



Annual Report 2016-17 ENDURANCE TECHNOLOGIES LIMITED



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ENDURANCE TECHNOLOGIES LIMITED

### Corporate Information

#### **Board of Directors**

Naresh Chandra Chairman Anurang Jain Managing Director

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

#### Audit Committee

Partho Datta Soumendra Basu Anjali Seth

#### Nomination And Remuneration Committee

Soumendra Basu Partho Datta Anjali Seth

#### Corporate Social Responsibility Committee

Anurang Jain Soumendra Basu Ramesh Gehaney

#### Stakeholders' Relationship Committee

Anjali Seth Anurang Jain Satrajit Ray

#### **Subsidiary Companies**

Endurance Overseas Srl, Italy Endurance Fondalmec SpA, Italy Endurance FOA SpA, Italy Endurance Engineering Srl, Italy Endurance Amann GmbH, Germany

#### **Management Team**

Ramesh Gehaney Director and Chief Operating Officer

**Satrajit Ray** Director and Group Chief Financial Officer

Makarand Deshpande Chief People Officer

**Ravindra Kharul** Chief Technology Officer

**Sunil Kolhe** Chief Sourcing Officer

**Biswajit Choudhury** President - Aftermarket and Exports

#### **Company Secretary**

Sunil Lalai Company Secretary and Vice President - Legal

#### **Auditors**

**Deloitte Haskins & Sells 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. No: +91 22 49186270 Fax: +91 22 49186060 E-mail id: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in

#### **Registered Office**

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Plot no. K-228, MIDC Industrial Area, Waluj, Aurangabad - 431 136 CIN: L34102MH1999PLC123296 Email: corporate@endurance.co.in 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, B-22 and A-12, MIDC Industrial Area, Chakan, Village Nighoje, Taluka Khed, Dist. Pune - 410 501

Gat no. 416, Village Takve, Budruk, Taluka Vadgaon Maval, Pune - 412 106

Manesar (Haryana) Plot no. 400, Sector 8, IMT, Manesar, Dist. Gurugram - 122-050

#### Pantnagar (Uttarakhand)

Plot nos. 3 and 7, Sector 10, I.I.E. Pantnagar, Dist. U.S Nagar - 263 153

#### Chennai (Tamil Nadu)

Plot no. F-82, SIPCOT Industrial Park, Irungattaukottai, Pennaur Post, Sriperumbudur Taluk, Kanchipuram Dist. Chennai - 602 105

#### Sanand (Gujarat)

Plot nos. E4 and E21, GIDC, Phase 2, Industrial Estate, Sanand, Ahmedabad - 382 110

### Group Structure

#### ENDURANCE TECHNOLOGIES LIMITED

Aluminium Die Casting & Machining | Suspension | Transmission | Braking Systems



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#### ENDURANCE TECHNOLOGIES LIMITED

### FUTURE READY

Endurance Technologies is one of the leading automotive component manufacturers in India, with a truly diversified revenue base, both in terms of product lines and customer diversity. We're also part of an elite group within the industry that has consistently been delivering attractive returns on capital employed (ROCE). Our stable and longterm relationships with leading original equipment manufacturers (OEMs) have helped us garner an appreciable market share in the Indian two and three wheeler segments. We also have a growing business in Europe that is successfully catering to the high-value, more complex four-wheeler segment.

Furthermore, our uncompromising priority for having a prolific research and development programme ensures that we are in-sync with advanced technologies and deliver state-of-the-art products. Always at the cutting edge, aided by our strong R&D approach, we remain a preferred and dependable partner to our OEMs globally. We are regarded by our customers as a close partner in developing high performance products with shorter development lead time, keeping in mind the evolving regulatory requirements. Our ability to provide end-to-end solutions from a continuously widening portfolio of innovative proprietary products, enables us to keep growing our wallet share with our OEM customers.

The steady increase in purchasing power and availability of low cost financing options have helped in driving the demand for two wheelers. Also an unabated appetite for scooters from students and women in general, bode well for the future demand for our products. Piloted by a strong management with unyielding financial discipline, we are working vigorously to continuously enhance our operational efficiencies and protect our bottom line as we scale our top line.

We believe the **FUTURE** is bright. We know we are **READY** for it.





### • At a Glance

Endurance Technologies is a multidisciplinary solution provider of advanced automotive components, including proprietary products, to leading OEMs across India and Europe.

Endurance Technologies Limited is one of India's **leading automotive component manufacturing company** for its product portfolio.

The Company began manufacturing aluminium castings in Aurangabad, Maharashtra, India in 1985 under the aegis of Anurang Engineering Company Pvt. Ltd. (AECPL) – the first company in the Endurance Group. In 2006, AECPL merged with Endurance Technologies. Over the years, the corporate structure of the Group has undergone changes. At present, it has only one company in India that is Endurance Technologies Limited.

Over time, Endurance has grown organically in India, by deftly diversifying into two and three wheeler suspension, transmission and braking systems products, collectively called the 'Proprietary Business', and aftermarket. At the same time, the Company has successfully grown inorganically through various strategic acquisitions in Europe. Endurance, under its umbrella, has four subsidiaries in Italy - Endurance Overseas Srl, Endurance Fondalmec SpA, Endurance FOA SpA and Endurance Engineering Srl, and a subsidiary in Germany, Endurance Amann GmbH.

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#### Manufacturing Units \_\_\_\_

Starting with one plant having two aluminium casting machines in FY1986, the Endurance Group has grown to operate 18 plants in India, and 8 plants in Europe. These plants are strategically located in close proximity to their respective OEM customers in the auto hubs of India and Europe. Operating under strict standards, 15 of its plants in India are ISO/TS 16949:2009 certified. According to the Aluminium Casters' Association of India, Endurance Technologies is the largest aluminium die casting manufacturer in India.

#### Product Range \_\_\_\_\_

Endurance is a complete solutions provider of diverse products to a large number of OEMs. The Company provides end-to-end services by engaging with its customers from conception to end-user delivery. Its development process includes: design, development, validation, testing, manufacturing and delivery. Endurance uses this process to develop a wide range of value added auto component products, leading to a more satisfied and diversified customer base. It is an innovation oriented company, with strong focus on research and development. This allows the Company to develop the latest products suited to evolving requirements of its customers.





### At a Glance (contd.)

The **Company's portfolio** of products and services **in India** includes:



Raw and machined aluminium castings such as high pressure die castings, low pressure die castings, gravity die castings and aluminium alloy wheels for motorcycles.



**Suspension products** such as shock absorbers for scooters, motorcycles, and three-wheelers; front forks for motorcycles and scooters; and hydraulic dampers for quadricycles. The technology offerings also include upside down front forks exclusively for premium motorcycles.



**Transmission products** such as clutch assemblies, cork and paper based friction plates for motorcycles and three wheelers, and Continuous Variable Transmission (CVT) assemblies for scooters.



**Braking systems** such as hydraulic disc brake assemblies, including calipers, master cylinders, rotary disc brakes for motorcycles and scooters, hydraulic drum brake assemblies, and tandem master cylinders for three wheelers.



Aftermarket services to cater to the replacement market for proprietary products.

**In Europe,** Endurance predominantly caters to fourwheeler OEMs, focusing on engine, transmission and suspension/ body components. The products include raw and machined aluminium castings (high pressure die casting), steel, cast iron products, and engineering plastic parts.



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### • The Big Print

Given the strong credentials across its four key product segments, Endurance Technologies is a valued one-stop shop for OEMs. Today, the Company is a leading two wheeler auto component manufacturer in India, enjoying efficiency benefits that come from large economies of scale.



Note: Figures for FY2012-13 are as per erstwhile IGAAP and all the above mentioned figures are based on Consolidated Financial Statements.

### • OUR PRODUCT PORTFOLIO



ALUMINIUM DIE CASTING



08

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# **SUSPENSION**

**BRAKING SYSTEMS** 





### Key Milestones



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Endurance entered into Endurance becomes a a License and Technical FY2016 listed Company effective Assistance agreement 19th October, 2016 after with a leading global a stellar performance of suspension and Entered into a Technical its Initial Public offer which brakes company for Collaboration Agreement with a was oversubscribed by manufacture of Anti-European technology provider for manufacture of Combined lock Braking Systems more than 43 times for application in two Endurance Amann GmbH, FY2018 Braking System (CBS) for and three wheelers Company's wholly owned motorcycles subsidiary in Germany, Suspension and Casting plant set commenced operations at its new machining plant in up in Sanand, Gujarat FY2017 January, 2017 FY2015 FY2014 Endurance Overseas increased its stake from 15% to 100% in Endurance FOA Incorporation of Endurance Entered into a License agreement with WP Performance Systems Engineering Srl in Italy by GmbH, Austria for manufacture of suspension components Endurance Overseas to foray into engineering plastic components and subsequent acquisition of Actis Investment assets and liabilities of Grana Srl, FY2012 purchases stake of Italy by Endurance Engineering Standard Chartered Scheme of amalgamation Private Equity between HTTS and the Company Technical Assistance Technical know-how became effective FY2009 Agreement with WP Agreement with WP Suspension Austria Suspension Austria Entered into a Technical GmbH, Austria Assistance and Services GmbH, Austria (now known as WP Agreement with Adler SpA, Italy (now known as WP Performance Systems for development and manufacture Performance Systems GmbH) for inverted of transmission products viz. clutch GmbH) for gas front forks and mono supported front forks assemblies for two and three shock absorbers wheelers, Continuous Variable Transmission (CVTs) for scooters Acquisition of 15% stake in Endurance Scheme of FOA in Italy through Endurance Overseas arrangement between ESIPL Entered into a License and Technical and the Company Assistance Agreement with a leading became effective global suspension and brakes company for use of technical information for Acquired the production of four wheel braking systems remaining 49% and parts shareholding of Endurance Technical Know-how Agreement with WP Fondalmec Performance Systems GmbH for shock through Endurance FY2010 FY2013 absorbers with adjustable damping and Overseas hydraulic pre-load adjustment



### Our Report Card\*

FY2017       • 56,220         FY2016       • 52,633         FY2015       • 49,557         FY2014       • 42,450         FY2013       • 38,536	Total Income (₹ Million) 5 Year CAGR : 9.9%
FY2017 <ul> <li>7,874</li> <li>FY2016</li> <li>7,125</li> <li>FY2015</li> <li>6,368</li> </ul> FY2014 <ul> <li>5,648</li> <li>FY2013</li> <li>5,132</li> </ul>	EBIDTA (₹ Million) 5 Year CAGR : 11.3%
FY2017 <ul> <li>14.0</li> <li>FY2016</li> <li>13.5</li> <li>FY2015</li> <li>12.9</li> <li>FY2014</li> <li>13.3</li> <li>FY2013</li> <li>13.3</li> </ul>	EBIDTA Margin (%)
FY2017          • 3,303         FY2016          • 3,005         FY2015          • 2,532         FY2014          • 2,069         FY2013          • 1,707	<b>Profit After Tax</b> (₹ Million) 5 Year CAGR : 17.9%

The Company recorded consolidated total income growth of 6.8% to ₹ 56,220 million in FY2016-17. This, coupled with cost optimisation measures, facilitated a 10.5% growth in EBITDA to ₹ 7,874 million in FY2016-17.



\*Figures from FY2012-13 to FY2014-15 are as per erstwhile IGAAP, and for FY2015-16 and FY2016-17 are as per IND AS. These figures are based on Consolidated Financial Statements.



### Message from the Managing Director

Endurance has been able to deliver consistent growth in revenues and profitability by implementing well thought out and rewarding business strategies.



Anurang Jain - Managing Director

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# 10.5%

Growth in EBITDA in FY2016-17

#### Dear Shareholders,

I am happy to present the first Annual Report after Endurance's successful IPO in October 2016. I record my sincere thanks and appreciation to all those who applied for our IPO and have stood by their investments.

At Endurance, we have had a successful operational year in FY2016-17, despite the negative growth impact of demonetisation. Endurance has been able to deliver consistent growth in revenues and profitability by implementing well thought out and rewarding business strategies. Our emphasis on technology innovation, along with our robust development capability, has resulted in increasing business for each of our four product segments.

#### **Performance Review**

FY2016-17 has been a mixed bag for the two-wheeler industry. The growth pattern differed sharply between the first and the second half of the year. Two-wheeler sales grew at 13.2% in the first half, but muted in the second half to 2.75%. As a result, the two-wheeler sales grew by 5.2% in FY2016-17, out of which scooters grew by 11.5% and motor cycles grew by 1.6%.

Two-wheeler sales in India were adversely affected due to demonetisation, which impacted the Company's performance as well. The Company recorded consolidated total income growth of 6.8% from ₹ 52,633 million in FY2015-16 to ₹ 56,220 million in FY2016-17. This, coupled with cost optimisation measures, facilitated a 10.5% growth in EBITDA from ₹ 7,125 million in FY2015-16 to ₹ 7,874 million in FY2016-17. The Company's operational strategy to rationalise manpower by low cost automation, outsource non-critical operations, increase original equipment efficiency, optimise costs, and use R&D to reduce component costs, helped it run more efficiently. The Company registered a 9.9% growth in net profit from ₹ 3,005 million in FY2015-16 to ₹ 3,303 million in FY2016-17. Endurance pursued its vision of growing as a complete solutions provider of automotive components, with a focus on enhancing product content per vehicle.

