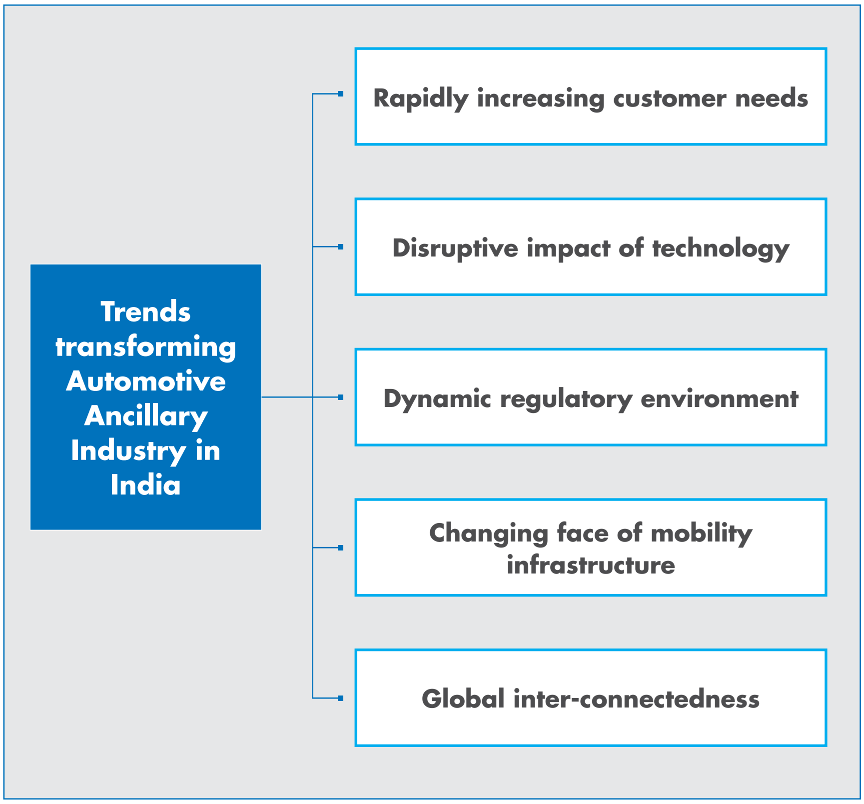


Automobile Domestic Sale Trends



Auto Ancillary Industry in India

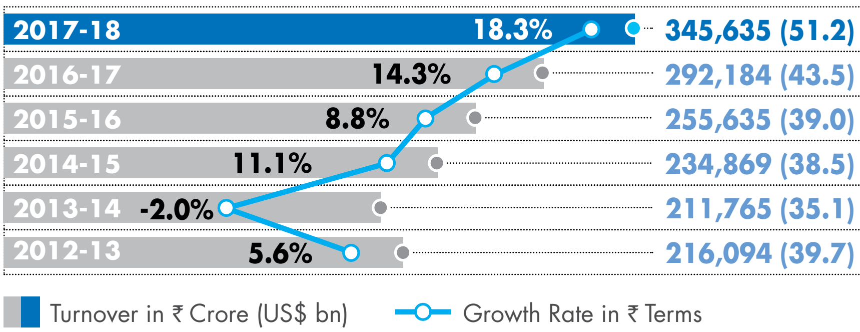
India has a thriving automotive ancillary industry with revenues of US$ 43.5 billion in FY 2016-17, including exports in excess of US$ 11 billion. The industry is at an inflection point as it comes on par with global safety and emission norms. Rising aspirations are driving a sharp increase in new technology development, which in turn is leading to higher value-added content per vehicle, as OEMs seek to develop alternative powertrain technologies. The industry has been adopting new technology and capabilities to keep pace with the changing global landscape. New technologies and increased levels of vehicle penetration are driving the emphasis on in-house R&D and adoption of new technology. The diversified nature of the domestic automotive industry not only provides it the scale, but also the risk-hedging ability to face market vagaries.



India: A Manufacturing Hub for Auto Components

The growth of global OEM sourcing from India and their increased indigenisation is turning the country into a "preferred designing & manufacturing" base. With India largely being considered as a key out-sourcing hub, efforts are focussed on development of new technologies (hybrids, electric vehicles) and more futuristic technologies (autonomous driving). OEMs are looking at Indian manufacturers as significant partners, rather than just component suppliers. Further, India is also emerging as a key sourcing hub for engine components, with OEMs increasingly setting up engine manufacturing units. The Indian market is slowly emerging as the next most popular manufacturing market in Asia, after China; and an auto export hub for small and heavy vehicles. Automotive Mission Plan 2016-26 is expected to make the industry grow five times its current size by 2026.

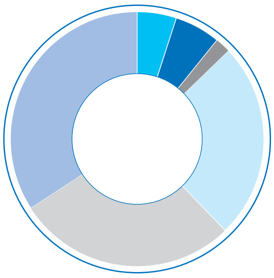
Indian Auto-components Industry - Annual Turnover and Growth



CAGR: **10%**

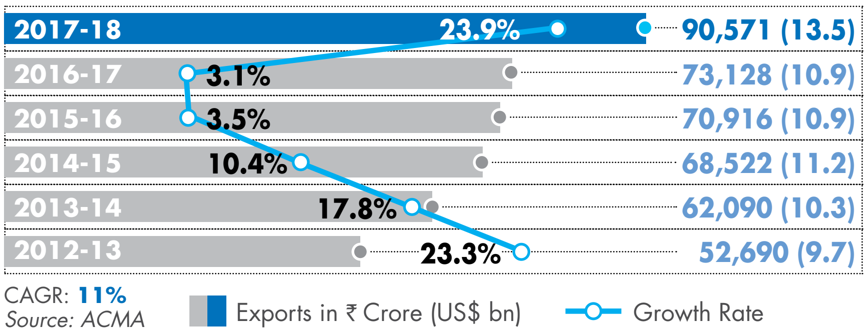
Source: ACMA

Region-wise Share in Exports (by geography) in FY 2017-18



Source: IBEF

India Auto Component Industry-Export

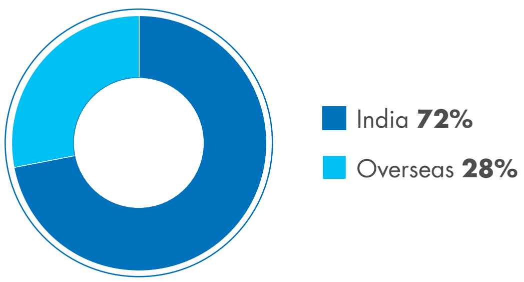


CAGR: **11%**
Source: ACMA

COMPANY OVERVIEW

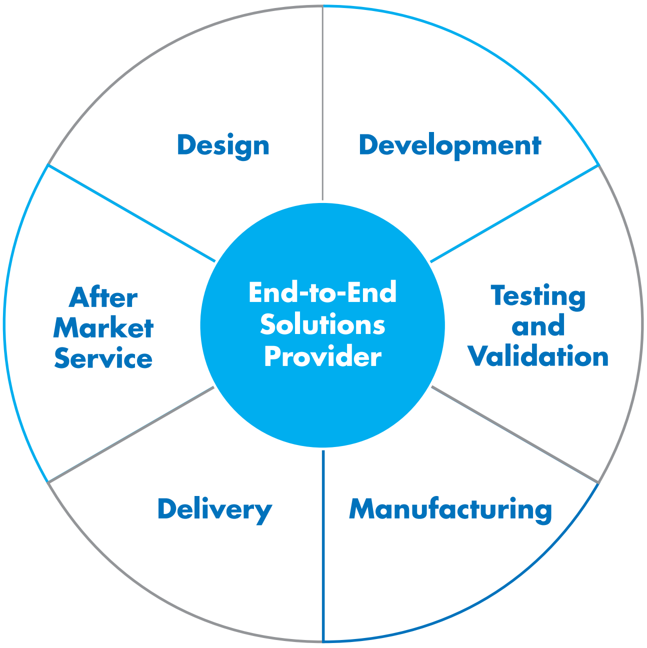
Endurance Technologies is a leading automotive component manufacturer, driven by new products and technology, and a Tier-I supplier to India's two, three and 4-wheeler OEMs. It is well regarded for being an "end-to-end solutions provider" for aluminium die castings, suspensions, transmissions and braking systems. It is reputed for its quality-driven approach and the ability to ensure uninterrupted and cost-efficient supply of critical automotive components. It also has growing European operations, catering to 4-wheeler OEMs through its overseas subsidiaries in Italy and Germany.

With superior technological capabilities, it possesses a dominant position in the industry. It is the largest aluminium die casting manufacturer in India in terms of capacity and output, and is one of the top two companies in suspensions, transmissions and braking systems for 2-wheelers and 3-wheelers. Through its aftermarket business for domestic and the exports market, it also addresses the B2C replacement market for a variety of auto components. Its technological prowess is recognised by all the major 2-wheeler and 3-wheeler OEMs operating in India.



A Diversified Portfolio of Technology-Intensive Products

For India Market	For Overseas Market
1. Aluminium die cast and machined components (including alloy wheels) 2. Suspension components 3. Transmission components 4. Braking systems	1. Aluminium die castings and machining of: • Suspension and body parts • Engine parts • Transmission parts 2. Assembly of other metallic components like cast iron and steel



Capabilities of Endurance

- 25 Manufacturing Facilities (16 in India, 6 in Italy and 3 in Germany)
- Four DSIR Certified R&D Facilities in India and one Technical Engineering Centre in Italy, with over 200 dedicated R&D personnel

BUSINESS OVERVIEW

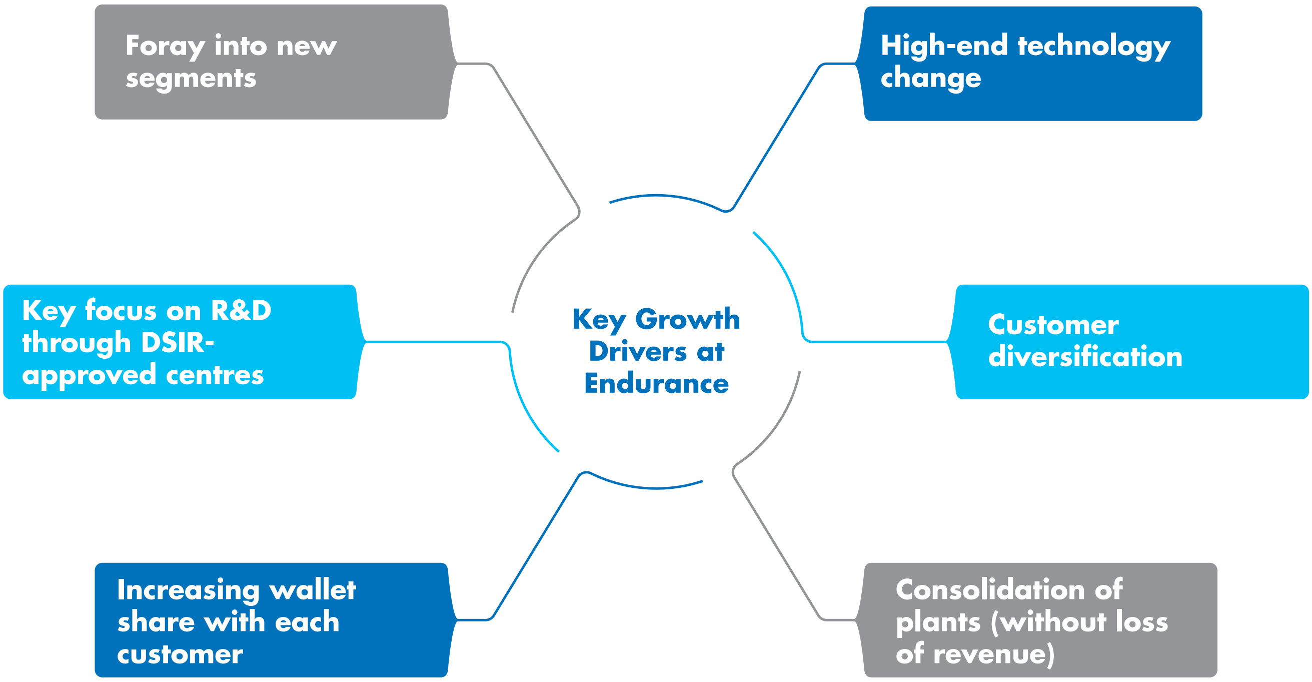
During the year under review, despite commodity price rise, below-normal monsoon and the recent NBFC crisis, most Indian 2-wheeler and 3-wheeler companies registered single-digit growth, supported by rising GDP growth outlook and infrastructure expenditure. A gradual adjustment to GST and the fading impact of demonetisation also encouraged vehicle sales. Ease of liquidity, good monsoon, stabilising fuel prices and implementation of stricter emission norms from April 2020 are expected to boost sales.

Endurance Group reported higher revenues in FY 2018-19, with the Company and all its key subsidiaries registering growth. The Company reinforced its market leadership by delivering profitable growth; and outpacing industry growth across segments and that of all OEMs.

The key pillars of growth are: growing existing products with existing customers; also new products with existing customers; adding new customers; overseas acquisition; and entry into new product variants through technical collaboration and R&D.

Our Performance

- Sales growth outpaced industry growth
- Profits growth outpaced sales growth



Upcoming plant at Kolar, Karnataka

Key Updates:

- *Multi-Track Proving Ground:*

  The Company is strengthening its engineering capabilities by building a proving ground (test track) spread across 29 acre in Aurangabad. The layout of this proving ground is designed by Horiba MIRA, a renowned automotive engineering and development consultancy company. This 7.8 Km facility with high-speed stretch will serve as a test facility for brakes, suspensions and transmission components for 2-wheelers and 3-wheelers to benchmark competitive products towards its "first time right" endeavour. This facility could also be used by OEM customers for testing their vehicles. The full-fledged ABS testing track is ready, and testing is in progress there. The other test tracks, including gradient and durability tracks, are nearing completion.

- *ABS Systems:*

  The anti-lock braking systems is under development for 2-wheelers. This is being done through a technical tie-up with a leading US-based suspension and brakes company. The products are under extended testing considering unique conditions on Indian roads. Supplies are expected to commence in the second half of FY 2019-20.

- *Manufacturing Facilities:*

  a. Production commenced in September 2018 at the 2-wheeler suspension plant at Halol, Gujarat to cater to the requirement of Hero MotoCorp's front forks and shock absorbers.

  b. The 2-wheeler suspension plant at Kolar, Karnataka, will start supplies of front forks and shock absorbers to Honda Motorcycle and Scooter India, from the third quarter of FY 2019-20.

  c. A second die-casting and machining plant in Chennai is being set up on a 9-acre plot at Vallam. Production is likely to start in the fourth quarter of FY 2019-20.

  d. Operations at Manesar plant were discontinued and capacity was shifted to Pantnagar to consolidate operations and achieve economies of scale.

Today, we operate from 16 plants in India. With new plants in Kolar and Vallam, our total number of plants will go up to 18.

On a Continuing Journey of Value Creation

While we benefit from the presence of key anchor customers in both geographies, we also take pride in becoming important links in the supply chain of multiple customers. We create value in the supply chain by providing:

a. **End-to-End Solutions:** With full-fledged facilities for complete design, development, validation, production and aftersales service, we are an end-to-end solutions provider for braking systems, aluminium die casting components, front & rear suspensions, transmission systems (clutch & CVT). Further, the wide product range has also helped us de-risk the portfolio. The strategy of supplying end-to-end solutions to all customers and being a cost-focussed producer has aided profitable growth. We partner with OEM customer right from concept stage to mass production. We have developed our own proving ground (one of its kind for an automotive component supplier) to ensure performance and reliability of our products considering their intended functions on vehicle. Our ride tuning van is being used extensively by our customers to optimise ride and handling of vehicle with our suspension products. All this has immensely helped our customers to reduce the product development time.

b. **Advanced Engineering:** The Company has a strategic focus on value creation for its customers by providing end-to-end solutions through Advanced Engineering practices. At Advanced Engineering, we are making use of state-of-the-art technologies like virtual engineering simulation, best-in-class data loggers & sensors, field usage pattern analysis and advanced material developments. The objective is to evaluate and ascertain product performance, not as a product in isolation, but on full vehicle level. This is aimed towards delivering not only improved quality & reliable product, but also help in weight optimisation of parts contributing to reduction in carbon footprint. Further, the team has been focussing on improving the NVH (Noise, Vibration and Harshness) performance of our products which being a clear differentiator is giving us competitive advantage. We have also set up in-house Electronic Control System (ECS) lab to cater to development of next-generation products such as Active Suspension, Anti-lock Braking Systems, eCVT systems, etc. We are further exploring allied next generation technologies to widen our product portfolio.

c. **QCDDM:** Relentless focus on QCDDM (Quality, Cost, Delivery, Development and Management) enabled earning the trust of customers and satisfying them on all counts.

d. **Value-Added Products:** Adding new value-added products to our list of offerings including machined aluminium castings, 2-wheeler CBS and ABS brakes assemblies and rear brakes, paper-based clutch assemblies, front fork and shock absorber for 200cc and above motorcycles.

Business Highlights of the Company for FY 2018-19:

The Company's consolidated total income grew by 18.2% to ₹ 75,375 million in FY 2018-19, as against ₹ 63,748 million in FY 2017-18. PAT increased 26.7% on Y-o-Y basis to ₹ 4,950 million.

A. Domestic Operations

- Total Income increased to ₹ 54,337 million from ₹ 45,084 million in FY 2017-18. Aftermarket business expanded 13.6% to ₹ 2,707 million from ₹ 2,384 million in FY 2017-18. While we focus on growth in all our products, the pace of growth has been higher in our proprietary products.

- Secured several new business wins from OEMs, including new product platforms. We now have orders from each of the large 2-wheeler and 3-wheeler OEMs operating in India. We also gained presence in electric 2-wheeler and 3-wheeler business for suspension and braking products.

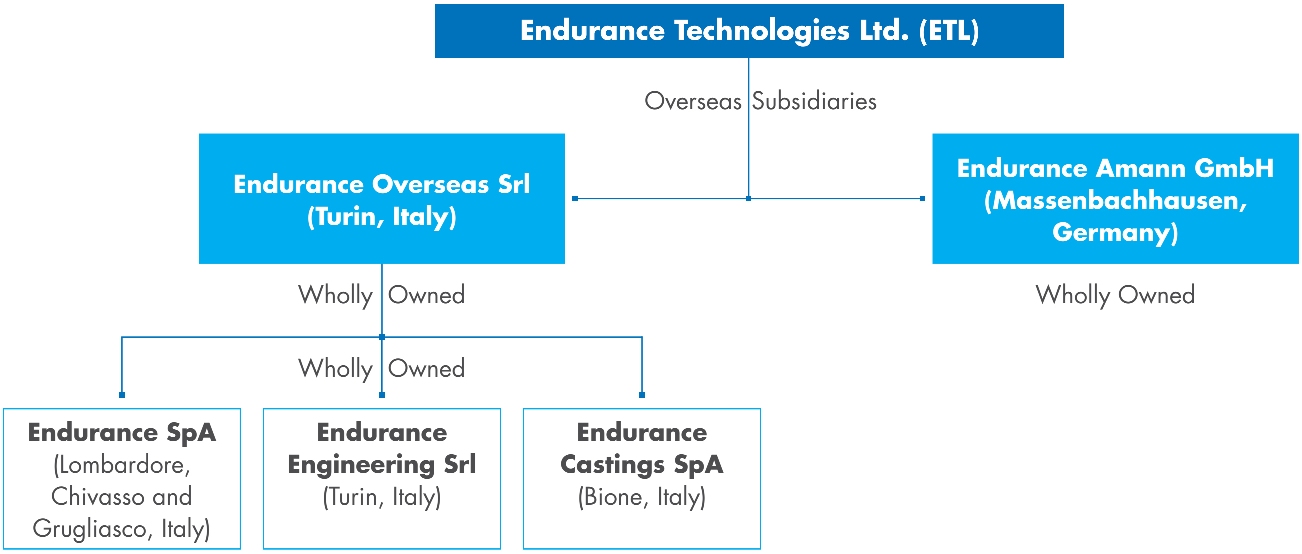
- Export of upside-down front fork and rear shock absorbers for 401cc to 790cc motorcycles is progressing smoothly, and opening avenues for more such business.

B. Overseas Operations

Performance of Offshore Subsidiaries in FY 2018-19:

Subsidiary	FY 2017-18 (In Euro Million)	FY 2018-19 (In Euro Million)	Y-o-Y growth
Endurance Overseas Srl, Italy	10.3	10.4	0.5%
Endurance SpA, Italy	198.2	199.5	0.7%
Endurance Engineering Srl, Italy	17.5	17.3	(0.9)%
Endurance Castings SpA, Italy	–	8.0	N.A.
Endurance Amann GmbH, Germany	51.0	55.7	9.3%

Note: Financial numbers of Overseas Subsidiaries are as per respective country's local GAAP



Overseas Subsidiaries

Endurance Overseas SrL, Italy (EoSrL): EoSrL, a subsidiary of the Company, is a Special Purpose Vehicle incorporated in Italy, for the purpose of making strategic overseas investments. The Company holds 95% of the share capital in EoSrl and Endurance Amann GmbH, Germany ("Amann"), a wholly owned subsidiary of the Company holds the balance 5% share capital. EoSrl also renders management support services to the Group entities in Europe for certain critical functions that are centralised at EoSrl for strategic reasons.

EoSrL acquired the entire equity stake of Fonpresmetal GAP S.p.A., (Fonpresmetal) an aluminium die casting company based in Bione, Italy, effective 7th January, 2019. This acquisition was for a consideration of Euro 8.16 million which was funded through its internal accruals / borrowings. The consideration includes cash & cash equivalent of around Euro 3.6 million gross and upon netting of the outstanding debt for leasehold assets, the cash & cash equivalents was about Euro 1.9 million. Fonpresmetal had been a preferred supplier for highly complex aluminium die casting parts to Endurance SpA (erstwhile Endurance FOA S.p.A.), the operating step-down subsidiary in Italy. Upon acquisition, the name of Fonpresmetal has been changed to Endurance Castings S.p.A. Acquisition of Fonpresmetal augmented casting capacity and help backward integration. Post this acquisition, the Company now has six manufacturing plants in Italy.

Endurance SpA, ("ESpA") is a step-down operating subsidiary of the Company in Italy and is primarily engaged in the production of high pressure die casting and machining components for the automotive sector such as engine, gearbox, transmission parts, and assembling of other metallic components like aluminium alloys, cast iron and steel. ESpA has come into existence consequent upon merger of Endurance Fondalmec SpA ("EFSpA") into Endurance FOA SpA ("FOA"), both of which were wholly-owned subsidiaries of EoSrL. Upon merger the name EFSpA has been changed to Endurance SpA. The effective date of the merger is 1st January, 2019, with the appointed date being 1st April, 2018.

During the year ended 31st March, 2019, ESpA reported a total income of Euro 199.5 million. The total income is not strictly comparable with the earlier year due to the merger. However, on an unaudited basis, the previous year total income was Euro 198.2 million. ESpA

> "The Company has a strategic focus on value creation for its customers by providing end-to-end solutions through advanced engineering practices"

thus posted a growth of 0.7%. This marginal growth needs to be viewed against the backdrop of reduction in new car registrations by 1% in the EU market, during the same period. The increase in total income was primarily due to increased sales to a major German OEM.

Endurance Engineering Srl ("EEsrl") is a step-down operating subsidiary of the Company in Italy and is primarily engaged in the production of plastic components for automotive applications. During the year under review, EEsrl reported a total income of Euro 17.3 million compared to Euro 17.5 million of the previous year. EEsrl continues to support the Group to foray into offering solutions to customers in producing engineering plastic components that are replacing some of the aluminium products and align itself to the plans of OEMs to shift, albeit marginally, to alternate lighter material components.

Endurance Castings SpA, ("ECSpA") the entity acquired in January 2019, is a step-down operating subsidiary of the Company in Italy and is primarily engaged in manufacturing operation of high pressure die casting and machining components. During the three-month period ended on 31st March, 2019, ECSpA reported a total income of Euro 8.0 million, from both captive and non-captive customers.

Endurance Amann GmbH ("Amann"), a wholly-owned subsidiary based in Germany, carries out manufacturing operation of high pressure die casting and machining components. It caters to large automotive OEMs in the German market. During the year under review, Amann reported a total income of Euro 55.7 million compared to Euro 51.0 million of the previous year. The increase in income of over 9% was mainly driven by the increase in sales to its major customer for additional volumes related to the new parts mainly for transmission applications.

Key Growth Drivers

- Leadership Position in India:

  The Company is the largest aluminium die casting manufacturer in terms of output and installed capacity and among the top 2 in suspensions, transmissions and braking systems for 2-wheelers. It is the largest 2-wheeler and 3-wheeler component supplier, with strong relationships with all OEMs in India and overseas to increase its product range with each customer by supplying higher technology products.

Clutch Housing Machining Automatic Line at Chivasso, Italy

> The Company is the largest aluminium die casting manufacturer in terms of output and installed capacity and among the top 2 in suspensions, transmissions and braking systems for 2-wheelers

- Demand for High-technology Futuristic Products:

  Rapid changes in technology, compliance requirements and changing aspirations of customers result in OEMs preferring a partner with technologically-proven vendors and a demonstrated track record. The Company is also leveraging on customers' preference towards premium products (front forks and disc brakes). Being an end-to-end solutions provider with high-end R&D capabilities and strong technology partners, the Company is optimally positioned to leverage the growing opportunity. It has a portfolio of nine granted patents, seven registered designs and 60 patent applications. A separate IP cell tracks patents in the areas of business and applies for new ones.

- Developing Products for Electric Vehicles and Hybrid Vehicles:

  The Company is focussing on electric vehicles and hybrid vehicles, which is the future of mobility. It is associating itself with many OEMs developing Electric Vehicles and Hybrid Vehicles for supply of suspension products, die castings and braking systems.

- Leveraging Regulatory Changes:

  Regulatory changes in 2-wheelers for mandatory ABS and CBS from April 2019 gives the Company an opportunity to expand its product range.

- Benefiting from Growing Vendor Rationalisation:

  OEMs are becoming more quality conscious, and therefore, they prefer to procure more components from fewer quality conscious vendors, that rank high on various parameters. Being one of the top two suppliers across all product segments, the Company is working towards increasing content supplied per vehicle.

- Being Financially Sound:

  The balance sheet and consistent cash accruals make the Company well equipped to fund its robust capex and R&D plans. This ensures that it is optimally prepared to proactively take forward its various initiatives and is not constrained for capability or capacity.

- Tapping Aftermarket:

  An extensive dealer and distribution networks both in India and overseas ensure that it is well-positioned to reach the targeted markets. It is aggressively targeting the huge potential and catering to it through its direct network of distributors across India and overseas.

Apart from adding new customers for existing products, selling all existing products to all customers, increasing the share of business, targeting higher value-added products and focus on after-markets, the key pillars of growth are: collaboration, acquisition, and entry into new product areas.

Financial Ratios Analysis

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

The Return on Net Worth stood at 18.5% (16.2%) and 20.9% (20.0%) on standalone and consolidated basis, respectively. This improvement is due to higher net profit driven by all-round improvement in both standalone as well as consolidated results.

Risks and Concerns

Slowdown in the auto industry: An economic slowdown results in lower consumer spend which in turn translates into declining activity for ancillary manufacturers. Endurance Technologies continues to diversify its product offerings as well as geographic presence to be more resilient in these times.

Volatility in commodity prices: Aluminium and steel are important raw materials for the Company's products. The Company has a pass on arrangement for price changes with its OEM customers. Hence, it is fairly insulated from volatility in aluminium and steel prices.

Increased dependence on few customers: The Company has large customers with whom it enjoys enduring and strong relations. Its focus is on deepening relationships with these customers, while simultaneously increasing business by starting to supply new products to such existing customers. Its progress towards this end is visible with revenues from these customers increasing on an absolute basis.

> Our capabilities comprise computer-aided engineering activities, testing facilities, and road load data acquisition activities, among others. Our Engineering Departments in Germany and Italy enable us conduct computer-aided designs using casting simulation software, design optimisation, and other processes

Intensifying Competition:
An improving environment for India's automotive component players has seen influx of new players and greater competition. Endurance Technologies has long-standing partnerships with esteemed customers. The Company believes that its strong emphasis on quality and technologically driven products will ensure strengthening of partnerships. Besides, its diversification across geographies and product categories will help it to maintain its edge over competition.

Attracting and Retaining Talent:
The Company considers manpower a vital resource for growth. It provides a favourable work environment, attracting new talent and maintaining a low attrition rate through a slew of training and development programs. An appropriate performance appraisal and reward mechanism complements the recruitment and retention programme. "Prashansa", a unique initiative by the Company aimed at retaining talent, has proven to be immensely successful.

Management Outlook

India's economy is poised to pick up in 2019, benefiting from lower oil prices and a slower pace of monetary tightening, as inflationary pressures ease. It is projected to become a US$ 5 trillion economy by 2025 and a US$ 10 trillion economy before 2035. Through its diversified service portfolio and end-to-end solutions, Endurance Technologies is reinforcing its leadership in the market. It is creating a substantial base for future growth by diversifying revenue streams from various product lines and geographies. It remains confident of delivering sustainable and profitable growth by enhancing its strength and capabilities, improving operational efficiencies, strengthening process optimisation and augmenting cost management.

The Company has a clear strategy on products, operations, marketing, technology and people to deliver profitable growth. It is widening its product range to high-value proprietary products and disruptive technologies. It is targeting customer centricity by upgrading its technology, maintaining key focus to supply world-class products and satisfying customer requirements. It is also confident of growing the aftermarket segment by tapping the expanding market opportunities. Moving forward, with some of its preferred customers working on the "total electric" strategy by 2022, Endurance is fully geared to tap the opportunity and support them in the value chain.

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

We have strong R&D capabilities including product design, reverse engineering, virtual simulation/ validation, prototyping and testing. Our emphasis on advanced engineering is aimed at getting products "first time right" by following our QCDDM approach (Quality, Cost, Delivery, Development and Management). Aluminium Die Casting not being of proprietary by nature, our R&D capabilities help us to offer value engineering solutions and achieve light-weighting, which helps us improve upon optimal design and cost.

At Endurance, technology is the starting point for business growth. There is constant upgrading of technology to provide value-added products, backed by our four R&D centres approved by the Department of Scientific and Industrial Research (DSIR). Our product technology has endeavoured us to get new patents and designs. We have been granted nine patents, while 60 applications are under approval in all the four product divisions. We have a Central Advanced Engineering Group (AEG) to support all R&Ds and get the performance/ reliability optimisation for entire product range. Within AEG, there are different cells for CAE (Computer Aided Engineering Analysis), Road Load Data Acquisition, Oil & Friction, Elastomers, and Failure analysis. Our cell for Electronics Control System helps strengthen our engineering prowess in the respective areas.

The cell for electronics helps us strengthen the engineering prowess. Computer-aided engineering activities, testing facilities, and road load data acquisition activities are some of the world-class capabilities we possess. We also seek assistance from our Engineering Departments in Germany and Italy, which enable us to conduct computer-aided designs using casting simulation software, design optimisation, and other processes. We have a technical engineering centre in Chivasso, Italy, for aluminium die castings.

Health, Safety and Environment (HSE)

Health, Safety and Environment are high-priority areas for Endurance Technologies and it is committed to building and maintaining a safe work environment. In FY 2018-19, the Company took following HSE initiatives to further strengthen the safety culture and sustainable manufacturing:

- Installed effluent recycle facilities at our new Halol (Gujarat) Plant & upgraded at the B1/3 (Pune) plant
- Upgraded our infrastructure and capability in emergency preparedness and response
- Conducted training programmes for improving HSE Competency of our employees and contractors on various HSE topics viz. HSE golden rules, work permit procedures, working in hazardous activities, risk assessment
- To influence safety culture and increased employee participation in safety, the Company decided to involve family members of its employees. In this regard, Home and Road Safety pamphlet was prepared and circulated to cover 2,000 workers pan India. They were advised to discuss the 'Do's and Don'ts' with family members and return the home safety audit filled in sheet included in the pamphlet. As token of appreciation, a memento was given to families who submitted the filled-up inspection checklist
- Online system (tool) has been developed to capture the observation points of HSE audits / inspections/ visible safety leadership rounds, which is accessible to all staff members
- Build rainwater harvesting system at our new plants viz. Halol and Kolar
- World Environment Day was celebrated on 5th June, 2018. Oath Ceremony, Tree Plantation (983 Trees) and Online Quiz was conducted. School children were engaged at Pantnagar by arranging Environment training and tree plantation

Conservation of Energy

During the year under review, wind mills installed by the Company at Jaisalmer, Satara and Supa generated 49.51 kWh lakh units, resulting in saving of ₹ 249 lakh. The Company continued its energy conservation initiatives resulting in saving of 16.36 kWh lakh units, resulting in saving of ₹ 115 lakh. For promoting use of renewable energy, it initiated roof top solar projects. In the first phase, it generated 2.18 kWh lakh units

Solar Panel on the Roof tops

Human Resources

Automation has found its way across most manufacturing processes, but human resources continue to be one of the most critical elements for business growth. As on 31st March, 2019, there were a total 4,967 people in Endurance Group, of which 4,149 were employed in India and 818 in Europe. The Company moves employees with strong domain knowledge to strategic roles. It has initiated 'Management Development Programmes' and also imparts training on skills and competence development to translate them into motivational and organisation skills. The Company strives to develop critical mass of domain by moving tech-oriented people with readiness to Development Centre and build their competencies. The purpose of developing leadership competencies and employees of domain and subject-matter experts is to develop leadership positions to take strategic roles in the organisation.

The Company's HR policies are aimed at promoting a culture of innovation and hiring the right people. It endeavours to empanel people who can align with the culture and leadership and ensure longevity. Its HR policies include working together with employees for personal and professional development. Training and employee motivation are also an integral part of its philosophy. High retention rate is achieved as capable employees are provided with ample growth opportunities and rewards to climb the corporate ladder. On a day-to-day basis too, employees are rewarded for their excellent work. They can either be self-nominated or can be nominated by a co-worker for rewards, which in turn further enhances their productivity and efficiency.

Prashansa

The Company's reward and recognition policy "Prashansa" identifies high performing employees who exhibit team work and integrity, and recognises their contribution with quarterly rewards. The Company encourages individuals following organisational goals of creating a healthy and competitive work environment. Employees are motivated to project right information. On the spot rewards are given to employees imbibing and exhibiting our CITTI values. To promote values and ensure people cherish our CITTI values while working within and outside of the organisation, various promotional programmes like dramas/skits/street play are organised periodically at workplace.

IdeaFest

The Company conducted IdeaFest, which is a programme aimed at giving employees the opportunity to come out with innovative ideas and good suggestions. An Executive Committee was formed to screen the ideas and select top 50 meritorious executable ideas for awards. Amongst the ideas that were selected, the ones that have the potential to result in savings and boost performance, were awarded. Every idea was screened for its impact on machine efficiency, productivity and cycle time reduction and monitored for its impact on improving operational efficiency.

Key HR Highlights of FY 2018-19:

1. Inducted high potential critical talent for key positions from the competition industry and outside industry. Visited campuses of top-notch engineering colleges across various NITs in Surathkal, Nagpur, Bhopal and other prestigious autonomous Engineering Institutes like BITs MESRA, COEP, to hire best talent.

2. Offered full time placement to talented summer trainees.

3. Conducted quarterly Townhalls which is an Open House, wherein business overview is given and various achievements and accomplishments of the quarter are highlighted and the concerned people are awarded.

4. Conducted Communication Meet with the Managing Director twice in the year, where he gives a download of business operations. All the employees were made to feel a part of the business by updating them with the challenges facing the business and market competition. This motivational event resulted in high energy building.

5. Assumed diversity in recruitment process taking special efforts to hire women without compromising on competencies.

6. Under 'Women at Endurance' (WAE), our women's cell, we hold monthly meetings to understand issues faced by women employees and also groom them with effective managerial skills.

Cautionary Statement

This document contains some 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.

Board's Report

Dear Shareholders,

The Directors of your Company take pleasure in presenting the Twentieth Annual Report on the business and operations of the Company together with financial statements for the financial year ended 31st March, 2019.

SUMMARISED STATEMENT OF PROFIT AND LOSS:

₹ in million

Particulars	Standalone		Consolidated	
	Financial Year 2018-19	Financial Year 2017-18	Financial Year 2018-19	Financial Year 2017-18
Revenue from operations	54,174.59	46,179.61	75,104.99	64,792.88
Other income	162.23	183.23	270.46	234.70
Total income	**54,336.82**	**46,362.84**	**75,375.45**	**65,027.58**
Raw Material Cost	35,237.29	28,816.10	43,494.54	36,609.14
Excise Duty	-	1,279.12	-	1,279.12
Employee Benefit expenses	2,777.43	2,546.95	6,527.44	5,809.33
Finance cost	170.73	102.49	257.32	235.23
Depreciation	1,756.98	1,696.31	3,762.10	3,215.85
Other expenses	8,839.77	7,633.06	13,795.25	11,816.75
Total expenditure	**48,782.2**	**42,074.03**	**67,836.65**	**58,965.42**
Profit before exceptional items, tax and minority interest	5,554.62	4,288.81	7,538.80	6,062.16
Exceptional Items	208.00	268.78	208.00	268.78
Profit before tax	**5,346.62**	**4,020.03**	**7,330.80**	**5,793.38**
Net Tax expense	1,768.01	1,304.00	2380.74	1,885.81
Net profit for the year	**3,578.61**	**2,716.03**	**4,950.06**	**3,907.57**

DIVIDEND:

For the financial year 2018-19, the Board of Directors have recommended dividend of ₹ 5.50 per equity share of ₹ 10 each (55%) (previous year ₹ 4 per equity share), for consideration of the shareholders at the ensuing Twentieth Annual General Meeting ("AGM").

The dividend, if approved by the shareholders, will result in an outgo of ₹ 932.71 million, which includes tax on dividend aggregating to ₹ 159.10 million.

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

Dividend Distribution Policy

This policy is effective from 26th August, 2016 and has been framed and adopted in terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). In terms of the said Regulation, the scope of the policy, *inter alia*, lays down various parameters relating to declaration/ recommendation of dividend. There has been no change to the policy during the financial year 2018-19. The policy is attached as **Annexure I** and forms part of this Annual Report and is also placed on the Company's website www.endurancegroup.com/investor/investor-relations.

Amount proposed to be transferred to reserves

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

COMPANY'S PERFORMANCE:

During the year under review, the Company's total income (excluding excise duty) on standalone and consolidated basis grew by 20.5% and 18.2%, respectively. The Company posted a total income of ₹ 54,337 million on a standalone basis as against ₹ 45,084 million in the previous year. The total income on a consolidated basis was ₹ 75,375 million compared to ₹ 63,748 million in the previous year.

The profit after tax also increased significantly by 31.8% in the financial year 2018-19 at ₹ 3,579 million as against ₹ 2,716 million in the previous year, on standalone basis; while consolidated profit after tax grew by 26.7% at ₹ 4,950 million as against ₹ 3,908 million in the previous year.

Consolidation of plant operations

The Company regularly monitors operating efficiencies of each plant and evaluates consolidation of operations at appropriate junctures. Uninterrupted supplies to its Original Equipment Manufacturer (OEM) customers is one of the key factors considered during this evaluation exercise.

Board's Report (contd.)

During the financial year 2018-19, the Company decided to consolidate its operations at the Manesar plant. Accordingly, manufacturing activities at the Company's plant in Manesar, Haryana were discontinued in December 2018 and its operations were consolidated with the Pantnagar plant. As per the settlement arrived at for separation of workmen, an exceptional cost of ₹ 208 million towards compensation paid (₹ 170 million additional compensation over and above ₹ 38 million final settlement amount) has been incurred. The consolidation of plant operations has not resulted into any loss of revenue for the Company.

CONSOLIDATED FINANCIAL STATEMENTS:

As per Regulation 33 of the 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 2018-19 have been prepared in compliance with applicable accounting standards. The audited financial statements of the Company and its subsidiaries (including step-down subsidiaries) have been approved by the Board of Directors of respective entities.

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

SUBSIDIARIES:

During the year, two corporate actions were initiated with respect to the Company's subsidiaries in Italy.

A. Merger of Company's step-down subsidiaries viz., Endurance Fondalmec SpA, Italy with Endurance FOA SpA, Italy

Effective 1st January, 2019, Endurance Fondalmec SpA (EF SpA) merged with Endurance FOA SpA (EFOA SpA), two wholly-owned operating subsidiaries of Endurance Overseas Srl (EOSrl) and step-down subsidiaries of the Company. Upon the merger, EF SpA ceased to exist and the name of EFOA SpA was changed to Endurance SpA. The merger was aimed to simplify the corporate and organisation structure of the two operating subsidiaries in Italy and to enable rationalisation of certain internal processes.

B. Acquisition of Fonpresmetal GAP SpA, Italy by Endurance Overseas Srl (EOSrl)

EOSrl acquired the entire equity stake of Fonpresmetal Gap SpA ("Fonpresmetal"), an aluminium die casting company based in Bione, Italy effective 7th January, 2019. This acquisition was for a consideration of Euro 8.16 million which was funded through its internal accruals / borrowings. The consideration includes cash & cash equivalent of around Euro 3.6 million gross and upon netting of the outstanding debt for leasehold assets, the cash & cash equivalents was about Euro 1.9 million. Fonpresmetal had been a preferred supplier for highly complex aluminium die casting parts to Endurance SpA (erstwhile Endurance FOA S.p.A.), an operating step-down subsidiary in Italy. Fonpresmetal has its manufacturing facility in Bione, Brescia, Italy with a capacity of 6,500 tonnes of which 50% is dedicated for supplies to the Endurance Group companies in Italy.