Amidst the prevailing challenges in the industry, this performance was the result of a number of concurrent initiatives taken by the Company over the past years, including the use of advanced technology in products and processes, the manufacture of high value quality products, and leveraging outstanding operational capabilities. Endurance relentlessly pursued its vision of growing as a complete solution provider of automotive components, with a focus on enhancing product content per vehicle. During the year under report, we strengthened this conviction with the help of innovations led strategic product introductions. These introductions helped improve performance, reliability and quality of our products used in two and three-wheelers in India.

During the year, Endurance also entered into a License and Technical Assistance Agreement with a leading global brake and suspension company for manufacturing Antilock Braking Systems (ABS). This association will help the Company strengthen its foothold in the domestic two-wheeler segment, which has undergone regulatory amendments that makes ABS compulsory for all twowheelers above 125cc from FY2019-20.

Additionally, we acquired 29 acre of land in Aurangabad, Maharashtra, to develop a proving ground (test track), which will be ready by early 2018. This will help strengthen our target of giving 'first-time right' products to our twowheeler OEMs .

### Message from the Managing Director (contd.)

I am pleased to report that the Company's growth was not limited to India, but was also witnessed by our international operations. Over the years, the Company has focused on enhancing its export presence, with the objective to widen its customer outreach, enhance quality and service standards, enrich its product mix, widen its technology bandwidth, de-risk revenue streams, and accelerate revenue growth. Company's exports revenue increased by 16.2% to ₹ 1,690.80 million in FY2016-17.

Furthermore, the Company's European business witnessed an improvement in capital efficiency through the diversification of its product technology, and material solutions, increasing its machining automation for highvolume products, and the introduction of higher-tonnage machines. The Company's new machining plant in Massenbachhausen, Germany, commenced operations during the year, and will machine die casting parts for leading four wheeler auto manufacturers. As a result of this initiative to profitably grow its European business, the Company has experienced both growing revenues and increased profit margins in Europe.

The Company has steadily increased its foothold in the aftermarket segment, driven by an increasing distribution network and product availability. Owing to the acceptance of its products and the entry into newer geographies, aftermarket segment witnessed an increase in sales volumes, growing by 14.9% to ₹ 2,122 million during the year.

#### **Overcoming challenges**

At Endurance, we believe that uncertainty is a 'new normal' in the industry, and have braced ourselves through focusing on augmenting our operational efficiencies. The Company is in the process of consolidating its operations, including outsourcing of certain non-critical operations, allowing the Company to address sectoral movements. Furthermore, we trust our ability to supply world-class products that are increasingly in-sync with our customers' requirements. Our investment in technology has gradually helped us widen our product range to high value proprietary products. We believe this diversity of revenue streams from various product lines and geographies, and robust cost efficiency, will create a strong base for future growth in our stakeholders' returns. We believe that uncertainty is a 'new normal' in our industry, and we have braced ourselves by focusing on augmenting our operational efficiencies.

#### **Acknowledgement**

The brand Endurance, in India and overseas, is synonymous with 'Complete Solutions'. By engaging with customers from the conception of products to end-user delivery, we focus on augmenting overall customer satisfaction.

Going forward, the Company expects to continuously enhance its strength and capabilities, improve cost management, strengthen process optimisation, enhance product quality, and reinforce operational efficiencies. The Company is pursuing global businesses, which should diversify its portfolio further.

These initiatives are expected to help Endurance consolidate its leadership and enhance value for its vast and diverse stakeholder family.

Finally I would like to thank our employees, whose hard work at every level of the business has allowed us to achieve another set of sustained annual results amidst a challenging macro scenario. I would also like to thank our stakeholders for their support, and assure them that we will remain focused on improving our profitability and cash flows.

Sincerely,

Anurang Jain

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### LEADING TWO-WHEELER AUTO COMPONENT MANUFACTURER

Endurance is one of the leading two-wheeler automotive component manufacturers in India for its selected product segments.

ENDURANCE TECHNOLOGIES IS WELL POSITIONED TO BENEFIT FROM THE RECOVERY IN DEMAND OF TWO-WHEELERS

The demand for two-wheelers in India is expected to recover steadily as the shock of demonetisation in November 2016 gradually wanes. The increase in household income, and rising participation of women in the workforce, are expected to drive sales, especially as growth in the market for scooters continues to outpace that of motorcycles.

#### .... OWING TO ITS STRONG FOCUS ON WIDENING ITS PRODUCT PORTFOLIO

The Company's business from India has grown at a CAGR of 9.9% over the last five years, despite a slowdown in the two-wheeler industry, on the back of new customers and a steady increase in its content share per vehicle.

The Company has diversified into new categories such as suspension, transmission and braking systems, aided by its technology partnerships and strong customer relationships. The Aftermarket sales services, established in 2001, also provides significant opportunities to create brand equity amongst end-users and enhance growth. While the business has significant revenue contributions from the aluminium castings segment, over the years Endurance has focused on ramping up its revenue contribution from the higher margin products.

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#### ENDURANCE TECHNOLOGIES LIMITED

#### .... ITS ROBUST R&D AND TECHNOLOGICAL CAPABILITY THAT SUPPORT PRODUCT GROWTH

Furthermore with its strong R&D capabilities and technological tie-ups, Endurance has been focusing on contemporary technologies. The Company has acquired and developed strong R&D capabilities, including product design, reverse engineering, product simulation, prototyping and testing.

The Company's technology tie-ups have not only ensured its entry and sustenance in its product segments, but have also enabled the Company to remain technologically competitive in the market. Driven by technical capabilities, the Company's content per vehicle is expected to increase with new safety regulations products, such as Anti-lock Braking Systems (ABS) and Combined Braking System (CBS); product premiumisation; use of CVTs and more front forks in the high growth scooter segment; and cross-selling potential among existing customers.

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#### .... AND GROWING DIVERSE REVENUE STREAMS

Endurance is a strong auto components supplier with significantly diversified revenue streams. It is a multi-solution provider of a varied product portfolio to several OEMs, which provides it with a revenue profile that is spread across products.

The Company is focused on diversifying and expanding its customer base in order to mitigate client concentration risk. It now caters to more than 20 OEMs in India. Further, with the commencement of exports to South-East Asia at the behest of one of the top-3 domestic customers it would help diversify revenues.

THE RESULT IS THAT ENDURANCE TECHNOLOGIES HAS EMERGED AS A DOMINANT PLAYER IN TWO AND THREE WHEELER AUTO COMPONENTS SEGMENT IN INDIA.

Within two-wheelers and three wheelers vehicle segments, aluminium castings, alloy wheels, brake assembly, transmission components, and suspension account for about 45-47% of the total auto-component demand. Endurance is a supplier to major two and three wheeler manufacturers in India and partners with them for aluminium die castings and proprietary products – suspension, transmission and braking systems.

It is one of the leading two-wheeler automotive component manufacturers in India for its selected product mix. It is also the largest aluminium die-casting company in India in terms of actual output and installed capacity.



### OPERATIONAL EXCELLENCE FOR SUSTAINABLE RETURNS

Operating efficiency, outsourcing of noncritical components, and emphasis on cost rationalisation has successfully translated into improved profitability for Endurance. Future readiness at Endurance is derived from all these efforts. As a result, Endurance has been able to deliver superior return on capital employed on a sustainable basis.

Offering quality products at competitive prices is a key aspect of sustaining and enriching relationships with customers. To that end, Endurance has adopted a number of initiatives designed to improve its operational efficiencies. Endurance undertook Total Productive Maintenance (TPM) initiative across all its manufacturing locations to improve its operational efficiency and the reliability of its manufacturing processes. This facilitates being in-line with customer expectations on quality, cost and delivery, and also reduces customer complaints and warranty claims.

Furthermore, Endurance adopted a clear strategy to only operate plants that are economically viable. In line with this view, and to achieve profitable growth, the Company focused on consolidating its operations to garner better efficiencies by reducing the total number of plants. Endurance has consolidated its three tool rooms into two tool rooms during the year and has also embarked upon consolidation of its Pune plants where four plants are being integrated into three plants. This consolidation shall result into higher scale of output from the existing operating units, while spreading the fixed costs over higher volumes. This ultimately shall steer optimising the production costs, allowing the Company to increase competitiveness.

With a focus on profitable growth, the Company also undertook an operational strategy to enhance its cost competitiveness. It has an established vendor forum - Endurance Vendors' Association, a platform that helps reduce interface losses and accelerate cost reduction through mutual initiatives like value engineering of components and processes.

The Company remained focused on rationalising manpower by low cost automation, outsourcing of non-critical processes and installing high productivity machines. Further, outsourcing of non-critical processes and in-sourcing of critical operations help the Company to garner its efforts on delivering the best quality products within its core areas by optimising on its investments.



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ENDURANCE CONTINUALLY WORKS ON VALUE ENGINEERING SOLUTIONS FOR ITS CUSTOMERS. IT ENDEAVOURS TO GET FIRST TIME RIGHT SOLUTION FOR ITS CUSTOMERS - BOTH IN PRODUCTS AND PROCESSES.

Petal Pasting (Paper Friction Plate)



### EXCELLENCE IN DELIVERING QUALITY GROWTH

Endurance strives towards quality growth by delivering value added innovative products, and enhancing its marquee customer base. With a wide product range, the Company has, over the years, succeeded in garnering an increasing share of its customers' wallets. This future ready approach ensures sustained business growth, while stronger revenues and profitability along with sound working capital management lead to robust cash flows.

Endurance has grown its share of proprietary business, and successfully created a brand for itself in the aftermarket segment. Aftermarket business is a significant opportunity, and Endurance is capitalising on it by focusing on growing its distribution network and diversifying the product base. The growth from these businesses also helped in improving the capacity utilisation.

All the business strengthening initiatives resulted in Endurance's consolidated total income, EBITDA and PAT growing by 6.8%, 10.5% and 9.9% respectively during FY2016-17.

### OUR CONSOLIDATED GROWTH (5 YEAR CAGR)

9.9%

Total Income

17.9%

Profit after Tax

11.3%

EBIDTA

16.9%

Exports



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ENDURANCE HAS CONSISTENTLY GROWN BY SUCCESSFULLY EXPANDING ITS CUSTOMER BASE, FOCUS ON R&D, ABILITY TO MANAGE COSTS AND REDUCING NEW PRODUCT DEVELOPMENT TIME.

Suspension Cam Drum Testing



### EXCELLENCE IN TECHNOLOGY AND INNOVATION

The automobile industry has undergone a vast technological transformation. At Endurance, we have strived to constantly develop innovative products in order to meet the demands of a constantly evolving market. The Company is future ready through its expansive product diversification, made possible from its strategic investments in R&D and continuous technological up-gradations.

During the year under review, the total expenditure of the Company towards R&D stood at ₹ 404.18 million. The spent may look understated given that die-casting business (47.32% of total sales) does not really see an equivalent amount of research focus. Endurance's research focus has been on the newer, higher margin segments. The Company has been granted five patents in its name; three for clutch assemblies and two for suspension. Moreover it has 48 patent applications pending, in all its four product divisions.

The Company has an Advanced Engineering Group in India to support its R&D activities, which comprises computer-aided engineering activities, roadload data acquisition activities, testing facilities, an elastomers team, and an intellectual property team, among others. In addition to its four Department of Scientific and Industrial Research (DSIR) approved R&D centres in India, Endurance also has strong engineering departments at its overseas operations in Germany and Italy, which include computer aided design systems and casting simulation software, feasibility analyses and design optimisation for casting processes, and in-house design and construction of machining and assembly processes. Additionally, the Company recently acquired 29 acre of land in Aurangabad, Maharashtra, to develop an automotive proving ground (test track), which is expected to be operational by early 2018. This test track will help the Company evaluate its products on-ground, and on the actual vehicle, ultimately reducing the product development and tuning time for the OEMs. Test track will also help enhance durability and performance of auto components by testing on different gradients.

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### EXCELLENCE IN TECHNOLOGY AND INNOVATION (CONTD.)

#### DEMONSTRATING EXCELLENCE

The Company has technology tie-ups with a number of manufacturers to develop new products and enhance its technological capabilities. This focus has helped Endurance to diversify its product offerings and develop a number of products.

- Endurance was the first to launch oil and gas filled twin tube shock absorbers (patented technology). It is still the single source supplier of such shock absorbers to leading Indian OEMs.
- The Company has moved up the value chain by introducing mono shock absorbers, for providing better riding comfort.
- Endurance was also the first to launch upside down front forks in India, and is the sole supplier. These forks provide better riding comfort, handling and aesthetics.
- With the move towards more premium products, OEMs are switching from conventional twin hydraulic shock absorbers for a motorcycle's rear suspension, and are adopting hydraulic and gas filled mono shock absorbers. Endurance has established a sizeable presence in this market, and expects an increase in their use.
- Endurance has also been focusing on new technologies, such as combined braking systems (CBS) and anti-lock braking systems (ABS), both of which are required to comply with future Indian regulatory requirements. Endurance has already started commercial production of CBS through a technology tie-up; and the Company has entered into a License and Technical Assistance Agreement with a leading global brake and suspension company for joint development of ABS for two and three wheelers. These new products will further widen the market for Endurance.
- Endurance's strong R&D capabilities has also helped it emerge as the market leader in disc braking systems. There is growing acceptance of disk brakes, owing to its sharp braking and ease in maintenance over drum brakes. Endurance is expected to emerge as the largest beneficiary from the rising penetration of disc brakes.
- Endurance introduced paper based friction plates to be used in high-end motorcycles. These are preferred over the conventional cork based plates for improving clutch performance and durability. The Company has also developed CVTs for scooters, which are preferred over manual clutch assemblies.