Acquisition of Fonpresmetal is expected to augment casting capacity and help backward integration. This acquisition would also provide future growth opportunities for European subsidiaries.

Upon acquisition, the name of Fonpresmetal has been changed to Endurance Castings SpA.

Post these corporate actions, the Company has the following subsidiaries as on 31st March, 2019:

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

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

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

Amendments to Articles of Association of the Company

At the Nineteenth AGM held on 6th September, 2018, the shareholders of the Company had approved following amendments to the Articles of Association ("AOA") of the Company:

a. Modification in the manner of affixing Common Seal:

   The Companies (Amendment) Act, 2015 has amended the provisions relating to Common Seal, making it

Board's Report (contd.)

optional for companies to continue maintaining a seal. The Act, allows affixing the Common Seal on instruments by persons authorised by the Board by way of a resolution. Hence, for the purpose of administrative convenience, Article 104 of the AOA was amended to enable affixing Common Seal of the Company in the presence of such person(s) as the Board or a committee of the Board, may authorise; and

b. Deletion of Chapter II:

Chapter II of the AOA contained rights conferred to Actis Components and System Investments Limited ("Actis") as per the Shareholders' Agreement dated 19th December, 2011 ("SHA"). Actis was a private equity investors and had invested in the equity shares of the Company in the financial year 2011-12. Actis divested its entire shareholding in the Company in the Initial Public Offering of the Company's equity shares in October 2016. As per the SHA, provisions of Chapter II ceased to be effective immediately upon receipt of listing approvals from the stock exchanges *viz.:* National Stock Exchange of India Ltd. and BSE Ltd. i.e. effective 18th October, 2016. Considering that the said Chapter had become redundant, the same was deleted from the AOA.

SHARE CAPITAL:

The paid-up equity share capital as on 31st March, 2019, was ₹ 1,406,628,480. There was no public issue, rights issue, bonus issue or preferential issue, etc., during the year. The Company has not issued shares with differential voting rights, sweat equity shares, neither has it granted any employee stock options nor issued any convertible securities.

OFFER FOR SALE OF EQUITY SHARES BY MR. ANURANG JAIN, PROMOTER AND MANAGING DIRECTOR OF THE COMPANY:

In terms of the requirement of continuous listing as stipulated under Rule 19(2)(b) and Rule 19A of the Securities Contracts (Regulation) Rules, 1957 and Regulation 38 of the Listing Regulations, the Company was required to increase its public shareholding to at least 25% within three years from listing of its equity shares on stock exchanges, i.e., from 19th October, 2016.

In view of this requirement, Mr. Anurang Jain, Promoter and Managing Director of the Company, sold 7.5% stake (10,552,688 shares) in the Company by offering the shares by way of Offer for Sale ("OFS") through the stock exchange mechanism. As a result, the Company has achieved the mandated minimum public shareholding threshold of 25% within the stipulated time limit of three years post - IPO listing in October 2016. The OFS process was completed on 8th March, 2019.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

The composition of the Board of the Company, as on 31st March, 2019, is as follows:

Sr. No.	Name of Director	Position
1.	Mr. Naresh Chandra	Chairman (Non-Executive)
2.	Mr. Anurang Jain	Managing Director (Executive)
3.	Mr. Roberto Testore	Independent Director (Non-Executive)
4.	Mr. Partho Datta	Independent Director (Non-Executive)
5.	Mr. Soumendra Basu	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)

Continuation of directorship of Mr. Naresh Chandra, Chairman

In terms of Regulation 17(1A) of the Listing Regulations, the Members of the Company, at the Nineteenth AGM of the Company, accorded their consent by way of a Special Resolution for continuing the directorship of Mr. Naresh Chandra, Chairman of the Company, as he has attained the age of eighty-three years.

Re-appointment of Executive Directors

Mr. Ramesh Gehaney, Director and Chief Operating Officer (DIN: 02697676) and Mr. Satrajit Ray, Director and Group Chief Financial Officer (DIN: 00191467) were appointed as Executive Directors of the Company effective 6th June, 2014 for a term of five years each. The existing term of their appointment is valid up to 5th June, 2019. Based on the recommendation of the Nomination & Remuneration Committee, the Board at its

Board's Report (contd.)

meeting held on 14th May, 2019 has, subject to the approval of Members, approved re-appointment of Mr. Ramesh Gehaney and Mr. Satrajit Ray, as Executive Directors of the Company, for a period of five years from 6th June, 2019 and also approved the terms of their remuneration.

In terms of the provisions of Section 196, 197 and 198 read with Schedule V to the Act, approval of the Members is sought at the ensuing AGM of the Company, for re-appointment of:

- Mr. Ramesh Gehaney as Executive Director of the Company, designated as Director and Chief Operating Officer; and
- Mr. Satrajit Ray, as Executive Director of the Company, designated as Director and Group Chief Financial Officer.

Information as required under Regulation 36(3) of the Listing Regulations relating to Mr. Ramesh Gehaney and Mr. Satrajit Ray is provided in the Notice convening the Twentieth AGM.

Retirement of directors by rotation

In terms of Section 152(6) of the Act, Mr. Massimo Venuti, Director (DIN: 06889772), retires by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment. Information as required under Regulation 36(3) of the Listing Regulations is provided in the Notice convening the Twentieth 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, its Committees and Meetings of the Board Committees

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

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

A detailed charter including terms of reference of various Board constituted Committees, number of Committee meetings held during the financial year 2018-19 and attendance of members at each meeting, forms part of the Corporate Governance Report.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

(i) in the preparation of the annual accounts for the year ended 31st March, 2019, the applicable accounting standards have been followed along with proper explanation 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 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 are 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 are operating effectively.

DECLARATION BY INDEPENDENT DIRECTORS:

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

All the Independent Directors of the Company have affirmed compliance with the Company's Code of Conduct for Directors and Employees for the financial year 2018-19.

Board's Report (contd.)

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

The Nomination and Remuneration Policy approved by the Board at its meeting held on 10th June, 2016, was last revised by the Board at its meeting held on 25th April, 2019. This is also placed on the Company's website: www.endurancegroup.com/investor/investor-relations. In terms of the said Section, the scope of the policy covers directors, key managerial personnel and senior management employees of the Company. The policy, *inter alia*, lays down the principles relating to appointment, cessation, remuneration and evaluation of directors, key managerial personnel and senior management employees of the Company.

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

PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND THE DIRECTORS:

Pursuant to the amendments notified effective 7th May, 2018 vide Companies (Amendment) Act, 2017, Section 178 was amended. In terms of the revised Section 178 of the Act, the Nomination and Remuneration Committee ("NRC") of a company is responsible for specifying:

i. the manner for effective evaluation of performance of the Board, its Committees and individual directors; and

ii. the body who shall be conducting the performance evaluation.

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

Performance of the Board was evaluated 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, its contribution in effective management of the Company, etc. Based on the assessment, observations on the performance of Board were discussed. Key action areas for the Board, Committees and directors were noted.

During the period under review, the annual performance evaluation of the Board, its Committees and individual directors for the financial year ended 31st March, 2019 was conducted by:

i. the independent directors, at their meeting held on 24th April, 2019; and

ii. the Board, at its meeting held on 25th April, 2019.

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

SECRETARIAL STANDARDS:

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

INFORMATION ON BOARD MEETING PROCEDURE AND ATTENDANCE DURING THE FINANCIAL YEAR 2018-19:

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

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

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

AUDIT COMMITTEE:

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

As on 31st March, 2019, the Committee comprised following directors as its members:

i. Mr. Partho Datta, Chairman;

ii. Mr. Soumendra Basu; and

iii. Ms. Anjali Seth.

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

Board's Report (contd.)

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.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

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

As on 31st March, 2019, the Committee comprised following directors as its members:

i. Mr. Anurang Jain, Chairman;

ii. Mr. Soumendra Basu; and

iii. Mr. Ramesh Gehaney

RISK MANAGEMENT COMMITTEE:

In terms of the Regulation 21(5) of Listing Regulations, amended vide SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, notified on 9th May, 2018, the requirement of constituting a Risk Management Committee had been extended to the top 500 listed entities, from the earlier top 100 listed entities, based on market capitalisation as at the end of previous financial year. The amendment was effective 1st April, 2019.

The Company ranked 145th as per the market capitalisation as of 31st March, 2018. Accordingly, the Board, at its meeting held on 3rd November, 2018, constituted a Risk Management Committee ("RMC") comprising the following Directors as its members:

i. Mr. Anurang Jain, Chairman;

ii. Mr. Partho Datta;

iii. Mr. Ramesh Gehaney; and

iv. Mr. Satrajit Ray.

The Company has a Risk Management Policy which was framed in June, 2015 and was last revised in August, 2017.

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

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

CREDIT RATING:

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

INTERNAL FINANCIAL CONTROLS:

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

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

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

The Company has an in-house Internal Audit (IA) team lead by the Chief Internal Auditor who reports to the Audit Committee. The scope of work, accountability, responsibility,

Board's Report (contd.)

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 for certain 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 Committee. The Committee reviews the report and advises on improving the systems and processes, where necessary.

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

CORPORATE GOVERNANCE:

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

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

BUSINESS RESPONSIBILITY REPORT:

Regulation 34(2) of the Listing Regulations, *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 2018-19 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, ("PIT Regulations") 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 or leak of confidential price sensitive information.

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'.

The SEBI had issued a notification dated 31st December, 2018, amending the provisions of the PIT Regulations. These amendments were notified vide SEBI (Prevention of Insider Trading) (Amendment) Regulations, 2018 and are effective 1st April, 2019.

In terms of the notified amendments, the PIT Code, UPSI Code and Whistle Blower Policy of the Company were revised by the Board, at its meeting held on 7th February, 2019, to align these policies with the amended regulations.

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 II**.

Board's Report (contd.)

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

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

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

Expenditure towards CSR activities

During the year under review, the Company had earmarked an amount of ₹ 68.09 million for expenditure towards CSR activities. The Board of Directors have approved following projects / programmes, which are as per Schedule VII to the Act and CSR Policy of the Company:

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

Against the amount earmarked, the total CSR expenditure has been ₹ 69.27 million during the financial year 2018-19 with respect to the above projects/ programmes.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS:

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

AUDITORS:

Statutory Auditor

The shareholders of the Company at their Eighteenth AGM had approved the 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 shareholders 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 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 2019-20. The remuneration proposed is ₹ 400,000 and is subject to ratification by the shareholders at the ensuing AGM. The said remuneration is excluding applicable taxes and out-of-pocket expenses, if any, payable at actuals.

Secretarial Auditor

In terms of the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed Mr. Sachin Bhagwat *(Membership No. A10189, CP No. 6029)* Practicing Company Secretary, to conduct an audit of the secretarial records for the financial year 2018-19.

The Secretarial Audit Report for the financial year 2018-19 is set out as **Annexure IV** to this report. The said report does not contain any qualification, reservation or adverse remark.

DISCLOSURES:

Policies of the Company

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

Board's Report (contd.)

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

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

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

These policies are periodically reviewed by the Committees responsible therefor and changes, if any, are recommended to the Board for approval. Changes to the policies also factor amendments in statutes or governing regulations. During the period from 1st April, 2018 till the date of report, the following policies were revised:

Sr. No.	Name of Policy	Revised effective
1.	Policy for Determination of Materiality of Event/ Information	25th April, 2018
2.	Policy for Preservation of Documents	25th April, 2018
3.	Corporate Social Responsibility Policy	10th August, 2018
4.	Policy for Determining Material Subsidiaries	10th August, 2018
5.	Policy on Determining Materiality of and Dealing with Related Party Transactions	10th August, 2018
6.	Whistle Blower Policy	7th February, 2019
7.	Code of Conduct for Prevention of Insider Trading	7th February, 2019
8.	Policy on Fair disclosure of Unpublished Price Sensitive Information	7th February, 2019
9.	Nomination and Remuneration Policy	25th April, 2019

In terms of Section 134(3) of the Act, a brief on revisions to the following policies of the Company is given below:

1. Nomination and Remuneration Policy

Based on the recommendation of the Nomination and Remuneration Committee ("NRC"), the Nomination and Remuneration Policy was revised by the Board, at its meeting held on 25th April, 2019. The key changes made to the NR Policy are tabulated below:

Sr. No.	Existing Clause	Revised clause
Clause 'IV. Definition'		
A.	-	New definition included – '**Designated Senior Management Employees'** means officers/ personnel of the Company who are members of its core management team excluding the Board of Directors, and such other officers as may be decided by the Nomination and Remuneration Committee, from time to time.
Clause 'VI. Nomination'		
B.	1. Appointment (a) to fill up casual vacancy	1. Appointment (a) to fill up any vacancy
	5. Cessation of engagement – This can either be:	5. Cessation of engagement – This can either be:
	5.2. Retirement from services in terms of Company's Human Resource Policy. The Board may, at its discretion, continue employment of whole-time directors in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company. The discretion to continue employment of key managerial personnel and senior management employees shall vest with the Managing Director, who shall decide the position / remuneration or otherwise after an incumbent attains the retirement age.	5.2 Retirement from services in terms of Company's Human Resource Policy The Board may, at its discretion, continue employment of whole-time directors in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company. The discretion to continue employment of Key Managerial Personnel and Designated Senior Management employee shall vest with the Committee, who shall decide the position / remuneration or otherwise after an incumbent attains the retirement age.

Board's Report (contd.)

2. Corporate Social Responsibility Policy

The CSR Policy of the Company was revised on 10th August, 2018. The earlier policy covered a few selected activities permitted for CSR as per Schedule VII to the Act. Hence, the CSR Policy was revised to cover all the areas as mentioned under Schedule VII along with an indicative list of activities under each of them. The CSR Policy forms part of the Annual Report on Corporate Social Responsibility Activities attached as **Annexure III** as stated earlier in this Report.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

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

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

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

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. Pursuant to the notification of Prevention of Insider Trading (Amendment) Regulations, 2018, the Whistle Blower policy was amended in the Board meeting held on 7th February 2019. The amendment pertains to make employees aware of such a policy to enable them to report instances of leak of Unpublished Price Sensitive Information.

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.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY BETWEEN 31ST MARCH, 2019 AND DATE OF BOARD'S REPORT:

The Company has availed ₹ 1000 million by issue of Commercial Papers to meet its fund requirements.

RELATED PARTY TRANSACTIONS:

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

During the year, the Company did not enter into any contract/ arrangement/ transaction with related parties which could be considered material for which shareholders' approval is required in accordance with Section 188 of the Act and the RPT Policy.

Accordingly, there is no information to be disclosed in Form AOC-2, while the particulars of all RPT 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.

ANNUAL RETURN

In terms of Section 92(3) of the Act, the annual return of the Company for the financial year ended 31st March, 2019 shall be available on the Company's website at: www.endurancegroup.com/investor/investor-relations.

Board's Report (contd.)

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

The Company has adopted 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 Internal Complaints Committees ("ICC") for all its locations which are chaired by a female employee and senior management officials of the Company are its members along with representative of non-government organisation / association committed to the cause of women or a person familiar with the issues relating to sexual harassment. The ICC is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the Policy.

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

INDUSTRIAL RELATIONS:

During the year under review, the industrial relations remained cordial. Wage settlement agreements were renewed with workmen unions that were due during the year.

INVESTOR EDUCATION AND PROTECTION FUND:

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

In terms of the foregoing provisions of the Act, no dividend amount or shares were required to be transferred to the IEPF by the Company during the year ended 31st March, 2019.

The Company has uploaded details of unpaid and unclaimed dividend amounts lying with the Company as on 10th December, 2018, on the Company's website www.endurancegroup.com/investor/investor-relations and on the website of the Ministry of Corporate Affairs at www.iepf.gov.in.

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

Financial Year	Date of declaration of dividend	Amount of unpaid dividend as on 31st March, 2019 (in ₹)	Due date for transfer to IEPF
2016-17	28th July, 2017	47,795	31st August, 2024
2017-18	6th September, 2018	42,212	11th October, 2025

ACKNOWLEDGMENTS:

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

The Directors also express gratitude to the shareholders, employees & workmen, 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: 14th May, 2019

Annexure I to Board's Report

Dividend Distribution Policy

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

PREAMBLE:

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

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

POLICY FOR DECLARATION OF DIVIDEND:

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

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

i) Current financial year's profit:

  a) After providing for depreciation in accordance with law;

  b) After transferring to reserves as may be otherwise considered appropriate by the Board at its discretion or as such amount prescribed under the Act.

ii) The profits for any previous financial year(s):

  a) After providing for depreciation in accordance with law;

  b) Remaining undistributed; or

iii) Out of i) & ii) both.

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

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

DECIDING CRITERIA FOR DIVIDEND DECLARATION AND UTILISATION OF RETAINED EARNINGS:

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

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

External factors:

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

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

Internal factors:

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

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

CIRCUMSTANCES UNDER WHICH SHAREHOLDERS MAY NOT EXPECT DIVIDEND:

In case of,

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

REVIEW OF THE POLICY:

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

Annexure II to Board's Report

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

A. CONSERVATION OF ENERGY:

During the year under review, the windmills installed by the Company at Jaisalmer, Satara and Supa, generated 7,071,574 units of electricity (including 4,951,809 units of captive consumption). The Company earned an income of ₹ 39.25 million (including captive consumption ₹ 27.14 million) from generation of wind power.

Your Company continued with its energy conservation initiatives.

(i) Energy conservation measures taken

The following measures were taken to reduce power consumption:

a. 254W gang way lamps were replaced with LED lamps of 80W.

b. A 7.5KW hydraulic pump was replaced with a hydro pneumatic cylinder on the machining line.

c. Transparent roofing sheets have been provided at all sheds for use of natural light, thereby reducing the use of over-head lamps during the daytime.

d. Compressed air line closed loop arrangement done in each shop to optimise compressor running hours.

e. System power factor maintained from 0.996 – 1.0 to reduce indirect energy losses.

f. Replaced old motors by IE-2 energy-efficient BEE rated motors which were installed on cooling tower, chiller, dust collector and main water tank pump to reduce consumption of electricity.

g. Installed automatic 'Cut-off Timer' to switch off power connection during machine idle time. Human movement detection sensors were installed in office areas for auto power switch off.

h. Auto trolley changeover provided which resulted in reduced molten metal holding time in the holding furnace.

Impact

These initiatives have resulted in savings of 1.64 million units of electricity.

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

With a view to promote use of renewable energy for its plant operations, the Company has undertaken the project of installing solar panels on rooftops. This project commenced in the financial year 2018-19 and is expected to be completed in the current financial year. In the first phase, electricity of 218,536 kwh units was generated.

(iii) Capital investment on energy conservation equipment

The capital investment made by the Company during the financial year 2018-19 on energy conservation equipment was ₹ 10.46 million.

B. TECHNOLOGY ABSORPTION:

Research & Development

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

The Company has four R&D Centres approved by the Department of Scientific and Industrial Research (DSIR) for each of its product categories. A workforce of around 180 professionals is deployed to develop new products and improvise the existing product range to offer technologically upgraded solutions to its customers. In order to further strengthen its R&D capabilities, the Company has been consistently investing in technically advanced testing equipment and engineering software at its R&D centres.

As a step towards upgrading its testing competencies, the Company is building a state-of-the-art proving ground near Waluj, Aurangabad. This test track is a significant step taken by the Company to develop 'first time right' products, thus providing a competitive edge over its peers. It is a step towards providing 'end-to-end' solutions to its OEM customers by ensuring the fitness of products upon vehicle application.

Intellectual Property (IP)

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

Annexure II to Board's Report (contd.)

During the year under review, the Company was granted two patents for transmission (clutches) and suspension (shock absorber). As on 31st March, 2019, the Company has eight patents granted and seven designs registered. The Company also filed eleven applications for grant of patents out of which ten were in India and one in the United States, taking the total number of patent applications to sixty-one.

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 and implemented.

Advanced Engineering

Advanced Engineering Group (AEG) supports in areas of virtual validation, Experimental Data Analysis (EDA), failure analysis, advanced material analysis, amongst others.

Computer Aided Engineering (CAE) processes have been matured and automated to improve consistency in results and reduce lead time. During the year, the R&D team continued to focus 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. With the infrastructure added during previous years, the focus was on vehicle level test evaluations on test track as well as on road.

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

The Electronic Control System (ECS) team is instrumental in development of next generation proprietary products like Semi-Active Suspension, Anti-lock Braking Systems (ABS). The ECS lab is fully capable of supporting the in-house 'end-to-end' design, development and validation capabilities.

Specific areas in which R&D was carried out

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

i. Blue light 3D scanner and MAC 3 Industrial Design software added to develop and inspect complex 3D parts. This enables monitoring of die wear pattern during the stages of die life.

ii. Developed diamond-cut alloy wheels for two-wheelers, first time in India. Designed GDC machine for alloy wheel. This has reduced cycle time and resulted in an increase in productivity.

iii. Major new casting products such as clutch housings, transmission cases and cylinder head cover sub-assemblies developed for major four-wheeler OEMs. Also developed BS-VI castings for Indian four-wheeler and two-wheeler OEMs.

iv. During the year under review, CAE analysis was used to reduce the weight of castings and to improve its quality.

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

i. Developed product portfolio for Combined Braking System (CBS) and ABS to meet the new regulatory norms effective 1st April, 2018. These have been offered to OEM customers.

ii. Developed a 3-pot type caliper CBS brake system for a major two-wheeler OEM and the design was done indigenously by the Brakes R&D team.

iii. Implementation of ABS Integration for supply of ABS. Installation of high-end vacuum bleeding machines with ABS communication capability on production lines.

iv. Development of ECU for single and two channel ABS.

v. Development of rear disc brake system.

Testing Facilities:

vi. Upgraded its vehicle testing capability by building ABS test tracks with different friction levels and water wetting capability at the proving ground near Waluj, Aurangabad.

vii. Advanced Data Acquisition (DAQs) for ABS testing were added in the fleet of test equipment in year 2018-19.

viii. An ABS prototype laboratory has been set up; it has the necessary equipment for prototype manufacturing and performance checking.

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

i. Development and implementation of high-performance paper-based clutches for motorcycles with displacement of 200cc to 500cc.

Annexure II to Board's Report (contd.)

ii. EVTC clutch samples given to customer for high-end motorcycle model for proof of concept.

iii. Establishment of new test cycles on Continuous Variable Transmission ("CVT") performance and durability test rig.

iv. Developed complete multi-plate wet clutch assemblies and CVT assemblies for OEMs.

v. Conducted VA/VE (value added/value Engineering activities) for clutch assemblies and CVT assemblies resulting in improved performance at reduced cost.

vi. Optimisation of damper characteristics with the use of virtual validation.

vii. Upgradation of in-house prototyping Facility.

viii. Improvements in the following methods for product testing and validation:

   a. CVT Judder Analysis – methodologies conducted on test rigs and on vehicles;

   b. Torsional vibration measurement and data analysis on Rigs; and

   c. CVT Liner evaluation techniques

ix. Development of independent road load data acquisition capabilities.

x. Following new testing facilities were installed:

   a. Damper endurance rig; and

   b. Data Logger with Data analysis software.

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

The Company has made significant investments for the development of Test Track/ Proving Ground. The proving ground, located about 15 km from the Company's plant in Waluj, is spread across twenty-nine acres. It is equipped with state-of-the-art testing facilities and has eight test tracks including five different gradients to carry out on-vehicle test performance of its auto components on simulated road conditions. The track is being used to study and evaluate the performance of suspensions, transmission components, and braking systems on the vehicle.

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

1. Improvement in the product quality, performance, reliability and safety.
2. Reduction in the product cost through various VA/VE ideas to gain a competitive edge.
3. Reduction in the cycle time of process and increase in productivity.
4. Minimise product development time with the help of new testing facilities and advanced analytical capabilities.
5. 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
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
2018	Adler SpA, Italy*	Manufacture of transmission products (clutch assemblies, friction plates and CVTs)	Under absorption

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

Annexure II to Board's Report (contd.)

VI. Expenditure incurred on R & D

(₹ in million)

Sr. no.	Particulars of expenditure	2018-19	2017-18
i.	Capital including technical know-how	224.94	291.95
ii.	Recurring	404.41	309.56
Total		**629.35**	601.51
Total research and development expenditure as a percentage of revenue, net of excise duty.		1.16%	1.33%

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	1,435.62
Foreign exchange outgo	4,342.01

For and on behalf of the Board

Naresh Chandra
Chairman
DIN: 00027696

Place: Mumbai
Date: 14th May, 2019

Annexure III to Board's Report

Annual Report on Corporate Social Responsibility Activities

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

Brief outline of the Company's CSR policy

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

CSR Policy of the Company

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

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

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

POLICY

1. Endurance may undertake CSR activities, preferably in and around the areas of its operations.

2. Endurance may undertake its CSR projects, programmes and activities either directly or through external implementing agencies or Registered Trusts / Society or a Section 8 company under Companies Act, 2013.

3. The CSR projects, programmes and activities shall relate to following areas:

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

Annexure III to Board's Report (contd.)

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

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

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

1. 'Swachh Bharat Kosh' set up by the Central Government for the promotion of sanitation.
2. 'Clean Ganga Fund' set up by the Central Government for rejuvenation of the river Ganga.
3. 'Prime Minister's National Relief Fund' or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.
4. Technology incubators located within academic institutions which are approved by the Central Government.
5. Other activities as laid down in Schedule VII of the Companies Act, 2013, as amended from time to time.

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

IMPLEMENTATION

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

Annexure III to Board's Report (contd.)

Overview of projects or programmes undertaken during the financial year 2018-19

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

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

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

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

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

iii. Sevak Trust Balwadi *(Balwadi)*.

Vocational Training Centre (VTC)

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

a. Retail Marketing;

b. Electrical;

c. Computer;

d. Tailoring; and

e. Die-casting.

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

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

During the financial year 2018-19, ECoVE completed six batches in the above-mentioned training courses with 369 candidates registered and 326 candidates graduated. Out of these 326 graduates, 178 candidates have gained employment; while 109 candidates are employed with various organisations, sixty nine of the graduated candidates are self-employed. Of the remaining 148 graduates, eighty one opted for higher education and sixty seven are searching for suitable job opportunities.

Village Development Project (VDP)

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

Annexure III to Board's Report (contd.)

During the financial year 2018-19, the Company has undertaken VDP at all the villages mentioned above. All these villages are located around 35-45 km from Aurangabad. A brief on the activities undertaken at these villages and focus areas is tabulated below:

Sr. No.	Programmes	Activities
1.	Health and Nutrition	• Organising eye and general health check-up camps. • Facilitating cataract operations. • Distribution of medicines at health check-up camps. • Renovation of health care centres.
2.	Water & Sanitation	• Construction of toilets. • Waste management project • Organising cleanliness drive.
3.	Agriculture methodology and Livelihood	• Organising specialised agriculture trainings. • Construction of mangers.
4.	Education	• Renovation of school building. • Setting up of libraries with books and furniture. • Installation of invertors and solar panels to facilitate uninterrupted e-learning.
5.	Community Development	• Providing financial assistance to families in low income groups for purchasing of goats. This helps them to generate income for livelihood. • Providing financial assistance to self-employed females and organising of vocational trainings. • Setting up of unit for manufacturing of sanitary napkins to promote hygiene and to generate employment. • Treated patients under alcohol de-addiction project.

World on Wheels' (WoW) project

During the last financial year, the Company has tied up with Hewlett-Packard India ("HP India") to facilitate and spread digital literacy as part of the VDP activities through "HP World on Wheels" ("WoW Project"). WoW Project is a HP India trademarked initiative/solution that has been developed to implement more creative, sustainable and inclusive models of education with the use of information technology, to address and mitigate the sizeable gap in the delivery of digital education in India.

Sevak Trust Balwadi *(Balwadi)*

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

During the financial year 2018-19, the infrastructure facilities at the *Balwadi* were upgraded and training was provided to teachers.

Overview of projects or programmes proposed to be undertaken:

Village Development Project (VDP):

In view of the positive impact of the developmental activities implemented/ in progress in all the aforementioned twenty villages, it is proposed to continue with VDP initiatives in the current financial year. These villages also include the following villages of Khultabad block which have been newly identified for extending VDP thereat:

a) Shekharpur Wadi;

b) Hanuman Wadi;

c) Wadod Khurd; and

d) Ellora.

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

Vocational Training Centre (VTC):

Endurance Centre of Vocational Empowerment ("ECoVE") received an 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 2019-20:

a. Retail Marketing;

b. Electrical- House Wiring;

Annexure III to Board's Report (contd.)

c. Computer;

d. Tailoring; and

e. Die-casting.

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

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

2. **Composition of the Corporate Social Responsibility Committee:**
   The Corporate Social Responsibility Committee comprises following directors as its members:

   a) Mr. Anurang Jain, Chairman

   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 fulfil CSR; and

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

3. **Average net profit of the Company for last three financial years:**
   The average net profit before tax of the Company during the financial years 2015-16, 2016-17 and 2017-18 was ₹ 3,404.36 million.

4. **Prescribed CSR expenditure (two percent of the amount as in item 3 above):**
   During the year under review, the Company earmarked ₹ 68.09 million towards CSR activities in terms of the provisions of Section 135 of the Companies Act, 2013.

5. **Details of CSR spend for the financial year:**
   1) Total amount spent in the financial year 2018-19: ₹ 69.27 Million

   2) Amount unspent: Nil

Annexure III to Board's Report (contd.)

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

(₹ in million)

1	2	3	4		5	6		7	8
Sr. No.	**CSR project or activity identified**	**Sector in which the Project is covered**	**Projects or programmes**		**Amount outlay project or programme wise**	**Amount spent on the projects or programmes Subheads:**		**Cumulative expenditure up to reporting period**	**Amount spent: Direct or through implementing agency**
			(i) Local area or other	**(ii) Specify the State and district where projects or programmes were undertaken**		**(i) Direct expenditure on projects or programmes**	**(ii) Overheads**		
1	**Village Development Project**	**Refer note (i) below**	Local Area: Kachner, Sanjkheda, Jodwadi, Landak wadi, Bembalyachi wadi, Honobachi wadi, Khodegaon, Fulambri wadi, Muradabad, & Husenpur (Piwal wadi) and ten more villages.	State- Maharashtra District- Aurangabad					
(a)	Water & Sanitation				10.76	3.80	-	3.80	Through implementing agency- Sevak Trust*
(b)	Agriculture & Livelihood				11.88	10.79	-	10.79	
(c)	Health & Nutrition				1.51	1.19	-	1.19	
(d)	Education				23.44	16.92	-	16.92	
(e)	Community Development				4.07	2.99	-	2.99	
(f)	General Activities				1.34	1.18	-	1.18	
	Sub Total-(A)				**53.00**	**36.87**	**-**	**36.87**	
2	**Vocational Training Centre**	**Refer note (ii) below**	Local Area: Waluj, Aurangabad	State- Maharashtra District- Aurangabad					
(a)	Training & Administrative Expenses				12.00	11.23	-	11.23	Through implementing agency- Sevak Trust*
(b)	VTC building construction				30.00	19.75	-	19.75	
	Sub Total- (B)				**42.00**	**30.98**	**-**	**30.98**	
3	**Balwadi**	**Refer note (ii) below**	Local Area: Waluj, Aurangabad	State- Maharashtra District- Aurangabad	3.00	0.15	-	0.15	Through implementing agency- Sevak Trust*
	Sub Total- (C)				**3.00**	**0.15**	**-**	**0.15**	
4	Salary of CSR staff							1.27	Direct
	Grand Total (A + B + C)				**98.00**	**68.00**	**-**	**69.27**	

Note:

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

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

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

Annexure III to Board's Report (contd.)

6. Reasons for under spending of amount earmarked for CSR expenditure for the financial year 2018-19:

Not Applicable

7. Responsibility Statement

The implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company.

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

Anurang Jain
Managing Director
DIN: 00291662

Date: 14th May, 2019

Annexure IV to Board's Report

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2019
[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.

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 31 March, 2019, 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 31 March, 2019 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 and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

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

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

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

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

Annexure IV to Board's Report (contd.)

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

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

I further report that:

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

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

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

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

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

Signature:
Sd/-

Sachin Bhagwat
ACS: 10189
CP: 6029

Place : Pune
Date : 4th May, 2019

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

Annexure

To,
The Members,
Endurance Technologies Ltd.

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

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

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

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

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

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

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

Signature:
Sd/-

Sachin Bhagwat
ACS: 10189
CP: 6029

Place : Pune
Date : 4th May, 2019

Annexure V to Board's Report

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

a) The ratio of the remuneration of each Director / Key Managerial Personnel (KMP) to the median remuneration of the employees of the Company for the financial year 2018-19:

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 2018-19
Executive Directors and Key Managerial Personnel			
1	Mr. Anurang Jain, *Managing Director*	132.34	7.25%
2	Mr. Satrajit Ray, *Director and Group Chief Financial Officer*	50.16	14.70%
3	Mr. Ramesh Gehaney, Director and Chief Operating Officer	50.07	15.52%
Non-executive Directors @			
4	Mr. Naresh Chandra, *Chairman*	6.77	51.74%
5	Mr. Partho Datta	6.43	12.00%
6	Mr. Soumendra Basu	6.52	11.81%
7	Mr. Roberto Testore	5.56	9.50%
8	Ms. Anjali Seth	5.90	19.18%
9	Mrs. Falguni Nayar	5.10	22.89%
10	Mr. Massimo Venuti **	N.A.	N.A.
Key Managerial Personnel			
11	Mr. Sunil Lalai, Company Secretary	20.00	16.74%

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

** Mr. Massimo Venuti is employee of Endurance Overseas SrL, overseas subsidiary and he does not draw any remuneration from the Company.

b) The median remuneration of the employees of the Company during the financial year 2018-19 was ₹ 0.44 million.

c) Percentage increase in the median remuneration of employees in the last financial year 2018-19 was 16.56% as compared to the previous year.

d) No. of permanent employees as on 31st March, 2019 are 4,149.

e) Average percentile increase in the salaries of employees other than the managerial personnel in the financial year 2018-19 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 2018-19 was 13.98%; whereas the increase in the managerial remuneration in the financial year 2018-19 was 10.50 %.

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

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

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

14th May, 2019

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, 2019:

1. we have reviewed the financial statements and the cash flow statement for the year as aforesaid and to the best of our knowledge and belief:
   a. these financial statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   b. these statements together present a true and fair view of the Company's affairs and are in compliance with Indian Accounting Standards (Ind AS), applicable laws and regulations;

2. to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct for Directors and Employees;

3. we accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of 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

14th May, 2019

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 March 31, 2019. 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 Directors Register as on March 31, 2019 and verified that atleast one women director was on the Board during the year;

   iv. Obtained and read the minutes of the following committee meetings held April 01, 2018 to March 31, 2019:

      (a) Board of Directors meeting;

      (b) Audit committee;

      (c) Annual General meeting;

      (d) Nomination and remuneration committee;

      (e) Stakeholders Relationship Committee;

      (f) Independent directors meeting; and

      (g) Risk management committee;

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

   vi. 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.

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 March 31, 2019, 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
UDIN: 19089802AAAAAD1762

Place: Mumbai
Date: May 14, 2019

Corporate Governance Report

The Directors present the Company's Report on Corporate Governance for the financial year 2018-19. This report elucidates the systems and processes followed by the Company to ensure compliance of corporate governance requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") and the Companies Act, 2013 ("Act").

1. PHILOSOPHY:

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

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

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

2. BOARD OF DIRECTORS:

a) Composition:

As on 31st March, 2019, the Board comprised ten Directors, three of which are Executive Directors, five are Non-Executive & Independent Directors and two are Non-Executive & Non-Independent Directors. The Company has a Non-Executive Chairman who is a member of the promoter group.

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

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

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

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

Corporate Governance Report (contd.)

The composition of the Board of Directors, during the year ended on 31st March, 2019 was as under:

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

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

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

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

@ *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 date of appointment. Mr. Satrajit Ray was re-appointed as director after retirement by rotation at the Nineteenth Annual General Meeting held on 6th September, 2018.

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

Mr. Massimo Venuti had sought leave of absence from attending the Nineteenth Annual General Meeting ("AGM") of the Company held on 6th September, 2018.

Corporate Governance Report (contd.)

b) Table indicating details of Directors serving directorships in other listed entities as on 31st March, 2019

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

** Mr. Naresh Chandra resigned from the directorship of Hercules Hoists Limited w.e.f. 1st April, 2019.*

Category source – Stock Exchanges

c) Number of Board meetings:

During the financial year 2018-19, the Board of Directors met five times on following dates, viz. 25th April, 2018, 15th May, 2018, 10th August, 2018, 3rd November, 2018 and 7th February, 2019. The statement below tabulates attendance of each of the directors at the aforesaid Board meetings.

Sr. No.	Date of Meeting	Category	25th April, 2018	15th May, 2018	10th August, 2018	3rd November, 2018	7th February, 2019
	No. of Meeting / Name of Directors		101st	102nd	103rd	104th	105th
1.	Mr. Naresh Chandra	Chairman, Non-executive, Non-Independent	✓	✓	✓	✓	✓
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	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.)

d) Certificate of Independence

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

e) 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.*

f) Skills / expertise / competence of Directors:

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

1. Accountancy;
2. Economics;
3. Finance;
4. Law;
5. Information Technology;
6. Business Management;
7. Risk Management;
8. Human Resource; and
9. Technical knowledge of the auto component industry.

The Company's Board comprises professionals from different backgrounds. They bring on board perspective from different domains and these effectively contribute in enhancing functioning of the Board.

g) 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 amendments in the laws and regulations applicable to the Company through 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. the business model of the Company;

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

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

to enable them take informed decisions.

Corporate Governance Report (contd.)

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

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

I. Appointment of Director(s)

A formal letter of appointment is issued to a director, *inter alia*, giving details of the Committee(s) where he / she is also appointed as member along with the terms of reference, information about other Board constituted committees, role and responsibilities as independent director. The director is also provided with a handbook which gives an overview on the Company and the Management comprising, amongst others, following information:

a. Corporate overview:

i. Purpose, Philosophy, Vision, Mission and Goal of the Company;

ii. Company's values;

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

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

b. Board and Management overview:

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

ii. Profile of Board members; and

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; and

iii. Powers of the Board, liabilities of Directors', their duties and responsibilities, etc. as enumerated in the Act and the Listing Regulations.

II. Updates at the Board Meetings

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

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

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

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/ observations;

x. Corporate Social Responsibility initiatives undertaken;

xi. Changes at senior level management;

xii. Litigations and compliance;

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

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

At periodic intervals Board meetings are held at one of the Company's plants in India or at a

Corporate Governance Report (contd.)

subsidiary overseas, during which factory visits are also organised.

III. Event Based updates

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

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

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

Details of the familiarisation programmes undertaken during the financial year 2018-19 are given below:

Sr. No.	Date	Particulars of Familiarisation	No. of hours spent
1.	25th April, 2018	Presentation on Health, Safety and Environment of the Company encompassing following for FY 2017-18: • Group Safety performance; • Environment initiatives; • Recognitions and awards received.	2
2.		Presentation by the Director and Chief Operating Officer and the Director and Group Chief Financial Officer on Annual Business Plan of the Company, which includes operating and sales plan and budget of the Company and at Group level for FY 2018-19	
3.	15th May, 2018	Presentation by the Director and Group Chief Financial Officer on the Domestic and Overseas Financial Performance of the Company for the FY 2017-18	1
4.	10th August, 2018	Presentation by the Director and Group Chief Financial Officer on the Domestic and Overseas Financial Performance of the Company for the Q1 – FY 2018-19	1
5.	6th September, 2018	Visit to the Company's Vocational Training Centre which is a part of CSR initiative.	3
6.		Visit to Test Track site in Aurangabad	
7.	7th September, 2018	Visit to Sanjkheda and Kachner, Villages which are undertaken under CSR initiatives	4
8.	3rd November, 2018	Presentation by the Director and Group Chief Financial Officer on the Domestic and Overseas Financial Performance of the Company for the Q2 – FY 2018-19	2
9.		Presentation on Health, Safety and Environment of the Company covering following points: • Group Safety initiatives; • Corporate Safety initiatives; and • Environment initiatives.	
10.	7th February, 2019	Presentation by the Director and Group Chief Financial Officer on the Domestic and Overseas Financial Performance of the Company for the Q3 – FY 2018-19	3
11.		The Board was Updated on amendments introduced in the SEBI (Prohibition of Insider Trading) Regulations, 2015 and its impact on the Company.	
12.		Presentation on Research & Development function of the Company and the way forward with the overview of Company's proprietary business encompassing: • Presence with various customers; • Product technology development status; • Capability development status; and • Infrastructural development status	
		Total number of hours	**16**

Corporate Governance Report (contd.)

Attendance of Directors for the above programmes

Sr. No.	Name of Director	Whether attended	No. of hours spent in previous year	No. of hours spent during current year	Cumulative No. of hours spent
1.	Mr. Roberto Testore	Yes	8	13	21
2.	Mr. Partho Datta	Yes	8	16	24
3.	Mr. Soumendra Basu	Yes	8	16	24
4.	Ms. Anjali Seth	Yes	8	16	24
5.	Mrs. Falguni Nayar	Yes	-	15	15

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.