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#### ENDURANCE TECHNOLOGIES LIMITED

Over the years, Endurance has stayed ahead of the curve through proactive investments in new capacities and technologies, strengthening its response to emerging opportunities. As a result, Endurance is able to converge volume, efficiency, and quality, which translates into enhanced customer loyalty, revenue predictability and rising profits.

### BEING ON THE RIGHT SIDE OF

Endurance's technology tie-ups have not only ensured its entry and sustenance in these product divisions, but have also enabled the Company to remain technologically competitive in the market.

**WP Performance:** It exclusively provides Endurance with the required know-how and technology, in India, for manufacturing a new series of motorcycle suspension components, for a licensing fee.

Adler SpA: It exclusively provides Endurance with technical support, in India, for developing and manufacturing transmission products related to two-wheelers and three-wheelers, for a technical service fee.

#### **European braking technology provider:** It granted exclusive rights to manufacture combined braking systems in India and a non-exclusive right to sell the combined braking systems in other countries.

**Leading Global brake and suspension company:** It will provide Endurance with technical assistance for manufacturing Anti-lock Braking Systems (ABS), in India, for two and three wheelers.



### EXCELLENCE THROUGH A STRONG VALUE SYSTEM

Endurance's intensely adopted value system means that its people are a highly committed lot. The ethos are ingrained in their very psyche, making them the Company's most important business drivers of tomorrow.

Endurance has a well-established track record for relentless growth. It is steadfast on this path owing to its focus on continuous value creation for all stakeholders. The Company has inculcated values, that guides it towards realising this purpose. These values include Customer Centricity, Integrity, Transparency, Teamwork, and Innovation. Endurance's values form the foundation on which the organisation is built. They shape the culture of the organisation and remain unaltered despite changes in leadership, people, processes, and technologies. The Company's value systems have, and will continue to, shape its actions and choices as an organisation.

**CUSTOMER CENTRICITY:** The Company puts the needs of its customer first. By doing so, Endurance is able to adapt to their changing needs, and walk the extra mile to ensure the customer is delighted at every touch point.

**INTEGRITY**: Endurance believes in doing the fair and right thing, at all times, under all circumstances, to preserve the interest, image, and dignity of the organisation. **TRANSPARENCY:** The Company ensures transparency and clarity in all its communications, decisions and transactions, to build a culture of trust and openness, without compromising on confidentiality.

**TEAMWORK:** To achieve the organisational purpose, the Company believes in collaborating seamlessly within and across functions by sharing ideas, leveraging individual strengths, and inculcating a sense of oneness. Co-ownership and shared responsibilities create a sense of synergy, helping achieve the organisational objective.

**INNOVATION:** Endurance believes in thinking afresh and creatively. When the status quo is challenged to come up with new ideas, the Company ensures a flow of new strategies to create value for the organisation and its stakeholders.

Endurance's value system has helped strengthen its people's commitment. The value system at Endurance is respected for its ability to transform employees of today, into the business drivers of tomorrow.



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ENDURANCE TECHNOLOGIES LIMITED





### Management Discussion and Analysis



7.1%

India's GDP Growth in FY2016-17.

Office Building at E-94, Waluj, Aurangabad

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#### ENDURANCE TECHNOLOGIES LIMITED

Against the subdued global conditions, the Indian economy's expansion has been noteworthy. Despite an expected decline in the growth rate, India is expected to continue as the fastest growing large economy.

#### **Economy Overview**

The Global Economy continues to face subdued growth owing to low commodity prices and low inflation rates, stagnant growth in advanced economies and geo-political uncertainties. The International Monetary Fund (IMF) projects global economic growth to be 3.1% in 2016 and going up to 3.4% in 2017.

Against the subdued global conditions, the Indian economy's expansion has been noteworthy. Despite an expected decline in the growth rate owing to slowdown in manufacturing, decline in budgetary capital expenditure and demonetisation, India is expected to continue as the fastest growing large economy. The Indian Economy grew at 7.1% in FY2016-17 as against 8% in FY2015-16.

Going forward, the country's economic growth is facing challenges such as subdued manufacturing, lower exports of services and lower capital expenditure. However, it is expected that during FY2017-18, cheaper borrowing cost and fading impact of demonetisation could increase private consumption and thereby drive economic growth. The implementation of Goods and Services Tax (GST) is expected to improve compliance and governance, and might provide impetus to investments and growth in the country. Due to favourable indicators such as moderate levels of inflation, reduced current account deficit (CAD), fiscal consolidation and transitory impact of demonetisation, the country is currently perceived to be in stable macroeconomic situation. The Government expects India's GDP to expand at a growth rate between 6.75-7.5% in FY2017-18.



### Sector Overview

#### Indian Overview

The two-wheeler industry, which was witnessing double-digit growth until October 2016, was adversely impacted post demonetisation and closed the financial year 2016-17 with a 5.2% growth. However, the effects of demonetisation have tapered off by the end of FY2016-17.

The note ban-induced liquidity crisis resulted in sales of two wheelers falling by 11.3% between November, 2016 and January, 2017. Further, the conversion to BS-IV emission norms, coming into effect from April 2017, resulted in some inventory correction across OEMs in March 2017. With manufacturers offering cash discounts on their models, it led to a huge boost in the sales numbers for almost all manufacturers over the last few days of March 2017.

Overall, the two-wheeler industry closed FY2016-17 with a growth of 6.89% in the domestic market, which was better than the industry growth rate of the previous fiscal FY2015-16. Two-wheeler exports declined by 5.78% during the year. However, the first half of the fiscal 2016-17 reported a stronger growth. Domestic two-wheeler segment grew by 17.47% during April - September, 2016 over the same period a year ago.

Despite a decline in demand due to demonetisation, the scooter segment showed signs of revival as the availability of the new currency notes improved. The domestic scooter segment grew by 11.39% over the previous fiscal. Low levels of penetration (as compared to motorcycles), unisex appeal of scooters, reducing mileage gap with motorcycles as well as growing acceptance in non-urban areas remain strong demand side drivers, while availability of a variety of models, introduction of a new cross- over segment and increased capacities of key players would remain key driving factors on the supply side.

Motorcycles, which had been on the path of revival from the de-growth and flat sales reported since fiscal 2013, again returned to low growth levels of 1.62% in the aftermath of demonetisation.

Overall, as per a report of ICRA, outlook for the industry is expected to be stable over the medium term. Demand is expected to be driven by structural factors like favourable demographic profile, growing middle-class and urbanisation besides moderate penetration levels. It is also expected that increasing penetration of organised finance into smaller towns as well as rural centres supported by favourable interest rates will support demand as current share of financed vehicles remains moderate.

		FY2015-16	FY2016-17	% Change 16/15
Two Wheelers				
Scooters	Domestic	50,31,678	56,04,601	11.39%
	Export	2,57,481	2,93,592	14.02%
Total Scooters		52,89,159	58,98,193	11.51%
Motorcycle	Domestic	1,07,00,406	1,10,94,543	3.68%
	Export	22,10,615	20,25,529	(8.37%)
Total Motorcycle		1,29,11,021	1,31,20,072	1.62%
Mopeds	Domestic	7,23,767	8,90,367	23.02%
	Export	14,780	20,152	36.35%
Total Mopeds		7,38,547	9,10,519	23.29%
Total Two Wheelers	Domestic	1,64,55,851	1,75,89,511	6.89%
	Export	24,82,876	23,39,273	(5.78%)
Total Two Wheelers		1,89,38,727	1,99,28,784	5.23%
Three Wheelers	Domestic	5,38,208	5,11,658	(4.93%)
	Export	4,04,441	2,71,894	(32.77%)
Total Three Wheelers		9,42,649	7,83,552	(16.88%)

(Source: SIAM)

trade, and weak growth outside the EU. In its Winter

Forecast, the European Commission predicts EU GDP

growth to be around 1.8% in both 2017 and 2018, which

would mark five consecutive years of economic recovery in

#### **European Union Overview**

In 2016, the EU's GDP grew by 1.9%. The European economy is expected to continue to grow in the near future, despite various factors threatening further recovery – including political uncertainty, the fragile state of global

#### EU Forecast for 2017 and 2018

EU Forecast	2016	2017E	2018E
GDP Growth (%, YoY)	1.9	1.8	1.8
Inflation (%, YoY)	0.3	1.8	1.7
Unemployment (%)	8.5	8.1	7.8

the EU.

(Source: European Commission, DG ECFIN)

#### Passenger Cars Registration

Demand for passenger cars in Europe improved noticeably throughout 2016 (growth of 4.5%), accounting for 22.5% of the global market. The EU region contributed significantly to the positive global picture, largely due to better macroeconomic conditions, which directly improved internal demand. With 14.6 million passenger cars sold in the EU during 2016, sales were 6.8% higher as compared to 2015. This represents a solid and rather consistent performance, especially considering the fact that this was the third consecutive year of growth in the region.

This positive trend is a sign that despite political instability and economic uncertainty following key events in 2016, such as Brexit or the Italian referendum, consumer confidence has remained robust. The growth recorded throughout the year was largely sustained across the whole region and in all major passenger car markets. Italy and Spain saw the strongest growth in demand during the year, followed by France, Germany and the UK.

#### Top 5 - New passenger car registrations in the EU



The demand for passenger cars in Europe grew by 4.5% in 2016, accounting for 22.5% of the global market.

	2016	2015	% Change 16/15
Germany	3,351,607	3,206,042	4.5
United Kingdom	2,692,786	2,633,503	2.3
France	2,015,177	1,917,226	5.1
Italy	1,824,968	1,575,737	15.8
Spain	1,147,007	1,034,232	10.9

(Source: ACEA)



#### **Passenger Car Production**

Within the European Union perimeter, passenger car production increased by 2.7% in 2016, totalling to 16.5 million units (as against 16 million units in 2015), and almost reaching the pre-crisis level of 16.6 million cars from 2007.

The EU accounted for more than 21% of global passenger car production and was the world's second largest producer after China. The main producing countries of Europe showed significant production growth in 2016, all driven by continuing growth of domestic demand. Italian production recorded the highest increase in the EU region.

## 2.7%

Passenger car production growth in 2016 in EU.

#### Top 10 - Passenger car producers in the EU

	<b>2016</b> (Provisional figure)	2015	% Change 16/15
Germany	5,542,971	5,532,675	0.2
Spain	2,269,577	2,175,612	4.3
United Kingdom	1,731,656	1,588,631	9.0
France	1,571,809	1,504,913	4.4
Czech Republic	1,342,920	1,225,861	9.5
Slovakia	942,546	913,244	3.2
Italy	891,021	740,299	20.4
Hungary	728,704	673,962	8.1
Poland	522,335	526,571	(0.8)
Romania	469,145	471,608	(0.5)

(Source: IHS Markit)

#### **Exports**

In 2016, EU passenger car exports to the United States were down 4.3% compared to the previous year – although the situation is improving given the 6.7% decline recorded over the first three quarters of 2016. In fact, the US remained the EU's most valuable export market for passenger cars, with exports roughly totalling € 38 billion – representing more than 30% of the total.

#### About the Company

The Group started with the incorporation of Anurang Engineering Company Private Limited in 1985 to supply aluminium casting products to Bajaj Auto. In 1999, Endurance Suspension Systems (India) Private Limited was formed to diversify into the manufacturing of suspension components for two-wheelers. Over the next few years, Endurance ventured into manufacturing of transmission



Endurance is a complete solutions provider for a wide range of technology-intensive auto component products.
### ENDURANCE TECHNOLOGIES LIMITED

and braking components for two-wheelers. In 2006, Anurang Engineering merged with Endurance Transmission to form Endurance Technologies Private Limited. Later in FY2006-07 and FY2007-08, Endurance acquired aluminium die-casting companies in Germany and Italy, respectively.

Today, Endurance has diversified into manufacturing four products - Aluminium castings, Suspension, Transmission, and Braking Systems. It is one of the leading two-wheeler and three-wheeler automotive component manufacturers in India (in terms of aggregate revenue) from its selected product segments. It is a Tier I supplier to OEMs for most of its products, and has the highest output and largest installed capacity when compared to any aluminium die-casting company in India.

Endurance is a complete solutions provider for a wide range of technology-intensive auto component products. By engaging with its customers from the conception of products to end-user delivery, Endurance prides itself on being involved throughout the development process, leading to better overall customer satisfaction. Its development process includes design, development, validation, testing, manufacturing and delivery for a wide range of value added auto component products. The Company has established a strong presence in the aftermarket business through a network of 312 distributors globally.

Being an innovation oriented company, with a strong focus on research and development, Endurance is well equipped to develop new products suited to its customers' requirements. Endurance owes its successful diversification to intensive R&D, and its technological capabilities. It has developed its R&D department to enhance their product design, reverse engineering, product simulation, prototyping, and testing abilities. As on 31<sup>st</sup> March, 2017, Endurance employs 185 R&D engineers, designers, technicians and support staff in India and at its overseas R&D facilities. In India, it has four R&D centres specific to each of its business, all of which are Department of Scientific and Industrial Research (DSIR) approved.

Further, Endurance is driven by a strong focus on enhancing operational efficiencies. It adopted Total Productivity Management (TPM) in 2005 to meet customer expectations on quality, cost and delivery. Consolidation of operations, outsourcing of non-critical operations, automation and clean sheet costing of components being sourced, helps the Company to be operationally competitive.



Grand Award for QCDDM performance 2016-17 by Honda Motorcycles & Scooter India Pvt. Ltd.

# Awards and Recognition

- The Indian Merchants' Chambers accredited the Company with Citation for Emerging Manufacturing Giant from Maharashtra, recognising the Company as a complete solutions provider
- Recognised with the Grand Award for QCDDM performance 2016-17 by Honda Motorcycles & Scooter India Pvt. Ltd. for excellence in Quality, Cost, Delivery, Development and Management
- Recognised with Global TVP Award for the Alloy Wheel Plant at Chakan (Pune) by India Yamaha Motor Pvt. Ltd. for developing Theoretical Value of Production
- Awarded with Excellence in Consistent TPM Commitment Award for Casting plant at B-2 Waluj (Aurangabad) by Japan Institute of Plant Maintenance
- Award for Excellence in Export Large Category 2015-2016 (Gold Award to Endurance Aftermarket) for braking systems plant at Waluj (Aurangabad) by ACMA (Automotive Components Manufacturers Association)





- Award for Excellence in HR Special Category 2015-2016 (Bronze Award) for transmission plant at Waluj (Aurangabad) by ACMA
- 2<sup>nd</sup> Corporate Excellence Award 2016 to Mr. Anurang Jain, Managing Director, by Dr. Babasaheb Ambedkar Marathwada University, Aurangabad for lifetime contribution to Automotive Industry
- Awarded with India Green Manufacturing Challenge Award in Gold category for suspension plant at K-228/229, Waluj (Aurangabad) by International Research Institute for Manufacturing, recognising consistency in implementing environment friendly manufacturing practices
- Accredited with Water Conservation Award to Takve plant by Rotary International, Pune

# **Indian Operation Overview**

In India, Endurance manufactures a diverse range of technology-intensive automotive components for application in two-wheeler and three-wheeler vehicles. Its products in India include raw and machined aluminium castings, and suspension, transmission and braking systems. Furthermore, Endurance has forayed into aftermarket services, its only B2C business, giving it the ability to cater to the replacement market for its proprietary business (suspensions, transmission and braking systems). The Company also manufactures specified components for four-wheeler passenger vehicles, light commercial vehicles ("LCVs") and heavy commercial vehicles ("HCVs").



Total Revenue contribution from Indian operations

Endurance is a preferred Tier I supplier to leading OEMs in India. It has a long-standing relationship with Bajaj Auto, which is its largest customer. The Company has 18 plants across India - all of which are strategically located in major automotive manufacturing hubs of the country. Endurance has eight plants in Aurangabad (Maharashtra), five in

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Pune (Maharashtra), two in Pantnagar (Uttarakhand) and one each in Manesar (Haryana), Chennai (Tamil Nadu) and Sanand (Gujarat), with two in-house tool rooms. Additionally, it is setting up a new plant in Halol (Gujarat), for the supply of suspension products to a leading OEM for two-wheelers, operations at the new plant are expected to commence in 2018.

# **Global Business Overview**

The Company entered into European market in FY2006-07. The Company's strategy in Europe has been to expand with a focus on profitable growth, high margin products, and marquee customers. Endurance has pursued this strategy through organic growth as well as a series of acquisitions. In Europe, the Company's subsidiaries predominantly cater to four-wheeler OEMs, focusing on components for engines, transmissions and vehicle bodies. Its products include raw and machined aluminium castings (high-pressure die-casting) and steel, cast iron and engineering plastic parts.

Endurance has eight plants in Europe, out of which five are in Italy and three in Germany. Endurance's components are used in the engines of a variety of passenger vehicles manufactured by leading and reputable four-wheeler OEMs operating from Europe.



# Total Revenue contribution from European

# **Review of the Overseas Operations\***

Endurance Overseas SrL (EoSrl) is a SPV incorporated in Italy, for the purpose of making strategic overseas investments. Endurance holds 95% of the share capital in EoSrl and 5% is held by Endurance Amann GmbH, Germany), a wholly owned subsidiary of the Company.

During the financial year ended 31<sup>st</sup> March, 2017, the total income of the EoSrl was Euro 8.7 million (₹ 637.57 million) compared to Euro 6.4 million (₹ 463.84 million) of previous year.

# **59.3**%

Total Revenue contribution from Indian operations in FY2016-17.

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

During the year ended 31<sup>st</sup> March, 2017, EF SpA posted a growth of 10.5% achieving total income of Euro 141 million (₹ 10,381.40 million) compared to Euro 127.6 million (₹ 9,222.23 million) in the previous year, despite a passthrough reduction in alloy price. The increase of income was driven by the growth in registrations of new passenger cars in the EU market, which was 6.8% higher for the period April 2016 to March 2017. This was accompanied by improved performances achieved by some of the major customers.

Endurance FOA SpA, ("FOA SpA") 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 year under review, FOA SpA reported a total income of Euro 71.3 million (₹ 5,249.06 million) compared to Euro 61.7 million (₹ 4,456.96 million) of the previous year. The increase in sales was driven by additional demand from both captive and non-captive customers contributing positively to growth of the profit after tax.

Endurance Engineering Srl, ("EEsrl") is a step down operating subsidiary of the Company in Italy and is primarily engaged in the production of engineering plastic components for automotive applications.

During the year under review, EEsrl reported a total income of Euro 16.6 million (₹ 1,225.02 million) compared to Euro 16.2 million (₹ 1,171.73 million) of the previous year.

EEsrl has helped the Group foray into production of engineering plastic components that are likely to replace some of the production in aluminium and align itself to the plans of OEMs to shift to alternate lighter material components.





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

During the year under review, Amann reported a total income of Euro 46.7 million (₹ 3,438.86 million) compared to Euro 49.2 million (₹ 3,554.69 million) of the previous year. The reduction in sales was largely due to lower income on tooling and other income due to the reduction of finished goods and work in progress. The increase achieved with a key customer (who experienced an increase of about 10%) was offset by a reduced offtake by another customer.

The new machining plant in Massenbachhausen went into commercial production in early January, 2017.

(\*The financial numbers of overseas subsidiaries are as per respective country's local GAAP.)

# **Our Strengths**

**Strong Management Team:** Over the past decade, the Management has been able to successfully engineer the Company's transition from a largely single customer player - with high concentration of business coming from the casting business - to a multiproduct,

multi-customer business enterprise. The management's deep industry experience, strong execution capabilities and robust value systems has helped Endurance attain a leadership position in its core business areas.

**Leaders:** According to the Aluminium Casters' Association of India, Endurance is the number one aluminium die-casting company in India in terms of actual output and installed capacity. The Company has a die casting capacity of 1.01 lakh metric tonnes per annum as on 31<sup>st</sup> March, 2017. Endurance is one of the leading two-wheeler and three-wheeler automotive component manufacturers in India.

#### **Complete Solutions Provider:** Endurance is amongst the top two leading players in India with respect to each of its product portfolio that it offers. It is a complete solutions provider, providing end-to-end services by engaging with its customers from conception to end-user delivery. The development process at Endurance includes design, development, validation, testing, manufacturing and delivery for its entire range of auto component products.

The Company typically establishes an initial customer relationship in its castings business, followed by gradually developing relationships to expand into further product lines. By developing products with its customers, and by offering a broad range of products across segments, Endurance is able to increase reliance of customers, and positions itself as a preferred supplier to its OEM customers across products.

**Strong R&D Capabilities:** The Company has a strong focus on R&D, with an emphasis on lean design, continuous improvement in product performance, cost efficiency and reliability, to widen its product range. The Company has invested in high-quality testing equipment, software, and intellectual capabilities in its R&D centres for each of its product offerings. Through its investment, Endurance has developed strong product design abilities, which allows it to develop new products and service its customers effectively and in a timely manner. Its strong R&D department helps reducing the testing and validation workload from its customers.

**Trust:** Endurance has a long-standing relationship with its customers. In order to earn trust from its customers, Endurance focused on QCDDM, which stands for quality, cost, delivery, development, and management. The Company also adopted the total productive maintenance (TPM) initiative across its manufacturing locations to improve its operational efficiency and the reliability of its manufacturing processes. This helps Endurance to meet its customer expectations on quality, cost, delivery, product development, and reduce customer complaints and warranty claims. By doing so, the Company believes that it is able to deepen its customer relationships to become their preferred supplier.

**Financial Stability:** Endurance's business has shown a record of profitability despite the slower growth witnessed in the Indian and European automobile industry. Strong cost control, continuous improvement in productivity by increasing Original Equipment Efficiency (OEE) of machines, outsourcing of non-core operations to vendors to reduce purchase cost and future capex, and implementing purchasing cost reduction strategy with vendors, have been important drivers of its profitability.

# **Growing European Business:**

Endurance has a fast-growing business in Europe with its net revenue from operations growing at a 3-year CAGR of 14%. Its strategy in Europe has been to expand with a focus on profitable growth, high margin products, and marquee customers. The Company has pursued this strategy through organic growth as well as a series of acquisitions. Endurance has successfully improved the capital efficiency of its European business through the diversification of its product technology and material solutions, increasing machining automation for highvolume products, and the introduction of higher-tonnage machines. As a result, the Company has successfully reported both growing revenues and increased profit margins in Europe.

Moreover, Endurance's European business manufactures highly complex engine and transmission components, requiring significant capital expenditure and technology capability, making it difficult for competitors to emerge.

# Analysis of Business Operation

Endurance has continued to focus on widening its customer base and is improving the content per vehicle with all its customers. Furthermore, there was a sizeable growth of business with new orders from three of the largest two wheeler OEMs in India, over the previous year. The Company's overseas business also witnessed higher order growth from four leading automotive OEMs from Europe. It is in the process of acquiring land for setting up its new plant at Halol, Gujarat for a leading two-wheeler OEM to cater to 100% of their requirements for suspension components. The project is expected to commence operation in 2018.

In order to build the Endurance brand in the consumer market, the Company has a strong focus on the aftermarkets business. By investing in people to penetrate in the markets of India as well as overseas, it has successfully grown this business by 14.9% in FY2017, over the previous year.



Endurance is amongst the top two leading players in India with respect to each of the product that it offers.



To fortify its operational efficiency, the Company is focused on consolidating its operations. During the year, it consolidated its three tool rooms into two tool rooms. It further optimised its manufacturing operations by aligning it with the schedules of OEM customers.

The Company's new machining plant in Massenbachhausen, Germany will cater to the leading four-wheeler auto manufacturers. This is the third manufacturing plant in Germany.

During the year, four new aluminium die casting machines of different tonnage were installed to meet the additional demand at Endurance FOA SpA, in Italy. This unit is primarily engaged in manufacturing operation of high pressure die casting and machining of components.

Endurance's 29-acre vehicle proving ground (test track) in Aurangabad is progressing well, and as scheduled, this test track will be operational by early 2018. This track will help in enhancing durability and performance of auto component by testing it on different types of test track. This will also help the Company strengthen its target of giving first-time-right products to its customers.

The Company's strong focus on R&D has helped it keep pace with the automotive industry trend. Under the braking system, the focus was on two-wheelers disc brakes. It started supplying to Royal Enfield during the year. Furthermore, the government amended regulations, making Anti-lock Braking Systems (ABS) for two-wheelers above 125cc and Combined Braking System (CBS) for two-wheelers upto 125cc compulsory for new and existing models from 1st April, 2018 and 1st April, 2019,



The Company motivates and promotes activities that enhance the quality of leadership through training within the organisation. respectively. This government initiative will widen the market for the Company. Endurance has already started commercial production of CBS through a technology tie-up; and the Company has entered into a License and Technical Assistance Agreement with a leading global suspension and brakes manufacturing company for joint development of ABS for two-wheelers and three-wheelers.

Within the transmission sector of the business, the Company worked on new technologies, like paper-based friction plates for two-wheelers with higher displacement, to offer value added products over the conventional cork based friction plates. The Company also has plans to increase its CVT business for scooters.

The suspension business has a growing demand for front fork for scooters. Its R&D wing has successfully developed the product to cater to this demand.

Further, the Company successfully received a grant of patent for one of its applications on Transmission (clutches) during the year, taking the total number of patents in its name to five. The patent relates to hub clutch with a steel insert, which is directly mounted on the engine crank shaft.

Although demonetisation affected the business during the third quarter of the year, it only led to orders for twowheelers being postponed, and not cancelled. Despite the drawbacks in spending from demonetisation, given its low-ticket size and utility driven nature, the market for twowheelers has seen a gradual normalisation in demand.

# Outlook

We expect the domestic two-wheelers industry to grow at 7-8% CAGR until FY2020, which should be driven by around 6% growth in motorcycles and more than 10% growth in scooters. The Company will continue to enhance its focus on scooter products as it continues to outpace motorcycles in terms of growth. Because of its strong brand and technical competency, Endurance is attractively positioned to make the most out of the flourishing scooter demand.

The Company is witnessing an increase in wallet share with its existing customers. Further, its focus on newer products to get value added growth and increasing the content per vehicle, will help the Company sustain its growth. Endurance remains open to undertake further acquisitions, mergers, investments and expansions to enhance its operations and technological capabilities.