V. Credit rating:

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

3. AUDIT COMMITTEE:

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

As on 31st March, 2019, 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 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;
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;

Corporate Governance Report (contd.)

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 Listing Regulations;

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

16. Reviewing findings of internal investigations involving matters of suspected fraud, financial integrity or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

17. Reviewing and investigating the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

18. Reviewing the security and control aspects of the information technology and connectivity systems;

19. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds 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 the Company, wherever it is necessary;

23. Reviewing the functioning of the whistle blower mechanism;

24. Approving appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

25. Review of statutory compliances and legal cases;

26. Carrying out any other functions as provided under the Act, the Listing Regulations and other applicable law;

Corporate Governance Report (contd.)

27. *To review the utilisation of loans and/ or advances from/investment by the Company in its subsidiary(ies) exceeding Rupees 1000 million or 10% of the asset size of the respective subsidiary, whichever is lower including existing loans / advances / investments; and

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

*Clause added to the terms of reference of the Committee by the Board at its meeting held on 10th August, 2018.

During the financial year 2018-19, the Committee met four times viz.: 15th May, 2018, 10th August, 2018, 2nd November, 2018 and 7th February, 2019.

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

Sr. No.	Date of Meeting	Category	15th May, 2018	10th August, 2018	2nd November, 2018	7th February, 2019
	No. of Meeting / Name of Directors		27th	28th	29th	30th
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, 2019, the Committee comprised following directors as its members:

i. Mr. Soumendra Basu, Chairman;

ii. Mr. Partho Datta; and

iii. Ms. Anjali Seth.

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

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

The terms of reference of the NRC are:

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

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

iii. Devising a policy on diversity of the Board;

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

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

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

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

Corporate Governance Report (contd.)

During the financial year 2018-19, the Committee met two times on 25th April, 2018 and 15th May, 2018. The details of attendance at the Committee meetings are tabulated below:

Sr. No.	Date of Meeting / No. of Meeting / Name of Directors	Category	25th April, 2018 / 6th	15th May, 2018 / 7th
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 the individual directors. Based thereon, the evaluation was carried out by the Board.

The performance evaluation of the individual directors and the assessment of Committees' and Board's effectiveness was conducted on 24th April, 2019. Based thereon, the Board, at its meeting held on 25th April, 2019, reviewed the performance assessment of the Board and its Committees. Feedback on performance of the individual directors was given separately.

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

Remuneration of Directors:

i. Pecuniary transactions with Non-executive Directors:

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

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

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

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

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

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

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

iii. Details of remuneration to directors:

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

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

Corporate Governance Report (contd.)

In addition to the commission paid to Non-executive Independent Directors, all Non-executive directors, except Mr. Massimo Venuti, were paid sitting fee as per below table, for the Board and Committee meetings attended by them.

Meeting of	Sitting fees paid for each meeting attended
Board	₹ 50,000
Audit Committee	₹ 50,000
Nomination and Remuneration Committee	₹ 30,000
Corporate Social Responsibility Committee	₹ 20,000
Stakeholders' Relationship Committee	₹ 20,000
Risk Management Committee	₹ 20,000

The Company has not granted any stock options to the directors and hence, it does not form part of the remuneration package payable to any Executive and/or Non-executive Director. During the year, the Company did not advance any loan to any of the Executive or Non-executive Directors.

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 2017-18)	Sitting Fees	Others	Total
1.	Mr. Naresh Chandra^	Chairman, Non-executive, Non-Independent	-	-	0.25	2.70	2.95
2.	Mr. Anurang Jain	Managing Director, Executive & Promoter	57.63	-	-	-	57.63
3.	Mr. Ramesh Gehaney	Director and Chief Operating Officer, Executive	21.81	-	-	-	21.81
4.	Mr. Satrajit Ray	Director and Group Chief Financial Officer, Executive	21.85	-	-	-	21.85
5.	Mr. Massimo Venuti	Non-executive, Non-Independent	-	-	-	-	-
6.	Mr. Roberto Testore	Non-executive, Independent	-	2.25	0.17	-	2.42
7.	Mr. Partho Datta	Non-executive, Independent	-	2.25	0.55	-	2.80
8.	Mr. Soumendra Basu	Non-executive, Independent	-	2.25	0.59	-	2.84
9.	Ms. Anjali Seth	Non-executive, Independent	-	2.00	0.57	-	2.57
10.	Mrs. Falguni Nayar	Non-executive, Independent	-	2.00	0.22	-	2.22

^ *The shareholders, in the AGM, held on 6th September, 2018, have approved, by way of a special resolution, for Mr. Naresh Chandra, who has attained 83 years of age, to continue to hold office as Non-Executive Chairman w.e.f. 1st April, 2019, in terms of Regulation 17(1A) of Listing Regulations.*

Corporate Governance Report (contd.)

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, 2019, the Committee comprised following directors as its members:

i. Mr. Anurang Jain, Chairman;

ii. Mr. Soumendra Basu; and

iii. Mr. Ramesh Gehaney

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

The terms of reference of the Committee include the following:

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

ii. Monitor the CSR Policy from time to time.

During the financial year 2018-19, the CSR Committee met three times on 15th May, 2018, 10th August, 2018 and 2nd November, 2018. The details of attendance at the Committee meetings are tabulated below:

Sr. No.	Date of Meeting	Category	15th May, 2018	10th August, 2018	2nd November, 2018
	No. of Meeting / Name of Directors		9th	10th	11th
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, 2019, the Committee comprised following directors as its members:

i. Ms. Anjali Seth, Chairperson;

ii. Mr. Anurang Jain; and

iii. Mr. Satrajit Ray.

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

The terms of reference of the Committee revised by the Board at its meeting held on 10th August, 2018, are:

1. Enquiry into and redressal of grievances of shareholders / security holders and investors of the Company including complaints related to transfer / transmission / transposition of shares, non-receipt of annual report, non-receipt of declared dividends, general meeting related, etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of service standards of the Registrar and Share Transfer Agent appointed by the Company.
4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by shareholders of the Company; and
5. Carry out any other function as prescribed under the Listing Regulations, the Companies Act and other applicable law(s).

Corporate Governance Report (contd.)

During the financial year 2018-19, the SR Committee met twice on 25th April, 2018 and 10th August, 2018. The details of attendance at the Committee meetings are tabulated below:

Sr. No.	Date of Meeting	Category	25th April, 2018	10th August, 2018
	No. of Meeting / Name of Directors		3rd	4th
1)	Ms. Anjali Seth	Non-executive, Independent	✓	✓
2)	Mr. Anurang Jain	Managing Director, Executive & Promoter	✓	✓
3)	Mr. Satrajit Ray	Director and Group Chief Financial Officer, Executive	✓	✓

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

Investor grievance and other communication:

The communication(s) and/ or correspondence received during the financial year 2018-19, 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.

During this period, the Company received and disposed of nine investor queries/ complaints. All the grievances were resolved to the satisfaction of shareholders and other investors, and as on 31st March, 2019, there were no pending issues to be addressed or resolved.

Demat suspense account:

During the financial year 2016-17, the Company offered its equity shares of ₹ 10 each ("Equity Shares") for subscription by the public, by way of Initial Public Offering being an offer for sale by shareholders. All the Equity Shares were transferred in dematerialised form and no equity shares remained unclaimed. As on date there are no unclaimed shares, hence, the Company has not opened a Demat Suspense Account.

7. RISK MANAGEMENT COMMITTEE:

SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 were notified on 9th May, 2018. As per the amended Listing Regulations, the requirement of Risk Management Committee has been extended to top 500 listed entities, from earlier top 100 listed entities, based on market capitalisation as at the end of previous financial year.

The Company ranked at 145th position as on 31st March, 2018. In view thereof, the Board at its meeting held on 3rd November, 2018 constituted a Risk Management Committee.

As on 31st March, 2019, the Committee comprised following directors as its members:

i. Mr. Anurang Jain, Chairman

ii. Mr. Partho Datta;

iii. Mr. Ramesh Gehaney; and

iv. Mr. Satrajit Ray

The Committee's terms of reference are –

i. To review risk management policy;

ii. To oversee implementation of the risk management framework including monitoring of material risks to which the organisation is exposed to and ensuring implementation of appropriate mitigation plan;

iii. Reviewing the adequacy of the risk management framework and ensuring its effectiveness;

iv. Such other activities as the Board of Directors may entrust from time to time.

The Committee met once on 7th February, 2019 and all the members were present at the said meeting.

8. OTHER COMMITTEE(S):

Finance Committee:

As on 31st March, 2019, the Finance Committee comprised following directors as its members:

i. Mr. Naresh Chandra, Chairman;

ii. Mr. Anurang Jain;

iii. Mr. Satrajit Ray; and

iv. Mr. Ramesh Gehaney.

The terms of reference of the Finance Committee were modified by Board, at its meeting held on 25th April, 2019, to read as follows:

Corporate Governance Report (contd.)

To meet the fund requirements of the Company in the follwing manner:

a) through borrowings from banks and/or financial institutions; and

b) through issuance of Commercial Papers to permitted classes of investors;

upto an aggregate amount not exceeding ₹12,500 million.

During the financial year 2018-19, the Committee met once on 12th October, 2018. Except Mr. Naresh Chandra and Mr. Ramesh Gehaney, other members were present at the said meeting.

9. GENERAL BODY MEETINGS:

Details of the Annual General Meetings (AGMs) of the Company held during the preceding three years are tabulated below:

AGM	Date and time of AGM	Location	Details of special resolution(s) passed at the AGMs, if any
17th AGM	3rd August, 2016 at 10.00 a.m.	K-228, MIDC Industrial Area, Waluj, Aurangabad – 431136, Maharashtra	No special resolution was passed.
18th AGM	28th July, 2017 at 10.30 a.m.	Tango Hall at Vivanta by Taj, 8-N-12, CIDCO, Dr. Rafiq Zakaria Marg, Rauza Bagh, Aurangabad – 431003, Maharashtra	No special resolution was passed.
19th AGM	6th September, 2018 at 10.30 a.m.		• Alteration of Articles of Association; • Approval for continuation of Mr. Naresh Chandra who had attained the age of 83 (Eighty-three) years, to hold office as Non-executive Chairman of the Company with effect from 1st April, 2019.

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

Date and time of EGM	Place	Details of special resolution(s) passed at the EGMs, if any
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

During the year under review, following special resolution was passed through postal ballot:

Date of Postal Ballot Notice	Date of Passing the Resolution	Details of special resolution passed through postal ballot
3rd November, 2018	22nd December, 2018	Enabling resolution for issuance of fresh/new equity shares of the Company for an amount up to ₹ 7,500 million through one or more public or private offerings or any other method or combination thereof as may be permitted under applicable law(s) for achieving Minimum Public Shareholding as required for/under Securities Contracts (Regulation) Rules, 1957.

Corporate Governance Report (contd.)

i. Mr. Sachin Bhagwat, Practicing Company Secretary, was appointed as scrutiniser for scrutinising the postal ballot and e-voting process;

ii. Dispatch of the Postal Ballot Notice dated 3rd November, 2018, along with Explanatory Statement and Postal Ballot Form, to the members of the Company was completed on 22nd November, 2018;

iii. Voting through postal ballot and e-voting commenced on 23rd November, 2018 and ended on 22nd December, 2018.

iv. Based on the Scrutiniser's Report, the results of the postal ballot and e-voting were declared on 24th December, 2018 at the Registered Office of the Company.

No special resolution requiring postal ballot is being proposed at the ensuing AGM.

10. MEANS OF COMMUNICATION:

During the year under review, the Company published its financial results in the following manner:

Particulars of Financial Results	Name of the publication(s)
For the quarters ended 30th June and 31st December	Financial Express and Loksatta
Half yearly and Annual	Financial Express, Business Standard, Business Line and Loksatta

In addition to the dissemination of financial results in newspaper publications, the senior management team of the Company also conducts a conference call, after the Board Meeting, with investors/analysts on the results published and to give update on Company's operations and financial performance.

The Company informs the Stock Exchanges, in a prompt manner, all price sensitive information and such other matters which, in its opinion, are material and relevant for the shareholders.

The Company's website link, www.endurancegroup.com/investor/investor-relations, contains information as prescribed under the Act and the Listing Regulations, including details of the contact person(s), Registrar & Transfer Agent of the Company, shareholding pattern. Information published by the Company i.e. financial results, press release given 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.

11. GENERAL SHAREHOLDER INFORMATION:

a) Twentieth Annual General Meeting:

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

Date:	8th August, 2019
Time:	2.30 p.m.
Venue:	Tango Hall at Vivanta by Taj, 8-N-12, CIDCO, Dr. Rafiq Zakaria Marg, Rauza Bagh, Aurangabad - 431003, Maharashtra, India

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

Particulars	Date
Entitlement date for payment of dividend subject to approval of shareholders	On 31st July, 2019
Dividend payment date (if declared)	On or after 13th August, 2019
Financial reporting for the:	
1st quarter ending on 30th June, 2019	On or before 14th August, 2019
2nd quarter ending on 30th September, 2019	On or before 14th November, 2019
3rd quarter ending on 31st December, 2019	On or before 14th February, 2020
Financial year ending on 31st March, 2020	On or before 30th May, 2020

c) Date of Dividend Payment:

Dividend on equity shares, if declared at the ensuing AGM, will be credited/dispatched on or after on 13th August, 2019 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, 31st July, 2019; and

ii. to all those shareholders holding shares in physical form, on or before the closing hours on Wednesday, 31st July, 2019.

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
1.	BSE Limited (BSE)	1st Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	540153

Corporate Governance Report (contd.)

Sr. No.	Name	Address	Stock Code
2.	National Stock Exchange of India Limited (NSE)	Exchange Plaza, Bandra - Kurla Complex, Bandra (E), Mumbai 400 051	ENDURANCE

In terms of the Listing Regulations, the Company has entered into uniform listing agreements with BSE and NSE, both dated 17th October, 2016. For the year 2018-19, the listing fee payable to BSE and NSE have been paid in full on 22nd April, 2019 and 25th April, 2019, respectively.

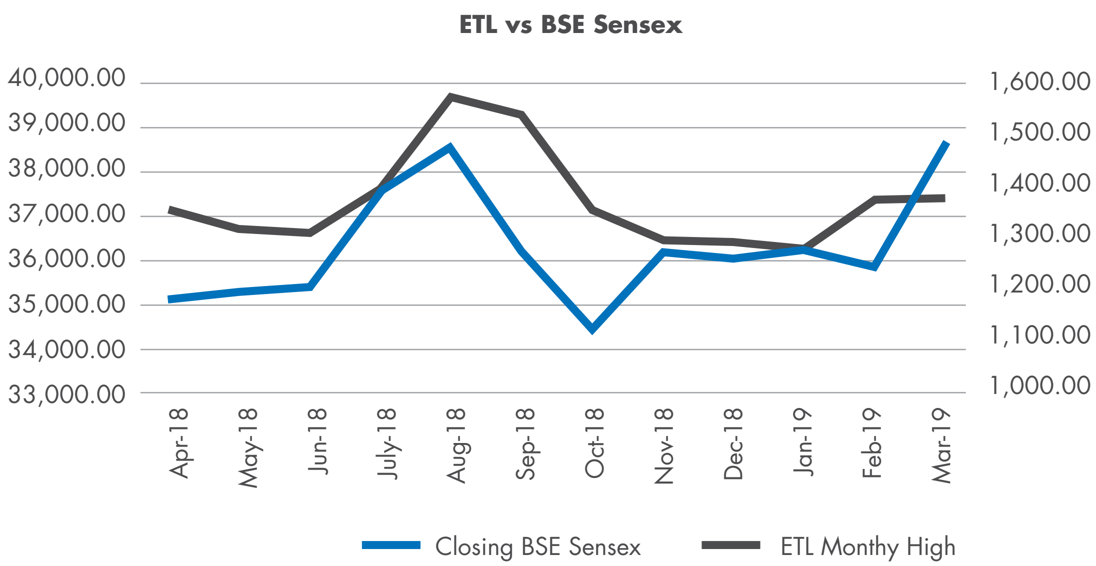
e) Market Price Data:

Monthly highs and lows of Company's shares during 2018-19 (₹ *vis-à-vis* CNX Nifty & BSE Sensex):

Month	BSE		NSE		Closing CNX Nifty	Closing BSE Sensex
	High	Low	High	Low		
Apr-18	1,359.25	1,245.05	1,370.00	1,242.30	10,739.35	35,160.36
May-18	1,324.00	1,140.00	1,324.90	1,136.05	10,736.15	35,322.38
Jun-18	1,312.20	1,183.65	1,310.00	1,188.70	10,714.30	35,423.48
Jul-18	1,399.00	1,179.00	1,399.50	1,200.00	11,356.50	37,606.58
Aug-18	1,579.00	1,368.20	1,578.80	1,363.20	11,680.50	38,645.07
Sep-18	1,544.95	1,305.00	1,549.45	1,313.50	10,930.45	36,227.14
Oct-18	1,359.70	1,066.05	1,365.00	1,065.25	10,386.60	34,442.05
Nov-18	1,300.20	1,065.00	1,307.25	1,062.00	10,876.75	36,194.30
Dec-18	1,295.80	1,092.05	1,298.00	1,091.75	10,862.55	36,068.33
Jan-19	1,281.65	1,105.80	1,284.85	1,103.40	10,830.95	36,256.69
Feb-19	1,380.00	1,119.10	1,384.95	1,123.95	10,792.50	35,867.44
Mar-19	1,380.00	1,132.00	1,310.75	1,130.00	11,623.90	38,672.91

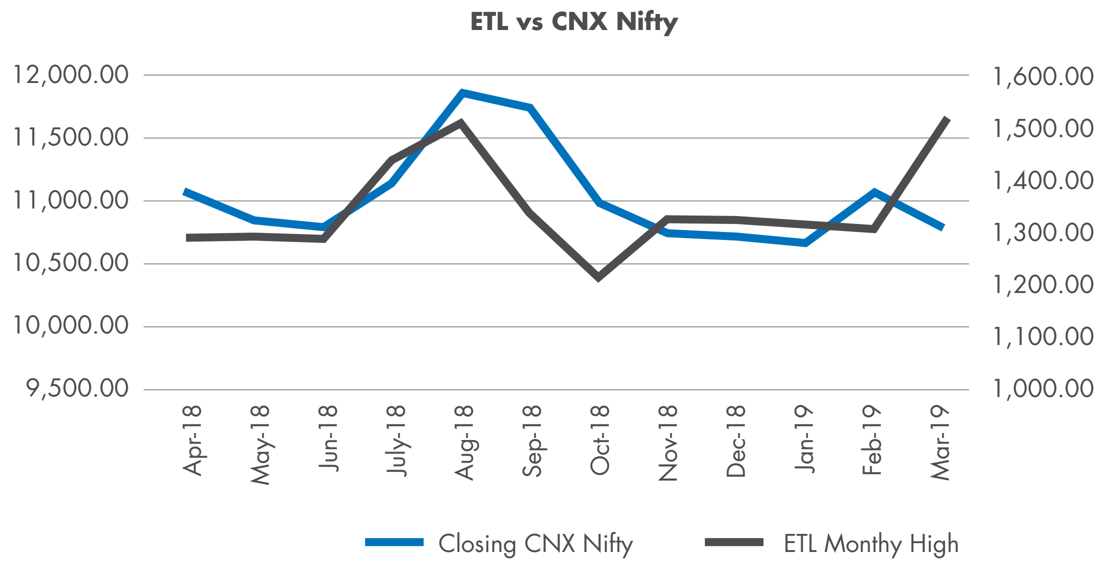
The charts below show the comparison of the Company's share price (monthly high) movement vis-à-vis the movement of the BSE Sensex and CNX Nifty for the financial year 2018-19 (based on month end closing).

Endurance Technologies Limited Vs BSE Sensex, indexed to 100 on 31st March, 2019



Corporate Governance Report (contd.)

Endurance Technologies Limited Vs CNX Nifty, indexed to 100 on 31st March, 2019



f) Share Transfer Agent:

The Company vide Agreement dated 15th October, 2016 has appointed the following agency to act as its Registrar and Share Transfer Agent ("RTA"). The RTA is, *inter alia*, responsible for processing of requests pertaining to issue of duplicate share certificates/ transmission/ dematerialisation/ rematerialisation and other activities related thereto for both electronic and physical shareholdings. Further, RTA also handles corporate actions such as data requirements for conduct of AGMs, dividends etc. The RTA corresponds with the depositories *viz*. NSDL and CDSL, in this regard.

Link Intime India Private Limited

C 101, 247 Park, L B S Marg,
Vikhroli West,
Mumbai 400 083
Tel No: +91 22 49186000
Fax: +91 22 49186060

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, 2019, the Company has only three shareholders who hold shares in physical form. During the year 2018-19, there were no requests received by the RTA/Company for transfer of physical shares.

SEBI has standardised norms for transfer of securities in physical mode and decided that except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialised form with a depository. This is effective from 1st April, 2019.

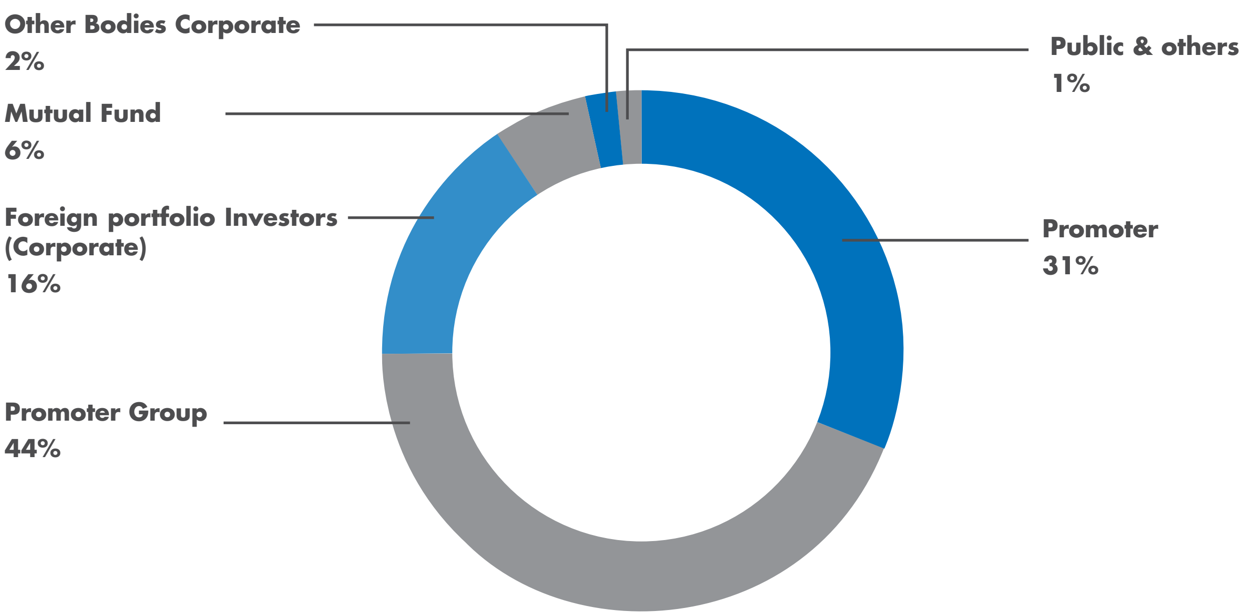
h) Distribution of Shareholding:

The below two tables provide details about the pattern of shareholding among various categories and number of shares held, as on 31st March, 2019.

Corporate Governance Report (contd.)

Category Distribution:

Categories	31st March, 2019	
	No. of shares	Percentage
Promoter	43,396,976	30.85%
Promoter Group	62,100,160	44.15%
Foreign Portfolio Investors (Corporate)	22,108,226	15.72%
Mutual Funds	8,386,127	5.96%
Other Bodies Corporate	2,549,196	1.81%
Public	2,122,163	1.51%
Total	**140,662,848**	**100.00%**



Shareholding as on 31st March, 2019

Distribution of Shareholding as on 31st March, 2019:

No. of shares held	No. of shareholders		Shares held in each class	
	Number	Percentage	Number	Percentage
1 to 500	38,270	98.13%	1,477,902	1.05%
501 to 1000	281	0.72%	212,934	0.15%
1001 to 2000	128	0.33%	182,416	0.13%
2001 to 3000	53	0.14%	133,092	0.09%
3001 to 4000	33	0.08%	118,324	0.09%
4001 to 5000	27	0.07%	126,649	0.09%
5001 to 10000	50	0.13%	386,353	0.28%
10001 and above	158	0.40%	138,025,178	98.13%
Total	**39,000**	**100.00%**	**140,662,848**	**100.00%**

Corporate Governance Report (contd.)

i) Dematerialisation/Rematerialisation of Shares and liquidity:

The Company's shares are compulsorily tradable in dematerialised form on NSE and BSE, which provide sufficient liquidity to the investors. The Company has established connectivity with both the depositories i.e. NSDL and CDSL.

Shares held in physical and electronic mode as on 31st March, 2019 are given in the table below:

Particulars	Position as on 31st March, 2019	
	No. of shares	Percentage to total shareholding
Physical	38	0.00%
Dematerialised		
NSDL	139,338,334	99.06%
CDSL	1,324,476	0.94%
Sub-total	140,662,810	100.00%
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 & K-227, MIDC Industrial Area, Waluj, Aurangabad - 431 136 Maharashtra.
5	Plot No. K-226/2, MIDC Industrial Area, Waluj, Aurangabad - 431 136 Maharashtra.	6	Plot No. K-228 & K-229, MIDC Industrial Area, Waluj, Aurangabad - 431 136 Maharashtra.
7	Plot No. L-6/3, MIDC Industrial Area, Waluj, Aurangabad - 431 136 Maharashtra.	8	Plot No. L-20, MIDC Industrial Area, Vitawa Village, Gangapur, Tal. Aurangabad - 431 109
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. 3, Sector 10, I.I.E. Pantnagar, U.S. Nagar Dist., Uttarakhand - 263 153
13	Plot No. 7, Sector 10, I.I.E. Pantnagar, U.S. Nagar Dist., Uttarakhand - 263 153	14	Plot No. F-82, SIPCOT Industrial Park, Irungattaukottai, Pennaur Post, Shriperumburam Taluk, Kanchipuram Dist Chennai - 602 105
15	Plot No. E4 & E21, GIDC, Phase 2, Industrial Estate, Sanand, Ahmedabad, Gujarat - 382 110	16	Plot 103/6, GIDC, Halol -2 & Halol Maswad Industrial Estate, Ta – Halol, Dist, Panchmahal, Gujarat

Note: Manufacturing activities at the plant located at Plot No. 400, Sector 8, IMT, Manesar, Dist - Gurugram, Haryana - 122 050 have been discontinued in December, 2018.

Corporate Governance Report (contd.)

m) Address for correspondence:

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: demattremat@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

12. OTHER DISCLOSURES:

a) Related party transactions:

There were no related party transactions ("RPTs") entered into by the Company, during the year under review, which attracted the provisions of Section 188 of the Act. There is no material RPT to be reported in terms of Regulation 23 of the Listing Regulations and hence there are no details to be disclosed in Form AOC-2. During the year, there were no material transactions entered into with related parties, which may have had any potential conflict with the interests of the Company.

During the year, as required under Section 177 of the Act and Regulation 23 of the Listing Regulations, all RPTs were placed before Audit Committee for approval. A statement tabulating the value and nature of transactions with related parties as required under Indian Accounting Standard (Ind AS) 24 is set out separately under Note no. 34 to the standalone financial statements in this Annual Report.

The 'Policy on Determining Materiality of and Dealing with Related Party Transactions' is placed on Company's website at www.endurancegroup.com/ investor/investor-relations.

b) Details of Capital Market Non-Compliance(s), if any:

There has been no non-compliance by the Company nor has there been any penalty/stricture imposed on the Company by any stock exchange, SEBI or any other statutory authority on any matter related to capital markets, during the last three years.

c) Whistle Blower Policy/Vigil mechanism:

Pursuant to Section 177(9) of the Act, the Company has a Board adopted Whistle Blower Policy. The Whistle Blower Policy includes vigil mechanism as mandated under the Listing Regulations and provides a mechanism for director/employee to report violations, any unethical behaviour, suspected or actual fraud, violation of the Code of Conduct, leak / suspected leak of Unpublished Price Sensitive Information etc. which could be detrimental to the organisation's interest. The mechanism protects whistle blower from any kind of discrimination, harassment, victimisation or any other unfair employment practice. The Company affirms that no employee has been denied access to the Audit Committee. Pursuant to SEBI (Prevention of Insider Trading) (Amendment) Regulations, 2018 the Whistle Blower policy was amended in the Board meeting held on 7th February 2019. The amendment was with a purpose to familiarise employees of such policy and encourage them to report instances of leak / suspected leak of Unpublished Price Sensitive Information.

The updated Policy is placed on the Company's website at www.endurancegroup.com/investor/ investor-relations.

d) Disclosure of material transactions:

In terms of Regulation 26(5) of the Listing Regulations, Senior Management make 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

Corporate Governance Report (contd.)

disclosures received none of the officials in senior management team of the Company have personal interest in any financial or commercial transactions that may have potential conflict with the interest of the Company.

e) Disclosure of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

No. of complaints filed during financial year	Nil
No. of complaints disposed of during the financial year	Nil
No. of complaints pending during the financial year	Nil

f) Fee paid to Statutory Auditor:

During the year the Company has not paid any other fee to M/s. S R B C & Co. LLP, Statutory Auditors, except fee for Statutory Audit.

g) Compliance of Mandatory and Discretionary Requirements:

Mandatory:

The Company has complied with the mandatory requirements of the Listing Regulations.

Discretionary:

I. The Board:

The Company has a Non-Executive Chairman. The Board, at its meeting held on 9th November, 2017, had approved his re-appointment as an Advisor to the Company for a period of three years w.e.f. 1st January, 2018.

In terms of the said approval, the Non-Executive Chairman is paid an advisory fee of ₹ 2.25 lakh per month (excluding applicable taxes) and is also entitled for reimbursement of expenses incurred in performance of his duties.

II. Shareholders' rights:

To ensure dissemination of Company's financial results to its shareholders, the Company publishes 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. Reporting of Internal Auditor:

The Internal Auditor reports directly to the Audit Committee.

h) 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 SpA, Italy**	N.A.	Material*
3.	Endurance Engineering SrL, Italy	N.A.	Otherwise
4.	Endurance Castings S.p.A., Italy	N.A.	Otherwise
5.	Endurance Amann GmbH, Germany (Amann)	N.A.	Material*

* EOSRL and Amann are the direct subsidiaries of the Company. EOSRL is the holding company of Endurance SpA, Endurance Engineering SrL. and Endurance Castings S.p.A. Based on consolidated financial statements of FY 2018-19, in terms of Regulation 16(1)(C) of Listing Regulations EOSRL, Endurance SpA and Amann are the material subsidiaries of the Company.

** Endurance Fondalmec S.p.A merged with Endurance FOA S.p.A effective 1st January, 2019. Consequent upon merger, Endurance Fondalmec S.p.A ceased to exist and the name of the merged entity Endurance FOA S.p.A was changed to Endurance S.p.A.

Corporate Governance Report (contd.)

Materiality threshold:

Pursuant Listing Regulations amended by SEBI vide notification dated 9th May, 2018, the threshold for determining 'materiality' of the subsidiary in Regulation 16(1)(c) has been reduced from 20% to 10% of the consolidated income or net worth of the Company and its subsidiaries.

Consequently, the Board of Directors at its meeting held on 10th August, 2018 had approved necessary revision to 'Policy for Determining Material Subsidiaries' to align with the aforementioned amendment. The updated policy is placed on the Company's website at www.endurancegroup.com/investor/ investor-relations.

Independent Director on the Board of Material Subsidiary:

In terms of the amended Regulation 24(1) of the Listing regulations, at least one independent director on the Board of the Company is required to be appointed on the board of directors of its 'material' subsidiary(ies). Accordingly, the Board, at its meeting held on 7th February, 2019, approved the appointment of Mr. Roberto Testore, Independent Director on the board of its material subsidiaries viz. Endurance Overseas Srl, Italy and Endurance SpA, Italy.

Provisions to the extent applicable under the Listing Regulations with reference to subsidiary companies were duly complied.

During the year under review, there were no investments made or any significant transactions and arrangements entered into by the subsidiary companies, expect the following:

a) Effective 1st January, 2019, Endurance Fondalmec SpA merged with Endurance FOA SpA with Appointed Date being 1st April, 2018. Consequent upon merger, the name of the merged entity i.e. Endurance FOA SpA changed to Endurance SpA and the existing share capital of Euro 382,200 was cancelled and fresh capital of Euro 5,000,000, with denomination of Euro 1 each, was issued.

b) Endurance Overseas Srl, Italy, direct subsidiary of the Company had acquired Fonpresmetal GAP SpA, an aluminium die casting company in Italy, for a consideration of Euro 8.16 million. The acquisition was funded through internal accruals/borrowings.

The Consideration includes cash and cash equivalent of around Euro 3.6 million gross and upon netting of the outstanding debt for leasehold assets, the cash and cash equivalent was about Euro 1.9 million. The effective date of acquisition was 7th January, 2019.

i) **Policy on dealing with related party transactions:**

A Policy on Determining Materiality of and Dealing with Related Party Transactions is placed on the Company's website at www.endurancegroup.com/investor/investor-relations.

j) In terms of Regulation 55A of the SEBI (Depositories and Participants) Regulations, 1996 (valid up to 2nd October 2018) and Regulation 76 of the SEBI (Depositories and Participants) Regulations, 2018 (valid from 3rd October 2018), the Company has submitted, on a quarterly basis, Reconciliation of Share Capital Audit Report, duly audited by a Practicing Company Secretary, to the Stock Exchanges. This audit report confirms reconciliation of share capital held in depositories i.e. NSDL & CDSL and in the physical form with the issued and listed share capital.

Pursuant to Regulation 7(3) of the Listing Regulations, the Company had obtained half-yearly certificate, from a Practicing Company Secretary, confirming that its Registrar and Share Transfer Agent, Link Intime India Private Limited are maintaining all activities in relation to both physical and electronic share transfer facility.

13. A Disclosures of the compliance with corporate governance under Regulations 17 to 27 of the Listing Regulations except those which are already disclosed elsewhere in this report:

i. Orderly succession to Board and Senior Management:

In terms of Regulation 17(4) of the Listing Regulations, the Company has a process established for succession planning of the executive directors and senior management team.

The Company adopts a competency-based approach by identifying critical roles and coaching employees to shoulder such critical positions. This ensures succession planning with an aim to align with Company's growth strategy, employee engagement and skill-development. The progress of such employees is monitored through structured individual development plans and the same is

Corporate Governance Report (contd.)

periodically reviewed by senior management team comprising the Managing Director, respective Management Committee member and the Chief Human Resource Officer.

ii. Information supplied to the Board:

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. Presentations are also made to the Board by function heads concerned on important matters from time to time. In addition to items which are required to be placed before the Board for its noting and/or approval, information is provided in terms of the Listing Regulations on various other significant matters.

In terms of quality and importance, the information supplied by Management to the Board, is precise and crisp with relevant details that are necessary for the directors to enable them fulfil their duties. The independent directors of the Company at their meeting held on 24th April, 2019, 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 2018-19, the Board has carried out annual performance evaluation of independent directors, at its meeting held on 25th April, 2019. The Board acknowledged that each of the independent directors held rich experience required to effectively fulfil 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, 2019, without the attendance of non-independent directors and management. Agenda of the said meeting was to:

a. review the performance of Non-Independent Directors and the Board as a whole;

b. review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors; and

c. assess the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

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.

13. B. Disclosures under clauses (b) to (i) of Regulation 46(2) of the Listing Regulations:

i. Terms and Conditions of appointment of Independent Directors:

The Board had incorporated the terms and conditions for appointment of independent directors in the manner as provided in the Act in a formal letter of appointment to independent directors.

Corporate Governance Report (contd.)

As per regulation 46(2) of the Listing Regulations, a draft letter of appointment to independent directors containing the terms and conditions of appointment is placed on the Company's website at www.endurancegroup.com/investor/investor-relations.

ii. Composition of various committees:

The Board had constituted following committees pursuant to the provisions of the Act and the Listing Regulations:

- Audit Committee;
- Nomination and Remuneration Committee;
- Stakeholders' Relationship Committee;
- Corporate Social Responsibility Committee; and
- Risk Management Committee;

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 financial year 2018-19. A declaration to this effect, signed by the Managing Director, is given in this Annual Report.

iv. Whistle Blower Policy/Vigil mechanism:

Refer item no. "12 (c)" of this report.

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

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

vi. Policy for determining 'material' subsidiaries:

Refer item no. "12(h)" of this report.

vii. Policy on dealing with related party transactions:

Refer item no. "12(i)" of this report.

viii. Details of familiarisation programmes imparted to independent directors:

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS PER PROVISIONS OF CHAPTER IV OF THE LISTING REGULATIONS.

The Company has obtained a Report on compliance with the conditions of Corporate Governance from the Statutory Auditors as per the provisions of Chapter IV of the Listing Regulations. This report is annexed to the Board's Report and will be sent to the Stock Exchanges, along with the Annual Report to be filed.

Business Responsibility Report

This report shares the Company's performance and progress on the non-financial aspects that can enable sustainable growth for the Company while creating value for its stakeholders. The Business Responsibility Report (BRR) is in alignment with the 'National Voluntary Guidelines on Social, Environmental and Economic responsibilities of Business' which are mandated by SEBI.

SECTION A: GENERAL INFORMATION

1.	Corporate Identity Number (CIN)	L34102MH1999PLC123296
2.	Name of the Company	ENDURANCE TECHNOLOGIES LIMITED
3	Registered office 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	2018-19
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Auto Components
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Aluminium die-cast products, suspension products, braking systems and transmission products, predominantly for two and three wheelers
9	Total number of locations where business activity is undertaken by the Company i. Number of International Locations (Provide details of major 5) ii. Number of National Locations	The Company has sixteen plants in India at following locations: i. Waluj, Aurangabad (Maharashtra); ii. Chakan, Tal. Khed, Dist. Pune (Maharashtra); iii. Sriperumbudur Taluk, Dist. Chennai (Tamil Nadu); iv. Pantnagar (Uttarakhand); v. Sanand, Ahmedabad (Gujarat); vi. Ta. Halol, Dist. Panchmahal (Gujarat). The Company has five (5) subsidiaries in Europe. The operating subsidiaries have a total of nine (9) plants in Italy and Germany.
10	Markets served by the Company – Local/State/ National/International	The Company and its subsidiary companies cater to two, three wheeler and four wheeler OEM (Original Equipment Manufacturer) customers, in their respective geographies. The Company also caters to aftermarket in India and abroad and exports to certain OEMs at their overseas locations.

SECTION B: FINANCIAL DETAILS OF THE COMPANY (STANDALONE)

1. Paid up Capital: ₹ 1,406.63 million
2. Total Turnover: ₹ 54,337 million
3. Total profit after taxes: ₹ 3,579 million
4. Total Spending on Corporate Social Responsibility (CSR) (as % of PAT): ₹ 69.27 million being 1.93% of the PAT for the year ended 31st March, 2019.
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 & nutrition, agriculture methods & means of livelihood, water & sanitation, community development;
   (b) Develop skill building through vocation training at Endurance Centre of Vocational Empowerment; and
   (c) Support in the running of *Sevak Trust Balwadi.*

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

Business Responsibility Report (contd.)

SECTION C: OTHER DETAILS

1	Does the Company have any subsidiary company/ companies?	The Company has five subsidiaries in: Italy i. Endurance Overseas Srl (Direct Subsidiary); ii. Endurance SpA (Indirect Subsidiary #); iii. Endurance Engineering Srl (Indirect Subsidiary #); and iv. Endurance Castings S.p.A. (Indirect Subsidiary #) *# Holding through Endurance Overseas Srl* Germany v. Endurance Amann GmbH (Direct Subsidiary).
	Do the Subsidiary company/companies participate in the Business Responsibility (BR) Initiatives of the parent Company?	The overseas subsidiary companies have autonomy in operations. They abide by the principles of Business Responsibility (BR) and Environment, Social & Governance (ESG), as per the local laws applicable to them.
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the Business Responsibility (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.

SECTION D: BR DETAILS

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Director(s) responsible for implementation of the BR policy(ies):

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

(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	+91 240 2569600
5.	E-mail ID	corporate@endurance.co.in and vjr@endurance.co.in

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

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

Business Responsibility Report (contd.)

(a) Details of compliance (Reply in Y/N)

Sr. No.	Particulars	P1	P2	P3	P4	P5	P6	P7**	P8	P9
1	Availability of Policy*	Y	Y	Y	Y	Y	Y	N	Y	Y
2	Policy formulated in consultation with relevant stakeholders?	Y	Y	Y	Y	Y	Y	N	Y	Y
3	Conformity of policy to any national / international standards?	All policies are in conformity with the National Voluntary Guidelines and applicable laws and regulations.								
4	Policy approved by the Board	Y	Y	Y	Y	Y	Y	N	Y	Y
	Policy signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	N	Y	Y
5	Specified committee of the Board/ Director/ Official appointed to oversee the implementation of the policy	Y	Y	Y	Y	Y	Y	N	Y	Y
6	Indicate the link for the policy to be viewed online?#	Relevant external policies are available at https://www.endurancegroup.com								
7	Policy communicated to all relevant internal and external stakeholders	Y	Y	Y	Y	Y	Y	N	Y	Y
8	Existence of an in-house structure within the Company to implement the policy/policies.	Y	Y	Y	Y	Y	Y	N	Y	Y
9	Availability of a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies	Y	Y	Y	Y	Y	Y	N	Y	Y
10	Assessment by an internal/external agency of the working of this policy	Y	Y	Y	Y	Y	Y	N	Y	Y

* *Policy(ies) include defined/ documented procedures and Standard Operating Procedures (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 BRR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

The BR Performance of the Company is reviewed by the Board on an annual basis. The Managing Director 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?

The Company publishes BRR annually along with the Annual Report. The Annual Report of the

Business Responsibility Report (contd.)

Company is available at https://endurancegroup.com/investor/investor-relations.

PRINCIPLE 1: ETHICS, TRANSPARENCY AND ACCOUNTABILITY

Values form the core foundation and define the ethos and culture of any company. They provide guidance to deal with business issues and are at the fore while formulating and implementing strategies, policies, and procedures. Corporate values and accountability are critical for the sustainability of any enterprise.

Endurance is guided by five core values coined as 'CITTI':

C = Customer Centricity

I = Integrity

T = Team Work

T = Transparency

I = Innovation

These values are instilled across all levels in the Company through training programmes. This enables the Company to continuously improve the governance framework. In the reporting year, an employee satisfaction survey was conducted to understand the extent to which the Company's values are imbibed by the employees. In a follow up to the exercise, a structured initiative has been planned in the current financial year to enable greater understanding of the Company's values amongst its employees.

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") for the Company. The Code is explained in the Corporate Governance Report of the Company.

The Company also has a Whistle Blower Policy which provides, amongst other matters, a mechanism for directors and employees to report violations, any unethical behaviour, suspected or actual fraud, violation of the Code that could be detrimental to the organisation's interest. The policy protects a whistle blower from any kind of discrimination, harassment, victimisation or any other unfair employment practice. The Audit Committee reviews matters related to the Code as well as the Whistle Blower Policy on a quarterly basis. For more details, refer to the Corporate Governance section of the Annual Report.

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

We have both structured as well as unstructured mechanisms for engagement with our 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, product safety and enhancing user comfort during its life period/cycle. The Company has taken focused initiatives in weight reduction, material substitution with safer materials and increasing the percentage of recycled input (raw) material. The Company is embracing sustainable procurement practices. The manufacturing plants are located in proximity of the OEMs to reduce the carbon footprint associated with indirect greenhouse gas emissions.

The management recognises that every step, however small, can have a positive impact on the environment and the safety of end customers.

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 components (with variations to suit requirements of respective OEM) under each product portfolio. Social and environmental concerns are given high consideration in all activities and decisions during the manufacturing processes. Certain key initiatives taken at the manufacturing plants during the reporting year are listed below. The initiatives reported last year continue in the mainstream.

Weight Reduction

Casting weight reduction helped in reducing unsprung mass which gives better ride performance of vehicle. Components whose weight was reduced are front fork bottom case, rear shock absorber canister, aluminium grips (pillion handle) and trans axle (introduction of metal saving pocket). The weight of transmission case was reduced by 2.5 kg on account of use of aluminum. This also lead to about 23% reduction in fuel mean consumption.

In the reporting year, there was a reduction in the weight of the front wheel and rear wheel. The rear wheel sand

Business Responsibility Report (contd.)

core design of a motorcycle model, was changed to reduce the weight by 640 grams. The component is used in assembly of two wheelers by the OEMs.

The cumulative weight reduction will lead to reduction in greenhouse gas emissions of two-wheelers and three-wheelers being the end products.

Application of alternate processes:

The Company continuously improves its manufacturing methods through use of alternate and pro-environment processes which simultaneously aim at enhancing safety of the product and optimisation of costs. A few significant ones being:

- Replacing Nicket-Chrome 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.

A change in the plunger design led to an increase in its life span and also reduction in energy consumption during the manufacturing process. This also reduced the shot weight. The outer diameter of the input material of a fork pipe model was reduced, due to which one stage of grinding operation was eliminated.

Material Substitution - Use of non-hazardous materials

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, and
- drum brakes with asbestos-free brake shoes.

The above-mentioned initiatives have resulted into savings for the Company in terms of consumption of furnace oil, waste and fuel. These initiatives also resulted in minimal generation of hazardous waste/sludge.

In the reporting year, there was a focussed effort to replace a hazardous chemical in the manufacturing process with a non-hazardous chemical. In the paint shop and the powder coating line, chrome based chemical has been replaced with non-chrome based, non-hazardous chemical. This will have a positive impact on the environment as well as on the health and safety of the persons working in the paint shop and the powder coating line.

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. Forming of Endurance Vendor Association, a mutual forum of the Company with its vendors which provides a platform to resolve concerns and 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 include quality, cost, environmental and legal compliance, financial health and stability, management capabilities, succession planning and organisation structure.

Various measures taken by the Company, including the above, are aimed towards strengthening the entire supply chain to ensure seamless and sustainable procurement process.

Q4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Most of the Company's vendors are located in proximity to its manufacturing facilities. The Company has developed a local direct (Tier I) and sub-supplier (Tier II) base of 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

Business Responsibility Report (contd.)

performance rating and developmental support in the past. Capabilities of LTS are enhanced through:

- **Cluster Quality Improvement Programmes** for existing and potential LTS vendors. Fourty three vendors were covered in six cluster programmes over the last four years.
- **Trainings for Total Productive Maintenance (TPM)** way of working are conducted; these are aimed at overall efficiency improvement with defined SPQCDM targets (Safety, Productivity, Quality, Cost, Delivery and Morale). Twenty vendors are Practicing TPM and nine out of them were awarded by the Company for TPM sustenance during the FY 2018-19.
- **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 it recycles/ reuses the waste generated during manufacturing processes. Some of the initiatives taken are:

i. **Re-melting of Aluminum -** 100% process rejects and scrap (turnings), gates and riser material is recycled.

ii. **Coolant Recovery -** A coolant recovery plant is installed to recycle the coolant. The Company is able to recover 10% of the coolant oil/ cutting oil and through re-filtration 75% is utilised.

iii. **Water Saving and Recycling -** Awareness sessions and workshops are conducted on water conservation. Water saving kaizens are implemented through the study of the water balance diagram on a monthly basis. We have implemented a number of water saving projects like reuse of treated water in gardening and flushing (leading to 20% reduction in fresh water consumption); recycling of coolant water (leading to a 25% reduction in water consumption); and reuse of waste water from the ETP (Effluent Treatment Plant) in the cooling tower.

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 4,149 as on 31st March, 2019.

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, 2019 were 5,202.

Q3. Number of permanent women employees

The number of permanent women employees as on 31st March, 2019 were fifty seven.

Q4. Number of permanent employees with disabilities

Endurance is an equal opportunity employer. We do not mandate disclosure of disability and do not discriminate on the grounds of age, gender, caste. Employment is offered based on merit.

Q5. Do you have an employee association that is recognised by management?

Yes and during the year, there were eleven agreements entered into with labour unions for the Company's plants located at Waluj (Aurangabad, Maharashtra), Chakan (Dist. Pune, Maharashtra) and Pantnagar (Uttarakhand).

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

As of 31st March, 2019, 1,785 employees, representing 43% 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**

Business Responsibility Report (contd.)

Training needs of employees are identified based on their performance assessment & roles responsibilities at various levels. Apart from domain specific subjects, trainings provided to the on-roll employees are typically grouped as follows:

a) Induction programmes for the new joiners

b) Leadership Development programmes

c) Behavioural Training programmes

d) Technical Training programmes (includes Quality/ System Awareness programmes)

e) CITTI Value Workshop;

f) Safety related training programmes; and

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

During the FY 2018-19, above-mentioned trainings spanned to around 3,512 man-days.

Further, during the FY 2018-19, trainings were imparted and workshops were conducted of more than 3500 man-days, which focussed specifically on various aspects of health, environment and safety. Regular training sessions are organised on safety and factory rules & discipline and the participants comprised both on-roll employees and contract workforce.

A HSE diagnostic study was conducted in FY 2017-18 to assess the level of understanding of safety culture by the Company's workforce. Based on the results of the study, specific competence areas have been identified and focussed initiatives such as trainings, recognition, framing of SOPs etc. have been undertaken in the FY 2018-19. The objective of the action plan is to improve safety culture in the Company.

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 issues concerning disadvantaged, vulnerable and marginalised 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 and around Aurangabad especially in the areas surrounding its manufacturing locations in Waluj, Aurangabad. These include unemployed & unskilled youth, villages in poor socio-economic conditions lacking basic needs such as safe drinking water and sanitation, children having limited or no access to basic education.

Based on identification of their needs, the Company is implementing the following CSR programmes:

(a) Vocational Training Centre – for providing vocational training for gainful employment of underprivileged and unemployed youth.

(b) Village Development Projects – Developmental requirements are assessed based on interaction with Panchayats of respective villages; CSR Initiatives are planned primarily focusing on health & nutrition, water & sanitation, agriculture & livelihood, education and community development.

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

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

The Company is committed to meeting the fundamental principles of human rights, labour practices and anti-corruption. The Company is in compliance with applicable laws pertaining to human rights.

Q1. Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?

The principles of Human Rights are applicable to the Company as well as the subsidiary companies as per the regulations and guidelines applicable in respective geographies. The suppliers, contractors and other entities associated with the Company are governed by their respective policies.

Business Responsibility Report (contd.)

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

A Health, Safety, and Environment policy has been framed by the Company. The subsidiary companies adhere to applicable local laws and regulations with respect to health, safety and environment.

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 II to the Board's report for the initiatives taken by the Company during the FY 2018-19.

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

Environmental risks are part of the Company's Risk Management Framework. Company has a structured and continuous process of identifying and assessing risks. It also has a robust process for mitigating key risks at all levels. A report based on risk monitoring mechanism is submitted biannually to the Risk Management Committee.

The Company is working towards ensuring 'zero' accidents and minimising discharge of effluents. Considering the nature of its processes, the Company has taken adequate measures towards this, such as conducting regular proactive employee safety and environment audits, management review meetings, and periodic employee health and safety meetings to manage this risk. In addition thereto, necessary steps are being taken such as building adequate infrastructure for treating effluents and also tying up with local bodies for effective disposal or recycling of waste.

Q4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

No.

Q5. Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page etc.

Most of our plants are certified for ISO 14001, OHSAS 18001 and ISO/TS 16949:2009 standards. Eight 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 to Annexure II 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.

Q7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as at the end of Financial Year

Maharashtra Pollution Control Board, ("MPCB") vide letters dated 21st July, 2015 and 22nd July, 2015, had, *inter alia*, alleged contamination of ground water on account of the operations carried out at the Company's plant at K-228 & 229, Waluj, Aurangabad. The Company was directed to deposit ₹ 100 million in an escrow account of the District Collector, Aurangabad, towards remedial costs for ground water contamination and soil degradation.

In response thereto, the said amount was deposited and an appeal was made by the Company before the Hon'ble National Green Tribunal ("NGT"). Hearings were held before the Hon'ble NGT duly represented

Business Responsibility Report (contd.)

by the MPCB and the Company. In view of absence of information regarding the source of pollution/ water contamination, it was ordered that the industries in the Waluj area be directed to pay remediation costs only. Accordingly, out of ₹ 100 million, ₹ 79.1 million had been refunded to the Company as on 31st March, 2018 after adjusting the proposed remediation costs attributable to the Company which is sub-judice before the NGT. No hearing of the NGT Bench (Western Zone) was held after 10th July, 2018.

As of 31st March 2019, there are no other material show cause/ legal notices received from CPCB/SPCB that are pending.

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,
- SIAM – Society of Indian Automobile Manufacturers
- CII- Confederation of Indian Industries,
- EFI- Employer Federation of India,
- CMIA- Centre for Marathwada Industries & Agriculture,
- NSC – National Safety Council,
- MARG – Mutual Aid Response Group

Q2. Has the Company advocated/ lobbied through above associations for the advancement or improvement of public good?

As a responsible corporate citizen, the Company's approach is to contribute to public policy formulation through recognised industry associations only.

PRINCIPLE 8: 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 Board of the Company has constituted a CSR Committee which reviews the implementation of the CSR Policy. Please refer to 'Annexure III – Annual Report on CSR activities', to the Board's Report for details.

Q1& Q2. Does the Company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8 and Q2. Are the programmes/ projects undertaken through in-house team/ own foundation/ external NGO/ government structures/ any other organisation?

As per the provisions of Section 135, Schedule VII to the Act and CSR Policy of the Company, following CSR projects and programmes have been undertaken:

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

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

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

The CSR Committee reviews the progress on the initiatives to assess the impact on the beneficiaries of the projects.

Vocational Training Centre ("VTC"):

VTC is primarily aimed at providing opportunities to youth who are unable to pursue structured education due to various reasons and enhance their employability. In addition to providing training in their chosen vocation, attention is also paid to overall personality development of the beneficiary by including sessions on physical fitness, spoken English and basic computer literacy.

The impact of the vocational training is measured in the form of employment generated and self-employment after completion of the training. The CSR Committee reviews the quantitative impact through the EVA (Economic Value Added) for each course.

Village Development Project ("VDP"):

Villages are selected based on an internal need assessed. The activities are mostly focussed on health, sanitation, education, livelihood and community development. In case of VDP, the impact can be measured based on the improvement in the standard of living of the villagers.

Sevak Trust *Balwadi*

Balwadi provides pre-primary education to children from nearby villages and localities in Aurangabad.

Business Responsibility Report (contd.)

For details on the CSR initiatives taken by the Company, please refer to 'Annexure III – 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 2018-19
Village Development Project	36.87
Vocational Training Centre	30.98
Sevak Trust Balwadi	0.15
Salary to staff dedicated for CSR activities	1.27
Total	**69.27**

Q6. Have you taken steps to ensure that these community development initiatives are successfully adopted by the community?

Yes, the Company has engaged with Sevak Trust who further in consultation with external agencies having adequate experience in this domain, ensures effective implementation of the CSR initiatives.

The CSR initiatives are structured in such a manner that its implementation requires active participation by the beneficiaries. In the Village Development Project, apart from providing services, the villagers also contribute a notional amount towards developmental work in the villages such as construction of toilets & mangers, setting up of hydroponic units, etc. Similarly, the students enrolling in the Endurance Centre of Vocational Empowerment (ECoVE) bear a nominal portion of the total expenditure incurred in VTC. These inclusive measures create a sense of commitment amongst beneficiaries to sustain the development work implemented at respective villages and also to complete the vocational course chosen by them.

The progress of CSR activities is also monitored closely by the CSR Committee of the Company.

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

Customer Centricity is one of the core values of the Company. There are mechanisms in place that aim to minimise customer complaints and grievances while ensuring prompt redressal. In order to make the Company's redressal mechanism more meaningful, a structured system has been developed and implemented.

The Company primarily caters to two and three-wheeler OEMs. There is a robust mechanism defined in the Company to deal with issues and complaints reported by OEMs. They can communicate issues through their online portals, e-mail communications, during their visits to plants or at meetings with Company office representatives.

The Company also caters to the retail market through its aftermarket business. Complaints are raised through any or all of the following modes:

- Lodging of complaint on dedicated customer care number 0240 - 2569723;
- Sending complaints through email at customercare@endurance.co.in;
- Communicate the complaint at the customer care desk at local office/ distributor.

All the complaints/ concerns/ grievances are tracked by the senior management team till its resolution.

Q1. What percentage of customer complaints/ consumer cases are pending as on the end of the financial year?

All complaints are acknowledged on receipt and attended to on priority for ensuring resolution as per defined time schedule and organisational hierarchy. There are no complaints which are pending attention and requisite action at the Company's end, as on 31st March, 2019.

Q2. Does the Company display product information on the product label, over and above what is mandated as per local laws?

The information displayed on the product label is as per the applicable laws and in line with the prevalent market practice.

Q3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and /or anti-competitive behaviour during the last five years and pending as at the end of financial year.

There is no case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as of 31st March, 2019.

Q4. Did your Company carry out any consumer survey/consumer satisfaction trends?

A customer satisfaction survey is conducted every year and 'Customer Satisfaction Index' is plotted. Results of the survey are analysed to understand the areas of improvement. Vendor ratings given by customers is also a measure of customer satisfaction.

Independent Auditor's Report

To
the Members of
Endurance Technologies Limited

REPORT ON THE AUDIT OF THE STANDALONE IND AS FINANCIAL STATEMENTS

OPINION

We have audited the accompanying standalone Ind AS financial statements of Endurance Technologies Limited ("the Company"), which comprise the Balance sheet as at March 31 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Accounting of income from government grants (Refer note 35 (a) of the standalone financial statements): During the current year, the Company has accrued an amount of ₹ 314.90 million as government grant income, based on a claim filed in accordance with the eligibility certificate received from Directorate of Industries, Government of Maharashtra under Package Scheme of Incentives-2013 in the statement of profit and loss. While recognizing the government grant, the management has exercised judgement that the principle of reasonable assurance in accordance with paragraph 7 of Ind-AS 20- Accounting for Government Grants and Disclosure of Government Assistance (Ind AS 20) is achieved when the claim is submitted. Accordingly accounting of income from government grants is considered a key audit matter.	**Our principal audit procedures included** 1. Obtaining and reading the compliance certificate received by the Company from the Government of Maharashtra. 2. Reading the terms and conditions attached in the package scheme of incentives 2013 issued by the Government of Maharashtra. 3. Obtaining and reading the claim documents filed by the Company during the year. Testing the compliance with the terms and conditions of eligibility as per the certificate received on sample basis. 4. Assessing the compliance by the Company in relation to recognition of income. 5. Testing the accounting entries effected in the books of accounts with the underlying workings. 6. Evaluating the disclosures in the financial statements for compliance with relevant standards.

Independent Auditor's Report (contd.)

OTHER INFORMATION

The Company's Board of Directors is responsible for the other information. The other information comprises the Corporate Governance Report (but does not include the standalone Ind AS financial statements and our auditor's report thereon), which we obtained prior to the date of this auditors report and Corporate Overview and other Statutory Reports (comprising of Management Discussion and Analysis, Board's Report and Business Responsibility Report) included in the Annual report, which is expected to be made available to us after that date.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the Standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Corporate Overview and other Statutory Reports (comprising of Management Discussion and Analysis, Board's Report and Business Responsibility Report) included in the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

RESPONSIBILITIES OF MANAGEMENT FOR THE STANDALONE IND AS FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE IND AS FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal

Independent Auditor's Report (contd.)

financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

Independent Auditor's Report (contd.)

i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements – Refer Note 28 to the standalone Ind AS financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Arvind Sethi**
Partner
Membership Number: 89802

Place: Mumbai
Date: May 14th, 2019

Annexure 1

Annexure referred to in paragraph 1 of our report of even date under heading "Report on Other Legal and Regulatory Requirements"

Re: Endurance Technologies Limited ("the Company")

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.

(ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at year end and no material discrepancies were noticed in respect of such confirmations.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors / to a company in which the director is interested to which provisions of section 185 of the Companies Act 2013 apply and hence not commented upon. The company has made investments which is in compliance with the provisions of section 186 of the Companies Act 2013.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Companies Act 2013 and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the 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, employees' state insurance, income-tax, goods and service tax, cess and other statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, excise duty and value added tax on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (₹ in million)**	Period to which amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise Duty	0.13	2001-2002	High Court
Central Excise Act, 1944	Excise Duty	2.30	2001-2009	Supreme Court
Central Excise Act, 1944	Excise Duty	13.86	2002-2008	Commissioner
Central Excise Act, 1944	Excise Duty	29.91	2003-2016	CESTAT
Central Excise Act, 1944	Excise Duty	8.79	2004-2018	Assistant / Deputy Commissioner
Central Excise Act, 1944	Excise Duty	22.31	2005-2018	Joint / Additional Commissioner
Central Excise Act, 1944	Excise Duty	0.16	2012-2013	Commissioner (Appeals)
Central Excise Act, 1944	Excise Duty	1.39	2012-2018	Superintendent
Finance Act, 1994	Service Tax	2.82	2013-2015	Assistant / Deputy Commissioner

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
Maharashtra Value Added Tax Act, 2002	Value Added Tax	2.68	2005-2014	Joint Commissioner
Central Sales Tax Act, 1956	Central Sales Tax	44.04	2013-2015	Joint Commissioner
Income Tax Act,1961	Income Tax	10.70	2007-2008	Assistant Commissioner
Income Tax Act,1961	Income Tax	357.05	2010-2016	Commissioner (Appeals)
Income Tax Act,1961	Income Tax	155.05	2009-2012	ITAT
Income Tax Act,1961	Income Tax	9.13	2007-2008	High Court

** amounts deposited under protest ₹ 62.93 million

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank and government.

(ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer (including debt instruments) and term loans during the year. Hence, reporting under clause (ix) of the Order is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act 2013.

(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 section 177 and 188 of Companies Act 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) of the Order are not applicable to the Company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act 2013.

(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: May 14th, 2019

Annexure 2

To the Independent Auditor's Report of even date on the Standalone Financial Statements of Endurance Technologies Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Endurance Technologies Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE FINANCIAL STATEMENTS

A company's internal financial control over financial reporting with reference to these standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE STANDALONE FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control

Annexure 2 (contd.)

To the Independent Auditor's Report of even date on the Standalone Financial Statements of Endurance Technologies Limited

over financial reporting with reference to these standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Arvind Sethi**
Partner
Membership Number: 89802

Place: Mumbai
Date: May 14th, 2019

Balance Sheet

as at 31st March, 2019

₹ in million

Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018
ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	3	11,574.89	9,571.27
(b) Capital work-in-progress		897.83	505.22
(c) Other intangible assets	3	41.61	57.00
(d) Intangible assets under development		115.04	47.77
(e) Investments in subsidiaries	4	3,637.61	3,637.61
(f) Financial assets			
(i) Investments	4A	12.38	10.08
(ii) Other financial assets	5	67.17	58.60
(g) Other non-current assets	6	2,182.84	1,843.98
		18,529.37	**15,731.53**
2 Current assets			
(a) Inventories	7	2,829.81	2,466.24
(b) Financial assets			
(i) Investments	4B	348.17	449.13
(ii) Trade receivables	8	6,947.57	7,065.70
(iii) Cash and cash equivalents	9	302.54	85.32
(iv) Bank balances other than (iii) above	9A	1.78	1.61
(v) Loans	5A	20.95	13.02
(vi) Other financial assets	5B	356.32	15.80
(c) Other current assets	6A	215.61	226.75
		11,022.75	**10,323.57**
3 Asset held for sale	**39 (a)**	**33.37**	**-**
Total Assets (1+2+3)		**29,585.49**	**26,055.10**
EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	10	1,406.63	1,406.63
(b) Other equity	10A	19,392.87	16,515.95
		20,799.50	**17,922.58**
Liabilities			
2 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	11	29.78	49.58
(ii) Other financial liabilities	12	46.76	30.82
(b) Provisions	13	62.77	21.60
(c) Deferred tax liabilities (net)	17A	156.12	10.83
		295.43	**112.83**
3 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	14	2,120.00	1,782.68
(ii) Trade payables:	15		
(a) Total outstanding dues of micro enterprises and small enterprises		667.90	767.23
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		4,539.65	4,065.06
(iii) Other financial liabilities	12A	410.47	457.39
(b) Other current liabilities	16	467.61	728.37
(c) Provisions	13A	250.32	190.39
(d) Current tax liabilities (net)	17	34.61	28.57
		8,490.56	**8,019.69**
Total Equity and Liabilities (1+2+3)		**29,585.49**	**26,055.10**
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: 14th May, 2019
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: 14th May, 2019
Place: Mumbai

Statement of Profit and Loss

for the year ended 31st March, 2019

₹ in million

	Particulars	Note No.	For the year ended 31st March, 2019	For the year ended 31st March, 2018
I	Revenue from operations	18	54,174.59	46,179.61
II	Other income	19	162.23	183.23
III	**Total income (I + II)**		**54,336.82**	**46,362.84**
IV	**Expenses:**			
	(a) Cost of materials consumed	20A	35,080.26	28,630.90
	(b) Purchases of stock-in-trade (traded goods)	20B	230.84	90.93
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	20C	(73.81)	94.27
	(d) Excise duty		-	1,279.12
	(e) Employee benefits expense	21	2,777.43	2,546.95
	(f) Finance costs	22	170.73	102.49
	(g) Depreciation and amortisation expense	3	1,756.98	1,696.31
	(h) Other expenses	23	8,839.77	7,633.06
	Total expenses (IV)		**48,782.20**	**42,074.03**
V	**Profit before exceptional items and tax (III-IV)**		**5,554.62**	**4,288.81**
VI	Exceptional items	39	208.00	268.78
VII	**Profit before tax (V - VI)**		**5,346.62**	**4,020.03**
VIII	**Tax expense:**			
	(a) Current tax expense		1,595.02	1,261.24
	(b) Short/(excess) provision for tax relating to prior years		15.14	(63.95)
	Total current tax expense		1,610.16	1,197.29
	(c) Deferred tax charge		157.85	106.71
	Total tax expense	24	**1,768.01**	**1,304.00**
IX	**Profit for the year (VII - VIII)**		**3,578.61**	**2,716.03**
X	**Other comprehensive income**			
	(a) Item that will not be reclassified to profit and loss in subsequent years			
	- Remeasurements of defined benefit plan		(35.95)	(1.29)
	(b) Income-tax relating to item that will not be reclassified to profit and loss in subsequent years		12.56	0.45
	Total other comprehensive income for the year		**(23.39)**	**(0.84)**
XI	**Total comprehensive income for the year (IX + X)**		**3,555.22**	**2,715.19**
XII	Basic and diluted earnings per equity share (₹) (Face value per equity share ₹ 10)	31	25.44	19.31
	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: 14th May, 2019
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: 14th May, 2019
Place: Mumbai

Statement of changes in equity

for the year ended 31st March, 2019

A EQUITY SHARE CAPITAL

₹ in million

Particulars	As at 31st March, 2019	As at 31st March, 2018
Balance at the beginning and end of the year	**1,406.63**	**1,406.63**

B CHANGES IN OTHER EQUITY

₹ in million

Particulars	Securities premium	General reserve	Retained earnings	Total equity
Balance as at 1st April, 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	-	-	(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

₹ in million

Particulars	Securities premium	General reserve	Retained earnings	Total equity
Balance as at 1st April, 2018	160.40	1,208.89	15,146.66	16,515.95
Profit for the year	-	-	3,578.61	3,578.61
Other comprehensive income for the year, net of tax	-	-	(23.39)	(23.39)
Payment of dividend (Refer note 38)	-	-	(562.65)	(562.65)
Tax on dividend	-	-	(115.65)	(115.65)
Subtotal	**-**	**-**	**2,876.92**	**2,876.92**
Balance as at 31st March, 2019	160.40	1,208.89	18,023.58	19,392.87

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: 14th May, 2019
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: 14th May, 2019
Place: Mumbai

Cash flow statement

for the year ended 31st March, 2019

₹ in million

Sr No.	Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
A	**Cash flow from operating activities**		
	Profit before tax	5,346.62	4,020.03
	Adjustments for:		
	Depreciation and amortisation expense	1,756.98	1,696.31
	Incentive received	(65.67)	(48.51)
	Allowance for doubtful debts	-	(7.43)
	Bad debts written off	-	7.43
	Finance costs incurred	147.22	82.91
	Profit on sale of property, plant and equipment (net)	(46.71)	(32.22)
	Excess provision/creditors written back	(14.48)	(20.27)
	Unrealised exchange (gain)/loss differences (net)	29.52	(23.20)
	Income from investments in mutual funds	(38.05)	(26.41)
	Interest income	(14.19)	(8.92)
	Operating profit before working capital changes	**7,101.24**	**5,639.72**
	Movement in working capital		
	Adjustments for (increase)/decrease in operating assets		
	Inventories	(363.57)	24.47
	Trade receivables	110.94	(2,212.48)
	Other financial assets	(337.52)	22.54
	Other assets	(333.11)	132.79
	Adjustments for increase/(decrease) in operating liabilities		
	Trade payables	391.16	1,377.32
	Provisions	65.37	(173.52)
	Other current liabilities	(214.20)	(25.04)
	Other financial liabilities	15.94	10.78
	Cash generated from operating activities	**6,436.25**	**4,796.58**
	Direct taxes paid (net of refund)	(1,658.85)	(1,205.03)
	Net cash generated from operating activities	**4,777.40**	**3,591.55**
B	**Cash flow from investing activities**		
	Acquisition of property, plant and equipment (including capital work in progress and capital advances)	(4,162.85)	(2,931.35)
	Proceeds on sale of property, plant and equipment	88.91	98.76
	Investment in equity shares	(2.31)	(0.64)
	Redemption / (Investment) in mutual funds	139.01	(106.33)
	(Increase)/Decrease in other bank balances	(0.17)	1.92
	Interest received	14.20	9.01
	Net cash used in investing activities	**(3,923.21)**	**(2,928.63)**

Cash flow statement (contd.)

for the year ended 31st March, 2019

₹ in million

Sr No.	Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
C	**Cash flow from financing activities**		
	Repayment of long term borrowings	(149.22)	(452.18)
	Proceeds / (repayments) from short term borrowings (net)	337.32	356.50
	Dividend paid including tax on dividend	(678.26)	(423.20)
	Finance cost paid	(146.81)	(84.95)
	Net cash used in financing activities	**(636.97)**	**(603.83)**
	Net increase in cash and cash equivalents	217.22	59.09
	Cash and cash equivalents at the beginning of the year	85.32	26.23
	Cash and cash equivalents at the end of the year	302.54	85.32
	Net increase in cash and cash equivalents	**217.22**	**59.09**

Significant accounting policies 2

See accompanying notes forming part of the financial statements.

Notes:

1 Figures in brackets represent outflows.

2 Previous year figures have been regrouped, wherever necessary, to conform to current year's presentation.

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Arvind Sethi**
Partner

Membership No.: 89802

Date: 14th May, 2019
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: 14th May, 2019
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 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, 2019 were approved by the Board of Directors and authorised for issue on 14th May, 2019.

2 SIGNIFICANT ACCOUTING POLICIES

2.01 Statement of Compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013 (Ind AS Compliant Schedule III), as applicable.

2.02 Basis of preparation and presentation

These financial statements consist of standalone financial statements of the Company and have been prepared on a historical cost basis, except for certain financial instruments which have been measured at fair value at the end of each reporting period, as explained under accounting policy 2.16.

2.03 Use of estimates and assumptions

The preparation of these financial statements requires the management of the Company to make judgements, estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are 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 from contract with customer

Revenue is recognised when control of goods and services have been transferred to the customer; at an amount that reflects the consideration which the Company expects to be entitled in exchange for those goods or services. The timing of when the company transfers the goods or provide services may differ from the timing of the customer's payment. Amounts disclosed as revenue are net of VAT and Goods and Services Tax (GST).

The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided below.

Sale of Goods

The Company based on the underlying agreements has determined that the transfer of control to the customer and therefore revenue recognition, in regard to the domestic sales and export sales, generally corresponds to the date when the goods are dispatched from their point of sale, or when the goods are made available to the customer, or when the goods are released to the carrier responsible for transporting them to the customer. Export sales are recorded at the relevant exchange rates prevailing on the transaction date.

Generally, the normal credit period is 30 to 60 days upon delivery. The nature of contracts of the Company are such that no material part performance obligations would remain unfulfilled at the end of any accounting period.

Variable consideration

If the consideration in a contract includes a variable amount (like volume rebates/incentives, cash discounts etc.), the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not

Notes forming part of financial statements (contd.)

occur when the associated uncertainty with the variable consideration is subsequently resolved. The estimate of variable consideration for expected future volume rebates/incentives, cash discounts etc. are made on the most likely amount method. Revenue is disclosed net of such amounts.

Warranty obligations

The Company provides warranties for general repairs of defects as per terms of the contract with customers. These warranties are considered as assurance type warranties and are accounted for under Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets.

Revenue from job work

The Company provides job work services to its customers. Such services are sold separately and are not bundled together with the sale of Company's goods. Revenue from job work is accounted as and when such services are rendered.

Contract balances

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policy no. 2.16 Financial instruments – Financial assets at amortised cost.

Contract liabilities

A contract liability is the obligation to transfer goods to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company performs under the contract.

Refund liabilities

A refund liability is the obligation to refund some or all the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

2.05 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. 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.,

Notes forming part of financial statements (contd.)

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 at their fair value where there is a reasonable assurance that the grant will be received and all attached conditions will be complied with. Government grants relating to income are deferred and recognised in the profit or loss over the periods necessary to match them with the costs that they are intended to compensate and presented within other operating revenues. The Company accounts for its entitlements based on a best estimate accrual of the initial claims at the time of the claim submission with the relevant authorities.

2. Export Benefits

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

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

3. Government Grant in respect of loan

   The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

2.09 Employee benefits

1. Defined Contribution Plan:

   Provident Fund: The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employee's salary. The contributions as specified under the law are paid to the Central Government Provident Fund and the Family Pension Fund and the same is charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due and when services are rendered by the employees.

2. Defined Benefit Plan:

   For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss in subsequent periods. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

   - service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
   - net interest expense or income; and
   - remeasurement.

   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

Notes forming part of financial statements (contd.)

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 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 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.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intend to settle the asset and liability on a net basis.

Deferred 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.

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 / amortisation 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.

Notes forming part of financial statements (contd.)

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 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 Non-current assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

The criteria for held for sale classification is regarded met only when the assets are available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated,
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

Additional disclosures are provided in Note 39. All other notes to the financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

2.14 Impairment

1. Financial assets

   The Company assesses on a forward-looking basis, the expected credit losses associated with its financial assets carried at amortised cost for e.g., deposits, trade receivables and bank balances. The impairment methodology applied depends on whether there has been a significant increase in credit risk and if so, assess the need to provide for the same in the Statement of Profit and Loss.

   The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

Notes forming part of financial statements (contd.)

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime Expected Credit Losses (ECL) at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original Effective Interest Rate (EIR). When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument over the expected life of the financial instrument.

The Company estimates the following provision matrix at the reporting date:

	Not due	Within 365 days*	More than 365 days*
Default Rate	0%	0%	100%

* Provision is made for receivables where recovery is considered doubtful irrespective of due date. Where an amount is outstanding for more than 365 days the Company usually provides for the same unless there is clear visibility of recovery.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured at amortised cost, revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments based on shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

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.

2.15 Inventories

Inventories of raw materials and components, work-in-progress, stock-in-trade, stores & spares and tools & instruments are valued at the lower of cost and net realizable value after providing for obsolescence and other losses, where considered necessary. Cost is ascertained on a weighted average basis. The cost

Notes forming part of financial statements (contd.)

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.

2.16 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 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.

Investment in subsidiaries:

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

Financial liabilities:

Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss, loans and borrowings, payables or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are 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, other than investments in subsidiaries, are measured at fair value. Equity instruments which are held for trading are classified as at fair value through profit and loss. For all other equity instruments the Company may make an irrevocable election to present in other comprehensive income, subsequent changes in the fair value. The Company makes such election on an instrument by instrument basis. The classification is need on initial recognition and is irrevocable. If the Company decides to classify an equity instruments as at FVOCI then all fair

Notes forming part of financial statements (contd.)

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.

   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.

2.17 Earnings Per Share (EPS)

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic earnings per share is computed by dividing the net profit or loss after tax and preference dividend for the period by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period as adjusted for the effects of all dilutive potential equity shares except where the results are anti-dilutive.

2.18 Research and development expenses

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technological feasibility has been established, in which case such expenditure is 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.

2.19 Cash flow statement

The Cash flow statement is prepared by the indirect method set out in Ind AS 7 on Cash flow statements and presents cash flows by operating, investing and financing activities of the Company.

Notes forming part of financial statements (contd.)

2.20 Current versus Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is classified as current when it is

- expected to be realized or intended to be sold or consumed in normal operating cycle
- held primarily for the purpose of trading
- expected to be realized within 12 months after the date of reporting period, or
- Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

A liability is current when it is

- expected to be settled in its normal operating cycle
- held primarily for the purpose of trading
- due to be settled within 12 months after the reporting period, or
- does not have any unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

Current liabilities include the current portion of long term financial liabilities. The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets and their realization in cash and cash equivalents. The Company has identified 12 months as its operating cycle.

2.21 Fair Value Measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell an asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- 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.

Notes forming part of financial statements (contd.)

2) Derivatives (recurring fair value measurement) - at values are determined by counter parties / banks using market observable data.

2.22 Share Capital

Ordinary Shares

Ordinary shares are classified as equity. Incremental costs, if any, directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

2.23 Dividend

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

2.24 Recent accounting pronouncements

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, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019 introducing /amending the following standards:

Ind AS 116 Leases

Ind AS 116 Leases was notified in March, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1st April, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

Ind AS 116 also requires lessees and lessors to make more extensive disclosures than under Ind AS 17.

Transition to Ind AS 116

The Company plans to adopt Ind AS 116 using the modified retrospective method of adoption with the date of initial application of 1st April, 2019. The Company will elect to apply the standard to contracts at the date of initial application.

The Company will elect to use the exemptions proposed by the standard on lease contracts for which the lease terms ends within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value. The Company has leases of certain office equipment (i.e., personal computers, printing and photocopying machines) that are considered of low value.

During financial year ending March 2019, the Company has performed a detailed impact assessment of Ind AS 116. In summary the impact of Ind AS 116 adoption is expected to be, as follows :

Impact on the balance sheet (increase/(decrease)) as at 31st March, 2019

₹ in million

Particulars	Amount		
	Lease hold land	**Other leases**	**Total**
Assets:			
(i) Property, plant and equipment (right-to-use assets)	1,978.82	33.29	2,012.11
(ii) Other non-current assets	(1,953.71)	-	(1,953.71)
(iii) Other current assets	(25.11)	-	(25.11)
	-	**33.29**	**33.29**
Liabilities:			
(i) Trade and other payables	-	33.97	33.97
	-	**33.97**	**33.97**
Net impact on equity	-	(0.68)	(0.68)

Notes forming part of financial statements (contd.)

Impact on the statement of profit or loss ((increase)/ decrease) for year ending 31st March 2019:

₹ in million

Particulars	Amount		
	Lease hold land	Other leases	Total
Depreciation and amortisation expense	25.11	2.37	27.48
Operating lease expense	(25.11)	(2.84)	(27.95)
Finance costs	-	1.15	1.15
(Increase)/Decrease in profit	-	0.68	0.68

Due to the adoption of Ind AS 116, the Company's profit will decrease by ₹ 0.68 million due to the change in accounting for certain operating lease contracts.

Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. In determining the approach that better predicts the resolution of the uncertainty, an entity might consider, for example, (a) how it prepares its income tax filings and supports tax treatments; or (b) how the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination.

The interpretation is effective for annual reporting periods beginning on or after 1st April 2019, but certain transition reliefs are available. The Company will apply the interpretation from its effective date. Based on the Company's preliminary evaluation, these amendments have no impact on the financial statements of the Company.

Amendments to Ind AS 109: Prepayment Features with Negative Compensation

Under Ind AS 109, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'Solely Payments of Principal and Interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

The amendments should be applied retrospectively and are effective for annual periods beginning on or after 1st April 2019. These amendments have no impact on the financial statements of the Company.

Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.
- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss.

An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement.

Notes forming part of financial statements (contd.)

Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 1st April 2019. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Company.

Annual improvement to Ind AS (2018);

These improvements include:

- Amendments to Ind AS 12: Income Taxes

  The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

  An entity applies those amendments for annual reporting periods beginning on or after 1st April 2019. Since the Company's current practice is in line with these amendments, the Company does not expect any effect on its consolidated financial statements.

- Amendments to Ind AS 23: Borrowing Costs

  The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

  An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1st April 2019. Since the Group's current practice is in line with these amendments, the Company does not expect any effect on its consolidated financial statements.

2.25 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.

2.26 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.

2.27 Other income

Dividends

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).

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Notes forming part of financial statements (contd.)

Others

The Company recognises income on accrual basis. However, where the ultimate collection of the same lacks reasonable certainty, revenue recognition is postponed to the extent revenue is reasonably certain and can be reliably measured.

2.28 Changes in accounting policies and disclosures

A New and amended standards

The Company applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Several other amendments and interpretations apply for the first time in March 2019, but do not have an impact on the standalone financial statements of the Company. The Company has not adopted for early adoption of any standards or amendments that have been issued but are not yet effective.

New Standard

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on 28th March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies to the Company, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be 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.

Ind AS 115 requires the Company to exercise judgement, taking into consideration all the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Company adopted Ind AS 115 for the first time for the financial year beginning on 1st April 2018 using the full retrospective method of adoption. The figures reported for the previous year have been adjusted by the effects arising from the adoption of Ind AS 115. The effect of the transition on the current period has not been disclosed as the standard provides an optional practical expedient.

The cumulative effect of initially applying Ind AS 115 as at 1st April 2017 amounts to ₹ Nil.

Set out below, are the amounts by which each financial statement line item is affected as at and for the year ended 31st March 2018 as a result of the adoption of Ind AS 115.