Endurance has been present in the aftermarket segment since 2001 and has an extensive network of 12 distribution centres and 300 distributors (265 in India and 35 abroad).

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It distributes suspension, transmission and braking systems through its own networks. The segment has grown at a 16.5% CAGR over the last five year FY13-17 and also provides visibility to the Endurance brand. Going forward, Endurance aims to enhance focus and expand in the segment by increasing exports to countries where its OEM clients are present. Moreover, Endurance has also entered into trading of components manufactured by other players, under its brand. These would essentially be an extension of the products that Endurance currently manufactures and will utilise the existing distribution network to reach its customers.

# Human Resource

With 4,455 employees, the prime objective of the Human Resource function is employee development. To achieve successful growth and profitability, the Company relies on its greatest assets - its intellectual capital.

# Recruitment

The Company believes in hiring quality manpower to accomplish its growth objectives with a strong focus on its employees' career and growth. Endurance participated in campus recruitments in Tier II colleges to recruit engineering graduates to fill the talent pipeline for future positions at technical level for its business units. The Company also relies on internal job postings, employee referrals, job portals, consultants, and relevant social networks for hiring laterally. 4,455

Number of Employees

70

Net employee addition, FY2016-17

# Training & Development

The Company consistently invests in the training of its employees, within the Company and beyond. The Company has a structured annual training calendar divided into monthly training plans based on the individual needs, which are in line with the organisational requirements. Learning needs are addressed by a pool of internal faculty and specialised experts from outside. A train-the-trainer program is also conducted to improve facilitation skills of internal trainers.



Regular programmes to enhance technical and functional competence of the employees are conducted through short-term programmes, workshops and seminars, among others. Furthermore, the training content is reviewed periodically to focus on Endurance values.

# Leadership development and succession management

The Company promotes learning and development that enhance the quality of leadership through training within the organisation. With effective steps taken to identify and nurture the potential talent, the Company has taken numerous initiatives for leadership development.

# Health, Safety and Environment

Employee health, safety and environment (HSE) is of high importance at Endurance. The Company aims to become a zero-accident organisation and continually takes initiatives to reduce the risk of accidents and prevent environmental pollution at its facilities. The Company proactively conducts employee safety and environment audits, management review meetings, HSE trainings and periodic employee health and safety meetings.

The HSE initiatives taken by the Company during the year under review are listed below:

i. Voluntary audit of HSE conditions and systems were conducted in all plants by external consultants and implementation of action plan on areas of improvement identified in the audit.



Endurance has successfully diversified into different product segments, mainly due to its R&D and technological capabilities.

- ii. Measures have been initiated to strengthen Company's environment compliance.
- Conducted workshop on environmental compliances for senior management team and in-house training on 26 modules comprising key aspects of health and safety.
- iv. The plant at Pantnagar has implemented green initiative for disposal of hazardous waste, whereby hazardous waste is used as fuel in cement kilns resulting in saving of disposal cost.
- v. Workshops and trainings on health and hygiene for canteens, cafeteria, pantries and housekeeping employees.
- vi. Conducted HSE culture workshop for senior management team of the Company to reiterate focus on proactive safety culture in plants.
- vii. Conducted various safety oriented awareness programs and trainings for shop floor workforce and defensive driving training for drivers.

During the year the Company has worked towards inculcating safety habits at all levels of the organisation including contract labour, drivers, housekeeping and canteen staff. The Company believes in inculcating safety culture across the organisation.

# Research and Development

The Company recognises the importance of R&D in order to maintain a leadership position in the industry. The technology edge provides it with a competitive advantage as Endurance seeks additional business with new and existing customers. The Company has four dedicated R&D centres for each of its product businesses: three in Aurangabad (one each for suspension, transmission and braking systems) and one in Pune (for aluminium casting). All of these centres are approved by DSIR.

Endurance has successfully diversified into different product segments, mainly due to its R&D and technological capabilities. It has 163 R&D engineers, designers, technicians and support staff in India, in addition to its team of 22 for the overseas business. It has acquired and developed strong R&D capabilities throughout the production process: from product design, to reverse engineering, to product simulation, to prototyping and testing.



ENDURANCE TECHNOLOGIES LIMITED



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The Company has technology partnerships with a number of manufacturers to develop new products and enhance its technological capabilities. With the recent grant of patent for one of its applications on Transmission (clutches), Endurance has five patents registered in its name. Nevertheless, this focus has helped Endurance diversify its product offerings, as well as develop and launch a number of products like oil and gas shock absorbers, mono shock absorbers, and upside down front forks. Endurance's technology partners include WP Performance Systems GmbH, Adler SpA, a leading global brake and a suspension company as well as an European braking system technology provider.

# **Financial Overview**

The consolidated financial performance of the Company improved during FY2016-17. The Company recorded total income of ₹ 56,220 million, EBITDA of ₹ 7,874 million and PAT of ₹ 3,303 million during the year. It delivered healthy overall growth during the year with revenues of the Company growing by 6.8%, EBITDA growing by 10.5% and PAT growing by 9.9%. The Company reported an EBITDA margin of 14% and PAT margin of 5.9% on a consolidated basis.

The total income on standalone grew by 5.8% from ₹ 36,811 million to ₹ 38,944 million, EBITDA grew by 5.2% from ₹ 4,599 million to ₹ 4,836 million and PAT grew by 6.2% from ₹ 2,086 million to ₹ 2,215 million.

On standalone basis, the Company reported an EBITDA margin of 12.4% and PAT margin of 5.7%. The aftermarket sales from India operations grew by 14.9% to ₹ 2,122 million and the exports from India grew by 16.2% to ₹ 1,690.80 million.

# Opportunities and Threats

The Company foresees a number of opportunities in the domestic as well as overseas business. The Company is working towards diversification of customer base and products, as there is significant headroom for growth in India as well as Europe. Endurance is also enhancing its product mix by shifting towards more complicated and value-added products to aid margin improvements. Aftermarket and exports also provide immense opportunity for growth.

In the competitive auto environment, Endurance also has certain threats. The growing competitive intensity can lead to pressure on pricing or loss of market share.

# **Risk management**

The 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





At Endurance, the Company believes in inclusive growth facilitated by the progressive engagement of all stakeholders in the development of a sustainable society.

monitoring mechanism is submitted, biannually, to the Audit Committee and the Board of Directors.

# **Client Concentration Risk**

To rationalise excessive dependence on a single customer, the Company is widening its customer base. In view of this, the Company invested in the strengthening business from other customers by offering them complete solutions across diverse auto ancillary product segment. As a result, the Company improved its penetration level for all products across all its key customers.

# **Succession Risk**

Risks stemming from an overt dependence on a few key personnel could affect the longevity of the business. Endurance has developed an in-house process of talent management, based on a performance potential matrix. Performers with high potential are identified for senior positions to meet the challenges of growth. The objective of the Company is to create leadership pipeline at every level of the organisation.

# **Technology Risk**

An inability to stay updated with the technology evolutions could affect business growth. Endurance has successfully diversified into different product segments mainly due to its R&D and technological capabilities. The Company has also invested in technology partnerships with industry product leaders to ensure delivery of high quality and technologically advanced products at competitive prices to customers.

# Environment, Health and Safety Risk

Non-compliance to health, safety and environment norms could adversely affect any business, reputation and operations. Employee health, safety and environment safeguard is of high importance at Endurance. The Company adheres to all the regulations pertaining to occupational health, safety, and the environment. It aims to become a zero-accident organisation, and continually takes initiatives to reduce the risk of accidents. With regard to the environment, Endurance is periodically upgrading the effluent treatment plants as well as the sewage treatment plants across all its manufacturing locations, to treat and recycle waste-water. It is also focused on generating renewable energy sources, such as developing windmills to generate energy, to power its operations. The Company is also switching to cleaner fuels like liquified petroleum gas in place of fossil fuels such as furnace oil and diesel. Endurance implements regular proactive employee safety and environment audits, management review meetings, and periodic employee health and safety meetings.

# Corporate Social Responsibility

At Endurance, the Company believes that inclusive growth is not a destination. It is a journey facilitated by the progressive engagement of all stakeholders in the development of a sustainable society that is committed to growth. The Company has identified the following projects, which are as per Schedule VII to the Companies Act, 2013 and the Corporate Social Responsibility Policy of the Company:

- i. Village Development Project; and
- ii. Vocational Training Centre.

The Company has undertaken the above-mentioned projects under the aegis of Sevak Trust, with whom it has been associated for more than a decade.

# A. Village Development Project (VDP)

During FY2016-17, the Company undertook VDP at Sanjkheda and Kachner (comprising 8 tandas). Further, during the said year development project activities were also extended to a village - Jodwadi,

ENDURANCE TECHNOLOGIES LIMITED



located 2 km away from Kachner. All these villages are located within a radius of 35-40 km from Aurangabad. The following initiatives were undertaken within the Village Development Project:

**Health and Nutrition:** The Company organised eye check-up camps across Sanjkheda, Kachner and Jodwadi village and treated over 870 patients during the year. A general medical health check-up was also conducted for 888 patients across these villages. Medicines were distributed at the health check-up camps and knowledge sessions on family planning were also organised. The Company facilitated cataract operation for fifteen patients from Sanjkheda village.

The Company also promoted the health benefits of yoga and organised yoga camps at Kachner and Sanjkeda village. This was attended by over 240 participants.

Water and Sanitation: The Company worked towards deepening of four runnels (nallahs), for rain water harvesting, in Sanjkheda and Jodwadi each. It completed installation of a Reverse Osmosis (RO) plant in Sanjkheda and seven RO plants in Kachner and Jodwadi collectively, thus providing safe drinking water to villagers. The Company undertook cleanliness drive by initiating 'Swacchata rally' in Kachner and Sanjkheda. It completed construction of 150 toilets in Sanjkheda.

Agriculture and Livelihood: The Company completed construction of 535 mangers across Sanjkheda and Kachner. It also organised two specialised agriculture trainings for farmers on soil testing in Sanjkheda. The objective behind the trainings was to assist farmers in making agriculture produce more profitable. Further, fodder stumps were distributed to 155 farmers in Sanjkheda.

**Education:** The Company undertook activities at Sanjkheda, Kachner and Jodwadi villages towards renovation of school buildings. It is also setting up furnished libraries with books and installing invertors to facilitate uninterrupted e-learning. During the year under review, the Company completed the renovation activities at five schools and two are under progress.

**Community Development:** To generate income for livelihood, financial assistance has been provided to villagers falling under low income group, as interest free loan. An amount of ₹ 5,000 each was disbursed to around 290 families across Kachner and Sanjkheda, for purchasing a goat and an amount of



₹10,000 each to 15 self-employed females. Further, embroidery training was also imparted to 50 women to promote self-employment.

The activities implemented at these villages have addressed the needs of the under-privileged and are also aimed at providing hygiene and sanitation facilities. These have resulted in overall improvement in the basic standard of living of the villagers.

# **B.** Vocational Training Centre

In August 2015, the Company established a Vocational Training Centre (VTC), in association with the Sevak Trust, named as Endurance Centre of Vocational Empowerment (ECoVE). This is an endeavour towards enhancing employability by providing skill-building trainings in identified vocations. The institution aims to provide training to school drop-out students and economically underprivileged youth. ECoVE completed one year of its operations during the FY2016-17.

During the year under review, three-month courses on Retail Marketing, Electrical-House Wiring, Computer literacy, Tailoring and Welding were offered at the ECoVE. ECoVE completed four batches in the above mentioned training courses. An aggregate of 304 candidates were registered for all the courses and 280 candidates graduated. Out of these 280 graduates, 60% of candidates have gained employment in various sectors, while 115 candidates are employed with various organisations, the remaining 53 of the graduates are self-employed. Campus placements were organised, where both old and fresh graduates are encouraged to take up job opportunities. In order to ensure more participation and commitment for completing the course(s), a nominal fee was charged from students.

Apart from these specialised training imparted, ECoVE provides yoga training, canteen facilities and uniforms, free of cost, to its students to sustain their commitment towards completing the training.

# Internal control systems and their adequacy

The Company has an adequate internal control system and procedure aimed to ensure that the primary objectives of the business are achieved. These objectives are designed to ensure that:

- Business is efficiently controlled;
- Company's policies are adhered to;
- All assets and resources are used efficiently and are adequately protected;
- Significant financial, managerial and operating information is accurate, reliable and is provided timely and.
- All accounting records are accurate and in compliance with statutory guidelines.

The Audit Committee continuously reviews the composition and competencies of the Audit team and effectiveness of internal controls. The scope of internal audit extends to all functions and locations of the Company.

# **Cautionary Statement**

This document contains statements about expected future events, financial and operating results of Endurance Technologies Limited, 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 actual results may differ from the forward looking statements mentioned in the Annual Report. Readers are cautioned not to place undue reliance on forward-looking statements. This Annual Report also contains information related to economy and industry, readers are requested to note that the said information has been taken from published reports /industry sources.

# Annual Report 2016-17

ENDURANCE TECHNOLOGIES LIMITED

# STATUTORY REPORTS



# **Board's** Report

#### Dear Shareholders,

The Directors of your Company take pleasure in presenting the Eighteenth Annual Report on the business and operations of the Company together with financial statements for the financial year ended 31<sup>st</sup> March, 2017.