₹ In million

Particulars	Note No	Ind AS 115	Previous Ind AS	Increase/ (Decrease)
(i) Revenue from operations	18	46,179.61	47,690.12	(1,510.51)
(ii) Other income	19	183.23	183.93	(0.70)
		46,362.84	**47,874.05**	**(1,511.21)**
(iii) Cost of materials consumed	20A	28,630.90	30,110.62	(1,479.72)
(iv) Other expenses	23	7,633.06	7,664.55	(31.49)
		36,263.96	**37,775.17**	**(1,511.21)**

The adoption of Ind AS 115 did not have a material impact on OCI or Balance Sheet or the Company's operating, investing and financing cash flows.

The items causing Ind AS 115 adjustments are explained below:

a) Certain sale and purchase transactions have been netted off from "Revenue from contracts with customers" and "cost of material consumed" to reflect the commercial substance of transactions.

b) Certain sales related incentives given to Aftermarket retailers have been regrouped from other expenses to Revenue from contracts with customers.

c) Rent income received for certain plant and machinery has been netted off from material consumption as the plant and machinery is used for production of materials for own consumption.

Other Amended Standards applicable to the Company

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.

Notes forming part of financial statements (contd.)

These amendments do not have any impact on the Company as the Company has no deductible temporary difference or assets that are in the scope of these amendments.

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.

These amendments do not have any impact on the Company's financial statements.

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.

These amendments do not have any material impact on the Company's financial statements since the Company's current practice is in line with the amendment.

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, 2018	Additions during the year	Deductions during the year	As at 31st March 2019	Up to 1st April, 2018	For the year	Deductions during the year	Up to 31st March 2019	As at 31st March 2019
	(a)	(b)	(c)	(d=a+b-c)	(e)	(f)	(g)	(h=e+f-g)	(i=d-h)
A) TANGIBLE ASSETS									
Freehold land (Refer note 39(a))	477.78	12.34	33.37	456.75	-	-	-	-	456.75
	(473.06)	(4.72)	-	(477.78)	-	-	-	-	(477.78)
Buildings	2,595.17	496.21	-	3,091.38	249.79	102.06	-	351.85	2,739.53
	(2,122.35)	(472.82)	-	(2,595.17)	(150.08)	(99.71)	-	(249.79)	(2,345.38)
Plant & equipment	10,135.06	3,178.45	146.42	13,167.09	3,738.83	1,511.54	85.94	5,164.43	8,002.66
	(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)
Wind energy generators	88.56	-	12.99	75.57	64.83	13.37	10.75	67.45	8.12
	(88.56)	-	-	(88.56)	(43.22)	(21.61)	-	(64.83)	(23.73)
Computers	130.34	30.91	0.23	161.02	78.56	26.51	0.22	104.85	56.17
	(104.64)	(25.99)	(0.29)	(130.34)	(52.55)	(26.26)	(0.25)	(78.56)	(51.78)
Electrical fittings	73.72	10.16	0.21	83.67	17.81	7.53	0.21	25.13	58.54
	(50.27)	(23.45)	-	(73.72)	(11.02)	(6.79)	-	(17.81)	(55.91)
Vehicles	138.45	29.50	7.14	160.81	49.30	23.85	4.46	68.69	92.12
	(114.70)	(36.27)	(12.52)	(138.45)	(32.00)	(22.55)	(5.25)	(49.30)	(89.15)
Furniture and fixtures	127.59	22.27	0.80	149.06	45.14	13.92	0.76	58.30	90.76
	(93.64)	(33.96)	(0.01)	(127.59)	(30.81)	(14.34)	(0.01)	(45.14)	(82.45)
Office equipments	104.23	41.66	0.58	145.31	55.37	20.19	0.49	75.07	70.24
	(84.92)	(20.12)	(0.81)	(104.23)	(38.47)	(17.46)	(0.56)	(55.37)	(48.86)
Total - A	**13,870.90**	**3,821.50**	**201.74**	**17,490.66**	**4,299.63**	**1,718.97**	**102.83**	**5,915.77**	**11,574.89**
Previous year as at 31st March, 2018	(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)
B) INTANGIBLE ASSETS (Other than internally generated)									
Technical know-how	74.65	-	-	74.65	50.00	12.56	-	62.56	12.09
	(74.65)	-	-	(74.65)	(36.24)	(13.76)	-	(50.00)	(24.65)
Software	119.72	22.62	-	142.34	87.37	25.45	-	112.82	29.52
	(92.96)	(26.76)	-	(119.72)	(56.91)	(30.47)	(0.01)	(87.37)	(32.35)
Total - B	**194.37**	**22.62**	**-**	**216.99**	**137.37**	**38.01**	**-**	**175.38**	**41.61**
Previous year as at 31st March, 2018	(167.61)	(26.76)	-	(194.37)	(93.15)	(44.23)	(0.01)	(137.37)	(57.00)
Total - A+B	**14,065.27**	**3,844.12**	**201.74**	**17,707.65**	**4,437.00**	**1,756.98**	**102.83**	**6,091.15**	**11,616.50**
Previous year as at 31st March, 2018	(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)

ASSET HELD FOR SALE	As at 1st April, 2018	Addition during the year	Deductions during the year	As at 31st March, 2019
Freehold land (Refer note 39(a))	-	33.37	-	33.37

Other Notes:

i) Freehold land includes land procured from Karnataka Industrial Areas Development Board (KIADB) on lease-cum-sale agreement. As per the terms of the agreement, land will be transferred in the name of the Company after expiry of ten years i.e. September 2020. Accordingly, the same is grouped under freehold land.

ii) Figures in brackets represent figures of previous year.

Notes forming part of financial statements (contd.)

4 INVESTMENTS IN SUBSIDIARIES

₹ in million

Particulars	As at 31st March, 2019	As at 31st March, 2018
Investments in equity shares of (all fully paid, measured at cost, unquoted) :		
Endurance Amann GmbH (Refer note 25 a)	1,930.62	1,930.62
Endurance Overseas Srl (Refer note 25 b)	1,706.99	1,706.99
Total (A)	**3,637.61**	**3,637.61**

4A NON-CURRENT INVESTMENTS

₹ in million

	Particulars	As at 31st March, 2019	As at 31st March, 2018
I	Other Investments (unquoted investments, all fully paid)*		
	Watsun Infrabuild Pvt Ltd (Refer Note 26)	2.31	-
	[230,561 (Previous year Nil) equity shares of face value ₹ 10 each]		
	Marathwada Auto Cluster	10.00	10.00
	[10,000 (Previous year 10,000) shares of face value ₹ 100 each]		
	National Savings Certificates	0.04	0.04
	(Lodged with Government authorities)		
	Total (B)	**12.35**	**10.04**
II	Quoted Investments *		
	Indian Overseas Bank	0.03	0.04
	[2,300 (Previous year 2,300) equity shares of face value ₹ 10 each]		
	Total quoted investments	**0.03**	**0.04**
	Total Investments (I+II)	**12.38**	**10.08**
	Aggregate book value of quoted investments	0.03	0.04
	Aggregate market value of quoted investments	0.03	0.04
	Aggregate amount of unquoted investments	12.35	10.04

* Refer note 32 for determination of their fair value

4B CURRENT INVESTMENTS

₹ in million

	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Investment in Mutual Funds (unquoted) *		
i)	ICICI Prudential - Savings Fund Direct Plan - Growth	161.37	149.77
	446,974.67 units (Previous year 446,974.67 units)		
ii)	Aditya Birla Sunlife Liquid Fund - Growth Direct Plan	186.80	299.36
	621,753.13 units (Previous year 1,071,753.13 units)		
	Total	**348.17**	**449.13**

* Refer note 32 for determination of their fair value

Notes forming part of financial statements (contd.)

5 OTHER NON-CURRENT FINANCIAL ASSETS

(unsecured, considered good unless otherwise stated)

₹ in million

Particulars	As at 31st March, 2019	As at 31st March, 2018
Security deposits	67.17	58.60
Total	**67.17**	**58.60**

5A LOANS

(unsecured, considered good unless otherwise stated)

₹ in million

Particulars	As at 31st March, 2019	As at 31st March, 2018
Loans to employees	20.95	13.02
Total	**20.95**	**13.02**

5B OTHER CURRENT FINANCIAL ASSETS

(unsecured, considered good unless otherwise stated)

₹ in million

Particulars	As at 31st March, 2019	As at 31st March, 2018
(a) Interest accrued on deposits	0.08	0.09
(b) Receivable for sale of property, plant and equipment	25.90	2.57
(c) Foreign currency derivative assets	0.01	3.83
(d) Government incentive receivables	324.00	1.01
(e) Others	6.33	8.30
Total	**356.32**	**15.80**

6 OTHER NON-CURRENT ASSETS

(Unsecured, Considered good unless otherwise stated)

₹ in million

Particulars	As at 31st March, 2019	As at 31st March, 2018
(a) Capital advances	118.74	179.79
(b) Prepayments	4.96	5.82
(c) Lease prepayments	1,953.71	1,610.68
(d) Taxes paid in advance less provision	2.77	8.44
(e) Sales tax/Vat receivable	21.42	18.40
(f) Deposit under protest [Refer note 28 (a)]	20.85	20.85
(g) Income tax deposited under protest	60.39	-
Total	**2,182.84**	**1,843.98**

Notes forming part of financial statements (contd.)

6A OTHER CURRENT ASSETS

(unsecured, considered good unless otherwise stated)

₹ in million

Particulars		As at 31st March, 2019	As at 31st March, 2018
(a)	Advances for supplies	67.19	75.58
(b)	Prepayments	57.85	48.92
(c)	Current portion of lease prepayments	25.11	19.88
(d)	Others*	65.46	82.37
	Total	**215.61**	**226.75**

* Includes amount of ₹ 2.50 million (Previous year ₹ 2.98 million) paid to various regulatory authorities under protest.

Also includes export incentive receivables, wind power receivable and other receivables.

7 INVENTORIES (VALUED AT LOWER OF COST AND NET REALISABLE VALUE)

₹ in million

Particulars		As at 31st March, 2019	As at 31st March, 2018
(a)	Raw materials and components	903.98	677.12
(b)	Work-in-progress	683.61	664.72
(c)	Finished goods (other than those acquired for trading)	882.53	841.59
(d)	Stock-in-trade (acquired for trading)	31.87	17.89
(e)	Stores, spares and packing material	288.89	227.04
(f)	Loose tools and instruments	38.93	37.88
	Total	**2,829.81**	**2,466.24**
	Included above, Goods-in-transit in respect to		
(i)	Raw materials and components	195.84	102.08
(ii)	Finished goods (Other than those acquired for trading)	430.88	652.28
	Total	**626.72**	**754.36**

8 TRADE RECEIVABLES

₹ in million

Particulars	As at 31st March, 2019	As at 31st March, 2018
Unsecured :		
i) Considered good	6,947.57	7,065.70
ii) Credit impaired	1.27	1.27
Less: Allowance for credit impaired	(1.27)	(1.27)
Total	**6,947.57**	**7,065.70**

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 Company ranges from 30 to 60 days.

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

Notes forming part of financial statements (contd.)

9 CASH AND CASH EQUIVALENTS

₹ in million

Particulars	As at 31st March, 2019	As at 31st March, 2018
(a) Cash on hand	0.41	0.57
(b) Cheques on hand	-	0.84
(c) Balances with banks:		
i) In current accounts	162.13	83.91
ii) In deposit accounts - with original maturity of less than three months	140.00	-
Total	**302.54**	**85.32**

9A OTHER BANK BALANCES

₹ in million

Particulars	As at 31st March, 2019	As at 31st March, 2018
Other bank balances (in earmarked accounts)		
- In current account for equity dividend	0.09	0.05
- Balance held as margin money against letters of credit*	1.69	1.56
Total	**1.78**	**1.61**

*Represents margin money amounting to ₹1.69 million (previous year ₹1.56 million) against various guarantees and letters of credit issued by bank on behalf of the Company. These deposits are not available for use by the Company as the same is in the nature of restricted cash.

10 SHARE CAPITAL

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

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	No. of shares	Amount	No. of shares	Amount
Authorised:				
Equity shares of ₹ 10 each (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 (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, 2019		As at 31st March, 2018	
	No. of shares	Amount	No. of shares	Amount
No of shares outstanding at the beginning of the year				
- Equity shares	140,662,848	1,406.63	140,662,848	1,406.63
No of shares outstanding at the end of the year	140,662,848	1,406.63	140,662,848	1,406.63

Notes forming part of financial statements (contd.)

C Notes

i) Details of shares held by each shareholder holding more than 5% shares in the Company are as follows:

Particulars	No of shares as at 31st March, 2019	%	No of shares as at 31st March, 2018	%
Equity shares:				
1 Mr. Anurang Jain	43,396,976	30.85	53,949,664	38.35
2 Mr. Anurang Jain[1]	28,300,000	20.12	28,300,000	20.12
3 Mrs. Suman Jain[2]	16,890,000	12.01	16,890,000	12.01
4 Mr. Naresh Chandra[3]	16,910,000	12.02	16,910,000	12.02

1 Held by Mr. Anurang Jain in his capacity as the family trustee of the Anurang Rohan Trust ("Anurang Rohan Trust"). The Anurang Rohan Trust is a private family trust, settled by Mr. Anurang Jain, pursuant to a deed of settlement dated 11th June, 2016 as amended by a deed of amendment dated 23rd June, 2016 (the "Anurang Rohan Trust Deed"). The trustees of the Anurang Rohan Trust are Mr. Anurang Jain and Mrs. Varsha Jain, as the family trustees, and Kotak Mahindra Trusteeship Services Limited, as the managing trustee. Pursuant to the Anurang Rohan Trust Deed, Mr. Anurang Jain shall, as long as he is acting as the family trustee, exclusively exercise voting rights in respect of these Equity Shares.

2 Held by Mrs. Suman Jain in her capacity as the family trustee of NC Trust ("NC Trust"). The NC Trust is a private family trust settled by Mr. Naresh Chandra, pursuant to a deed of settlement dated 15th June, 2016 (the "NC Trust Deed"). The trustees of the NC Trust are Mrs. Suman Jain, as the family trustee, and Kotak Mahindra Trusteeship Services Limited, as the managing trustee. Pursuant to the NC Trust Deed, Mrs. Suman Jain shall, as long as she is acting as the family trustee, exclusively exercise voting rights in respect of these Equity Shares.

3 Held by Mr. Naresh Chandra in his capacity as the family trustee of Anurang Rhea Trust ("Anurang Rhea Trust"). The Anurang Rhea Trust is a private family trust settled by Mrs. Suman Jain, pursuant to a deed of settlement dated 15th June, 2016 (the "Anurang Rhea Trust Deed"). The trustees of the Anurang Rhea Trust are Mr. Naresh Chandra, as the family trustee, and Kotak Mahindra Trusteeship Services Limited, as the managing trustee. Pursuant to the Anurang Rhea Trust Deed, Mr. Naresh Chandra shall, as long as he is acting as the family trustee, exclusively exercise voting rights in respect of these Equity Shares.

ii) The Company has only one class of equity shares. Each holder of equity shares is entitled to one vote per share held. In the event of liquidation of the Company, the holder of the equity shares will be entitled to receive remaining assets after deducting all its liabilities in proportion to the number of equity shares held.

10A OTHER EQUITY

₹ in million

	Particulars	As at 31st March, 2019	As at 31st March, 2018
(a)	Securities premium:		
	Balance at the beginning and end of the year	160.40	160.40
(b)	General reserve		
	Balance at the beginning and end of the year	1,208.89	1,208.89
(c)	Retained earnings		
	Balance at the beginning of the year	15,146.66	12,854.72
	Profit for the year	3,578.61	2,716.03
	Remeasurements of defined benefit plans, net of tax	(23.39)	(0.84)
	Dividend (Refer note 38)	(562.65)	(351.66)
	Tax on dividend	(115.65)	(71.59)
	Balance at the end of the year	18,023.58	15,146.66
	Total	**19,392.87**	**16,515.95**

Notes forming part of financial statements (contd.)

11 NON CURRENT BORROWINGS

₹ in million

Particulars	As at 31st March, 2019	As at 31st March, 2018
Measured at amortised cost		
Unsecured borrowings		
Deferred sales tax loan	29.78	49.58
Total unsecured borrowings	29.78	49.58
Total	**29.78**	**49.58**

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

Current maturities of the long term borrowings 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 from banks are bearing interest rates at 3M LIBOR + 175 bps p.a.

11.02 Maturity profile

₹ in million

Particulars	Deferred sales tax loan
Current maturities	
2019-20	19.80
Non-current maturities	
2020-21	16.41
2021-22	10.06
2022-23	3.31
Total	**29.78**

12 OTHER NON-CURRENT FINANCIAL LIABILITIES

₹ in million

Particulars	As at 31st March, 2019	As at 31st March, 2018
(a) Security deposits received from dealer	33.54	25.26
(b) Retention money payable	13.22	5.56
Total	**46.76**	**30.82**

12A OTHER CURRENT FINANCIAL LIABILITIES

₹ in million

Particulars	As at 31st March, 2019	As at 31st March, 2018
(a) Current maturities of long-term borrowings (Refer note 11.01)	19.80	149.22
(b) Interest accrued but not due on borrowings	3.32	2.68
(c) Foreign currency derivative liabilities	24.61	4.71
(d) Unpaid equity dividend	0.09	0.05
(e) Payables on purchase of property, plant and equipment	362.65	300.73
Total	**410.47**	**457.39**

Notes forming part of financial statements (contd.)

13 NON-CURRENT PROVISIONS

₹ in million

Particulars	As at 31st March, 2019	As at 31st March, 2018
(a) Provision for employee benefits:		
Provision for gratuity (Refer note 29)	43.44	-
(b) Provision for others:		
Provision for warranty (Refer note 13.01)	19.33	21.60
Total	**62.77**	**21.60**

13A CURRENT PROVISIONS

₹ in million

Particulars	As at 31st March, 2019	As at 31st March, 2018
(a) Provision for employee benefits:		
i) Provision for compensated absences (net)	116.74	95.02
ii) Provision for gratuity (net) (Refer note 29)	86.60	57.19
(b) Provision for others:		
i) Provision for warranty (Refer note 13.01)	46.98	38.18
Total	**250.32**	**190.39**

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

₹ in million

Particulars	As at 31st March, 2019	As at 31st March, 2018
Carrying amount as at 1st April, 2018	59.78	63.13
Provision made during the year	45.50	49.04
Provision reversed during the year	-	(3.99)
Discounting/unwinding effect	(0.21)	(3.89)
Amount paid/utilised during the year	(38.76)	(44.51)
Carrying amount as at 31st March 2019	66.31	59.78

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

14 CURRENT BORROWINGS

₹ in million

Particulars	As at 31st March, 2019	As at 31st March, 2018
Measured at amortised cost		
A. Secured borrowings (Refer note 14.01 and 14.02)		
a) Loans:		
- from bank	-	230.00
b) Cash credit/working capital demand loans	800.00	0.37
Total secured borrowings	800.00	230.37

Notes forming part of financial statements (contd.)

₹ in million

Particulars	As at 31st March, 2019	As at 31st March, 2018
B. Unsecured borrowings (Refer note 14.01 and 14.02)		
a) From bank		
- Short Term Loan	1,320.00	640.96
- Cash credit/working capital demand loans	-	461.35
b) From others		
- Loan from public limited company	-	450.00
Total unsecured borrowings	1,320.00	1,552.31
Total	**2,120.00**	**1,782.68**

14.01 Details of security provided in respect of current borrowings

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 receivable,

b) second pari passu charge on, both present and/or future, movable property, plant and equipment located at identified premises of the Company.

c) second pari pasu charge (subject to charge in favour of term lenders) on identified immovable properties of the Company.

14.02 Details of interest rates for current borrowings

Short term foreign currency loans availed during FY 2019 carries interest rate linked to LIBOR rates with mutually agreed spread [effective interest rate ranges between 0.60% p.a. to 3.11% p.a.(previous year 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 5.30% p.a. to 10.10% p.a. (previous year 4.90% p.a. to 9.85% p.a.)].

15 TRADE PAYABLES

₹ in million

Particulars	As at 31st March, 2019	As at 31st March, 2018
Trade payable for goods and services		
- Total outstanding dues of micro and small enterprises (Refer note 30)	667.90	767.23
- Total outstanding dues of other than micro and small enterprises (other than acceptances)	4,539.65	4,065.06
Total	**5,207.55**	**4,832.29**

16 OTHER CURRENT LIABILITIES

₹ in million

Particulars	As at 31st March, 2019	As at 31st March, 2018
(a) Advances received from customers	91.63	306.74
(b) Income received in advance	7.11	5.39
(c) EPCG deferred payable	15.39	61.95
(d) Statutory remittances	353.48	354.29
(contribution to PF, ESIC, Withholding taxes, Goods and Service tax etc.)		
Total	**467.61**	**728.37**

Notes forming part of financial statements (contd.)

17 CURRENT TAX LIABILITIES (NET)

₹ in million

Particulars	As at 31st March, 2019	As at 31st March, 2018
(a) Provision for tax (net of advance taxes and taxes deducted at source)	34.61	28.57
Total	**34.61**	**28.57**

17A DEFERRED TAX ASSETS/(LIABILITIES)

₹ in million

Particulars	As at 31st March, 2019	As at 31st March, 2018
Deferred tax liabilities		
On account of temporary differences in		
Property, plant and equipment and intangible assets	(306.13)	(107.28)
Fair valuation of current investments	(22.25)	(20.20)
Others	(1.43)	(1.36)
Total	**(329.81)**	**(128.84)**
Deferred tax assets		
On account of temporary differences in		
Provision for employee benefits	86.23	28.73
Provision for doubtful debts	0.45	0.45
Expenses disallowed	72.15	88.83
Long term Capital losses	14.86	-
Total	**173.69**	**118.01**
Net deferred tax assets/(liabilities)	**(156.12)**	**(10.83)**

18 REVENUE FROM OPERATIONS (REFER NOTE 18.01 BELOW)

₹ in million

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
(a) Revenue from Contracts with customers	53,414.27	45,845.61
(b) Other operating revenue	760.32	334.00
Total	**54,174.59**	**46,179.61**

Revenue from operations for the year ended 31st March, 2018 included excise duty ₹ 1,279.12 million for the three months April to June 2017. From 1st July, 2017 onwards the excise duty and most indirect taxes in India were replaced by Goods and Services 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 contracts with customers for the year ended March 31, 2019 is not comparable with the corresponding revenue during last year.

Notes forming part of financial statements (contd.)

18.01 Details of revenue from contracts with customers and other operating revenue

₹ in million

	Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
	Revenue from contracts with customers		
i)	**Goods transferred at a point in time**		
	Sale of manufactured goods		
	Shock absorbers	19,065.35	16,738.16
	Disc brake assembly (including rotary disc)	4,042.00	2,909.72
	Aluminium die casting parts	19,089.16	17,195.03
	Alloy wheels	3,651.71	2,420.68
	Clutch and clutch parts	4,608.64	4,032.95
	Others	2,533.09	2,340.47
	Total - (A)	**52,989.95**	**45,637.01**
	Sale of traded goods		
	Components and spares	343.40	149.85
	Total - (B)	**343.40**	**149.85**
	Total - (A+B)	**53,333.35**	**45,786.86**
ii)	**Services transferred over time**		
	Job work receipts	80.92	58.75
	Revenue from Contracts with customers (i+ii)	53,414.27	45,845.61
iii)	**Other operating revenue comprises;**		
	Scrap sales	181.29	164.91
	Government incentive (Refer note 35)	444.09	54.23
	Wind power generation	12.11	13.78
	Export incentives	122.83	101.08
	Total	**760.32**	**334.00**

18.02 Revenue from Contracts with customers

₹ in million

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Outside India	2,751.38	2,473.77
India	50,662.89	43,371.84

18.03 Reconciliation of amount of revenue recognised in the statement of profit and loss with the contracted price

₹ in million

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Revenue as per Contracted price	**54,349.50**	**46,621.39**
Adjustments:		
Sales Returns	649.68	536.71
Discounts	285.55	239.07
Revenue from contract with customers	**53,414.27**	**45,845.61**

Notes forming part of financial statements (contd.)

19 OTHER INCOME

₹ in million

Particulars			For the year ended 31st March, 2019	For the year ended 31st March, 2018
(a)	Interest income			
	i)	Bank deposits	1.58	2.24
	ii)	Income tax refund	8.14	2.59
	iii)	Others	4.47	4.09
(b)	Other non operating income -			
	i)	Excess provision/creditors' balances written back	14.48	20.27
	ii)	Income from investments in mutual funds	38.05	26.41
	iii)	Profit on sale of property plant and equipment (net)	46.71	32.22
	iv)	Miscellaneous income	45.94	39.32
(c)	Net gain on foreign currency transactions (other than considered as finance cost)		2.86	56.09
	Total		**162.23**	**183.23**

20A COST OF MATERIALS CONSUMED

₹ in million

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Opening stock (including goods in transit)	677.12	630.17
Add: Purchases	35,471.90	28,763.48
	36,149.02	29,393.65
Less: Closing stock (including goods in transit)	903.98	677.12
Cost of materials consumed	35,245.04	28,716.53
Cost of materials capitalised	(164.78)	(85.63)
Total	**35,080.26**	**28,630.90**
Material consumed comprises		
i) Aluminium alloy	10,819.73	8,914.04
ii) Others	24,425.31	19,802.49
Total	**35,245.04**	**28,716.53**

20B PURCHASES OF STOCK-IN-TRADE (TRADED GOODS)

₹ in million

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Components and spares	230.84	90.93
Total	**230.84**	**90.93**

Notes forming part of financial statements (contd.)

20C CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

₹ in million

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Inventories at the end of the year		
Finished goods	(882.53)	(841.59)
Work-in-progress	(683.61)	(664.72)
Stock-in-trade	(31.87)	(17.89)
Inventories at the beginning of the year		
Finished goods	841.59	823.84
Work-in-progress	664.72	776.02
Stock-in-trade	17.89	18.61
Net (increase)/decrease	**(73.81)**	**94.27**

21 EMPLOYEE BENEFITS EXPENSE

₹ in million

Particulars		For the year ended 31st March, 2019	For the year ended 31st March, 2018
(a)	Salary, wages and bonus	2,501.01	2,251.29
(b)	Contribution to provident and other funds	194.15	190.00
(c)	Staff welfare expenses	82.27	85.19
(d)	Expenses towards voluntary separation scheme	-	20.47
	Total	**2,777.43**	**2,546.95**

22 FINANCE COSTS

₹ in million

Particulars			For the year ended 31st March, 2019	For the year ended 31st March, 2018
(a)	Interest expenses on			
	i)	Fixed period term loans	1.03	15.66
	ii)	Others	84.28	24.70
(b)	Other borrowing costs			
	i)	Discounting charges on commercial paper	61.91	42.55
	ii)	Bank charges	8.00	6.79
(c)	Exchange difference regarded as an adjustment to borrowing cost		15.51	12.79
	Total		**170.73**	**102.49**

Notes forming part of financial statements (contd.)

23 OTHER EXPENSES

₹ in million

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Stores and spares consumed	1,035.49	903.98
Packing material consumed	455.52	430.30
Tools and instruments consumed	222.81	183.40
Processing charges	1,459.61	1,272.46
Labour charges	1,071.84	887.06
Power, water and fuel	2,014.61	1,699.97
Rent	135.64	87.71
Repairs and maintenance:		
Plant and machinery	597.66	519.16
Building	47.94	47.74
General	190.62	154.75
Insurance	51.54	45.57
Rates and taxes	14.73	21.75
Travelling and conveyance	251.39	224.73
Freight	764.41	667.15
Advertisement	4.35	3.70
Donation	3.10	1.20
Payment to auditors (Refer note 23.01 below)	7.40	6.88
Directors fees and travelling expenses	29.58	32.23
Allowance for doubtful debts	-	(7.43)
Bad debts written off	-	7.43
Warranty claims	48.31	50.37
Increase/(decrease) in excise duty on finished goods	-	(26.26)
Expenditure on corporate social responsibility (Refer note 37)	68.00	56.10
Miscellaneous expenses	484.42	451.39
Total	**8,958.97**	**7,721.34**
Expenses capitalised	(119.20)	(88.28)
Total	**8,839.77**	**7,633.06**

23.01 Payment to auditors

₹ in million

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
As auditor		
Audit fee	6.45	6.20
Expenses reimbursed	0.65	0.38
In other capacity		
Other services (certification fees)	0.30	0.30
Total	**7.40**	**6.88**

Notes forming part of financial statements (contd.)

24 TAXES

Income tax expense

(i) Statement of Profit and Loss Section

₹ in million

Particulars		**For the year ended 31st March, 2019**	**For the year ended 31st March, 2018**
(a)	Current Tax expenses [Short/(excess) provision for tax relating to prior years ₹ 15.14 million, 31st March, 2018 ₹ (63.95) million]	1,610.16	1,197.29
(b)	Deferred tax charge	157.85	106.71
	Total	**1,768.01**	**1,304.00**

(ii) Other Comprehensive Income (OCI) Section

₹ in million

Particulars		**For the year ended 31st March, 2019**	**For the year ended 31st March, 2018**
(a)	Net gain / (loss) on remeasurement of defined benefit plan	(35.95)	(1.29)
(b)	Income tax charged to OCI on remeasurement of defined benefit plan	12.56	0.45

(iii) Reconciliation of effective tax rate

₹ in million

Particulars		**For the year ended 31st March, 2019**	**For the year ended 31st March, 2018**
(a)	Accounting profit before income tax	5,346.62	4,020.03
(b)	Enacted tax rate in India	34.94%	34.61%
(c)	Computed tax expense	1,868.32	1,391.25
(d)	Reconciliation items		
	R&D expenses - revenue	(182.89)	(143.52)
	R&D expenses - capital	(54.93)	(21.95)
	Investment allowance reversal	3.81	28.06
	(Short)/excess payment of post employment benefits	(59.60)	15.00
	CSR expenditure & Donation	35.55	28.65
	Gain to be set off against carried forward losses	(40.97)	(3.64)
	Others	(11.60)	11.31
	Lease written off	22.80	18.78
(e)	Net adjustment	(287.83)	(67.31)
(f)	Tax expense/ (saving) on net adjustment (e x b)	(100.58)	(23.30)
(g)	Current tax expense recognised in Statement of Profit and Loss (c+f)	1,767.74	1,367.95
(h)	Short/(excess) provision for tax relating to prior years	15.14	(63.95)
(i)	Deferred Tax asset created on long term capital losses	(14.87)	-
(j)	Net current tax expense recognised in Statement of Profit and Loss (g+h)	1,768.01	1,304.00

Notes forming part of financial statements (contd.)

(iv) Details of carry forward losses on which no deferred tax asset is recognised by the Company is as follows:
Capital loss can be carried forward for a period of 8 years from the year in which such loss arose. The capital loss will expire till Assessment Year 2021-22.

₹ in million

	Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
(a)	Long term capital loss	219.84	219.84
(b)	Short term capital loss	22.87	66.16
	Total	**242.71**	**286.00**

25 (a) Endurance Amann GmbH, Germany

The total investment of the Company in Endurance Amann GmbH, Germany (a wholly owned subsidiary of the Company) as on 31st March, 2019 amounts to Euro 30.93 million (₹ 1,930.62 million) [Previous year Euro 30.93 million (₹ 1,930.62 million)]

The equity of Endurance Amann amounting to Euro 3.25 million is represented by stock. Euro 0.2 million is held by Endurance Amann as treasury shares.

(b) Endurance Overseas Srl, Italy (EOSrl)

The total investment of the Company in EOSrl as at 31st March, 2019 amounts to Euro 25.83 million (₹ 1,706.99 million) [Previous year Euro 25.83 million (₹ 1,706.99 million)].

26 The Company has purchased 230,561 shares of face value ₹10 each of Watsun Infrabuild Pvt Ltd in April 2018. The investment as at 31st March, 2019 is ₹2.31 million.

27 SEGMENT REPORTING

Information reported to the Chief Operating Decision Maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Company is in the business of manufacture and sale of automobile components, which in the context of Indian Accounting Standard 108 'Operating Segment' represents single reportable business segment. The accounting policies of the reportable segments are the same as the accounting policies disclosed in Note 2.

The segment report is included in the consolidated financial statements of the Company.

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.

28 CONTINGENT LIABILITIES AND COMMITMENTS

(a) Contingent liabilities (To the extent not provided for)

₹ in million

	Particulars	As at 31st March, 2019	As at 31st March, 2018
i)	Disputed excise demand#	78.84	73.46
ii)	Service tax matters#	2.82	2.82
iii)	Sales tax matters#	45.93	5.83
iv)	Income tax matters#	531.93	142.42
v)	Employees related disputes#	0.80	12.73
vi)	Environment pollution control matters*	20.85	20.85

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. MPCB submitted a revised claim based on which the Hon'ble

Notes forming part of financial statements (contd.)

NGT vide its order dated 30th January, 2018 instructed MPCB to refund an additional amount of ₹ 9.15 million against the deposit. Accordingly, the Company received ₹ 9.15 million on 31st, March 2018.

There are numerous interpretative issues relating to the Supreme Court judgement on provident fund dated 28th February 2019.

Based on Company's evaluation of the provision on a prospective basis, the impact is not material.

(b) Commitments

₹ in million

Particulars	As at 31st March, 2019	As at 31st March, 2018
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
- Tangible assets	1,266.29	863.39
(ii) Other commitment		
- Aluminium alloy	1,174.81	1,748.82
Total	**2,441.10**	**2,612.21**

(c) Leases

Operating lease commitments - Company as lessee

The Company has entered into two operating leases during the year, one for office at Gurugram and another for Godown at Waluj for a period of 9 years and 5 years respectively. The Company has paid ₹ 2.84 million during the year towards minimum lease payment. The lock-in period for both the leases are for 3 years.

Future minimum rentals payable under non-cancellable operating leases as at 31st March, 2019 are as follows:

₹ in million

Particulars	As at 31st March, 2019	As at 31st March, 2018
Within one year	5.71	-
After one year but not more than five years	8.67	-
More than five years	-	-
Total	**14.38**	**-**

29 In conformity with the principles set out in the Indian Accounting Standard (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, 2019	For the year ended 31st March, 2018
Employers contribution to provident fund/pension fund	123.84	112.13
Employers contribution to superannuation fund	14.28	12.16
Employers contribution to ESIC	6.23	11.00
Total	**144.35**	**135.29**

Note: Above contributions are included in contribution to provident fund and other funds reported in note 21 of employee benefits expense.

(b) Defined benefit plan:

The defined benefit plan comprises 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

Notes forming part of financial statements (contd.)

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.

I) Reconciliation of benefit obligation:

₹ in million

Particulars	As at 31st March, 2019	As at 31st March, 2018
Liability at the beginning of the year	432.82	408.77
Interest cost	31.59	26.88
Current service cost	41.85	42.19
Benefits paid*	(32.85)	(49.54)
Remeasurement (gain) / loss	35.71	4.52
Liability at the end of the year	509.12	432.82

*Includes amounts directly paid by the Company.

II) Reconciliation of fair value of plan assets:

₹ in million

Particulars	As at 31st March, 2019	As at 31st March, 2018
Fair value of plan assets at the beginning of the year	375.63	199.44
Interest income	28.14	15.66
Contributions	10.22	198.95
Benefits paid	(34.67)	(41.65)
Return on plan assets - gain / (loss)	(0.24)	3.23
Fair value of plan assets at the end of the year	379.08	375.63
Actual return on plan assets	27.90	18.89

III) Amount to be recognised in the Balance Sheet

₹ in million

Particulars	As at 31st March, 2019	As at 31st March, 2018
Liability at the end of the year	509.12	432.82
Fair value of plan assets at the end of the year	379.08	375.63
Amount to be recognised in Balance Sheet	130.04	57.19

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, 2019	For the year ended 31st March, 2018
Current service cost	41.85	42.19
Interest cost	3.44	11.22
Settlement (gain)/loss	4.09	-
Expenses recognized in Statement of Profit and Loss	49.38	53.41

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

Notes forming part of financial statements (contd.)

V) Remeasurement for the year

₹ in million

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Experience (gain)/ loss on plan liabilities	35.74	19.18
Demographic (gain)/ loss on plan liabilities	(0.03)	-
Financial (gain)/ loss on plan liabilities	-	(14.66)
Experience (gain)/ loss on plan assets	2.12	(4.57)
Financial (gain)/ loss on plan assets	(1.88)	1.34

VI) Amount recognised in statement of other comprehensive income (OCI)

₹ in million

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Opening amount recognised in OCI	28.56	27.27
Remeasurement for the year - obligation (gain)/ loss	35.71	4.52
Remeasurement for the year - plan assets (gain)/ loss	0.24	(3.23)
Total remeasurements cost / (credit) for the year recognised in OCI	35.95	1.29
Closing amount recognised in OCI	64.51	28.56

VII) Principal actuarial assumptions:

Particulars	As at 31st March, 2019	As at 31st March, 2018
Discount rate	7.50%	7.50%
Rate of return on plan assets	7.50%	7.00%
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, 2019

₹ in million

Years ending	Amount
31st March, 2020	86.60
31st March, 2021	52.68
31st March, 2022	55.58
31st March, 2023	62.85
31st March, 2024	73.09
31st March, 2025 to 2029	417.61

(v) Weighted Average duration of defined benefit obligation: 10.28 years

Notes forming part of financial statements (contd.)

(vi) Sensitivity analysis:

Sensitivity analysis indicates the influence of a reasonable change in principal assumptions, while keeping other things constant, on the outcome of the present value of Defined Benefit Obligation. In reality, the plan is subject to multiple external experience items which may move the Defined Benefit Obligation in similar or opposite directions, while the Plan's sensitivity to such changes can vary over time.

A quantitative sensitivity analysis for significant assumption as at 31st March, 2019 is as shown below:

₹ in million

A. Effect of 1 % change in the assumed discount rate	**1% Increase**		**1% Decrease**	
	31-Mar-19	**31-Mar-18**	**31-Mar-19**	**31-Mar-18**
Defined Benefit Obligation	478.59	405.96	543.41	463.06

B. Effect of 1 % change in the assumed salary escalation rate	**1% Increase**		**1% Decrease**	
	31-Mar-19	**31-Mar-18**	**31-Mar-19**	**31-Mar-18**
Defined Benefit Obligation	538.83	459.15	482.12	408.95

C. Effect of 1 % change in the assumed withdrawal rate	**1% Increase**		**1% Decrease**	
	31-Mar-19	**31-Mar-18**	**31-Mar-19**	**31-Mar-18**
Defined Benefit Obligation	511.40	434.86	506.58	430.54

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, 2019 is ₹ 667.90 million (Previous year ₹ 767.23 million). The unpaid amount outstanding for more than 45 days as of 31st March, 2019 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, 2019 is ₹ Nil (Previous year ₹ Nil)

31 EARNINGS PER SHARE (EPS)

	Particulars	**Shares in Nos**	
		For the year ended 31st March, 2019	**For the year ended 31st March, 2018**
a)	Earnings for the purpose of basic / diluted earnings per share - Net profit after tax (₹ in million)	3,578.61	2,716.03
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	25.44	19.31

Notes forming part of financial statements (contd.)

32 FAIR VALUE MEASUREMENTS

Set out below is the comparison by class of the carrying amounts and fair value of the Company's financials instruments

₹ in million

Particulars	Carrying amount		Fair value	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
FINANCIAL ASSETS				
Financial assets measured at amortised cost				
(a) Security Deposits	67.17	58.60	67.17	58.60
(b) Other non current investment	12.35	10.04	12.35	10.04
(c) Trade receivable	6,947.57	7,065.70	6,947.57	7,065.70
(d) Loans to employees	20.95	13.02	20.95	13.02
(e) Interest accrued on deposits	0.08	0.09	0.08	0.09
(f) Cash in hand	0.41	0.57	0.41	0.57
(g) Cheques on hand	-	0.84	-	0.84
(h) Balance with banks in current account	302.22	83.96	302.22	83.96
(i) Balance held as Margin money against borrowings	1.69	1.56	1.69	1.56
(j) Receivable for sale of Property, plant and equipment	25.90	2.57	25.90	2.57
(k) Government incentives receivable	324.00	1.01	324.00	1.01
(l) Other current financial assets	6.33	8.30	6.33	8.30
Financial assets measured at fair value through Statement of Profit and Loss				
(a) Current investments	348.17	449.13	348.17	449.13
(b) Non current investments quoted	0.03	0.04	0.03	0.04
(c) Foreign currency derivative asset	0.01	3.83	0.01	3.83
FINANCIAL LIABILITIES				
Financial liabilities measured at amortised cost				
(a) Non current borrowing	29.78	49.58	29.78	49.58
(b) Current borrowing	2,120.00	1,782.68	2,120.00	1,782.68
(c) Security deposits received from dealers	33.54	25.26	33.54	25.26
(d) Retention money	13.22	5.56	13.22	5.56
(e) Current maturities of long-term borrowings	19.80	149.22	19.80	149.22
(f) Interest accrued but not due on borrowings	3.32	2.68	3.32	2.68
(g) Payables on purchase of Property plant & equipment	362.65	300.73	362.65	300.73
(h) Trade payable	5,207.55	4,832.29	5,207.55	4,832.29
(i) Unpaid equity dividend	0.09	0.05	0.09	0.05
Financial assets measured at fair value through Statement of Profit and Loss				
(a) Foreign currency derivative liability	24.61	4.71	24.61	4.71

The management assessed that the fair values of short term financial assets and liabilities significantly approximate their carrying amounts largely due to the short - term maturities of these instruments. The fair value of the financial assets and liabilities is the amount at which the instrument could be exchanged in a current transaction among willing parties, other than in a forced or liquidation sale.

Notes forming part of financial statements (contd.)

The Company determines fair values of financial assets and financial liabilities by discounting the contractual cash inflows/ outflows using prevailing interest rates of financials instruments with similar terms. The initial measurement of financial assets and financial liabilities is at fair value. The fair value of investment is determined using quoted net assets value from the fund. Further, the subsequent measurement of all financial assets and liabilities (other than investment in mutual funds) is at amortised cost, using the effective interest method

Discount rates used in determining fair value

The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of the borrower which in case of financial liabilities is the weighted average cost of borrowing of the Company and in case of financial assets is the average market rate of similar credit rated instrument.

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. In addition, the Company internally reviews valuation, including independent price validation for certain instruments.

Fair value of financial assets and liabilities is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The following methods and assumptions were used to estimate fair value:

(a) Fair value of short term financial assets and liabilities significantly approximate their carrying amounts largely due to the short term maturities of these instruments.

(b) Fair value of quoted mutual funds is based on the net assets value at the reporting date. The fair value of other financial liabilities as well as other non current financial liabilities is estimated by discounting future cash flow using rate currently applicable for debt on similar terms, credit risk and remaining maturities.

(c) The fair value of the Company's interest bearing borrowing received are determined using discount rate that reflects the entity's borrowing rate as at the end of the reporting period. The own non performance risk as at the end of reporting period was assessed to be insignificant.

Fair value hierarchy

All financial instruments for which fair value is 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, 2019 and 31st March, 2018

₹ in million

Particulars	Level 1	Level 2	Level 3
31st March, 2019			
Investment in mutual funds	348.17	-	-
Equity	0.03	-	12.31
31st March, 2018			
Investment in mutual funds	449.13	-	-
Equity	0.04	-	10.00

During the year ended 31st March, 2019, there were no transfer between Level 1 and Level 2 fair value measurement.

Notes forming part of financial statements (contd.)

33 FINANCIAL INSTRUMENTS AND RISK REVIEW

I. Capital Management

The Company's capital management objectives are:

The Board policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital employed on a quarterly basis.

The Company manages capital risk by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a quarterly basis and implements capital structure improvement plan when necessary.

The Company uses debt ratio as a capital management index and calculates the ratio as net debt divided by total equity. Net debt and total equity are based on the amounts stated in the financial statements.

Debt-to-equity ratio is as follows:

₹ in million

Particulars	31st March, 2019	31st March, 2018
Net Debt (A) *	1,518.87	1,447.03
Equity (B)	20,799.50	17,922.58
Debt Ratio (A / B)	0.07:1	0.08:1

* Net debt includes non current borrowings, current borrowings, current maturities of non current borrowings net off current investments and cash and cash equivalents.

II. Financial Risk Management Framework

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 overseas customers. 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 overseas customers. The Company's customers primarily consist of Original Equipment Manufacturers ("OEM") for its primary products and Dealers for spare parts.

The Company assesses the credit risk of its customers and dealers at the time of acceptance of the customer as well as on an ongoing basis. Before accepting any new customer, the Company uses an external/internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. The credit limit of these customers and dealers is continuously monitored and recalibrated based on the credit risk assessment. Most of the OEM's have high credit ratings which helps the Company mitigate credit risk.

Notes forming part of financial statements (contd.)

The Company assesses at each reporting date whether a trade receivable or a group of trade receivables is impaired. The Company 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.

₹ in million

Particulars	**Not due**	**Within 365 days***	**More than 365 days***	**Total**
ECL rate	0%	0%	100%	
31st March, 2019				
Estimated total gross carrying amount	3,805.43	3,142.14	1.27	6,948.84
ECL - Simplified approach	-	-	(1.27)	(1.27)
Net carrying amount	3,805.43	3,142.14	-	6,947.57

₹ in million

Particulars	**Not due**	**Within 365 days***	**More than 365 days***	**Total**
ECL rate	0%	0%	100%	
31st March, 2018				
Estimated total gross carrying amount	5,034.03	2,031.66	1.27	7,066.96
ECL - Simplified approach	-	-	(1.27)	(1.27)
Net carrying amount	5,034.03	2,031.66	-	7,065.69

* Provision is made for receivables where recovery is considered doubtful irrespective of due date. Where an amount is outstanding for more than 365 days the Company usually provides for the same unless there is clear visibility of recovery.

The Movement in the expected credit loss allowance is as given below:

₹ in million

Particulars	**As at 31st March, 2019**	**As at 31st March, 2018**
Balance at the beginning of the year	1.27	8.70
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	-	(7.43)
Balance at the end of the year	1.27	1.27

Company's exposure to customers is diversified and some customers contribute more than 10% of outstanding accounts receivable which forms 76% of total receivables as of 31st March, 2019 (75% as at Previous year), however there was no default on account of those customers in the past.

The Company considers the trade receivables to have low risk of defaults since the customers have strong capacity to fulfil their obligations and even if there are adverse changes in economic and business conditions, the Company is of the view that it will not adversely affect the ability of the customers to fulfil their obligations.

The Company considers write-off of receivables on case to case basis, depending upon the circumstances of each delayed receivable, and when the Company is of the view that recovery seems unlikely after reasonable efforts.

Notes forming part of financial statements (contd.)

The maturity profile of various financial assets is as given below:

₹ in million

Particulars	31st March, 2019		31st March, 2018	
	Less than 1 Year	1-5 Years	Less than 1 Year	1-5 Years
Non-derivative financial assets				
Trade receivables	6,947.57	-	7,065.70	-
Total	**6,947.57**	**-**	**7,065.70**	**-**

Investments and other financial assets

Investments consist mainly of investments in subsidiaries and investments in mutual funds and fixed deposits. Other financial assets consist of 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 sometimes to meet regular capital expenditures. The Company maintains a very low debt to equity ratio.

The maturity profile of various financial liabilities is as given below. These amounts have been drawn up based on the undiscounted cash flows of various financial liabilities based on the earliest date on which the Company can be required to pay.

₹ in million

Particulars	31st March, 2019		31st March, 2018	
	Less than 1 Year	1-5 Years	Less than 1 Year	1-5 Years
Non-derivative financial liabilities				
Trade payables	5,207.55	-	4,832.29	-
Other financial liabilities	366.06	46.76	303.46	30.82
Working capital demand loans / Term loans	2,139.80	29.78	1,931.90	49.58
Total	**7,713.41**	**76.54**	**7,067.65**	**80.40**

iii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk like commodity prices risk.

1) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations which have floating rate indebtedness. The Company also maintain deposits of cash and cash equivalents with banks and other financial institutions which are subject to periodic resets.

Interest rate sensitivity

The sensitivity analysis below demonstrates the sensitivity to a reasonable possible change in interest rates on the debt obligations of the Company and on the cash and cash equivalents.

Notes forming part of financial statements (contd.)

₹ in million

For the year ended	Currency	Increase / decrease in basis points	Effect on profit before tax	Financial statement item	Variable rate WCDL / CC balance / ECB
31st March, 2019	INR	+100	(21.20)	Debt obligation	2,120.00
	INR	-100	21.20	Debt obligation	2,120.00
31st March, 2018	INR	+100	(18.07)	Debt obligation	1,807.02
	INR	-100	18.07	Debt obligation	1,807.02

2) Foreign Currency exchange rate risk

Foreign currency exchange rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. At a standalone level the Company is exposed to currency risk of changes in EURO, USD, CHF, CNY, GBP, SGD and JPY. However, the risk of changes in foreign exchange rates on the statement of profit or loss and other comprehensive income is not material. The Company has an exposure to changes in foreign exchange (primarily EURO) on account of its investments in its subsidiaries.

Wherever, transactions are undertaken in foreign currency, the Company hedges the risk of foreign exchange fluctuation by using derivative financial instruments in line with its risk management policies. The investment in subsidiaries being long term in nature is unhedged. The information on derivative instruments and the unhedged foreign currency exposures are as follows:

(a) Details of Forward Exchange Contract, Currency swaps, Currency options:

Particulars	Currency	As at 31st March, 2019		As at 31st March, 2018	
		Foreign Currency Notional Amount (in million)	Rupees (in million)	Foreign Currency Notional Amount (in million)	Rupees (in million)
Forward contract - USD-INR	USD	5.00	345.85	5.01	326.16
No. of Contracts		25		28	
Forward contract - JPY -INR	JPY	180.00	112.54	-	-
No. of Contracts		2			
Forward contract - EUR - INR	EURO	2.15	167.02	1.16	93.72
No. of Contracts		15		14	
Fixed currency swap USD-INR	USD	-	-	0.56	36.69
No. of Contracts				1	
Forward contract - SGD-INR	SGD	0.46	23.38	-	-
No. of Contracts		1			
Coupon only swap USD-INR	USD	-	-	0.38	24.39
No. of Contracts				2	

(b) Foreign currency exposures that are not hedged by derivative instruments

Particulars	Currency	As at 31st March, 2019		As at 31st March, 2018	
		Foreign Currency Notional Amount (in million)	Rupees (in million)	Foreign Currency Notional Amount (in million)	Rupees (in million)
IA. Term loans /PCFC/ECB	USD	-	-	(7.62)	(495.35)
			-		(495.35)
IB. Interest on term loans	USD	-	-	(0.01)	(0.50)
		-	-		(0.50)

Notes forming part of financial statements (contd.)

Particulars	Currency	As at 31st March, 2019		As at 31st March, 2018	
		Foreign Currency Notional Amount (in million)	Rupees (in million)	Foreign Currency Notional Amount (in million)	Rupees (in million)
II. Trade receivables :	USD	1.30	90.07	2.17	140.84
	EURO	1.02	79.27	0.91	73.03
			169.34		213.87
III. Trade payables :	CHF	(0.04)	(2.98)	(0.03)	(2.14)
	USD	(0.36)	(24.75)	(0.52)	(33.71)
	EURO	(0.54)	(41.75)	(0.49)	(39.46)
	GBP	(0.02)	(1.54)	(0.00)	(0.23)
	CNY	(0.04)	(0.40)	(0.03)	(0.28)
	JPY	(4.37)	(2.73)	(4.38)	(2.69)
			(74.15)		(78.51)
Total	CHF	(0.04)	(2.98)	(0.03)	(2.14)
	USD	0.94	65.32	(5.98)	(388.72)
	EURO	0.48	37.52	0.42	33.57
	GBP	(0.02)	(1.54)	(0.00)	(0.23)
	CNY	(0.04)	(0.40)	(0.03)	(0.28)
	JPY	(4.37)	(2.73)	(4.38)	(2.69)

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, 2019	USD	+10%	6.53
	USD	-10%	(6.53)
	EUR	+10%	3.75
	EUR	-10%	(3.75)
	GBP	+10%	(0.15)
	GBP	-10%	0.15
	CHF	+10%	(0.30)
	CHF	-10%	0.30
	JPY	+10%	(0.27)
	JPY	-10%	0.27
	CNY	+10%	(0.04)
	CNY	-10%	0.04
31st March, 2018	USD	+10%	(38.87)
	USD	-10%	38.87
	EURO	+10%	3.36
	EURO	-10%	(3.36)
	GBP	+10%	(0.02)

Notes forming part of financial statements (contd.)

₹ in million

For the year ended	Currency	Change in rate	Effect on profit before tax
	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

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

3) Commodity Price risk

The Company is exposed to risks in fluctuation of prices of certain raw materials, which are used as key inputs in the production process, especially ferrous and non-ferrous metals. Historically, as a practice, and as per our understanding with customers, the Company has passed on an increase in the cost of metals, especially aluminium and steel to its customers and does not foresee a significant risk to its statement of profit and loss on account of fluctuations in the prices 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 (IPS):

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 letters from Directorate of Industries and accrued income of ₹ Nil (previous year ₹ 1.01 million).

Incentive under Mega Project Scheme - PSI 2013

The Company had applied to the Directorate of Industries, Maharashtra for grant of incentive under the Package Scheme of Incentives for its investments in Fixed assets during the period from 01.04.2013 to 31.03.2018. On the fulfilment of primary conditions as required under the scheme, Directorate of Industries issued eligibility certificate for a total amount of ₹3673.80 million on 28th January, 2019.

This incentive is receivable on the fulfilment of certain conditions i.e. investment in Fixed assets, Sale of eligible finished goods from eligible units and payment of SGST collected from sale of Eligible finished products.

The Company has complied with the conditions and applied in March, 2019 for the grant of proportionate amount of incentive for the eligible period from 1st August, 2017 to 31st March, 2018. As per the scheme, 90% of the eligible amount is receivable which the Company has recognized as government incentives of ₹314.90 million under other operating revenue.

Incentive under PSI Scheme 2007

During previous years, the Company had received various Eligibility certificates for expansion in fixed assets at various eligible units.

On fulfilling all the conditions as per the Eligibility Certificates, Directorate of Industries issued provisional sanction letters for earlier years.

Notes forming part of financial statements (contd.)

As per the scheme, 85% amount of provisional sanctioned incentive was received during previous years and the balance 15% was receivable after completion of the VAT assessments of eligible units for the relevent years on submission of certificate by assessing officer.

During the current year, the assessing officer has issued certificate for balance 15% for certain eligible units.

On the basis of the certificates, the Company has recognised ₹8.79 million as government incentives under other operating revenue.

b) EPCG benefit:

During the year the Company has imported plant and equipment under EPCG scheme thereby saving total customs duty payment of ₹ 19.11 million (previous year ₹ 100.35 million). The export obligation under the scheme against this saving comes to ₹ 114.67 million (previous year ₹ 602.10 million). Balance export obligation yet to be fulfilled as on 31st March, 2019 is ₹ 92.34 million (Previous year ₹ 371.69 million).

In accordance with Ind AS 20, the duty saved is capitalised and ₹ 65.67 million (previous year ₹ 48.51 million) is recognised as incentive received, included in other operating revenue, on account of proportionate fulfilment of the export obligation.

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) except Test Track, are as under:

₹ in million

Particulars	Test Track	R&D Centre at			
		E-93	**B-1/3**	**K-226/2**	**K-226/1**
i) Capital expenditure					
(Including CWIP, excluding advances)					
For the year ended 31st March, 2019	109.40	17.59	12.14	17.67	68.14
For the year ended 31st March, 2018	238.90	16.33	9.78	13.60	13.34
ii) Revenue expenditure					
For the year ended 31st March, 2019					
Salaries/wages	0.66	90.22	34.21	35.74	28.82
Materials/consumables/spares/tools	0.16	2.98	1.74	61.26	9.70
Utilities	3.22	11.09	4.49	7.24	1.61
Any other expenditure directly relating to R & D	7.79	33.99	23.36	27.13	19.00
Total Revenue expenditure	**11.83**	**138.28**	**63.80**	**131.37**	**59.13**
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**

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 ₹ 68.09 million (previous year ₹ 56.10 million).

During the year the Company has contributed ₹ 68.0 million (Previous year ended 31st March, 2018 ₹ 56.10 million) to Sevak Trust and salary of CSR staff ₹ 1.27 million (Previous year ₹ 1.09 million).

Sevak Trust has implemented following projects:

Notes forming part of financial statements (contd.)

₹ in million

Nature of expenditure		For the year ended 31st March, 2019	For the year ended 31st March, 2018
i)	Construction/acquisition of any asset	19.75	-
ii)	On the purpose other than (i) above		
	Village Development Project (VDP)	36.87	45.90
	Vocational Training Centre (VTC)	11.23	10.07
	Balwadi	0.15	0.13
	Total paid to Sevak Trust	68.00	56.10
	Salary of CSR staff (included in Employee benefits expense)	1.27	1.09
Total		**69.27**	**57.19**

38 On 14th May, 2019, the Board of Directors of the Company proposed a dividend of ₹ 5.50 per share of face value ₹ 10 each in respect of the year ended 31st March, 2019. The dividend payout is subject to approval of the shareholders at the Annual General Meeting.

During the year final dividend for the year ended 31st March, 2018 was paid at ₹ 4 per equity share of face value ₹ 10 each.

39 (a) i) In the previous year ended 31st March, 2018, as a part of consolidation of operations in Pune region, the operations at Company's plant located at Takve, Taluka Vadgaon Maval, Dist. Pune were discontinued effective from 1st January, 2018 and the manufacturing activities were consolidated with other plants in Pune region. During the previous year ended 31st March, 2018, the Company incurred ₹ 268.78 million towards Voluntary Separation Scheme for eligible workmen, which was disclosed as an exceptional item in the statement of profit and loss.

ii) As a consequence of the consolidation of operations, the management has decided to dispose off the unutilised plot of free hold land at Takve (Gut no 414). The management is in the process of identifying prospective customers and it expects to dispose off the land in 12 months from the balance sheet date. Accordingly, the said land having a value of ₹33.37 million have been disclosed as "asset held for sale".

(b) In the current year, the Company closed the operations of its Manesar plant with effect from 26th December 2018 and settled the full and final liabilities of the employees in the plant. The Company paid ₹38.40 million as closure compensation. The Company also agreed with the union to pay an additional ₹169.60 million pursuant to an order passed by the Honourable Punjab and Haryana High Court on 11th, January 2019. The amount was duly paid on 2nd, April 2019 and the total amount of ₹208 million is disclosed as an exceptional item in the the statement of profit and loss in the current year.

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: 14th May, 2019
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: 14th May, 2019
Place: Mumbai

Related Party Disclosure

(For the year ended 31st March, 2019)

(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 S.p.A, Italy (Indirect Subsidiary)
		Endurance Fondalmec S.p.A merged with Endurance FOA S.p.A with effect from 1st January, 2019 (Upon merger, Endurance Fondalmec S.p.A ceases to exist and the name of Endurance FOA S.p.A stands changed to Endurance S.p.A.).
		Endurance Engineering S.r.L., Italy (Indirect Subsidiary)
		Endurance Castings S.p.A., Italy (Indirect Subsidiary) (w.e.f. 1st January, 2019)
3	Fellow Subsidiaries	None
4	Associates	None
5	Key Management Personnel	Mr. Naresh Chandra, Chairman
		Mr. Anurang Jain, Managing Director
		Mr. Satrajit Ray, Director and Group CFO
		Mr. Ramesh Gehaney, Director and COO
		Mr. Partho Datta, Independent Director
		Mr. Soumendra Basu, Independent Director
		Mr. Roberto Testore, Independent Director
		Ms. Anjali Seth, Independent Director
		Mrs. Falguni Nayar, Independent Director
		Mr. Massimo Venuti, Non-executive Director
6	Relatives of Key Management Personnel with whom transactions have taken place	Mrs. Suman Jain - Wife of Mr. Naresh Chandra
		Mrs. Varsha Jain - Wife of Mr. Anurang Jain
		Ms. Rhea Jain - Daughter of Mr. Anurang Jain
7	Enterprises Owned or controlled by Key Management personnel and/or their Relatives	Varroc Engineering Limited (Formerly known as Varroc Engineering Pvt. Ltd.)

(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	-	-	-	109.52	109.52
	-	-	-	(91.56)	(91.56)
Remuneration* - Short Term Employee Benefits	-	101.29	9.46	-	110.74
	-	(91.66)	(8.00)		(99.66)

Related Party Disclosure (contd.)

(For the year ended 31st March, 2019)

Nature of Transactions	Subsidiaries	Key Management Personnel	Relatives of Key Management personnel	Enterprises Owned or controlled by Key Management Personnel or their relatives	Total
Directors' Sitting Fees	-	2.35	-	-	2.35
	-	(2.12)	-	-	(2.12)
Directors' Commission	-	10.75	-	-	10.75
	-	(10.75)	-	-	(10.75)
Professional Fees	-	3.19	-	-	3.19
	-	(2.11)	-	-	(2.11)
Reimbursement of Travelling & Other Expenses	-	0.32	-	-	0.32
	-	(0.50)	-	-	(0.50)
Dividend Paid	-	^396.64	#67.56	-	464.20
	-	(247.90)	(42.23)	-	(290.13)
Expenses Recovered	-	2.13	-	0.01	2.14
	-	-	-	-	-
Other Income	-	-	-	0.02	0.02
	-	-	-	(0.02)	(0.02)
Investment in subsidiaries	-	-	-	-	-
	(0.64)	-	-	-	(0.64)
Balances Outstanding as at the end of the year					
i) Payables	-	11.29	0.09	12.06	23.44
	-	(10.80)	-	(8.02)	(18.82)
ii) Travel advance	-	-	-	-	-
	-	(0.25)	-	-	(0.25)
iii) Investments	3,637.61	-	-	-	3,637.61
	(3,637.61)	-	-	-	(3,637.61)

* Post employment benefits payable in the form of gratuity and other long term benefits in the form of compensated absences are calculated on the basis of actuarial valuation. Amount payable for individual employees as at 31st March, 2019 (31st March, 2018) 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 ₹ 113.20 million (₹ 70.75 million) dividend received by Mr. Anurang Jain in his capacity as family trustee of Anurang Rohan Trust.

^ Includes ₹ 67.64 million (₹ 42.28 million) dividend received by Mr. Naresh Chandra in his capacity as family trustee of Anurang Rhea Trust.

Includes ₹ 67.56 million (₹42.23 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, 2019)

(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	Varroc Engineering Limited	Total
Purchase of raw material and components	-	-	109.52	109.52
	-	-	(91.56)	(91.56)
Other Income	-	-	0.02	0.02
	-	-	(0.02)	(0.02)
Investment in subsidiaries	-	-	-	-
	(-0.12)	(0.77)	-	(0.64)
Expenses Recovered	-	-	0.01	0.01
	-	-	-	-
Balances Outstanding as at the end of the year				
Payables	-	-	12.06	12.06
	-	-	(8.02)	(8.02)

Outstanding balances as at the year/period end are unsecured and settlement occurs in cash and cash equivalents. There are no guarantees provided or received for any related party receivables/payables.

Independent Auditor's Report

To
the Members of
Endurance Technologies Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

OPINION

We have audited the accompanying consolidated Ind AS financial statements of Endurance Technologies Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31 2019, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Accounting of income from government grants (Refer note 37(a) of the consolidated financial statements): During the current year, the Group has accrued an amount of ₹ 314.90 million as government grant income, based on a claim filed in accordance with the eligibility certificate received from Directorate of Industries, Government of Maharashtra under Package Scheme of Incentives-2013 in the statement of profit and loss. While recognizing the government grant, the management has exercised judgement that the principle of reasonable assurance in accordance with paragraph 7 of Ind-AS 20- Accounting for Government Grants and Disclosure of Government Assistance (Ind AS 20) is achieved when the claim is submitted. Accordingly accounting of income from government grants is considered a key audit matter.	**Our principal audit procedures included** 1. Obtaining and reading the compliance certificate received by the Group from the Government of Maharashtra. 2. Reading the terms and conditions attached in the package scheme of incentives 2013 issued by the Government of Maharashtra. 3. Obtaining and reading the claim documents filed by the Group during the year. Testing the compliance with the terms and conditions of eligibility as per the certificate received on sample basis. 4. Assessing the compliance by the Group in relation to recognition of income. 5. Testing the accounting entries effected in the books of accounts with the underlying workings. 6. Evaluating the disclosures in the financial statements for compliance with relevant standards.

Independent Auditor's Report (contd.)

OTHER INFORMATION

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Corporate Governance Report (but does not include the standalone Ind AS financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report and Corporate Overview and other Statutory Reports (comprising of Management Discussion and Analysis, Board's Report and Business Responsibility Report) included in the Annual report, which is expected to be made available to us after that date.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Corporate Overview and other Statutory Reports (comprising of Management Discussion and Analysis, Board's Report and Business Responsibility Report) included in the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

RESPONSIBILITIES OF MANAGEMENT FOR THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent Auditor's Report (contd.)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTER

We did not audit the financial statements and other financial information, in respect of five subsidiaries whose financial statements include total assets of ₹ 22,716.35 million as at March 31, 2019, and total revenues of ₹ 21,747.30 million and net cash inflows of ₹ 134.38 million for the year ended on that date. These financial statements and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of such other auditors.

These subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Independent Auditor's Report (contd.)

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 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, 2019 from being appointed as a director in terms of Section 164 (2) of the Act

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company, and its 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 14th May, 2019, issued on the standalone financial statements of the Holding Company regarding Internal controls Over Financial Reporting;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Holding Company, to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated Ind AS financial statements – Refer Note 28 to the consolidated Ind AS financial statements;

ii. 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 the year ended March 31, 2019.

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: May 14th, 2019

Consolidated Balance Sheet

as at 31st March, 2019

₹ in million

Particulars			Note No.	As at 31st March, 2019	As at 31st March, 2018
ASSETS					
1		**Non-current assets**			
	(a)	Property, plant and equipment	3	19,945.79	16,706.24
	(b)	Capital work-in-progress		1,062.88	543.94
	(c)	Goodwill	25	1,519.80	1,577.23
	(d)	Other intangible assets	3	165.71	226.19
	(e)	Intangible assets under development		115.05	47.77
	(f)	Financial assets			
		(i) Investments	4	12.79	10.14
		(ii) Other financial assets	5	73.07	63.20
	(g)	Deferred tax assets (net)	17A	311.32	119.89
	(h)	Other non-current assets	6	2,998.81	2,617.12
				26,205.22	**21,911.72**
2		**Current assets**			
	(a)	Inventories	7	5,400.14	4,938.50
	(b)	Financial assets			
		(i) Investments	4A	348.17	449.13
		(ii) Trade receivables	8	9,251.40	9,688.17
		(iii) Cash and cash equivalents	9	5,377.17	5,025.56
		(iv) Bank balances other than (iii) above	9A	1.78	1.61
		(v) Loans	5A	20.95	13.02
		(vi) Other financial assets	5B	356.31	15.80
	(c)	Current tax assets (net)	6A	37.06	50.03
	(d)	Other current assets	6B	828.86	1,319.27
				21,621.84	**21,501.09**
3		**Asset held for sale**	41(a)	33.37	-
		Total Assets (1+2+3)		**47,860.43**	**43,412.81**
EQUITY AND LIABILITIES					
1		**Equity**			
		(a) Equity share capital	10	1,406.63	1,406.63
		(b) Other equity	10A	24,240.16	20,321.90
		Equity attributable to the shareholders of the Company		**25,646.79**	**21,728.53**
		LIABILITIES			
2		**Non-current liabilities**			
	(a)	Financial liabilities			
		(i) Borrowings	11	3,464.01	3,803.26
		(ii) Other financial liabilities	12	84.24	95.76
	(b)	Provisions	13	661.09	196.54
	(c)	Deferred tax liabilities (net)	17A	161.34	17.32
				4,370.68	**4,112.88**
3		**Current liabilities**			
	(a)	Financial liabilities			
		(i) Borrowings	14	2,120.00	1,782.68
		(ii) Trade payables	15		
		(a) Total outstanding dues of micro enterprises and small enterprises		667.90	767.23
		(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		11,066.71	10,517.00
		(iii) Other financial liabilities	12A	2,883.56	3,304.82
	(b)	Other current liabilities	16	726.47	971.54
	(c)	Provisions	13A	289.17	191.03
	(d)	Current tax liabilities (net)	17	89.15	37.10
				17,842.96	**17,571.40**
		Total Equity and Liabilities (1+2+3)		**47,860.43**	**43,412.81**
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: 14th May, 2019
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: 14th May, 2019
Place: Mumbai

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2019

₹ in million

	Particulars	Note No.	For the year ended 31st March, 2019	For the year ended 31st March, 2018
I	Revenue from operations	18	75,104.99	64,792.88
II	Other income	19	270.46	234.70
III	**Total income (I + II)**		**75,375.45**	**65,027.58**
IV	**Expenses**			
(a)	Cost of materials consumed	20A	43,278.41	36,699.48
(b)	Purchases of stock-in-trade (traded goods)	20B	230.84	90.93
(c)	Changes in stock of finished goods, stock-in-trade and work-in-progress	20C	(14.71)	(181.27)
(d)	Excise duty		-	1,279.12
(e)	Employee benefits expense	21	6,527.44	5,809.33
(f)	Finance costs	22	257.32	235.23
(g)	Depreciation and amortisation expense	3	3,762.10	3,215.85
(h)	Other expenses	23	13,795.25	11,816.75
	Total expenses (IV)		**67,836.65**	**58,965.42**
V	**Profit before exceptional items and tax (III - IV)**		**7,538.80**	**6,062.16**
VI	Exceptional items	41	208.00	268.78
VII	**Profit before tax (V - VI)**		**7,330.80**	**5,793.38**
VIII	Tax expense			
	Current tax expense		2,339.39	1,865.31
	Short/(excess) provision for tax relating to prior years		8.16	(74.74)
	Total current tax expense		2,347.55	1,790.57
	Deferred tax charge		33.19	95.24
	Total tax expense	24	**2,380.74**	**1,885.81**
IX	**Profit for the year (VII - VIII)**		**4,950.06**	**3,907.57**
X	Other comprehensive income			
	Items that will not be reclassified to profit and loss in subsequent years			
	Remeasurements of defined benefit plans		(43.44)	(4.00)
	Income-tax relating to items that will not be reclassified to profit and loss in subsequent years		14.65	1.21
	Total		(28.79)	(2.79)
	Items that will be reclassified to profit and loss in subsequent years			
	Exchange differences on translation of foreign operations		(324.71)	953.66
	Total other comprehensive income for the year (net of tax)		**(353.50)**	**950.87**
XI	**Total comprehensive income for the year (net of tax) (IX + X)**		**4,596.56**	**4,858.44**
XII	**Profit for the year attributable to:**			
	Shareholders of the Company		4,950.06	3,907.57
	Non controlling interest		-	-
	Total		**4,950.06**	**3,907.57**
XIII	**Total comprehensive income for the year attributable to:**			
	Shareholders of the Company		4,596.56	4,858.44
	Non controlling interest		-	-
	Total		**4,596.56**	**4,858.44**
XIV	Basic and diluted earnings per equity share (₹) (Face value per equity share ₹ 10)	33	35.19	27.78
	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: 14th May, 2019
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: 14th May, 2019
Place: Mumbai

Consolidated Statement of changes in equity

for the year ended 31st March, 2019

A EQUITY SHARE CAPITAL

₹ in million

Particulars	As at 31st March, 2019	As at 31st March, 2018
Balance at the beginning and end of the year	**1,406.63**	**1,406.63**

B CHANGES IN OTHER EQUITY

₹ in million

Particulars	Reserves and Surplus				Other Comprehensive Income	Equity attributable to shareholders of the Company	Non Controlling Interests	Total Equity
	Securities premium	General reserve	Capital Reserve	Retained earnings	Foreign Currency Translation Reserve			
Balance as at 1st April, 2017	160.40	1,193.98	209.32	14,310.00	13.01	15,886.71	-	15,886.71
Profit for the year	-	-	-	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	-	-	-	(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**

₹ in million

Particulars	Reserves and Surplus				Other Comprehensive Income	Equity attributable to shareholders of the Company	Non Controlling Interests	Total Equity
	Securities premium	General reserve	Capital Reserve	Retained earnings	Foreign Currency Translation Reserve			
Balance as at 1st April, 2018	160.40	1,193.98	209.32	17,791.53	966.67	20,321.90	-	20,321.90
Profit for the year	-	-	-	4,950.06	-	4,950.06	-	4,950.06
Other comprehensive income for the year, net of tax	-	-	-	(28.79)	(324.71)	(353.50)	-	(353.50)
Payment of dividend (Refer note 39)	-	-	-	(562.65)	-	(562.65)	-	(562.65)
Tax on dividend	-	-	-	(115.65)	-	(115.65)	-	(115.65)
Subtotal	**-**	**-**	**-**	**4,242.97**	**(324.71)**	**3,918.26**	**-**	**3,918.26**
Balance as at 31st March, 2019	**160.40**	**1,193.98**	**209.32**	**22,034.50**	**641.96**	**24,240.16**	**-**	**24,240.16**

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: 14th May, 2019
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: 14th May, 2019
Place: Mumbai

Consolidated Cash flow statement

for the year ended 31st March, 2019

₹ in million

	Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
A	**Cash flow from operating activities**		
	Profit before tax	7,330.80	5,793.38
	Adjustments for:		
	Depreciation and amortisation expense	3,762.10	3,215.85
	Incentive received	(65.67)	(48.51)
	Allowance for doubtful debts	11.05	(0.79)
	Bad debts written off	2.11	8.05
	Finance costs incurred	233.30	215.29
	Excess provision/creditors written back	(25.35)	(20.80)
	Profit on sale of property, plant and equipment (net)	(47.13)	(32.58)
	Interest income	(24.10)	(12.57)
	Income from investments in mutual funds	(38.05)	(26.41)
	Unrealised exchange (gain)/loss differences (net)	29.52	(23.20)
	Exchange difference arising on consolidation	(152.87)	466.61
	Operating profit before working capital changes	**11,015.71**	**9,534.32**
	Movement in working capital		
	Adjustments for (increase) / decrease in operating assets		
	Inventories	(100.53)	(500.23)
	Trade receivables	918.37	(2,079.87)
	Other financial assets	(337.35)	22.34
	Other assets	399.32	(70.92)
	Adjustments for increase / (decrease) in operating liabilities		
	Trade payables	(375.88)	2,667.42
	Provisions	200.70	(142.19)
	Other current liabilities	(343.10)	35.99
	Other financial liabilities	(56.59)	49.30
	Cash generated from operating activities	**11,320.65**	**9,516.16**
	Direct taxes paid (net of refund)	(2,337.25)	(2,095.48)
	Net cash generated from operating activities	**8,983.40**	**7,420.68**
B	**Cash flow from investing activities**		
	Acquisition of property, plant and equipment (including capital work in progress and capital advances)	(7,137.74)	(4,452.69)
	Proceeds on sale of property, plant and equipment	361.26	189.11
	(Increase)/Decrease in other bank balances	(0.17)	1.92
	Investment in equity shares	(2.31)	-
	Redemption / (Investment) in mutual funds	139.01	(106.33)
	Acquisition of subsidiary	(635.78)	-
	Interest received	24.11	12.66
	Net cash used in investing activities	**(7,251.62)**	**(4,355.33)**

Consolidated Cash flow statement (contd.)

for the year ended 31st March, 2019

₹ in million

	Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
C	**Cash flow from financing activities**		
	Proceeds from long term borrowings	1,567.26	2,473.66
	Repayment of long term borrowings	(2,666.39)	(2,123.12)
	Proceeds / (repayments) from short term borrowings (net)	337.32	45.55
	Finance costs paid	(232.89)	(208.49)
	Dividend paid including tax on dividend	(678.26)	(423.20)
	Net cash used in financing activities	**(1,672.96)**	**(235.60)**
	Net increase in cash and cash equivalents	**58.82**	**2,829.75**
	Cash and cash equivalents taken over on acquisition	292.79	-
	Adjusted net increase in cash and cash equivalents	**351.61**	2,829.75
	Cash and cash equivalents at the beginning of the year	5,025.56	2,195.81
	Cash and cash equivalents at the end of the year	5,377.17	5,025.56
		351.61	**2,829.75**

Significant accounting policies 2

See accompanying notes forming part of the financial statements.

Notes:

1 Figures in brackets represent outflows.

2 Previous year figures have been regrouped, wherever necessary, to conform to current year's presentation.

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Arvind Sethi**
Partner

Membership No.: 89802

Date: 14th May, 2019
Place: Mumbai

For and on behalf of the Board of Directors

Naresh Chandra
Chairman
(DIN: 00027696)

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

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

Date: 14th May, 2019
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 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, 2019 were approved by the Board of Directors and authorised for issue on 14th May, 2019.

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) and presentation requirements of Division II of Schedule III to the Companies Act, 2013 (Ind AS Compliant Schedule III), as applicable.

2.02 Basis of preparation and presentation

These financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policy 2.19.

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, 2019	As at 31st March, 2018
Endurance Overseas S.r.l (EOSRL)	Italy	100%	100%
Endurance SpA (Refer note 26 d)	Italy	100%	100%
Endurance Castings SpA (Refer note 26 c)	Italy	100%	0%
Endurance Engineering S.r.l	Italy	100%	100%
Endurance Amann GmbH	Germany	100%	100%

2.04 Business combinations

The Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in profit or loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date.

Purchase consideration paid in excess of the fair value of net assets acquired is recognised as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve.

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries.

Business combinations arising from transfers of interests in entities that are under the common control are accounted at historical cost. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in shareholders' equity.

2.05 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see note 2.04 above) less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

2.06 Use of estimates and assumptions

The preparation of consolidated financial statements, in conformity with the recognition and measurement principles of Ind AS, requires management to make estimates and assumptions that affect the reported balances of assets and liabilities at the date of the consolidated financial statements and the reported amounts of income and expenses for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Key source of estimation of uncertainty at the date of financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of useful lives of property, plant and equipment.

Useful lives of property, plant and equipment

The Group reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

2.07 Revenue from contract with customer

Revenue is recognised when control of goods and services have been transferred to the customer; at an amount that reflects the consideration which the Group expects to be entitled in exchange for those goods or services. The timing of when the Group transfers the goods or provide services may differ from the timing of the customer's payment. Amounts disclosed as revenue are net of VAT and goods and services tax (GST).

The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Notes forming part of Consolidated Financial Statements (contd.)

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided below.

Sale of Goods

The Group based on the underlying agreements has determined that the transfer of control to the customer and therefore revenue recognition, in regard to the domestic sales and export sales, generally corresponds to the date when the goods are dispatched from their point of sale, or when the goods are made available to the customer, or when the goods are released to the carrier responsible for transporting them to the customer.

Export sales are recorded at the relevant exchange rates prevailing on the transaction date.

Generally, the normal credit period is 30 to 120 days upon delivery. The nature of contracts of the Group are such that no material part performance obligations would remain unfulfilled at the end of any accounting period.

Variable consideration

If the consideration in a contract includes a variable amount (like volume rebates/incentives, cash discounts etc.), the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The estimate of variable consideration for expected future volume rebates/incentives, cash discounts etc. are made on the most likely amount method. Revenue is disclosed net of such amounts.

Warranty obligations

The Group provides warranties for general repairs of defects as per terms of the contract with customers. These warranties are considered as assurance type warranties and are accounted for under Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets.

Revenue from job work

The Group provides job work services to its customers. Such services are sold separately and are not bundled together with the sale of goods. Revenue from job work is accounted as and when such services are rendered.

Contract balances

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policy no. 2.19 Financial instruments – Financial assets at amortised cost.

Contract liabilities

A contract liability is the obligation to transfer goods to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Group performs under the contract.

Refund liabilities

A refund liability is the obligation to refund some or all the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

2.08 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. 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.

i) 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.

ii) 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.

Notes forming part of Consolidated Financial Statements (contd.)

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 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 at their fair value where there is a reasonable assurance that the grant will be received and all attached conditions will be complied with. Government grants relating to income are deferred and recognised in the profit or loss over the periods necessary to match them with the costs that they are intended to compensate and presented within other operating revenues. The Group accounts for its entitlements based on a best estimate accrual of the initial claims at the time of the claim submission with the relevant authorities.

(ii) Export Benefits

Export benefits are accrued in the year of exports based on eligibility and when there is no uncertainty in receiving the same. Export incentives in nature of Merchandise Exports from India Scheme (MEIS) and Duty Drawback is recognised on accrual basis in the year of export.

(iii) Government Grant in respect of Loan

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

2.12 Employee benefits

1. Defined Contribution Plan:

Provident Fund: The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employee's salary. The contributions as specified under the law are paid to the Central Government Provident Fund and the Family Pension Fund and the same is charged to the consolidated

Notes forming part of Consolidated Financial Statements (contd.)

statement of profit and loss of the year when the contributions to the respective funds are due and when services are rendered by the employees.

2. Defined Benefit Plan:

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss in subsequent periods. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement.

(i) **Gratuity:** The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15/26 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. For the employees of specified grades, 30 days salary is payable for each completed year of service, upon completion of 10 years of service. The Company accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation. The Company has taken a Group Gratuity cum Life Assurance Scheme with LIC of India for future payment of gratuity to the eligible employees.

(ii) **Employees severance indemnity :**

Foreign subsidiaries give their employees post employment benefits. Such benefits fall within the defined benefit plans, of certain existence and amount, but with uncertain manifestation. The liability is determined as current value of the defined benefit obligation at the balance sheet date, in accordance with current regulations, adjusted to take account of actuarial (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

Notes forming part of Consolidated Financial Statements (contd.)

advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

Deferred taxes:

Deferred tax is recognised using liability method. Deferred tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax liabilities are recognised for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured using substantively enacted tax rates in the countries where the group operates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends and has ability to settle its current tax assets and liabilities on a net basis.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

2.14 Property, plant and equipment

Property, plant and equipment (including capital work in progress) are stated at cost of acquisition or construction where cost includes amount added/ deducted on revaluation less accumulated depreciation / amortisation and impairment losses, if any.

All costs directly relating to the acquisition and installation of property, plant and equipment are capitalised and include borrowing costs relating to funds attributable to construction or acquisition of qualifying assets, up to the date the asset / plant is ready for intended use. The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item of property, plant and equipment, if it is probable that the future economic benefits embodies within the part will flow to the Group and its cost can be measured reliably with the carrying amount of the replaced part getting derecognised. The cost for day-to-day servicing of property, plant and equipment are recognised in Statement of Profit and Loss as and when incurred.

Depreciation on property, plant and equipment is provided at the rates determined on straight line method 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 acquired separately:

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

Notes forming part of Consolidated Financial Statements (contd.)