# **Financial Results**

				₹ in million
	Stand	alone	Conso	lidated
Particulars	Financial Year 2016-17	Financial Year 2015-16	Financial Year 2016-17	Financial Year 2015-16
Revenue from operations	42,660.05	40,468.69	59,742.03	56,176.16
Total income	42,947.19	40,683.61	60,222.92	56,505.79
Gross profit before finance cost, depreciation, exceptional items and extraordinary expenses	4,835.95	4,598.52	7,874.00	7,124.56
Finance cost	178.57	329.74	322.49	489.56
Profit before depreciation, exceptional items and extraordinary expenses	4,657.38	4,268.78	7,551.51	6,635.00
Depreciation and amortization	1,668.57	1,475.00	2,905.06	2,431.73
Profit before tax	2,988.81	2,793.78	4,646.45	4,203.27
Current tax expense	759.06	643.45	1,337.17	1,168.95
Deferred tax	14.78	63.88	6.18	29.82
Net profit for the year	2,214.97	2,086.45	3,303.10	3,004.50
Less: Profit attributable to Non-controlling interest	-	-	-	10.87
Profit attributable to owners of the Company	2,214.97	2,086.45	3,303.10	2,993.63
Add: Profit brought forward from last year	10,721.07	8,927.13	11,087.40	8,602.63
Add: Capital subsidy received during the year	-	3.00	-	3.00
Add: Re-measurements of defined benefit plans, net of tax	(17.83)	0.75	(17.01)	0.59
Acquisition of non-controlling interest in subsidiary	-	-	-	(216.19)
Appropriation: Dividend on Equity Shares Tax on Dividend	(52.75) (10.74)	(246.16) (50.10)	(52.75) (10.74)	(246.16) (50.10)
Balance carried forward in Balance Sheet	12,854.72	10,721.07	14,310.00	11,087.40

# Dividend

Considering the Company's financial performance, the Board of Directors have recommended dividend of ₹ 2.50 per equity share of ₹ 10 each (25%) for the financial year 2016-17, for consideration of the shareholders at the ensuing Annual General Meeting ("AGM").

The dividend, if approved by the shareholders, will result in an outgo of ₹ 423.3 million, which includes tax on dividend aggregating to ₹ 71.6 million.

# **Company's Performance**

The Company has adopted Indian Accounting Standards (Ind AS) w.e.f. 1<sup>st</sup> April, 2016 pursuant to the notification of Companies (Indian Accounting Standards) Rules, 2015 issued by the Ministry of Corporate Affairs. Previous year's figures have been restated and audited by M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm's Registration No.117366W/W-100018).

During the financial year 2016-17 revenue from operations on standalone basis increased to ₹ 42,660 million as against ₹ 40,469 million in the previous year – a growth of 5.4%. The profit after tax for the current year is ₹ 2,215 million as against ₹ 2,086 million in the previous year – a growth of 6.2%.

On a consolidated basis Endurance Group achieved revenue of ₹ 59,742 million compared to ₹ 56,176 million in the previous year – a growth of 6.3%. Profit after tax of the group for the year stood at ₹ 3,303 million as against ₹ 3,005 million in the previous year – a growth of 9.9%.

## **Consolidated Financial Statements:**

As per Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and applicable provisions of the Companies Act, 2013 ("Act") read with the rules issued thereunder, consolidated financial statements of the Company for the financial year 2016-17 have been prepared in compliance with applicable accounting standards and on the basis of audited financial statements of the Company, its subsidiaries (including step-down subsidiaries) as approved by the respective companies' Board of Directors.

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

# **Subsidiaries**

During the year under review, there were no new subsidiaries incorporated nor any company ceased to be a subsidiary of the Company. As at 31<sup>st</sup> March, 2017, the Company had following subsidiaries:

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

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

Details of subsidiaries of the Company and their performance are covered in Management Discussion and Analysis Report forming part of the Annual Report.

# **Conversion of Company to Public Limited Company**

During the year under review, the shareholders of the Company, at their Extra-ordinary General Meeting ("EoGM") held on 18<sup>th</sup> May, 2016 approved conversion of the Company into public limited by deleting the word 'Private' and corresponding amendments in its Memorandum and Articles of Association as applicable to a public limited company. The Company received a fresh certificate of incorporation dated 31<sup>st</sup> May, 2016 from the Registrar of Companies, Maharashtra, Mumbai effecting conversion of the Company into public limited. Consequently, the name of the Company changed to "Endurance Technologies Limited".

# **Share Capital**

### Restructuring of Authorised Capital:

Pursuant to the approval of the shareholders, granted at the EoGM held on 18<sup>th</sup> May, 2016, the authorised share capital was restructured as follows:



# Board's Report (contd.)

- i. Consolidation and division of the equity share capital of the Company from 216,250,000 equity shares of ₹4 each to 86,500,000 equity shares of ₹10 each;
- ii. Reclassification of existing redeemable preference share capital into equity share capital; and
- iii. Increase in the authorised share capital from ₹ 885 million to ₹1,650 million.

Consequently, the authorised share capital changed from:

₹ 885,000,000 (Rupees Eight Hundred Eighty Five Million only) divided into 86,500,000 equity shares of ₹ 10 each aggregating to ₹ 865,000,000 (Rupees Eight Hundred Sixty Five Million only) and 2,000,000 Redeemable Preference Shares of ₹ 10 each aggregating to ₹ 20,000,000 (Rupees Twenty Million only).

#### То

₹1650,000,000 (Rupees One Thousand Six Hundred Fifty Million only) divided into 165,000,000 equity shares of ₹10 each.

#### **Issue of Bonus Shares:**

During the year under review, your Company issued bonus equity shares in the ratio of 7:1 (seven bonus equity shares for every one equity share held). The shareholders, in the EoGM held on 18<sup>th</sup> May, 2016, approved issuance of bonus equity shares which were allotted on 29<sup>th</sup> May, 2016, to the members who held equity shares on the record date i.e. 25<sup>th</sup> May, 2016, by capitalisation of capital redemption reserve and securities premium account.

#### Change in the Paid-up Share Capital of the Company:

Consequent to the consolidation of equity share capital from face value of ₹ 4 per share to ₹ 10 per share and issue of bonus shares in the ratio of 7:1, the issued, subscribed and paid-up equity share capital increased from ₹ 175.83 million to ₹1,406.63 million.

The paid up equity share capital as on 31<sup>st</sup> March, 2017 was ₹1,406,628,480.

### **Initial Public Offering**

During the year under review, the Company offered its equity shares of ₹ 10 each ("Equity Shares") for subscription by the public, by way of Initial Public Offer ("IPO"). The IPO was by way of an Offer for Sale of 19,295,968 Equity Shares by Actis Components and System Investments Limited (Private Equity investor) and 5,317,056 Equity Shares by Mr. Anurang Jain (Promoter).

The Equity Shares in the IPO were offered at a price of ₹ 472 per share. The Company listed its Equity Shares on BSE Limited and National Stock Exchange of India Limited on 19<sup>th</sup> October, 2016.

Post IPO, 17.5% of the shareholding is held by public and balance 82.5% is held by the Promoter and Promoter group.

#### **Utilisation of IPO Proceeds:**

As the Company's IPO was by way of an Offer for Sale by shareholders, the Company did not receive any proceeds from the IPO and the proceeds were paid to the shareholders.

### **Directors and Key Managerial Personnel**

#### Appointment of Mr. Massimo Venuti

During the year under review, Mr. Massimo Venuti, (DIN: 06889772), who was appointed as director of the Company effective 6<sup>th</sup> June, 2014, tendered his resignation from the directorship of the Company effective 9<sup>th</sup> June, 2016, owing to certain personal reasons of transient nature.

In terms of the provisions of Section 161 of the Act, Mr. Massimo Venuti was appointed as an Additional Director of the Company on 2<sup>nd</sup> December, 2016 and holds office upto the date of the forthcoming AGM.

The Company has received notice from Members proposing the candidature of Mr. Venuti for appointment as director of the Company and accordingly the matter has been proposed for consideration of the shareholders at the ensuing AGM.



Information as required under Regulation 36(3) of the Listing Regulations for his appointment is provided in the Notice of Eighteenth AGM.

#### Appointment of women directors and independent directors

During the year under review, in terms of Sections 149 and 152 of the Act, the Board of Directors, at its meeting held on 10<sup>th</sup> June, 2016, appointed Ms. Anjali Seth and Mrs. Falguni Nayar as Additional Non-Executive Independent Directors, for a period of five years commencing from 10<sup>th</sup> June, 2016. Their appointment as Non-Executive Independent Directors, was approved by the shareholders in the Seventeenth AGM of the Company held on 3<sup>rd</sup> August, 2016.

In terms of Section 149(6) of the Act, following persons, who were already holding directorships of the Company were appointed as independent directors of the Company by the Board, at its meeting held on 10<sup>th</sup> June, 2016, for a period of five years:

- i. Mr. Partho Datta;
- ii. Mr. Soumendra Basu; and
- iii. Mr. Roberto Testore.

Their appointment as independent directors was approved by the shareholders in the Seventeenth AGM held on 3<sup>rd</sup> August, 2016.

#### Brief profile of the directors appointed during the year under review, is given below.

#### Ms. Anjali Seth

Ms. Anjali Seth, (DIN:05234352), is an eminent professional lawyer having more than thirty years' experience. She is on the Board of Adlabs Entertainment Limited, Caprihans (India) Limited, Kalpataru Limited and Kalpataru Power Transmission Limited, amongst other companies.

She has advised and provided consultancy services to top banks and financial institutions including on M&As, PE investments and other legal matters. Ms. Seth has worked with International Finance Corporation and gained global experience in project financing, client negotiations, liaison with the Ministry of Finance, Reserve Bank of India and other statutory and regulatory authorities, interface with external solicitors and counsels, interaction with head quarters on World Bank Group specific legal frame-work and advising on local laws and regulations.

#### Mrs. Falguni Nayar

Mrs. Falguni Nayar, (DIN: 00003633), is an entrepreneur, founder and Chief Executive Officer of FSN Ecommerce Ventures Pvt. Ltd. At present, she serves on Board of a number of companies including Tata Motors Limited, ACC Limited, Dabur India Limited, L&T Infrastructure Finance Limited and Kotak Securities Limited.

Mrs. Nayar holds Post Graduate Diploma in Management from Indian Institute of Management, Ahmedabad. She holds rich and varied experience of over 30 years. She started her career as a Manager and Consultant at A F Ferguson & Co. Thereafter, she was associated with Kotak Mahindra Finance Ltd., Kotak Securities Ltd. and Kotak Investment Bank, for over nineteen years as an Investment banker with the last six years as Managing Director and Chief Executive Officer of Kotak Investment Bank. She also served as a Corporate Advisor to Temasek Holdings Advisors India Pvt. Ltd. Thereafter, she founded Nykaa.com, which was awarded as a The Most Innovative E-Commerce Company' at the eTales Awards – 2015.

Mrs. Nayar has received the FICCI Ladies Organization (FLO) award for top woman achiever in the field of banking in 2008 and has also been recognized amongst Top Women in business by Business Today in 2009 & 2011.

### Mr. Partho Datta

Mr. Partho Datta, (DIN: 00040345), is a Chartered Accountant by qualification and has also attended the Advanced Management Program of the Harvard Business School.



# Board's Report (contd.)

He holds over three decades of corporate experience and has been involved with industry associations at both national and regional levels.

He began his career with Dunlop India Limited and later joined the erstwhile Indian Aluminium Company Limited (Indal). He has also worked in the erstwhile Alcan Aluminium Limited, the parent company of Indal in Canada. He served as Treasurer, Chief Financial Officer and then Director - Finance in Indal. During his tenure at Indal, the company received several awards for business performance and presentation of accounts.

In 1998, he joined the Murugappa Group, Chennai as the head of Group Finance and a member of the supervisory board of the group. Murugappa Group won the prestigious World Family Business award of the IMD during his tenure and also saw significant advances in corporate governance and professionalisation.

Mr. Datta was a non-executive special advisor to the Satyam Computer Services Limited Board after the Central Government appointed a new group of Directors in January 2009.

At present, Mr. Datta is also on the Boards of HDFC Bank Limited, IRIS Business Services Limited, Peerless Funds Management Co Limited and The Peerless General Finance & Investment Co Limited.

#### Mr. Soumendra Basu

Mr. Soumendra Mohan Basu, (DIN: 01125409), holds an Honours Degree in English from Presidency College, Kolkata. He has undergone a formal accreditation program in coaching with Right Management.

Mr. Basu, holds more than 36 years of experience in banking sector. He has worked with three premier banking institutions - State Bank of India, ANZ Grindlays Bank and Standard Chartered Bank.

In ANZ Grindlays Bank, he held senior positions across the Corporate and Consumer Banking businesses and in functions such as strategy, process re-engineering and operations. Following the acquisition of ANZ Grindlays by Standard Chartered Bank in 2000, he became COO-India Region and was responsible for the management of around 1900 staff across multiple locations and functions. He also led the integration of IT and Operations of both the Banks. He was instrumental in the establishment of Scope International. He served as Director of both Scope International and Standard Chartered Finance Ltd. During his tenure in India, he was also a member of Standard Chartered Bank of Standard Chartered, managing the Credit Risk Control function and the Basel Program.