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 Non-current assets held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

The criteria for held for sale classification is regarded met only when the assets are available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated,
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

Additional disclosures are provided in Note 41. All other notes to the financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

2.17 Impairment

(i) Financial assets

The Group assesses on a forward-looking basis, the expected credit losses associated with its financial assets carried at amortised cost for e.g., deposits, trade receivables and bank balances. The impairment methodology applied depends on whether there has been a significant increase in credit risk and if so, assess the need to provide for the same in the Statement of Profit and Loss.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime expected credit losses (ECL) at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate (EIR). When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument over the expected life of the financial instrument.

The Group estimates the following provision matrix at the reporting date:

	Not due	Within 365 days*	More than 365 days*
Default Rate	0%	0%	100%

*Provision is made for receivables where recovery is considered doubtful irrespective of due date. Where

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an amount is outstanding for more than 365 days the Group usually provides for the same unless there is clear visibility of recovery.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured at amortised cost, revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments based on shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

(ii) Non-financial assets

(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 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.

2.18 Inventories

Inventories of raw materials and components, work-in-progress, stock-in-trade, stores & spares and tools & instruments are valued at the lower of cost and net realizable value after providing for obsolescence and other losses, where considered necessary. Cost is ascertained on a weighted average basis. The cost of work-in-progress and finished goods is determined on absorption cost basis.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

a. Raw materials, stores & spares and tools & instruments: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

b. Finished goods and work in progress: cost includes cost of direct materials, labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.

c. Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.19 Financial Instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial

Notes forming part of Consolidated Financial Statements (contd.)

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 in the nature of debt instruments are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income (FVOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets including derivative financial instruments are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognised in statement of profit and loss.

Financial liabilities

Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss, loans and borrowings, payables or as derivatives, 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 and fees or costs that are an integral part of the EIR.

Equity instruments

All equity instruments in scope of Ind AS 109, other than investments in subsidiaries, are measured at fair value. Equity instruments which are held for trading are classified as at fair value through profit and loss. For all other equity instruments the Group may make an irrevocable election to present in other comprehensive income, subsequent changes in the fair value. The Group makes such election on an instrument by instrument basis. The classification is need on initial recognition and is irrevocable. If the Group decides to classify an equity instruments as at FVOCI then all fair value changes on the instrument excluding dividends are recognised in OCI. There is no recycling from OCI to profit or loss even on sale of instrument. However, the Group may transfer the cumulative gain/loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

a. The rights to receive cash flows from the asset have expired, or

b. The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

   When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the

Notes forming part of Consolidated Financial Statements (contd.)

Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Reclassification of financial assets and financial liabilities

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when a company either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains and losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

2.20 Earning per share (EPS)

Basic and diluted earnings per share is reported in accordance with Ind AS 33 on Earnings per share. Basic earnings per share is computed by dividing the net profit or loss attributable to equity holders after deducting attributable taxes for the period by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period as adjusted for the effects of all dilutive potential equity shares except where the results are anti-dilutive.

2.21 Research and development expenses

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technological feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Property, plant and equipment utilised for research and development are capitalised and depreciated/ amortised in accordance with the policies stated for Property, plant and equipment and Intangible Assets.

2.22 Segment reporting

Information reported to the Chief Operating Decision Maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The 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.

2.23 Cash flow statement

The Cash Flow Statement is prepared by the indirect method set out in Ind AS 7 on cash flow statements and presents cash flows by operating, investing and financing activities of the Group.

2.24 Current versus Non-Current Classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- expected to be realized or intended to be sold or consumed in normal operating cycle
- held primarily for the purpose of trading
- expected to be realized within 12 months after the date of reporting period, or
- Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting period.

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Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

A liability is current when it is:

- expected to be settled in normal operating cycle
- held primarily for the purpose of trading
- due to be settled within 12 months after the reporting period, or
- does not have any unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

  Current liabilities include the current portion of long term financial liabilities. The Group classifies all other liabilities as non-current.

  Deferred tax assets and liabilities are classified as non-current assets and liabilities.

  The operating cycle is the time between the acquisition of assets and their realization in cash and cash equivalents. The Group has identified 12 months as its operating cycle.

2.25 Share Capital

Ordinary Shares

Ordinary shares are classified as equity. Incremental costs, if any, directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

2.26 Fair Value Measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell an asset or transfer the liability takes place either:

- In the principal market for the asset or liability
- In the absence of principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (Unadjusted) Market prices in active markets for incidental assets or liabilities
- Level 2 –Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation Techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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.

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2.27 Dividend

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

2.28 Provisions and contingent liabilities

A provision is recognised when the Group has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements.

Product warranty expenses

The estimated liability for product warranties is accounted when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures.

2.29 Other income

Dividends

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).

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Others

The Group recognises income on accrual basis. However, where the ultimate collection of the same lacks reasonable certainty, revenue recognition is postponed to the extent revenue is reasonably certain and can be reliably measured.

2.30 Recent accounting pronouncements

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 Group's financial statements are disclosed below. The Group 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, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019 introducing /amending the following standards:

Ind AS 116 Leases

Ind AS 116 Leases was notified in March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1st April, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

Ind AS 116 also requires lessees and lessors to make more extensive disclosures than under Ind AS 17.

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Transition to Ind AS 116

The Group plans to adopt Ind AS 116 using the modified retrospective method of adoption with the date of initial application of 1st April, 2019. The Group will elect to apply the standard to contracts at the date of initial application.

The Group will elect to use the exemptions proposed by the standard on lease contracts for which the lease terms ends within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value. The Group has leases of certain office equipment (i.e., personal computers, printing and photocopying machines) that are considered of low value.

During financial year ending March 2019, the Group has performed a detailed impact assessment of Ind AS 116. In summary the impact of Ind AS 116 adoption is expected to be, as follows

Impact on the balance sheet (increase/(decrease)) as at 31st March, 2019 :

₹ in million

Particulars	Amount Lease hold land	Amount Other leases	Amount Total
Assets:			
(i) Property, plant and equipment (right-to-use assets)	1,978.82	237.18	2,216.00
(ii) Other non-current assets	(1,953.71)	-	(1,953.71)
(iii) Other current assets	(25.11)	-	(25.11)
	-	237.18	237.18
Liabilities:			
(i) Trade and other payables	-	238.96	238.96
	-	238.96	238.96
Net impact on equity	-	(1.78)	(1.78)

Impact on the statement of profit or loss ((increase)/decrease) for year ending 31st March, 2019:

₹ in million

Particulars	Amount Lease hold land	Amount Other leases	Amount Total
Depreciation and amortisation expense	25.11	63.51	88.62
Operating lease expense	(25.11)	(65.04)	(90.15)
Finance costs	-	3.31	3.31
(Increase)/Decrease in profit	-	1.78	1.78

Due to the adoption of Ind AS 116, the Group's profit will decrease by ₹ 1.78 million due to the change in the accounting for certain operating lease contracts.

Appendix C to Ind AS 12 Uncertainty over Income Tax treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. In determining the approach that better predicts the resolution of the uncertainty, an entity might consider, for example, (a) how it prepares its income tax filings and supports tax treatments; or (b) how the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination.

The interpretation is effective for annual reporting periods beginning on or after 1st April, 2019, but certain transition reliefs are available. The Group will apply the interpretation from its effective date. Based on the Group's preliminary evaluation, these amendments have no impact on the financial statements of the Group.

Amendments to Ind AS 109: Prepayment Features with Negative Compensation

Under Ind AS 109, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance

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that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

The amendments should be applied retrospectively and are effective for annual periods beginning on or after 1st April, 2019. These amendments have no impact on the financial statements of the Group.

Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.

- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss.

An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 1st April, 2019. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Group.

Annual improvement to Ind AS (2018);

These improvements include:

- **Amendments to Ind AS 12: Income Taxes**

  The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

  An entity applies those amendments for annual reporting periods beginning on or after 1st April, 2019. Since the Group's current practice is in line with these amendments, the Group does not expect any effect on its consolidated financial statements.

- **Amendments to Ind AS 23: Borrowing Costs**

  The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

  An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1st April, 2019. Since the Group's current practice is in line with these amendments, the Group does not expect any effect on its consolidated financial statements.

- **Amendments to Ind AS 28: Long-term interests in associates and joint ventures**

  The amendments clarify that an entity applies Ind AS 109 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in Ind AS 109 applies to such long-term interests.

  The amendments also clarified that, in applying Ind AS 109, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying Ind AS 28 Investments in Associates and Joint Ventures.

  The amendments should be applied retrospectively in accordance with Ind AS 8 for annual reporting periods on or after 1 April 2019. Since the Group does not have such long-term interests in its associate and joint venture, the amendments will

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not have an impact on its consolidated financial statements.

- Amendments to Ind AS 103: Party to a Joint Arrangements obtains control of a business that is a Joint Operation

  The amendments clarify that, when a party to a joint arrangement obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

  An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 April 2019. Since the Group is not party to any joint arrangements, the amendments will not have an impact on its consolidated financial statements.

- Amendments to Ind AS 111: Joint Arrangements

  A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in Ind AS 103. The amendments clarify that the previously held interests in that joint operation are not remeasured.

  An entity applies those amendments to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after 1 April 2019. Since the Group is not party to any joint arrangements, the amendments will not have an impact on its consolidated financial statements.

2.31 Changes in accounting policies and disclosures

New and amended standards

The Group applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Several other amendments and interpretations apply for the first time in March, 2019, but do not have an impact on the standalone financial statements of the Group. The Group has not opted for early adoptions of any standards or amendments that have been issued but are not yet effective.

New Standard

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on 28th March, 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies to the Group, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be 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.

Ind AS 115 requires the Group to exercise judgement, taking into consideration all the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Group adopted Ind AS 115 for the first time for the financial year beginning on 1st April, 2018 using the full retrospective method of adoption. The figures reported for the previous year have been adjusted by the effects arising from the adoption of Ind AS 115. The effect of the transition on the current period has not been disclosed as the standard provides an optional practical expedient.

The cumulative effect of initially applying Ind AS 115 as at 1st April 2017 amounts to ₹ Nil.

Set out below, are the amounts by which each financial statement line item is affected as at and for the year ended 31st March, 2018 as a result of the adoption of Ind AS 115.

₹ in million

Particulars	Note No	Ind AS 115	Previous Ind AS	Increase/ (Decrease)
(i) Revenue from operations	18	64,792.88	66,660.47	(1,867.59)
(ii) Other income	19	234.70	235.40	(0.70)
		65,027.58	**66,895.87**	**(1,868.29)**
(iii) Cost of materials consumed	20A	36,699.48	38,536.27	(1,836.79)
(iv) Other expenses	23	11,816.75	11,848.25	(31.50)
		48,516.23	**50,384.52**	**(1,868.29)**

Notes forming part of Consolidated Financial Statements (contd.)

The adoption of Ind AS 115 did not have a material impact on OCI or Balance Sheet or the Group's operating, investing and financing cash flows. The items causing Ind AS 115 adjustments are explained below:

a) Certain sale and purchase transactions have been netted off from "Revenue from contracts with customers" and "cost of material consumed" to reflect the commercial substance of transactions.

b) Certain sales related incentives given to Aftermarket retailers have been regrouped from other expenses to Revenue from contracts with customers.

c) Rent income received for certain plant and machinery has been netted off from material consumption as the plant and machinery is used for production of materials for own consumption.

Other Amended Standards applicable to the Group

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.

These amendments do not have any impact on the Group as the Group has no deductible temporary difference or assets that are in the scope of these amendments.

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.

These amendments do not have any impact on the Group's financial statements.

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.

These amendments do not have any material impact on the Group's financial statements since the Group's current practice is in line with the amendment.

Notes forming part of Consolidated Financial Statements (contd.)

3 PROPERTY, PLANT AND EQUIPMENT

₹ in million

Particulars	Gross Block						Depreciation/Amortisation						Net Block
	As at 1st April, 2018	Additions on Acquisition	Additions during the year	Deductions during the year	Translation Adjustment	As at 31st March, 2019	As at 1st April, 2018	Additions on Acquisition	For the year	Deductions during the year	Translation Adjustment	As at 31st March, 2019	As at 31st March, 2019
	(a)	(b)	(c)	(d)	(e)	(f) = (a+b+c-d+e)	(g)	(h)	(i)	(j)	(k)	(l) = (g+h+i-j+k)	(m) = (f-l)
A) TANGIBLE ASSETS													
Freehold Land (Refer note 41(a))	771.80	85.64	277.38	33.37	-24.69	1,076.76	-	-	-	-	-	-	1,076.76
	(725.60)	-	(4.72)	-	(41.48)	(771.80)	-	-	-	-	-	-	(771.80)
Buildings	4,871.53	456.59	874.04	2.08	-115.77	6,084.31	550.07	-	228.43	0.14	-15.93	762.43	5,321.88
	(4,052.24)	-	(500.70)	-	(318.59)	(4,871.53)	(326.59)	-	(188.36)	-	(35.12)	(550.07)	(4,321.46)
Plant and equipments	18,339.03	317.29	5,396.48	430.21	-387.32	23,235.27	7,241.10	-	3,291.44	147.88	-195.61	10,189.05	13,046.22
	(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)
Wind energy generators	88.56	-	-	12.99	-	75.57	64.83	-	13.37	10.75	-	67.45	8.12
	(88.56)	-	-	-	-	(88.56)	(43.22)	-	(21.61)	-	-	(64.83)	(23.73)
Computer	173.26	2.09	47.07	0.12	-2.29	220.01	99.67	-	36.80	0.22	-1.18	135.07	84.94
	(132.28)	-	(36.02)	(0.29)	(5.25)	(173.26)	(63.38)	-	(34.21)	(0.25)	(2.33)	(99.67)	(73.59)
Electrical fittings	76.25	-	10.16	2.74	-	83.67	17.81	-	7.53	0.21	-	25.13	58.54
	(52.80)	-	(23.45)	-	-	(76.25)	(11.02)	-	(6.79)	-	-	(17.81)	(58.44)
Vehicles	187.39	1.41	30.75	11.47	-1.71	206.37	82.24	-	31.66	7.52	-1.38	105.00	101.37
	(171.86)	-	(36.79)	(29.51)	(8.25)	(187.39)	(58.09)	-	(34.10)	(14.40)	(4.45)	(82.24)	(105.15)
Furniture and fixtures	216.75	1.28	62.54	2.55	-4.83	273.19	65.95	-	32.62	0.77	-1.57	96.23	176.96
	(147.96)	-	(59.56)	(1.10)	(10.33)	(216.75)	(40.41)	-	(24.44)	(1.10)	(2.20)	(65.95)	(150.80)
Office equipments	104.98	-	42.26	0.86	-0.04	146.34	55.56	-	20.28	0.49	-0.01	75.34	71.00
	(85.54)	-	(20.19)	(0.81)	(0.06)	(104.98)	(38.58)	-	(17.52)	(0.56)	(0.02)	(55.56)	(49.42)
Assets under finance lease	126.31	-	-	126.81	0.50	-	72.39	-	11.71	84.39	0.29	-	-
	(108.49)	-	-	-	(17.82)	(126.31)	(41.96)	-	(22.04)	-	(8.39)	(72.39)	(53.92)
Total - A	**24,955.86**	**864.30**	**6,740.68**	**623.20**	**-536.15**	**31,401.49**	**8,249.62**	**-**	**3,673.84**	**252.37**	**-215.39**	**11,455.70**	**19,945.79**
As at 31st March, 2018	**(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)**

Notes forming part of Consolidated Financial Statements (contd.)

₹ in million

Particulars	Gross Block						Depreciation/Amortisation						Net Block
	As at 1st April, 2018	Additions on Acquisition	Additions during the year	Deductions during the year	Translation Adjustment	As at 31st March, 2019	As at 1st April, 2018	Additions on Acquisition	For the year	Deductions during the year	Translation Adjustment	As at 31st March, 2019	As at 31st March, 2019
	(a)	(b)	(c)	(d)	(e)	(f) = (a+b+c-d+e)	(g)	(h)	(i)	(j)	(k)	(l) = (g+h+i-j+k)	(m) = (f-l)
B) INTANGIBLE ASSETS													
Technical know-how	290.46	-	-	-	-7.82	282.64	114.75	-	55.87	-	-4.06	166.56	116.08
	(258.14)	-	(2.04)	-	(30.28)	(290.46)	(54.59)	-	(54.34)	-	(5.82)	(114.75)	(175.71)
Software	152.67	0.05	32.26	-	-1.58	183.40	102.19	-	32.39	-	-0.81	133.77	49.63
	(109.53)	-	(39.54)	-	(3.60)	(152.67)	(65.31)	-	(35.20)	(0.01)	(1.69)	(102.19)	(50.48)
Total - B	**443.13**	**0.05**	**32.26**	**-**	**-9.40**	**466.04**	**216.94**	**-**	**88.26**	**-**	**-4.87**	**300.33**	**165.71**
As at 31st March, 2018	**(367.67)**	**-**	**(41.58)**	**-**	**(33.88)**	**(443.13)**	**(119.90)**	**-**	**(89.54)**	**(0.01)**	**(7.51)**	**(216.94)**	**(226.19)**
Total - A+B	**25,398.99**	**864.35**	**6,772.94**	**623.20**	**-545.55**	**31,867.53**	**8,466.56**	**-**	**3,762.10**	**252.37**	**-220.26**	**11,756.03**	**20,111.50**
As at 31st March, 2018	**(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)**

ASSET HELD FOR SALE	As at 1st April, 2018	Addition during the year	Deductions during the year	As at 31st March, 2019
Freehold land (Refer note 41(a))	-	33.37	-	33.37

Other 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 grouped under freehold land.

ii) Figures in brackets represent figures of previous year.

Notes forming part of Consolidated Financial Statements (contd.)

4 NON CURRENT INVESTMENTS

₹ in million

Particulars		As at 31st March, 2019	As at 31st March, 2018
I.	Unquoted Investments (all fully paid)*		
	Marathwada Auto Cluster	10.00	10.00
	[10,000 (Previous year 10,000) shares of face value ₹ 100 each]		
	Watsun Infrabuild Pvt Ltd (Refer note 26 e)	2.31	-
	[230,561 (Previous year Nil) equity shares of face value ₹ 10 each]		
	National Savings Certificates	0.04	0.04
	(Lodged with Government authorities)		
	Investments in Government or trust securities	0.41	0.06
	Total unquoted investments	12.76	10.10
II.	Quoted Investments*		
	Indian Overseas Bank	0.03	0.04
	[2,300 (Previous year 2,300) equity shares of face value ₹ 10 each]		
	Total quoted investments	0.03	0.04
Total		**12.79**	**10.14**
Aggregate book value of quoted investments		0.03	0.04
Aggregate market value of the quoted investments		0.03	0.04
Aggregate amount of unquoted investments		12.76	10.10

* Refer note 31 for determination of their fair value

4A CURRENT INVESTMENTS

₹ in million

Particulars		As at 31st March, 2019	As at 31st March, 2018
Investments in Mutual Funds (Unquoted)*			
i)	ICICI Prudential - Savings Fund Direct Plan - Growth 446,974.67 units (previous year 446,974.67 units)	161.37	149.77
ii)	Aditya Birla Sunlife Liquid Fund - Growth Direct Plan 621,753.13 units (previous year 1,071,753.13 units)	186.80	299.36
Total		**348.17**	**449.13**

* 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, 2019	As at 31st March, 2018
Security deposits	73.07	63.20
Total	**73.07**	**63.20**

Notes forming part of Consolidated Financial Statements (contd.)

5A LOANS

(Unsecured, considered good unless otherwise stated)

₹ in million

Particulars	As at 31st March, 2019	As at 31st March, 2018
Loans to employees	20.95	13.02
Total	**20.95**	**13.02**

5B OTHER CURRENT FINANCIAL ASSETS

(Unsecured, considered good unless otherwise stated)

₹ in million

Particulars		As at 31st March, 2019	As at 31st March, 2018
a)	Interest accrued on deposits	0.08	0.09
b)	Receivables on sale of property, plant and equipment	25.90	2.57
c)	Foreign currency derivative assets	0.01	3.83
d)	Government incentive receivables	324.00	1.01
e)	Others	6.32	8.30
Total		**356.31**	**15.80**

6 OTHER NON-CURRENT ASSETS

(Unsecured, considered good unless otherwise stated)

₹ in million

Particulars		As at 31st March, 2019	As at 31st March, 2018
a)	Capital advances	934.71	744.07
b)	Other advances	-	208.86
c)	Prepayments	4.96	5.82
d)	Lease prepayments	1,953.71	1,610.68
e)	Taxes paid in advance less provision	2.77	8.44
f)	Income tax deposited under protest	60.39	-
g)	Sales tax / Vat receivable	21.42	18.40
h)	Deposits under protest [Refer note 28 (f)]	20.85	20.85
Total		**2,998.81**	**2,617.12**

6A CURRENT TAX ASSETS (NET)

₹ in million

Particulars	As at 31st March, 2019	As at 31st March, 2018
Current tax assets (net)	37.06	50.03
Total	**37.06**	**50.03**

Notes forming part of Consolidated Financial Statements (contd.)

6B OTHER CURRENT ASSETS

(Unsecured, considered good unless otherwise stated)

₹ in million

Particulars		As at 31st March, 2019	As at 31st March, 2018
a)	Advances for supplies	443.55	708.22
b)	Prepayments	117.90	116.97
c)	Current portion of lease prepayments	25.11	19.88
d)	Government incentive receivable	1.61	24.02
e)	Balance with government authorities	145.61	332.20
f)	Others*	95.08	117.98
Total		**828.86**	**1,319.27**

*Includes amount of ₹ 2.50 million (previous year ₹ 2.98 million) paid to various regulatory authorities under protest. Also includes export incentives receivables, wind power receivables and other receivables.

7 INVENTORIES

(Valued at lower of cost and net realisable value)

₹ in million

Particulars		As at 31st March, 2019	As at 31st March, 2018
a)	Raw materials and components	1,173.68	1,020.32
b)	Work-in-progress	1,840.24	1,666.02
c)	Finished goods (other than those acquired for trading)	1,433.54	1,607.03
d)	Stock-in-trade (acquired for trading)	31.87	17.89
e)	Stores, spares and packing material	881.88	589.36
f)	Loose tools and instruments	38.93	37.88
Total		**5,400.14**	**4,938.50**
Included above, Goods-in-transit in respect to			
i)	Raw materials and components	195.84	102.08
ii)	Finished goods (other than those acquired for trading)	430.88	652.28
Total		**626.72**	**754.36**

8 TRADE RECEIVABLES

₹ in million

Particulars	As at 31st March, 2019	As at 31st March, 2018
Unsecured :		
i) Considered good	9,251.40	9,688.17
ii) Credit impaired	56.36	36.57
Less: Allowance for credit impaired	(56.36)	(36.57)
Total	**9,251.40**	**9,688.17**

Notes:

1. Trade receivables are dues in respect of goods sold or services rendered in the normal course of business.
2. The normal credit period allowed by the Group ranges from 30 to 60 days for customers in India and 30 to 120 days for overseas customers.

Notes forming part of Consolidated Financial Statements (contd.)

9 CASH AND CASH EQUIVALENTS

₹ in million

Particulars		As at 31st March, 2019	As at 31st March, 2018
a)	Cash on hand	0.92	1.05
b)	Cheques on hand	-	0.84
c)	Balance with banks:		
	- In current account	5,236.25	5,023.67
	- In deposit accounts - with original maturity of less than three months	140.00	-
Total		**5,377.17**	**5,025.56**

9A OTHER BANK BALANCES

₹ in million

Particulars	As at 31st March, 2019	As at 31st March, 2018
Other bank balances (in earmarked accounts)		
- In current account for equity dividend	0.09	0.05
- Balance held as margin money against letters of credit*	1.69	1.56
Total	**1.78**	**1.61**

*Represents margin money amounting to ₹ 1.69 million (previous year ₹1.56 million) against various guarantees and letters of credit issued by bank on behalf of the Company. These deposits are not available for use by the Company as the same is in the nature of restricted cash.

10 SHARE CAPITAL

₹ in million

	Particulars	As at 31st March, 2019		As at 31st March, 2018	
		No. of shares	Amount	No. of shares	Amount
A	**Authorised, issued, subscribed and paid-up share capital**				
	Authorised:				
	Equity shares of ₹ 10 each (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 (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**

Notes forming part of Consolidated Financial Statements (contd.)

B Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

₹ in million

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	No. of shares	Amount	No. of shares	Amount
No of shares outstanding at the beginning of the year				
- Equity shares	140,662,848	1,406.63	140,662,848	1,406.63
No of shares outstanding at the end of the year	140,662,848	1,406.63	140,662,848	1,406.63

C Notes

i) Details of shares held by each shareholder holding more than 5% shares in the Company are as follows:

	Particulars	No of shares as at 31st March, 2019	%	No of shares as at 31st March, 2018	%
Equity shares:					
1	Mr. Anurang Jain	43,396,976	30.85	53,949,664	38.35
2	Mr. Anurang Jain[1]	28,300,000	20.12	28,300,000	20.12
3	Mrs. Suman Jain[2]	16,890,000	12.01	16,890,000	12.01
4	Mr. Naresh Chandra[3]	16,910,000	12.02	16,910,000	12.02

1 Held by Mr. Anurang Jain in his capacity as the family trustee of the Anurang Rohan Trust ("Anurang Rohan Trust"). The Anurang Rohan Trust is a private family trust, settled by Mr. Anurang Jain, pursuant to a deed of settlement dated 11th June, 2016 as amended by a deed of amendment dated 23rd June, 2016 (the "Anurang Rohan Trust Deed"). The trustees of the Anurang Rohan Trust are Mr. Anurang Jain and Mrs. Varsha Jain, as the family trustees, and Kotak Mahindra Trusteeship Services Limited, as the managing trustee. Pursuant to the Anurang Rohan Trust Deed, Mr. Anurang Jain shall, as long as he is acting as the family trustee, exclusively exercise voting rights in respect of these Equity Shares.

2 Held by Mrs. Suman Jain in her capacity as the family trustee of NC Trust ("NC Trust"). The NC Trust is a private family trust settled by Mr. Naresh Chandra, pursuant to a deed of settlement dated 15th June, 2016 (the "NC Trust Deed"). The trustees of the NC Trust are Mrs. Suman Jain, as the family trustee, and Kotak Mahindra Trusteeship Services Limited, as the managing trustee. Pursuant to the NC Trust Deed, Mrs. Suman Jain shall, as long as she is acting as the family trustee, exclusively exercise voting rights in respect of these Equity Shares.

3 Held by Mr. Naresh Chandra in his capacity as the family trustee of Anurang Rhea Trust ("Anurang Rhea Trust"). The Anurang Rhea Trust is a private family trust settled by Mrs. Suman Jain, pursuant to a deed of settlement dated 15th June, 2016 (the "Anurang Rhea Trust Deed"). The trustees of the Anurang Rhea Trust are Mr. Naresh Chandra, as the family trustee, and Kotak Mahindra Trusteeship Services Limited, as the managing trustee. Pursuant to the Anurang Rhea Trust Deed, Mr. Naresh Chandra shall, as long as he is acting as the family trustee, exclusively exercise voting rights in respect of these Equity Shares.

ii) The Company has only one class of equity shares. Each holder of equity share is entitled to one vote per share held. In the event of liquidation of the Company, the holder of the equity share will be entitled to receive remaining assets after deducting all its liabilities in proportion to the number of equity shares held.

Notes forming part of Consolidated Financial Statements (contd.)

10A OTHER EQUITY

₹ in million

	Particulars	As at 31st March, 2019	As at 31st March, 2018
(a)	Securities premium account:		
	Balance at the beginning and end of the year	160.40	160.40
(b)	Capital reserve		
	Balance at the beginning and end of the year	209.32	209.32
(c)	Foreign currency translation reserve		
	Balance at the beginning of the year	966.67	13.01
	Add : Exchange differences arising on translating the foreign operation	(324.71)	953.66
	Balance at the end of the year	641.96	966.67
(d)	General reserve		
	Balance at the beginning and end of the year	1,193.98	1,193.98
(e)	Retained earnings		
	Balance at the beginning of the year	17,791.53	14,310.00
	Profit for the year	4,950.06	3,907.57
	Remeasurements of defined benefit plans, net of tax	(28.79)	(2.79)
	Dividend (Refer note 39)	(562.65)	(351.66)
	Tax on dividend	(115.65)	(71.59)
	Balance at the end of the year	22,034.50	17,791.53
	Total	**24,240.16**	**20,321.90**

11 NON CURRENT BORROWINGS (REFER NOTE 11.01 AND 11.02)

₹ in million

Particulars			As at 31st March, 2019	As at 31st March, 2018
Measured at amortised cost				
A.	**Secured borrowings**			
	Term loans:			
	From banks		676.18	983.60
	Total secured borrowings		676.18	983.60
B.	**Unsecured borrowings**			
	a)	Term loans:		
		From banks	2,471.63	2,477.53
	b)	Other loans		
	(i)	Deferred sales tax loan	29.78	49.58
	(ii)	Long term maturities of finance lease obligation	286.42	292.55
	Total unsecured borrowings		2,787.83	2,819.66
	Total		**3,464.01**	**3,803.26**

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

Current maturities of the long term borrowings 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 from banks are bearing interest rates at 3M LIBOR + 175 bps p.a.

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 6 months with spread ranging from 0.75% to 1.75% (previous year 0.60% to 2.50%).

Notes forming part of Consolidated Financial Statements (contd.)

11.02 Maturity profile

₹ in million

Particulars	Term loan from banks	Deferred sales tax loan	Finance lease obligation	Total
Current maturities				
2019-20	1,579.85	19.80	121.36	1,721.01
Non current maturities				
2020-21	1,219.49	16.41	107.83	1,343.73
2021-22	937.31	10.06	137.25	1,084.62
2022-23	616.32	3.31	39.82	659.45
2023-24	224.82	-	1.52	226.34
2024-25	149.87	-	-	149.87
Total	**3,147.81**	**29.78**	**286.42**	**3,464.01**

12 OTHER NON CURRENT FINANCIAL LIABILITIES

₹ in million

Particulars	As at 31st March, 2019	As at 31st March, 2018
a) Security deposits received from dealers	33.54	25.26
b) Retention money payable	13.22	5.56
c) Deferred government grants	37.48	64.94
Total	**84.24**	**95.76**

12A OTHER CURRENT FINANCIAL LIABILITIES

₹ in million

Particulars	As at 31st March, 2019	As at 31st March, 2018
a) Current maturities of long-term borrowings (Refer note 11.02)	1,599.65	2,064.00
b) Current maturities of finance lease obligation (Refer note 11.02)	121.36	490.86
c) Interest accrued but not due on borrowings	3.32	2.68
d) Interest accrued and due on borrowings	1.72	3.24
e) Foreign currency derivative liabilities	32.91	11.49
f) Payables on purchase of property, plant and equipment	1,099.40	706.45
g) Deferred government grants	25.11	26.05
h) Unpaid equity dividend	0.09	0.05
Total	**2,883.56**	**3,304.82**

13 NON CURRENT PROVISIONS

₹ in million

Particulars	As at 31st March, 2019	As at 31st March, 2018
a) Provision for employee benefits		
i) Provision for gratuity (Refer note 30)	43.44	-
ii) Provision for employee severance indemnity (Refer note 30)	208.15	174.94
iii) Provision for employee separation cost	0.61	-
b) Provision for others		
Provision for warranty (Refer note 13.01 below)	294.44	21.60
Provision for Litigations #	114.45	-
Total	**661.09**	**196.54**

Relates to provision created for litigations in overseas subsidiaries.

Notes forming part of Consolidated Financial Statements (contd.)

13A CURRENT PROVISIONS

₹ in million

Particulars			As at 31st March, 2019	As at 31st March, 2018
a)	Provision for employee benefits			
	i)	Provision for compensated absences (net)	116.74	95.02
	ii)	Provision for gratuity (Refer note 30)	86.60	57.19
	iii)	Provision for employee separation cost	-	0.64
b)	Provision for others			
	Provision for warranty (Refer note 13.01 below)		85.83	38.18
	Total		**289.17**	**191.03**

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

₹ in million

Particulars	As at 31st March, 2019	As at 31st March, 2018
Carrying amount as at 1st April, 2018	59.78	63.14
Provision made during the year	45.50	49.04
Provision acquired during the year	313.96	-
Provision reversed during the year	-	(3.99)
Discounting/unwinding effect	(0.21)	(3.89)
Amount paid/utilised during the year	(38.76)	(44.52)
Carrying amount as at 31st March, 2019	380.27	59.78

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.

14 CURRENT BORROWINGS

₹ in million

Particulars			As at 31st March, 2019	As at 31st March, 2018
Measured at amortised cost				
A.	Secured Borrowings (Refer note 14.01 and 14.02)			
	a)	Loans:		
		From banks	-	230.00
	b)	Cash credit / working capital demand loans	800.00	0.37
	Total Secured borrowings		**800.00**	**230.37**
B.	Unsecured Borrowings (Refer note 14.01 and 14.02)			
	a)	From bank		
		- Short term loan	1,320.00	640.96
		- Cash credit / working capital demand loans	-	461.35
	b)	From others		
		- Loan from public limited company	-	450.00
	Total Unsecured borrowings		**1,320.00**	**1,552.31**
	Total		**2,120.00**	**1,782.68**

Notes forming part of Consolidated Financial Statements (contd.)

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 receivable,

b) second pari passu charge on, both present and/or future, movable property, plant and equipment located at identified premises of the Company.

c) second pari pasu charge (subject to charge in favour of term lenders) on identified immovable properties of the Company.

14.02 Details of interest rates for current borrowings

Short term foreign currency loans availed during FY 2019 carries interest rate linked to LIBOR rates with mutually agreed spread [effective interest rate ranges between 0.60% p.a. to 3.11% p.a. (previous year 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 5.30% p.a. to 10.10% p.a. (previous year 4.90% p.a. to 9.85% p.a.)]

15 TRADE PAYABLES

₹ in million

Particulars	As at 31st March, 2019	As at 31st March, 2018
Trade payables for goods and services		
- Total outstanding dues of micro enterprises and small enterprises	667.90	767.23
- Total outstanding dues of other than micro enterprises and small enterprises (other than acceptances)	11,066.71	10,517.00
Total	**11,734.61**	**11,284.23**

16 OTHER CURRENT LIABILITIES

₹ in million

Particulars	As at 31st March, 2019	As at 31st March, 2018
a. Advances received from customers	121.71	328.41
b. Income received in advance	7.11	5.39
c. EPCG deferred payables	15.39	61.95
d. Statutory remittances (contribution to PF, ESIC, Withholding taxes, Goods and Service Tax etc.)	582.26	575.79
Total	**726.47**	**971.54**

17 CURRENT TAX LIABILITIES (NET)

₹ in million

Particulars	As at 31st March, 2019	As at 31st March, 2018
Provision for tax (net of advance taxes and taxes deducted at source)	89.15	37.10
Total	**89.15**	**37.10**

Notes forming part of Consolidated Financial Statements (contd.)

17A DEFERRED TAX ASSETS/(LIABILITIES)

₹ in million

Particulars	As at 31st March, 2019	As at 31st March, 2018
Deferred tax liabilities		
On account of temporary differences in		
Property, plant and equipment and intangible assets	(306.13)	(110.84)
Sale and lease back	(4.23)	-
Fair valuation of current investments	(22.25)	(20.20)
Provision for doubtful debts	(1.00)	(1.04)
Others	(1.43)	(6.80)
Total	**(335.04)**	**(138.88)**
Deferred tax assets		
On account of temporary differences in		
Property, plant and equipment and intangible assets	22.39	10.85
Provision for employee benefits	86.23	28.73
Provision for doubtful debts	0.45	0.45
Provision for risk and charges	211.52	60.10
Expenses disallowed	72.16	92.39
Tax losses	33.79	-
Long term capital losses	14.86	-
Others	43.62	48.93
Total	**485.02**	**241.45**
Net deferred tax assets/(liabilities)	**149.98**	**102.57**
Disclosed as		
Deferred tax liabilities	**161.34**	**17.32**
Deferred tax assets	**311.32**	**119.89**

18 REVENUE FROM OPERATIONS (REFER NOTE 18.01 BELOW)

₹ in million

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Revenue from Contracts with customers	74,110.63	64,229.17
Other operating revenue	994.36	563.71
Total	**75,104.99**	**64,792.88**

Revenue from operations for the year ended 31st March, 2018 included excise duty ₹ 1,279.12 million for the three months April to June 2017. From 1st July, 2017 onwards the excise duty and most indirect taxes in India were replaced by Goods and Services 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 contracts with customer for the year ended 31st March, 2019 is not comparable with the corresponding Revenue during last year.

Notes forming part of Consolidated Financial Statements (contd.)

18.01 Details of revenue from contracts with customers and other operating revenue

₹ in million

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Revenue from contracts with customers		
Goods transferred at a point in time		
Sale of manufactured goods		
Shock absorbers	19,065.35	16,738.16
Disc brake assembly (including rotary disc)	4,042.00	2,909.72
Aluminium die casting parts	36,357.68	33,166.39
Alloy wheels	3,651.71	2,420.68
Clutch and clutch parts	4,608.64	4,032.95
Others	4,045.26	3,692.78
Total - (A)	**71,770.64**	**62,960.68**
Sale of traded goods		
Components and spares	343.40	149.85
Tooling / dies	1,915.67	1,059.89
Total - (B)	**2,259.07**	**1,209.74**
Total - (A+B)	**74,029.71**	**64,170.42**
Services transferred over time		
Job work receipts	80.92	58.75
Revenue from Contracts with customers	**74,110.63**	**64,229.17**
Other operating revenue comprises:		
Scrap sales	333.52	338.50
Wind power generation	12.11	13.78
Export incentives	122.83	101.09
Government incentives (Refer note 37)	525.90	110.34
Total	**994.36**	**563.71**

18.02 Revenue from Contracts with customers

₹ in million

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
India	50,662.89	43,371.85
Outside India	23,447.74	20,857.32
	74,110.63	**64,229.17**

Notes forming part of Consolidated Financial Statements (contd.)

18.03 Reconciliation of amount of revenue recognised in the statement of profit and loss with the contracted price

₹ in million

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Revenue as per contracted price	**75,495.90**	**65,844.24**
Adjustments:		
Sales Returns	1,061.40	993.51
Discounts	323.87	621.56
Revenue from contract with customers	**74,110.63**	**64,229.17**

19 OTHER INCOME

₹ in million

		Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
a)	Interest Income			
	i)	Bank deposits	11.23	5.89
	ii)	Income tax refund	8.14	2.59
	iii)	Others	4.73	4.09
b)	Other non operating income			
	i)	Excess provision/creditors' balances written back	25.35	20.80
	ii)	Income from investments in mutual funds	38.05	26.41
	iii)	Miscellaneous income	132.97	86.25
	iv)	Profit on sale of property, plant and equipment (net)	47.13	32.58
c)	Net gain on foreign currency transactions (other than considered as finance cost)		2.86	56.09
	Total		**270.46**	**234.70**

20A COST OF MATERIALS CONSUMED

₹ in million

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Opening stock (including goods in transit)	1,020.32	800.49
Add: Purchases	43,602.49	37,004.94
	44,622.81	37,805.43
Less: Closing stock (including goods in transit)	1,173.68	1,020.32
Cost of materials consumed	43,449.13	36,785.11
Cost of materials capitalised	(170.72)	(85.63)
Total	**43,278.41**	**36,699.48**

Notes forming part of Consolidated Financial Statements (contd.)

20B PURCHASES OF STOCK-IN-TRADE (TRADED GOODS)

₹ in million

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Components and spares	230.84	90.93
Total	**230.84**	**90.93**

20C CHANGES IN STOCK OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

₹ in million

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Inventories at the end of the period:		
Finished goods	(1,433.54)	(1,607.03)
Work-in-progress	(1,840.24)	(1,666.02)
Stock-in-trade	(31.87)	(17.89)
	(3,305.65)	**(3,290.94)**
Inventories at the beginning of the period:		
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**
Net (increase)/decrease	**(14.71)**	**(181.27)**

21 EMPLOYEE BENEFITS EXPENSE

₹ in million

Particulars		For the year ended 31st March, 2019	For the year ended 31st March, 2018
a)	Salary, wages and bonus	5,405.32	4,846.17
b)	Contribution to provident and other funds	300.65	278.96
c)	Staff welfare expenses	822.04	663.73
d)	Expenses towards voluntary separation scheme	-	20.47
	Expenses capitalised	(0.57)	-
	Total	**6,527.44**	**5,809.33**

22 FINANCE COSTS

₹ in million

Particulars			For the year ended 31st March, 2019	For the year ended 31st March, 2018
a)	Interest expenses on			
	i)	Fixed period term loans	63.62	114.15
	ii)	Others	107.77	58.59
b)	Other borrowing cost			
	i)	Discounting charges on commercial paper	61.91	42.55
	ii)	Bank charges	8.51	7.15
c)	Exchange difference regarded as an adjustment to borrowing cost		15.51	12.79
	Total		**257.32**	**235.23**

Notes forming part of Consolidated Financial Statements (contd.)