Thereafter, he joined Manpower India, a 100% subsidiary of Manpower Inc., a fortune 500 Company and a Global leader in human resources and staffing solutions. While in Manpower for three years, he laid the foundation for making Manpower India a leading and dominant recruitment services firm in India. He played a leading role in the formation of joint venture with ABC Consultants. During this period, Right Management, a Manpower Company, started the process of acquiring Grow Talent India Pvt. Ltd. He served on the Board of Right Grow Talent India Pvt. Ltd. during the phase of transition.

He is presently an independent consultant in the areas of organization, human resources and corporate affairs as Managing Partner of DGA Consulting.

He is a director on the Boards of India Carbon Limited, Peerless Funds Management Co. Limited and Bengal Peerless Housing Development Company Limited.

#### Mr. Roberto Testore

Mr. Roberto Testore, (DIN: 01935704), has graduated in mechanical engineering from Turin Polytechnic University.

He holds more than three decades of experience in automobile industry.

He began his career in the automobile sector joining FIAT in 1976, and held positions in production and organisation. Thereafter, he joined the IFI-owned Group Unimorando as Vice President of the Industrial Operations; during this period he executed the restructuring of the whole group. In 1986, he joined COMAU where he held different positions till 1994



when he was appointed CEO of COMAU SpA and COMAU Finanziaria S.p.A. During this period COMAU became the world leader company operating in industrial automation.

In 1996, he joined FIAT Auto S.p.A. as Chief Executive Officer. During these years, the company won the European "Car of the Year" award twice and in the meantime FIAT became the leading brand in Brazil and began manufacturing and selling cars in China, India, South Africa and Egypt. He has also held senior positions in Trenitalia S.p.A., the Company that manages the railway operations inside the Group Ferrovie dello Stato SpA. From 2004 to 2006 Trenitalia was reorganized, through various evolutions, in order to face the deregulation of the Railway Transport.

Amongst other Companies where Mr. Testore holds directorships, he is presently Managing Director of Pantheon IT Srl, Chairman of Pantheon Italia Srl, Sole Administrator of Risorgimento Srl and is also Chief Operating Officer of Sofinter SpA and AC Boiler SpA.

#### Resignation of Mr. Asanka Rodrigo

During the year under review, Mr. Asanka Rodrigo, (DIN: 03010463), resigned from directorship of the Company on 20<sup>th</sup> October, 2016. Mr. Rodrigo was a nominee of Actis Components and System Investments Limited ("Actis"), and was appointed on the Board of the Company pursuant to the Shareholders' Agreement dated 19<sup>th</sup> December, 2011, executed between the Company, Actis and Company's other shareholders, after Actis became a shareholder of the Company in 2011. His resignation was in terms of the said Shareholders' Agreement, whereby the agreement terminated upon listing of the Company's equity shares on the stock exchanges.

#### Retirement of directors by rotation

In terms of Section 152 of the Act, Mr. Ramesh Gehaney, (DIN: 02697676), Director and Chief Operating Officer, shall retire 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 of Eighteenth AGM.

#### Key Managerial Personnel

During the year under review, consequent upon conversion of status to 'public company' and in terms of the provisions of Section 203 of the Act, the Board of Directors, at its meeting held on 10<sup>th</sup> June, 2016, appointed the following officials as 'Key Managerial Personnel' of the Company:

- 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).

### Number of Meetings of the Board

During the year under review six Board meetings were held and detailed information on the same is given in the Corporate Governance Report.

## **Directors' Responsibility Statement**

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

- (i) in the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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 2016-17 and of the profit and loss of the Company for that period;
- (iii) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the directors have prepared the annual accounts on a going concern basis;
- (v) the directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively; and
- (vi) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.



# Board's Report (contd.)

# **Declaration by Independent Directors**

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

# Directors' Remuneration Policy and Criteria for matters under Section 178

As stipulated under Section 178 of the Act and based on the recommendation of the Nomination and Remuneration Committee, the Board has approved a Nomination and Remuneration Policy of the Company. The Policy documents the mechanism for appointment, cessation, evaluation and remuneration of the Directors, Key Managerial Personnel and Senior Management of the Company. Information on the Policy and details of the criteria for determining qualifications, positive attributes and other matters in terms of Section 178 of the Act are provided in the Corporate Governance Report.

# Performance Evaluation of the Board, Its Committees and Directors

Annual performance evaluation of the Board, its Committees and individual directors for the financial year ended 31<sup>st</sup> March, 2017 was conducted by:

- i. the independent directors, at their meeting held on 18<sup>th</sup> April, 2017;
- ii. the Nomination and Remuneration Committee of the Company, at its meeting held on 19th April, 2017; and
- iii. the Board, at its meeting held on 19<sup>th</sup> April, 2017.

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

## Information on Board Meeting Procedure and attendance during the Financial Year 2016-17

The Board meetings of the Company are conducted as per the provisions of the Act, Listing Regulations and applicable Secretarial Standards. Information as mentioned in the Act and Schedule II to the Listing Regulations and all other material information, as may be decided by the management, is placed for consideration of the Board. Details on the matters to be discussed along with relevant supporting documents, data and other information is also furnished in the form of detailed agenda to the Board and the Committees concerned, to enable directors take critical decisions and accordingly advise the management.

Details regarding information furnished to the Board members, number of Committee and Board meetings held during the year along with attendance record of each director has been disclosed in the Corporate Governance Report of the Company.

### **Risk Management**

The Company has a Board approved Risk Management Policy, which has been drawn up with the objective to identify, evaluate, assess and prioritise risks to which the Company is exposed to and defines a mechanism to mitigate such identified risks.

Effective April 2016, the risk management framework of the Company has also been formalised. The framework, *inter alia*, encompasses risks, that are specific to the Company considering general industry and perceived market risks; thresholds against the identified risks, wherever feasible and an appropriate review, monitoring and reporting mechanism. The framework lays down the functions/ departments responsible for mitigation of the risks identified. Based on the mechanism laid down in the framework, a status report is presented by each function biannually and critical matters are reviewed by the Audit Committee and the Board.

### **Credit Rating**

During the year under review the credit rating of the Company's short term and long term debt was maintained by CRISIL at 'CRISIL AA-/Stable' for long term loan and 'CRISIL A1+' for short term loan.

In April, 2017 ICRA rated the Company's long term and short term borrowing at 'ICRA AA (Positive)' and 'ICRA A1+', respectively.

ENDURANCE TECHNOLOGIES LIMITED

# **Internal Financial Controls**

Your Company has an adequate internal financial control mechanism wherein all policies and procedures have been adopted with the objective of ensuring:

- i) orderly and efficient control of business;
- ii) adherence to Company's policies;
- iii) safeguarding of assets;
- iv) prevention and detection of frauds and errors;
- v) accuracy and completeness of accounting records; and
- vi) timely preparation of reliable financial information.

The Company has an internal control framework which includes policies, standard operating procedures and schedule of authority which are developed and documented. 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, the Company has an in-house Internal Audit (IA) team lead by the Chief Internal Auditor who reports to the Audit Committee. The scope of work, accountability, responsibility, reporting and authority of the IA Department is defined in the Internal Audit Charter which is reviewed by the Audit Committee annually.

The IA team draws up an internal audit plan in advance for a financial year, which is approved by the Audit Committee and progress thereof is reviewed by the Committee at its quarterly meetings. In order to ensure objectivity and independence of the audit mechanism, internal audit of processes at specific plants are outsourced. The IA team conducts audits of the processes followed by plants and corporate functions, specifically emphasising on adherence to Standard Operating Procedures (SOPs), controls and internal guidelines issued by the management.

Observations of the audit are shared with the respective plant and function heads along with recommended corrective measures. 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 improvising the systems and processes, where necessary.

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

# **Corporate Governance**

In terms of the Listing Regulations, Corporate Governance Report, including General Shareholders' information along with the report on Management Discussion and Analysis forms part of the Annual Report of the Company for the financial year 2016-17.

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.

# Code of Conduct for Prevention of Insider Trading and Fair Disclosure of Unpublished Price Sensitive Information

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



# Board's Report (contd.)

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. These codes lay down the mechanism for ensuring timely and adequate disclosure of Unpublished Price Sensitive Information ("UPSI") to the investor community by the Company to enable them take informed investment decisions with regard to its securities.

The PIT Code prescribes the procedure for trading in securities of the Company and the disclosures to be made by persons covered under the PIT Code with respect to their shareholding in the Company, both direct and indirect.

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.

# Details in Respect of Frauds Reported by Auditors

During the year under review, there have not been any instances of fraud and accordingly, the Statutory Auditors have not reported any frauds either to the Audit Committee or to the Board under Section 143(12) of the Act.

### **Auditors**

#### **Statutory Auditor**

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm's Registration No. 117366W/W-100018) ("DHS"), hold office up to the conclusion of the Eighteenth AGM.

DHS were appointed as Statutory Auditors of the Company from the conclusion of Seventh AGM *i.e.* from 30<sup>th</sup> September, 2006 and thereafter they have been re-appointed every year. In terms of Section 139 of the Act read with Rule 6 of the Companies (Audit and Auditors) Rules, 2014, pertaining to mandatory rotation of auditors, the term of appointment of DHS as Statutory Auditors of the Company expires at the conclusion of the Eighteenth AGM and they are not eligible for re-appointment.

In view of the foregoing, the Board has recommended appointment of M/s. S R B C & CO. LLP, Chartered Accountants (*Firm Registration No: 324982E/E300003*), as Statutory Auditors of the Company for a period of five years, from the conclusion of Eighteenth AGM till the conclusion of Twenty-third AGM of the Company, subject to approval of the shareholders at the Eighteenth AGM. Their appointment shall be subject to ratification by the shareholders at every subsequent AGM.

### **Cost Auditor**

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

Pursuant to Section 148 of the Act and Rules made thereunder, Mr. Jayant B. Galande, Cost Accountant (Membership No. M-5255) was appointed as Cost Auditor for auditing the cost accounting records maintained by the Company for the financial year 2016-17.

Based on the recommendation of the Audit Committee, the Board, at its meeting held on 10<sup>th</sup> May, 2017, has appointed Mr. Jayant B. Galande as Cost Auditor of the Company for the financial year 2017-18 at a remuneration of ₹ 2.50 lakh, an increase of ₹ 0.25 lakh as compared to the audit fee for the financial year 2016-17. The said fee is exclusive of applicable taxes and reimbursement of out-of-pocket expenses, which shall be payable at actuals.

A proposal for ratification of the audit fee payable to Mr. Jayant B. Galande, Cost Auditor for audit of cost records for the financial year 2017-18 has been made, for consideration of the shareholders at the ensuing AGM.

ENDURANCE TECHNOLOGIES LIMITED

# **Secretarial Auditor**

In view of the change in the status of the Company from 'private limited' to 'public limited' and subsequent listing of its equity shares on stock exchanges, the Company is required to comply with the provisions of Section 204 of the Act and annex Secretarial Audit Report with its Board's report for the financial year 2016-17.

Accordingly, in terms of the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Sachin Bhagwat (Membership No. A10189, CP No. 6029) Company Secretary in Practice, to undertake the Secretarial Audit of the Company for the financial year 2016-17. The Secretarial Audit Report for the financial year 2016-17 is annexed herewith as Annexure III and forms part of this report. The report does not contain any qualification, reservation or adverse remark.

# **Disclosures**:

# Policies of the Company:

The Company is committed to high ethical standards in its business transactions guided by its value systems. 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 by the Listing Regulations as well as under the Act. These policies are reviewed by the Board at periodic intervals.

Sr. no.	Name of Policy
1.	Nomination and Remuneration Policy
2.	Whistle Blower Policy
3.	Risk Management Policy
4.	Code of Conduct for Prevention of Insider Trading
5.	Code of Conduct for Directors and Employees
6.	Policy on Fair disclosure of Unpublished Price Sensitive Information
7.	Policy for Determination of Materiality of Subsidiaries
8.	Policy on Determining Materiality of and Dealing with Related Party Transactions
9.	Policy for Determination of Materiality of Event

Some of the key policies that have been adopted are as follows:

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

#### 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 IV.

A statement containing particulars of employees as required under Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided as separate annexure forming part of this Report. In terms of Section 136 of the Act, the Annual Report and financial statements are being sent to the Members excluding the aforesaid annexure. The said annexure is available for inspection at the registered and corporate 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.



# Board's Report (contd.)

# Vigil Mechanism/ Whistle Blower Policy

In terms of the provisions of Section 177(9) of the Act read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014, the Board, approved and adopted a Whistle Blower Policy which includes vigil mechanism for the Company. The Policy forms part of the Code of Conduct of the Company.

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 31<sup>st</sup> March, 2017 and date of Board's Report

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

### **Corporate Social Responsibility Initiatives**

In terms of Schedule VII to the Act and the Company' 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 programmes approved by the Board are directed towards enhancing employability by providing skill-building trainings to unemployed youth and helping villages in improving their standard of living by undertaking activities for promoting health, hygiene, sanitation, education & livelihood.

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

#### **Expenditure towards CSR activities**

During the year under review, the Company earmarked an amount of ₹ 49.6 million for expenditure towards CSR activities for the financial year 2016-17. Against the amount earmarked, the Company contributed an amount of ₹ 18.3 million towards CSR expenditure on the above projects during the said financial year.

# Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo.

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

### **Related Party Transactions**

During the year under review, Ms. Rhea Jain, daughter of Mr. Anurang Jain was appointed as an employee of the Company. She has been designated as an "Officer on Special duty" in 'Manager' cadre.