23 OTHER EXPENSES

₹ in million

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Stores and spares consumed	1,618.30	1,362.41
Packing material consumed	558.24	534.24
Tools and instruments consumed	222.81	183.40
Processing charges	2,578.30	2,345.26
Labour charges	1,453.95	1,234.54
Power, water and fuel	2,865.32	2,432.28
Rent	296.53	211.51
Repairs and maintenance:		
Plant and machinery	1,218.23	1,187.63
Building	68.30	52.09
General	249.44	207.92
Insurance	116.16	102.70
Rates and taxes	19.12	25.27
Travelling and conveyance	330.32	288.45
Freight	863.47	767.33
Advertisement	6.17	14.84
Donation	3.10	1.20
Payment to auditors (refer note 23.01)	7.40	6.88
Payment to auditors of subsidiaries	12.18	8.34
Directors fees and travelling expenses	32.72	35.14
Allowance for doubtful debts	11.05	(0.79)
Bad debts written off	2.11	8.05
Warranty claims	495.82	134.17
Increase/(decrease) in excise duty on finished goods	-	(26.26)
Expenditure on corporate social responsibility	68.00	56.10
Miscellaneous expenses	817.41	732.33
Total	**13,914.45**	**11,905.03**
Expenses capitalised	(119.20)	(88.28)
Total	**13,795.25**	**11,816.75**

23.01 Payment to auditors

₹ in million

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
As Auditors		
Audit fees	6.45	6.20
Expenses reimbursed	0.65	0.38
In other Capacity		
Other Services (certification fees)	0.30	0.30
Total	**7.40**	**6.88**

Notes forming part of Consolidated Financial Statements (contd.)

24 TAXES

Income tax expense

(i) Statement of Profit and Loss Section

₹ in million

	Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
(a)	Current Tax expenses [Short/(excess) provision for tax relating to prior period ₹ 8.16 million for the year ended 31st March, 2019 and ₹ (74.74) million for the year ended 31st March, 2018]	2,347.55	1,790.57
(b)	Deferred tax charge	33.19	95.24
	Total	**2,380.74**	**1,885.81**

(ii) Other Comprehensive Income (OCI) Section

₹ in million

	Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
(a)	Net gain / (loss) on remeasurement of defined benefit plans	(43.44)	(4.00)
(b)	Income tax charged to OCI on remeasurement of defined benefit plan	14.65	1.21

(iii) Reconciliation of effective tax rate

₹ in million

	Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
(a)	Accounting profit before income tax	7,330.80	5,793.38
(b)	Enacted tax rate in India	34.94%	34.61%
(c)	Computed tax expense	2,561.67	2,004.97
(d)	Reconciliation items		
	R&D expenses - revenue	(182.89)	(143.52)
	R&D expenses - capital	(54.93)	(21.95)
	Investment allowance reversal	3.81	28.06
	(Short)/excess payment of post employment benefits	(59.60)	15.00
	CSR expenditure and donation	35.55	28.65
	Gain to be set off against carried forward losses	(40.97)	(3.64)
	Expenses disallowances	179.26	308.49
	Others	43.84	55.15
	Lease written off	22.80	18.77
(e)	Net Adjustment	(53.13)	285.01
(f)	Tax expenses/ (saving) on net adjustment (e*b)	(18.56)	98.64
(g)	Difference in overseas tax rates	(155.66)	(143.06)
(h)	Current tax expenses recognised in Statement of Profit and Loss (c+f+g)	2,387.45	1,960.55
(i)	Short/(excess) provision for tax relating to prior years	8.16	(74.74)
(j)	Deferred tax asset created on long term capital losses	(14.87)	-
(k)	Net current tax expenses recognised in Statement of Profit and Loss (h+i+j)	2,380.74	1,885.81

Notes forming part of Consolidated Financial Statements (contd.)

Details of carry forward losses on which no deferred tax asset is recognised by the Company is as follows:

Capital loss in Holding Company can be carried forward for a period of 8 years from the year in which such loss arose. The capital loss will expire till Assessment Year 2021-22.

₹ in million

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
(a) Long term capital loss	219.84	219.84
(b) Short term capital loss	22.87	66.16
Total	**242.71**	**286.00**

25 DISCLOSURE OF GOODWILL

₹ in million

Particulars	As at 31st March, 2019	As at 31st March, 2018
Opening balance	1,577.23	1,354.83
Add: Impact of foreign currency translation	(57.43)	222.40
Closing Balance	**1,519.80**	**1,577.23**

26 a. Endurance Amann GmbH, Germany

The total investment of the Company in Endurance Amann GmbH, Germany (a wholly owned subsidiary of the Company) as on 31st March, 2019 amounts to Euro 30.93 million (₹ 1,930.62 million) [previous year Euro 30.93 million (₹ 1,930.62 million)].

The equity of Endurance Amann GmbH amounting to Euro 3.25 million is represented by stock. Euro 0.2 million is held by Endurance Amann GmbH as treasury shares.

b. Endurance Overseas S.r.l, Italy (EOSrl)

The total investment of the Company in EOSrl as at 31st March, 2019 amounts to Euro 25.83 million (₹ 1,706.99 million) [previous year Euro 25.83 million (₹ 1,706.99 million)].

c. Acquisition of Endurance Casting S.p.A.

Effective on January 7 2019, the Group – through its subsidiary Endurance Overseas Srl., Italy (EOSrl), acquired 100% of the voting shares of Fonpresmetal GAP S.p.A., a non-listed aluminium die casting company based in Italy. Fonpresmetal had been a supplier for highly complex aluminium die casting parts to Endurance SpA. The acquisition of Fonpresmetal has augmented casting capacity of the Group and is expected to further strengthen the backward integration initiatives. Upon acquisition, the name of Fonpresmetal has been changed to Endurance Castings S.p.A.

The said acquisition has been completed for a consideration of Euro 8.18 million (₹ 635.78 million) (including direct ancillary costs).

Notes forming part of Consolidated Financial Statements (contd.)

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of Endurance Castings S.p.A. as at the date of acquisition were:

₹ in million

	Amount
Assets	
Property, plant and equipment	829.70
Intangible assets	0.05
Financial assets	1.81
Deferred tax assets	75.05
Cash and cash equivalents	292.79
Trade receivables	501.97
Inventories	361.11
Other non-current / current assets	44.30
Total	**2,106.78**
Liabilities	
Borrowings	111.07
Provisions	318.16
Trade payables	853.04
Other financial liabilities	44.14
Other current liabilities	144.59
Total	**1,471.00**
Total identifiable net assets at fair value	**635.78**
Goodwill arising on acquisition	-
Purchase consideration transferred	**635.78**

Purchase consideration

₹ in million

	Amount
Cash and cash equivalents	635.78
Total consideration	**635.78**

Analysis of cash flows on acquisition

₹ in million

	Amount
Transaction costs of the acquisition	(635.78)
Net cash acquired with the subsidiary	**292.79**
Net cash flow on acquisition	**(342.99)**

d. With effect from 1st January, 2019, Endurance Fondalmec SpA, merged into Endurance FOA SpA, the wholly owned subsidiaries of Endurance Overseas Srl, and step down subsidiaries of the Company in Italy. Upon merger name of Endurance FOA SpA has changed to Endurance SpA. This merger is aimed at simplification of the corporate structure and deriving synergies from consolidated operations.

e. The Company has purchased 230,561 shares of face value ₹ 10 each of Watsun Infrabuild Pvt Ltd in April 2018. The investment as at 31st March, 2019 is ₹ 2.31 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, 2019	For the year ended 31st March, 2018
India	51,423.20	43,705.85
Outside India	23,681.79	21,087.03
Total	**75,104.99**	**64,792.88**

Non current Assets

₹ in million

Particulars	As at 31st March, 2019	As at 31st March, 2018
India	14,777.99	12,028.89
Outside India	11,030.05	9,689.61
Total	**25,808.04**	**21,718.50**

28 CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR)

₹ in million

Particulars	As at 31st March, 2019	As at 31st March, 2018
a) Disputed excise demands #	78.84	73.46
b) Service tax matters #	2.82	2.82
c) Sales tax matters #	47.87	5.83
d) Income tax matters #	535.43	142.42
e) Employee related disputes #	0.80	12.73
f) Environment pollution control matters**	20.85	20.85
g) Other tax matters #	-	7.10

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. MPCB submitted a revised claim based on which the Hon'ble NGT vide its order dated 30th January, 2018 instructed MPCB to refund an additional amount of ₹ 9.15 million against the deposit. Accordingly, the Company received ₹ 9.15 million on 31st March, 2018.

There are numerous interpretative issues relating to the Supreme Court judgement on provident fund dated 28th February 2019. Based on Company's evaluation of the provision on a prospective basis, the impact is not material.

Notes forming part of Consolidated Financial Statements (contd.)

29 COMMITMENTS

₹ in million

Particulars	As at 31st March, 2019	As at 31st March, 2018
a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
- Tangible assets	2,622.19	2,186.10
b) Other commitments		
- Aluminium alloy	1,174.81	1,748.82
Total	**3,797.00**	**3,934.92**

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, 2019	For the year ended 31st March, 2018
Employers contribution to provident fund/pension fund	123.84	112.13
Employers contribution to superannuation fund	14.28	12.16
Employers contribution to ESIC	6.23	11.00
Total	**144.35**	**135.29**

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, 2019		As at 31st March, 2018	
	Foreign Employees Severance Indemnity	Domestic Gratuity	Foreign Employees Severance Indemnity	Domestic Gratuity
Liability at the beginning of the year	174.94	432.82	141.66	408.77
Acquisition Adjustment	25.50	-	-	-
Interest cost	2.28	31.59	1.12	26.88
Current service cost	18.19	41.85	16.23	42.19
Benefit paid*	(12.28)	*(32.85)	(10.70)	*(49.54)
Remeasurement (gain) / loss on obligations	7.49	35.71	2.71	4.52
Exchange variation	(7.97)	-	23.92	-
Liability at the end of the year	208.15	509.12	174.94	432.82

*Include amounts directly paid by the Company.

Notes forming part of Consolidated Financial Statements (contd.)

e) Reconciliation of fair value of plan assets:

₹ in million

Particulars	As at 31st March, 2019 Domestic	As at 31st March, 2018 Domestic
Fair value of plan assets at the beginning of the year	375.63	199.44
Interest income	28.14	15.66
Contributions	10.22	198.95
Benefits paid	(34.67)	(41.65)
Return on plan assets - gain / (loss)	(0.24)	3.23
Fair value of plan assets at the end of the year	379.08	375.63
Actual return on plan assets	27.90	18.89

f) Amount to be recognised in balance sheet:

₹ in million

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Foreign	Domestic	Foreign	Domestic
	Employees Severance Indemnity	Gratuity	Employees Severance Indemnity	Gratuity
Liability at the end of the year	208.15	509.12	174.94	432.82
Fair value of plan assets at the end of the year	-	379.08	-	375.63
Amount to be recognised in the balance sheet	208.15	130.04	174.94	57.19

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, 2019		For the year ended 31st March, 2018	
	Foreign	Domestic	Foreign	Domestic
Current service cost	18.19	41.85	16.23	42.19
Interest cost	2.28	3.44	1.12	11.22
Settlement gain/loss	-	4.09	-	-
Expenses recognised in Statement of Profit and Loss	20.47	49.38	17.35	53.41

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, 2019		For the year ended 31st March, 2018	
	Foreign	Domestic	Foreign	Domestic
Experience (gain)/ loss on plan liabilities	7.49	35.74	2.71	19.18
Demographic (gain)/ loss on plan liabilities	-	(0.03)	-	-
Financial (gain)/ loss on plan liabilities	-	-	-	(14.66)
Experience (gain)/ loss on plan assets	-	2.12	-	(4.57)
Financial (gain)/ loss on plan assets	-	(1.88)	-	1.34

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, 2019		For the year ended 31st March, 2018	
	Foreign	Domestic	Foreign	Domestic
Opening amount recognised in OCI	1.89	28.56	(0.82)	27.27
Remeasurement for the year - obligation (gain)/ loss	7.49	35.71	2.71	4.52
Remeasurement for the year - plan assets (gain)/ loss	-	0.24	-	(3.23)
Total remeasurements cost / (credit) for the year recognised in OCI	7.49	35.95	2.71	1.29
Closing amount recognised in OCI	9.38	64.51	1.89	28.56

k) Principal actuarial assumptions:

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Foreign	Domestic	Foreign	Domestic
	Employees Severance Indemnity	Gratuity	Employees Severance Indemnity	Gratuity
Discount rate	0.84%	7.50%	1.14%	7.50%
Rate of return on plan assets	-	7.50%	-	7.00%
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, 2019

₹ in million

Years ending	As at 31st March, 2019
31st March, 2020	86.60
31st March, 2021	52.68
31st March, 2022	55.58
31st March, 2023	62.85
31st March, 2024	73.09
31st March, 2025 to 2029	417.61

(v) Weighted Average duration of defined benefit obligation in form of gratuity: 10.28 years

Notes forming part of Consolidated Financial Statements (contd.)

(vi) Sensitivity analysis:

Sensitivity analysis indicates the influence of a reasonable change in principal assumptions, while keeping other things constant, on the outcome of the present value of Defined Benefit Obligation. In reality, the plan is subject to multiple external experience items which may move the Defined Benefit Obligation in similar or opposite directions, while the Plan's sensitivity to such changes can vary over time.

A quantitative sensitivity analysis for significant assumption as at 31st March, 2019 is as shown below:

₹ in million

A. Effect of 1 % change in the assumed discount rate	**1% Increase**		**1% Decrease**	
	31-Mar-19	**31-Mar-18**	**31-Mar-19**	**31-Mar-18**
Defined Benefit Obligation (Domestic)	478.59	405.96	543.41	463.06

B. Effect of 1 % change in the assumed salary escalation rate	**1% Increase**		**1% Decrease**	
	31-Mar-19	**31-Mar-18**	**31-Mar-19**	**31-Mar-18**
Defined Benefit Obligation (Domestic)	538.83	459.15	482.12	408.95

C. Effect of 1 % change in the assumed withdrawal rate	**1% Increase**		**1% Decrease**	
	31-Mar-19	**31-Mar-18**	**31-Mar-19**	**31-Mar-18**
1. Defined Benefit Obligation (Domestic)	511.40	434.86	506.58	430.54
2. Defined Benefit Obligation (Foreign)	203.58	173.95	206.69	176.08

D. Effect of 0.25 % change in the assumed discount rate	**0.25% Increase**		**0.25% Decrease**	
	31-Mar-19	**31-Mar-18**	**31-Mar-19**	**31-Mar-18**
Defined Benefit Obligation (Foreign)	200.47	171.14	209.80	178.89

E. Effect of 0.25 % change in the assumed salary escalation rate	**0.25% Increase**		**0.25% Decrease**	
	31-Mar-19	**31-Mar-18**	**31-Mar-19**	**31-Mar-18**
Defined Benefit Obligation (Foreign)	208.24	177.72	202.03	172.24

31 FAIR VALUE MEASUREMENTS

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financials instruments.

₹ in million

Particulars	**Carrying amount**		**Fair value**	
	As at 31st March, 2019	**As at 31st March, 2018**	**As at 31st March, 2019**	**As at 31st March, 2018**
FINANCIAL ASSETS				
Financial assets measured at amortised cost				
(a) Security deposits	73.07	63.20	73.07	63.20
(b) Other non current investments	12.76	10.10	12.76	10.10
(c) Trade receivables	9,251.40	9,688.17	9,251.40	9,688.17
(d) Loans to employees	20.95	13.02	20.95	13.02
(e) Interest accrued on deposits	0.08	0.09	0.08	0.09
(f) Receivables for sale of property, plant and equipment	25.90	2.57	25.90	2.57

Notes forming part of Consolidated Financial Statements (contd.)

₹ in million

Particulars	Carrying amount		Fair value	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
(g) Cash on hand	0.92	1.05	0.92	1.05
(h) Cheques on hand	-	0.84	-	0.84
(i) Balance with banks in current account	5,376.34	5,023.72	5,376.34	5,023.72
(j) Balance held as margin money against borrowings	1.69	1.56	1.69	1.56
(k) Government incentives receivable	324.00	1.01	324.00	1.01
(l) Other current financial assets	6.32	8.30	6.32	8.30
Financial assets measured at fair value through Statement of Profit and Loss				
(a) Current investments	348.17	449.13	348.17	449.13
(b) Non current investments quoted	0.03	0.04	0.03	0.04
(c) Foreign currency derivative assets	0.01	3.83	0.01	3.83
FINANCIAL LIABILITIES				
Financial liabilities measured at amortised cost				
(a) Non current borrowings	3,464.01	3,803.26	3,464.01	3,803.26
(b) Current borrowings	2,120.00	1,782.68	2,120.00	1,782.68
(c) Security deposits received from dealers	33.54	25.26	33.54	25.26
(d) Retention money	13.22	5.56	13.22	5.56
(e) Current maturities of long-term debt	1,599.65	2,064.00	1,599.65	2,064.00
(f) Current maturities of long-term finance lease obligation	121.36	490.86	121.36	490.86
(g) Interest accrued but not due on borrowings	3.32	2.68	3.32	2.68
(h) Interest accrued and due on borrowings	1.72	3.24	1.72	3.24
(i) Deferred government grants	62.59	90.99	62.59	90.99
(j) Payables on purchase of property, plant and equipment	1,099.40	706.45	1,099.40	706.45
(k) Trade payables	11,734.61	11,284.23	11,734.61	11,284.23
(l) Unpaid equity dividend	0.09	0.05	0.09	0.05
Financial liabilities measured at fair value through Statement of Profit and Loss				
(a) Foreign currency derivative liabilities	32.91	11.49	32.91	11.49

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.

Notes forming part of Consolidated 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 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, 2019 and 31st March, 2018 :

₹ in million

Particulars	Level 1	Level 2	Level 3
31st March, 2019			
Investment in mutual funds	348.17	-	-
Equity	0.03	-	12.31
31st March, 2018			
Investment in mutual funds	449.13	-	-
Equity	0.04	-	10.00

During the year ended 31st March, 2019, there were no transfers between Level 1 and Level 2 fair value measurement.

32 FINANCIAL INSTRUMENTS AND RISK REVIEW

I. Capital Management

The Group's capital management objectives are:

The Board policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital employed on a quarterly basis.

The Group manages capital risk by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a quarterly basis and implements capital structure improvement plan when necessary.

Notes forming part of Consolidated Financial Statements (contd.)

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, 2019	31st March, 2018
Net Debt (A) *	1,579.68	2,666.11
Equity (B)	25,646.79	21,728.53
Debt Ratio (A / B)	0.06 : 1	0.12 : 1

* Net debt includes non current borrowings, current borrowings, current maturities of non current borrowings and finance lease obligation net off current investments and cash and cash equivalents.

II. Financial Risk Management Framework

The group is exposed primarily to market risk (fluctuations in foreign currency exchange rates and interest rate), credit risk, liquidity risk, which may adversely impact the fair value of its financial instruments. The Group assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Group.

i) Credit Risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to contractual terms. Credit risk encompasses, the risk of default, the risk of deterioration of creditworthiness of the counterparty as well as concentration of risks.

Financial instruments that are subject to exposure to credit risk consist of trade receivables, investments and other financial assets.

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. 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.

Notes forming part of Consolidated Financial Statements (contd.)

₹ in million

Particulars	Not due	Within 365 days*	More than 365 days*	Total
ECL rate	0%	0%	100%	
31st March, 2019				
Estimated total gross carrying amount	5,588.25	3,688.14	31.37	9,307.76
ECL - Simplified approach	-	(27.51)	(28.85)	(56.36)
Net carrying amount	5,588.25	3,660.63	2.52	9,251.40

₹ in million

Particulars	Not due	Within 365 days*	More than 365 days*	Total
ECL rate	0%	0%	100%	
31st March, 2018				
Estimated total gross carrying amount	7,422.88	2,274.88	26.98	9,724.74
ECL - Simplified approach	-	(14.46)	(22.11)	(36.57)
Net carrying amount	7,422.88	2,260.42	4.87	9,688.17

* Provision is made for receivables where recovery is considered doubtful irrespective of due date. Where an amount is outstanding for more than 365 days the Group usually provides for the same unless there is clear visibility of recovery.

The movement in the expected credit loss allowance is as given below:

₹ in million

Particulars	As at 31st March, 2019	As at 31st March, 2018
Balance at the beginning of the year	36.57	32.93
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	19.79	3.64
Balance at the end of the year	56.36	36.57

The Group's exposure to customers is diversified and some customers contribute more than 10% of outstanding accounts receivable which forms 57% of total receivables as of 31st March, 2019 (66% as at previous year), however there was no default on account of those customers in the past.

The Group considers the trade receivables to have low risk of defaults since the customers have strong capacity to fulfil their obligations and even if there are adverse changes in economic and business conditions, the Group is of the view that it will not adversely affect the ability of the customers to fulfil their obligations.

The Group considers write-off of receivables on case to case basis, depending upon the circumstances of each delayed receivable, and when the Group is of the view that recovery seems unlikely after reasonable efforts.

The maturity profile of various financial assets is as given below:

₹ in million

Particulars	31st March, 2019		31st March, 2018	
	Less than 1 Year	1-5 Years	Less than 1 Year	1-5 Years
Non-derivative financial assets				
Trade receivables	9,251.40	-	9,688.17	-
Total	**9,251.40**	**-**	**9,688.17**	**-**

Notes forming part of Consolidated Financial Statements (contd.)

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, 2019		31st March, 2018	
	Less than 1 Year	1-5 Years	Less than 1 Year	1-5 Years
Non-derivative financial liabilities				
Trade payables	11,734.61	-	11,284.23	-
Other financial liabilities	1,129.64	84.24	738.47	95.76
Working capital demand loans / term loans / finance lease	3,841.01	3,464.01	4,337.54	3,803.26
Total	**16,705.26**	**3,548.25**	**16,360.24**	**3,899.02**

iii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk like commodity prices risk.

1) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations which have floating rate indebtedness. The Group also maintain deposits of cash and cash equivalents with banks and other financial institutions which are subject to periodic resets.

Interest rate sensitivity

The sensitivity analysis below demonstrates the sensitivity to a reasonable possible change in interest rates on the debt obligations of the Group and on the cash and cash equivalents.

₹ in million

For the year ended	Currency	Increase / decrease in basis points	Effect on profit before tax	Financial statement item	Variable rate WCDL / CC balance / ECB
31st March, 2019	INR	+100	(56.76)	Debt obligation	5,533.57
	INR	-100	48.27	Debt obligation	5,533.57
31st March, 2018	INR	+100	(49.68)	Debt obligation	5,186.30
	INR	-100	42.13	Debt obligation	5,186.30

Notes forming part of Consolidated Financial Statements (contd.)

2) Foreign Currency exchange rate risk

Foreign currency exchange rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. At a standalone level the Company is exposed to currency risk of changes in EURO, USD, CHF, CNY, GBP, SGD and JPY. However, the risk of changes in foreign exchange rates on the statement of profit or loss and other comprehensive income is not material.

The Group evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in line with its risk management policies. The information on derivative instruments is as follows.

(a) Details of Forward Exchange Contract, Currency swaps, Currency options:

Particulars	Currency	As at 31st March, 2019		As at 31st March, 2018	
		Foreign Currency Notional Amount (in million)	Rupees (in million)	Foreign Currency Notional Amount (in million)	Rupees (in million)
Forward contract - USD-INR	USD	5.00	345.85	5.01	326.16
No. of Contracts		25		28	
Forward contract - JPY -INR	JPY	180.00	112.54	-	-
No. of Contracts		2		-	
Forward contract - EURO - INR	EURO	2.15	167.02	1.16	93.72
No. of Contracts		15		14	
Forward contract - SGD - INR	SGD	0.46	23.38	-	-
No. of Contracts		1		-	
Fixed currency swap USD-INR	USD	-	-	0.56	36.69
No. of Contracts		-		1	
Coupon only swap USD-INR	USD	-	-	0.38	24.39
No. of Contracts		-		2	
Interest rate swaps	EURO	14.25	1,107.26	17.20	1,386.70
No. of Contracts		4		4	
Interest rate CAP	EURO	1.89	146.85	5.80	467.39
No. of Contracts		4		5	

(b) Foreign currency exposures that are not hedged by derivative instruments

Particulars	Currency	As at 31st March, 2019		As at 31st March, 2018	
		Foreign Currency Notional Amount (in million)	Rupees (in million)	Foreign Currency Notional Amount (in million)	Rupees (in million)
IA. Term loans /PCFC/ECB	USD	-	-	(7.62)	(495.35)
	EURO	-	-	-	-
			-		(495.35)
IB. Interest on term loans	USD	-	-	(0.01)	(0.50)
			-		(0.50)
II. Trade receivables	USD	1.30	90.07	2.17	140.84
	EURO	1.02	79.27	0.91	73.03
			169.34		213.87

Notes forming part of Consolidated Financial Statements (contd.)

Particulars	Currency	As at 31st March, 2019 Foreign Currency Notional Amount (in million)	As at 31st March, 2019 Rupees (in million)	As at 31st March, 2018 Foreign Currency Notional Amount (in million)	As at 31st March, 2018 Rupees (in million)
III. Trade payables	USD	(0.36)	(24.75)	(0.52)	(33.71)
	CHF	(0.04)	(2.98)	(0.03)	(2.14)
	EURO	(0.54)	(41.75)	(0.49)	(39.46)
	GBP	(0.02)	(1.54)	(0.00)	(0.23)
	JPY	(4.37)	(2.73)	(4.38)	(2.69)
	CNY	(0.04)	(0.40)	(0.03)	(0.28)
			(74.15)		(78.51)
Total	USD	0.94	65.32	(5.98)	(388.72)
	EURO	0.48	37.52	0.42	33.57
	GBP	(0.02)	(1.54)	(0.00)	(0.23)
	JPY	(4.37)	(2.73)	(4.38)	(2.69)
	CHF	(0.04)	(2.98)	(0.03)	(2.14)
	CNY	(0.04)	(0.40)	(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, 2019	USD	+10%	6.53
	USD	-10%	(6.53)
	EURO	+10%	3.75
	EURO	-10%	(3.75)
	GBP	+10%	(0.15)
	GBP	-10%	0.15
	CHF	+10%	(0.30)
	CHF	-10%	0.30
	JPY	+10%	(0.27)
	JPY	-10%	0.27
	CNY	+10%	(0.04)
	CNY	-10%	0.04
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)

Notes forming part of Consolidated Financial Statements (contd.)

₹ in million

For the year ended	Currency	Change in rate	Effect on Pre-tax equity
	CHF	-10%	0.21
	CNY	+10%	(0.03)
	CNY	-10%	0.03

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

3) Commodity Price Risk

The Group is exposed to risks in fluctuation of prices of certain raw materials, which are used as key inputs in the production process, especially ferrous and non-ferrous metals. Historically, as a practice, and as per our understanding with customers, the Group has passed on an increase in the cost of metals, especially aluminium and steel to its customers and does not foresee a significant risk to its statement of profit and loss on account of fluctuations in the prices of materials.

33 EARNINGS PER SHARE (EPS)

	Particulars	Shares in Nos	
		For the year ended 31st March, 2019	For the year ended 31st March, 2018
a)	Earnings for the purpose of basic / diluted earnings per share - Net profit after tax (₹ in million)	4,950.06	3,907.57
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	35.19	27.78

34 (A) DISCLOSURE IN RESPECT OF OPERATING LEASE

Group as lessee

Assets taken on lease mainly includes buildings and transportation vehicles in India and Europe. The lease period ranges from 5 to 9 years.

Future minimum rentals payable under non-cancellable operating leases as at 31st March, 2019 are as follows:

₹ in million

Particulars	As at 31st March, 2019	As at 31st March, 2018
Within one year	82.26	75.92
After one year but not more than five years	96.93	114.65
More than five years	2.84	0.60

₹ in million

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Amount charged to the statement of profit and loss for operating lease	160.97	118.74

Notes forming part of Consolidated Financial Statements (contd.)

(B) Disclosure in respect of finance leases:

Group as lessee

Future minimum lease payments under finance lease and present value of the minimum lease payments are as follows :

(i) Total of minimum lease payments for a period:

₹ in million

Particulars	As at 31st March, 2019	As at 31st March, 2018
Within one year	129.39	510.01
After one year but not more than five years	297.18	317.73
More than five years	-	0.87

(ii) Total of present value

₹ in million

Particulars	As at 31st March, 2019	As at 31st March, 2018
Within one year	121.36	490.86
After one year but not more than five years	286.42	290.98
More than five years	-	1.57

35 PROPERTY PURCHASE CONTRACT AND LEASE AGREEMENT WITH PURCHASE OPTION DATED 17TH DECEMBER, 2003

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

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

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

Also on 17th December, 2003, Endurance Amann entered into a lease agreement with purchase option with the buyer of the property, under which it leases the property back as of 1st January, 2004. Endurance Amann has a purchase option once the fixed lease term of 16.5 years expires.

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

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

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

Under these agreements, Josef and Vroni Amann GbR leases the properties in Massenbachhausen, Benzstr 1 and 3 (sub-plot nos. 6759/1 and 6759/3) to Endurance Amann GmbH under review (total surface area: 7,587 m^2) including production halls and land improvements. The annual rent amounts to EURO 0.21 million.

The lease agreement expired on 31st December, 2012 and subsequently the same has been renewed for the period of another 6 years from 1st January, 2013 to 31st December, 2018.

During the year Endurance Amann GmbH has exercised its purchase option and the properties covered under the agreement were acquired as per the terms of the agreement.

Notes forming part of Consolidated Financial Statements (contd.)

36 Related Party disclosures as required by Ind AS - 24 are annexed. Key Management Personnel (KMP) has been identified as per Ind AS - 24.

37 GOVERNMENT INCENTIVES:

a) Industrial Promotion Subsidy (IPS):

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 letters from Directorate of Industries and accrued income of ₹ Nil (previous year ₹ 1.01 million).

Incentive under Mega Project Scheme

The Company had applied to the Directorate of Industries, Maharashtra for grant of incentive under the Package Scheme of Incentives for its investments in Fixed assets during the period from 01.04.2013 to 31.03.2018. On the fulfilment of primary conditions as required under the scheme, Directorate of Industries issued eligibility certificate for a total amount of ₹ 3673.80 million on 28th January, 2019.

This incentive is receivable on the fulfilment of certain conditions i.e. investment in Fixed assets, Sale of eligible finished goods from eligible units and payment of SGST collected from sale of Eligible finished products.

The Company has complied with the conditions and applied in March 2019 for the grant of proportionate amount of incentive for the eligible period from 1st August, 2017 to 31st March, 2018. As per the scheme, 90% of the eligible amount is receivable which the company has recognized as government incentives of ₹ 314.90 million under other operating revenue.

Incentive under PSI Scheme 2007

During previous years, the Company had received various Eligibility certificates for expansion in fixed assets at various eligible units. On fulfilling all the conditions as per the Eligibility Certificates, Directorate of Industries issued provisional sanction letters for earlier years.

As per the scheme, 85% amount of provisional sanctioned incentive was received during previous years and the balance 15% was receivable after completion of the VAT assessments of eligible units for the relevant years on submission of certificate by assessing officer.

During the current year, the assessing officer has issued certificate for balance 15% for certain eligible units.

On the basis of the certificates, the Company has recognised ₹ 8.79 million as government incentives under other operating revenue.

b) EPCG benefit:

During the year the Company has imported plant and equipment under EPCG scheme thereby saving total customs duty payment of ₹ 19.11 million (previous year ₹ 100.35 million). The export obligation under the scheme against this saving comes to ₹ 114.67 million (previous year ₹ 602.10 million). Balance export obligation yet to be fulfilled as on 31st March, 2019 is ₹ 92.34 million (Previous year ₹ 371.69 million).

In accordance with Ind AS 20, the duty saved is capitalised and ₹ 65.67 million (previous year ₹ 48.51 million) is recognised as incentive received, included in other operating revenue, on account of proportionate fulfilment of the export obligation.

c) Deferred government grants :

In case of EOSrl, in the year ended 31st March, 2016 Italian government accorded grant of EUR 0.91 million (₹ 66.07 million) in connection with capital expenditures incurred during the period June, 2014 to March, 2015. This grant will be receivable in the form of tax credits in 3 yearly instalments 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 (₹ 13.49

Notes forming part of Consolidated Financial Statements (contd.)

million) against above referred grant. Further, grant of EUR 0.71 million (₹ 57.13 million) is recognised in the form of tax credits on incremental R&D expenditure and EUR 0.14 million (₹ 11.20 million) is recognised for solar power utilization and surplus energy produced.

38 The figures for the previous year ended 31st March, 2018 as presented in these financial statements have been regrouped for more appropriate presentation as per the table below :

₹ in million

Particulars		Reference	As per previous year financials	Change	As per current year comparative financials
Assets:					
(i)	Capital work-in-progress	(a)	639.75	(95.81)	543.94
(ii)	Other non-current assets		2,521.31	95.81	2,617.12
			3,161.06	0.00	3,161.06

(a) Capital advance paid to supplier of capital goods included in Capital work-in-progress has been regrouped to capital advance.

39 On 14th May, 2019, the Board of Directors of the Company proposed dividend of ₹ 5.50 per share of face value ₹ 10 each in respect of the year ended 31st March, 2019. The dividend payout is subject to approval of the shareholders at the Annual General Meeting.

During the year final dividend for the year ended 31st March, 2018 was paid at ₹ 4 per equity share of face value ₹ 10 each.

40 DISCLOSURE OF ADDITIONAL INFORMATION AS REQUIRED BY SCHEDULE III :

a) As at and for the year ended 31st March, 2019 :

₹ in million

Name of the entity	Net assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated other Comprehensive income	Amount	As a % of consolidated total Comprehensive income	Amount
Holding company								
Endurance Technologies Limited	81.10%	20,799.50	72.29%	3,578.61	6.62%	(23.39)	77.35%	3,555.22
Foreign subsidiaries								
Endurance Amann GmbH	11.16%	2,863.04	6.31%	312.55	9.49%	(33.54)	6.07%	279.01
Endurance Overseas Srl	22.40%	5,745.83	21.24%	1,051.54	30.71%	(108.56)	20.51%	942.98
Eliminations	-14.66%	(3,761.58)	0.16%	7.36	53.18%	(188.01)	-3.93%	(180.65)
Total	**100.00%**	**25,646.79**	**100.00%**	**4,950.06**	**100.00%**	**(353.50)**	**100.00%**	**4,596.56**

Notes forming part of Consolidated Financial Statements (contd.)

b) 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 other Comprehensive income	Amount	As a % of consolidated total Comprehensive income	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**

41 a) i) In the previous year ended 31st March, 2018, as a part of consolidation of operations in Pune region, the operations at Company's plant located at Takve, Taluka Vadgaon Maval, Dist. Pune were discontinued effective from 1st January, 2018 and the manufacturing activities were consolidated with other plants in Pune region. During the previous year ended 31st March, 2018, the Company incurred ₹ 268.78 million towards Voluntary Separation Scheme for eligible workmen, which was disclosed as an exceptional item in the statement of profit and loss.

ii) As a consequence of the consolidation of operations, the management has decided to dispose off the unutilised plot of free hold land at Takve (Gut no 414). The management is in the process of identifying prospective customers and it expects to dispose off the land in 12 months from the balance sheet date. Accordingly, the said land having a value of ₹ 33.37 million have been disclosed as "asset held for sale".

b) In the current year, the Company closed the operations of its Manesar plant with effect from 26th December, 2018 and settled the full and final liabilities of the 154 members of the union workmen and other 10 employees in the plant. The Company paid ₹ 38.40 million as closure compensation to the 164 workmen. The Company also agreed with the union to pay an additional ₹ 169.60 million pursuant to an order passed by the Honourable Punjab and Haryana High Court on 11th January, 2019. The amount was duly paid on 2nd April, 2019 and the total amount of ₹ 208 million is disclosed as an exceptional item in the the statement of profit and loss in the current year.

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: 14th May, 2019
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: 14th May, 2019
Place: Mumbai

Related Party Disclosure

(For the year ended 31st March, 2019)

(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 Mrs. Falguni Nayar, Independent Director Mr. Massimo Venuti, Non-executive Director
2	Relatives of Key Management Personnel with whom transactions have taken place	Mrs. Suman Jain - Wife of Mr. Naresh Chandra Mrs. Varsha Jain - Wife of Mr. Anurang Jain Ms. Rhea Jain - Daughter of Mr. Anurang Jain
3	Enterprises Owned or controlled by Key Management personnel and/or their Relatives	Varroc Engineering Limited (Formerly known as Varroc Engineering Pvt. Ltd.)

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	-	-	109.52	109.52
	-	-	(91.56)	(91.56)
Remuneration - short term employee benefits	213.11	9.46	-	222.57
	(201.98)	(8.00)	-	(209.98)
Post employment and other long term benefits*	220.54	-	-	220.54
	(196.51)	-	-	(196.51)
Directors' sitting fees	2.35	-	-	2.35
	(2.12)	-	-	(2.12)
Directors' commission	10.75	-	-	10.75
	(10.75)	-	-	(10.75)
Professional fees	3.19	-	-	3.19
	(2.11)	-	-	(2.11)
Lease rent expense	9.37	-	-	9.37
	(8.60)	-	-	(8.60)
Reimbursement of travelling and other expenses	0.59	-	-	0.59
	(0.59)	-	-	(0.59)

Related Party Disclosure (contd.)

₹ in million

Nature of Transactions	Key Management Personnel	Relatives of Key Management personnel	Enterprises Owned or controlled by Key Management Personnel or their relatives	Total
Dividend paid	^396.64	#67.56	-	464.20
	(247.90)	(42.23)	-	(290.13)
Expenses recovered	2.13	-	0.01	2.14
	-	-	-	-
Other income	-	-	0.02	0.02
	-	-	(0.02)	(0.02)
Balances Outstanding as at the end of the year				
i) Payables	12.69	0.09	12.06	24.84
	(12.22)	-	(8.02)	(20.24)
ii) Travel advance	-	-	-	-
	(0.25)	-	-	(0.25)
iii) Security deposit receivable	2.21	-	-	2.21
	(2.30)	-	-	(2.30)

* 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, 2019 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 ₹ 113.20 million (₹ 70.75 million) dividend received by Mr. Anurang Jain in his capacity as family trustee of Anurang Rohan Trust.

^ Includes ₹ 67.64 million (₹ 42.28 million) dividend received by Mr. Naresh Chandra in his capacity as family trustee of Anurang Rhea Trust.

Includes ₹ 67.56 million (₹ 42.23 million) dividend received by Mrs. Suman Jain in her capacity as family trustee of NC Trust.

c) Disclosure in respect of material transactions with related parties (Previous year figures are in brackets)

₹ in million

Particulars	Varroc Engineering Limited	Total
Purchase of raw material and components	109.52	109.52
	(91.56)	(91.56)
Other Income	0.02	0.02
	(0.02)	(0.02)
Expenses Recovered	0.01	0.01
	-	-
Balances Outstanding as at the end of the year		
Payables	12.06	12.06
	(8.02)	(8.02)

Outstanding balances as at the year end are unsecured and settlement occurs in cash and cash equivalents. There are no guarantees provided or received for any related party receivables/payables.

FORM AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Amount in ₹ million except % of shareholding)

Sl. no.	Name of the subsidiary	Financial period ended	Reporting currency and Exchange rate	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of share holding
1.	Endurance Overseas SrL, Italy	31st March, 2019	1 EURO: INR 77.7024 (for balance sheet items); 1 EURO: INR 80.9423 (for P&L items);	1,251.42	1,310.09	6,502.55	3,941.04	3,437.29	824.80	477.88	100.67	377.21	-	100 (#)
2.	Endurance SpA, Italy*	31st March, 2019	1 EURO: INR 77.7024 (for balance sheet items); 1 EURO: INR 80.9423 (for P&L items);	388.51	3,864.80	12,864.93	8,611.62	0.02	15,839.32	1,278.56	313.27	965.29	-	100.00
3.	Endurance Castings SpA, Italy*	31st March, 2019	1 EURO: INR 77.7024 (for balance sheet items); 1 EURO: INR 80.9423 (for P&L items);	69.93	593.26	1,692.74	1,029.55	0.35	639.36	31.18	7.45	23.73	-	100.00
4.	Endurance Engineering SrL, Italy*	31st March, 2019	1 EURO: INR 77.7024 (for balance sheet items); 1 EURO: INR 80.9423 (for P&L items);	7.77	335.03	779.18	436.38	0.04	1,396.00	146.46	51.71	94.76	-	100.00
5.	Endurance Amann GmbH, Germany	31st March, 2019	1 EURO: INR 77.7024 (for balance sheet items); 1 EURO: INR 80.9423 (for P&L items);	236.99	2,611.14	4,564.15	1,716.02	358.67	4,500.49	444.62	124.90	319.72	-	100.00

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

* Wholly Owned Subsidiary of Endurance Overseas Srl

Note : The figures stated above are as per local GAAP of the country of respective subsidiary and have been converted in INR as per exchange rate mentioned in the table above.

Part "B": Associates and Joint Ventures: NIL

Name of Associates/Joint Ventures

1. Latest audited Balance Sheet Date
2. Shares of Associate/Joint Ventures held by the Company on the year end
   a) Number
   b) Amount of Investment in Associates/Joint Venture
   c) Extend of Holding %
3. Description of how there is significant influence
4. Reason why the Associate/Joint Venture is not consolidated
5. Net worth attributable to Shareholding as per latest audited Balance Sheet
6. Profit/Loss for the year
   a) Considered in Consolidation
   b) Not Considered in Consolidation

For and on behalf of the Board of Directors

Naresh Chandra
Chairman
(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: 14th May, 2019
Place: Mumbai

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