All contracts/ arrangements/ transactions entered into by the Company, during the financial year, with related parties were on arm's length basis and in the ordinary course of business. In terms of the Company's Policy on Determining Materiality of and Dealing with Related Party Transactions ("RPT Policy"), all such transactions are placed before the Audit Committee, for its approval.

In its meeting held on 10<sup>th</sup> May, 2017, the Board adopted a revised RPT Policy to align with amendments notified in the Companies (Meetings of Board and its Powers) (Amendment) Rules, 2017, issued by the Ministry of Corporate Affairs vide notification no. G. S. R. 309(E) dated 30<sup>th</sup> March, 2017 and the same is uploaded on the Company's website at www.endurancegroup.com.

During the year under review, there were no 'material' related party transactions as defined under Regulation 23 of the Listing Regulations, hence there are no details to be disclosed in Form AOC-2.

# Significant and material orders passed by the Regulators or Courts

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

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

The Company 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 an Internal Complaints Committee ("ICC") which is chaired by a female employee and senior management officials of the Company as its members. The ICC is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the Policy.

During the year ended 31<sup>st</sup> March, 2016, the ICC received one complaint pertaining to sexual harassment. Detailed investigations were carried out and appropriate action was taken by the ICC. The complaint received by the ICC was redressed.

# Extract of Annual Return

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

# **Industrial Relations**

During the year under review, the industrial relations remained cordial. The Company signed a wage settlement agreement on 11<sup>th</sup> April, 2016 for its manufacturing facility located at Plot no. 400, Sector 8, IMT Manesar, Gurgaon, Haryana.

# Acknowledgments

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

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

For and on behalf of the Board

Naresh Chandra Chairman DIN: 00027696

Place: Mumbai Date: 10<sup>th</sup> May, 2017



# Annexure I To Board's Report

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

### A. Conservation of Energy

During the year under review, the wind mills installed by the Company at Jaisalmer, Satara and Supa, generated 7,166,704 units of electricity (including 5,161,231 units of captive consumption). The Company earned an income of ₹ 48.59 million (including captive consumption ₹ 37.20 million) from generation of wind power.

Your Company continued its energy conservation initiatives.

#### (i) Energy conservation measures taken

- a. Installation of Variable Speed Drive (VSD) compressor with GPRS technique to increase the compressor's efficiency.
- b. Installation of Flue Gas Analyser, a monitoring system to improve fuel efficiency.
- c. Installation of accumulator for Hydraulic Power pack to reduce power consumption of power pack motors.
- d. Installation of energy efficient tri-lobe blower replacing the twin lobe blower of effluent treatment.
- e. Installation of auto shut-off valve on machines to eliminate the compressed air losses.
- f. Sludge de-watering pump has been installed at the plant at B-1/3, Chakan, Pune for reduction of hazardous waste.

#### Impact

These initiatives have resulted into saving of 2,517,286 units of electricity.

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

The Company is exploring the use of green source power like solar and/ or wind in plants as an alternative source to thermal power.

#### (iii) Capital investment on energy conservation equipment

The capital investment made by the Company during the financial year 2016-17, on energy conservation equipment was ₹ 25.12 million.

### B. Technology Absorption

#### **Research & Development**

The Company's Intellectual Property (IP) Cell is actively involved in conducting detailed study of various processes and product developments carried out by the four in-house R&D centres to evaluate the possibility for grant of patent. All the R&D centres are approved by the Department of Scientific and Industrial Research.

During the year under review, ten applications were filed for grant of patents, taking the total number of applied patents to forty-eight. Additionally, four applications were filed for design registration.

During the financial year 2016-17, one patent was granted and four designs were registered. As on 31<sup>st</sup> March, 2017, Company has five patents granted and five designs registered.

To foster the culture of innovation an idea-sharing event– ASPIRE IdeaFest, was also conducted. This annual event invites employees to share innovative ideas relating to products, processes and system improvements, leading to enhancement of overall efficiency in technical, non-technical areas or support functions.

# Specific areas in which R&D was carried out:

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

The existing on-line X-ray machine was upgraded with Computed Tomography (CT) capability, this enables 3D viewing of the micro defects in casting.

Major new casting products introduced this year include Clutch housings for passenger car for export to Europe, HCV gear box housings for an Indian customer and other castings (crank case, grips, covers etc.) for two-wheelers.

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

- a) Company has designed, developed and tested four different Combined Braking System ("CBS") concepts which meet upcoming regulatory norms effective from 1<sup>st</sup> April, 2018.
- b) Installation of Special Anti-lock Braking System ("ABS") Evac & Bleeding machine. This will facilitate integration of the current ABS modulators with the braking system.
- c) Braking system for 300cc and 500cc segment has been developed and productionised.
- d) Commenced manufacturing of hydraulic rubber hose assembly for two-wheeler brakes.
- e) Company has entered into Licence and Technology Assistance Agreement with a leading global brakes and suspension company for development of ABS for application in two and three wheelers.

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

- a) Development of high performance paper friction material which gives:
  - Better performance at low cost for 100 to 125 cc bikes;
  - New Paper grades for higher cc bike (200cc and above); and
  - Paper Liner for Continuous Variable Transmission CVT Centrifugal clutch.
- b) Effective use of newly acquired CVT design software and newly installed CVT performance & durability test rig helped in design and development of 110cc CVT with improved performance and optimised cost.
- IV. R&D Centre at E-93, Waluj, Aurangabad (Suspension components):
  - a) The technology transfer for manufacture of Cartridge type, Adjustable & Non-Adjustable Inverted Front Forks completed with WP Performance Systems GmbH, Austria.
  - b) Installation and commissioning of a new High Speed Damping Force test machine (MTS-USA make) and Actuator for structural test.
  - c) Successfully developed and launched "Buy-me" products for aftermarket e.g. gas filled shock absorbers for 100cc bikes.
  - d) Additional test facilities have been set up to improve product reliability.
  - e) Development of full-fledged data acquisition and analysis capability of forces acting on front forks and shock absorbers under dynamic driving conditions.



# Annexure I To Board's Report (contd.)

All R&Ds with support of Advanced Engineering Group ("AEG"), strive to meet customer expectations with "First Time Right" products and with "On Time" development. AEG supports in areas of Virtual validation (CAE), Experimental Data Analysis (EDA), Failure Analysis, Advanced Material Analysis, etc.

#### Benefit derived as a result of above R&D activities:

- 1. Timely introduction of 'first time right' new products meeting customer requirements.
- 2. Continual improvement in performance, quality and reliability of the Company's products.
- 3. Offering cost effective products to the customers through VA/VE (Value addition/ Value engineering) activities and enabling the Company to maintain its cost competitive advantage.
- 4. Readiness with new technology products for adjustable suspension, CBS, high performance CVT and clutch assemblies.
- 5. Preparedness of the Company for upcoming legislative norms for brakes in two-wheelers requiring mandatory introduction of either CBS or ABS, based on engine capacity from 1<sup>st</sup> April, 2018.
- 6. Enhancing testing and validation capabilities for more accurate and accelerated evaluation of the Company's products.

Year of import	Technology from	Details of technology imported	Status
2013	Adler SpA, Italy	Manufacture of transmission products (clutch assemblies, friction plates and CVTs)	Under absorption
2015	WP Performance Systems GmbH, Austria (formerly known as WP Suspension Austria GmbH)	<ul> <li>Suspension components having either of the following product technologies:</li> <li>Separation Piston for manufacture of mono shock absorbers;</li> <li>Piggy bag suspension system; and</li> <li>Any other technology as mutually agreed.</li> </ul>	Under absorption
2015	European braking technology provider	Combined Brake 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.	-

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

\* The agreement was executed on 15<sup>th</sup> April, 2017.

### VI. Expenditure incurred on R & D

			₹ in Million
Sr. no.	Particulars of expenditure	2016-17	2015-16
i.	Capital including technical know-how	132.23	221.85
ii.	Recurring	271.95	235.03
	Total	404.18	456.88
Total	research and development expenditure as a percentage of revenue, net of excise duty.	1.05%	1.25%

# 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	1611.94
Foreign exchange outgo	84.72



# Annexure II To Board's Report

#### Annual Report on Corporate Social Responsibility (CSR) Activities

1. A brief outline of the Company's CSR policy, including overview of projects or programmes undertaken/ proposed to be undertaken and a reference to the web-link to the CSR policy and such 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 6<sup>th</sup> June, 2014.

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

The Company engages in various dynamic initiatives which vary with the needs of society and environment.

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

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

#### Overview of projects or programmes undertaken during the financial year 2016-17

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

The Company partnered with Sevak Trust, with whom it has been associated for more than a decade to undertake following CSR activities:

- i. A project to set up a Vocational Training Centre (VTC) in Aurangabad, Maharashtra or its sub-urban areas to provide training and education to school drop-outs and educationally & economically under-privileged unemployed youth; and
- ii. A project aiming community development through adoption of following villages namely:
  - a. Sanjkheda;
  - b. Kachner (comprising 8 tandas); and
  - c. Jodwadi.

# ENDURANCE TECHNOLOGIES LIMITED

## Vocational Training Centre (VTC)

A VTC has been set up in Waluj, Aurangabad, in the name of Endurance Centre of Vocational Empowerment ("ECoVE") which provides skill-building trainings in chosen vocations for enhancing employability of its students, particularly targeting school drop-outs, families of workers and educationally & economically under-privileged youth. ECoVE commenced its operations in August 2015. During the financial year 2016-17, following courses, of a duration of three months each, were offered at the ECoVE:

- a. Retail Marketing;
- b. Electrical- House Wiring;
- c. Computer Literacy;
- d. Tailoring; and
- e. Welding.

During the year, ECoVE completed four batches in the above mentioned training courses with 304 candidates registered and 280 candidates graduated. Overall 60% of graduate candidates have gained employment in various sectors during the last financial year.

#### Village Development Project (VDP)

During the financial year 2016-17, the Company has undertaken VDP at Sanjkheda, Kachner (comprising 8 tandas) and Jodwadi, these villages are located around  $30 \sim 40$  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	<ul> <li>Organising eye and general health check- up and yoga camps</li> <li>Facilitating cataract operations</li> <li>Distribution of medicines at health check-up camps</li> </ul>
2.	Water & Sanitation	<ul> <li>Installation of Reverse Osmosis (RO) plants</li> <li>Construction of toilets</li> <li>Deepening of runnels (<i>nallahs</i>) for rain water harvesting</li> <li>Organising cleanliness drive</li> </ul>
3.	Agriculture methodology and Livelihood	<ul> <li>Organising specialised agriculture trainings</li> <li>Distribution of fodder stumps</li> <li>Construction of mangers</li> </ul>
4.	Education	<ul> <li>Renovation of school building</li> <li>Setting up of libraries with books &amp; furniture</li> <li>Installation of inverters to facilitate uninterrupted e-learning</li> </ul>
5.	Community Development	<ul> <li>Providing financial assistance to families in low income group, for purchasing of goats. This helps them to generate income for livelihood</li> <li>Providing financial assistance to self-employed females and organizing of vocational trainings</li> </ul>

### Overview of projects or programmes proposed to be undertaken

**Vocational Training Centre (VTC)**: The Endurance Centre for Vocational Empowerment ("ECoVE") received encouraging response with higher enrolments and students evincing interest in completing the course(s) considering the vocations offered and the facilities available thereat. In view thereof, it is proposed to complete at least three batches for each of the following courses in the financial year 2017-18:



# Annexure II To Board's Report (contd.)

- a. Retail Marketing;
- b. Electrical- House Wiring;
- c. Computer Literacy;
- d. Tailoring; and
- e. Welding.

**Village Development Project (VDP)**: Considering the encouraging response and need for development activities in Sanjkheda, Kachner and Jodwadi, it is proposed to continue with VDP initiative in these villages during the current financial year. Following new activities are proposed to be undertaken at these villages:

- i. De-silting of village pond;
- ii. Construction of small houses for 28 poor families living in Kachner village and surrounding tandas;
- iii. Construction of 250 bathrooms along with toilets construction at Kachner Tandas;
- iv. Project for manufacturing of sanitary napkins for generating employment for women and to promote better health and hygiene;
- v. Alcohol de-addiction project; and
- vi. Running schools on solar energy.

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

#### 2. Composition of the CSR 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 2013-14, 2014-15 and 2015-16 was ₹ 2,479.86 million.

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

During the year under review, the Company earmarked ₹ 49.60 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 2016-17: ₹18.30 Million
- 2) Amount unspent: ₹31.30 Million

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Board's Report

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	CSR project or activity identified	Sector in which the Project is covered	Projects o	Projects or programmes	Amount outlay projects or programmes wise	Amount spent on the projects or programmes subheads:	int on the ogrammes ads:	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	State- Maharashtra District- Aurangabad					
	Water & Sanitation				9.11	1.65		1.65	
	Agriculture & Livelihood				1.45	0.81	I	0.81	
1	Health & Nutrition	****		Y	0.42	0.13	-	0.13	Through .
	Education				6.95	6.04	1	6.04	Adancy- Savab
	Community Mobilisation				2.63	0.78	I	0.78	Trust*
1	General Activities			You	l.44	0.03		0.03	
	Sub Total-(A)				22.00	9.44	00.0	9.44	
	Vocational Training Centre	Refer note (ii) below	Local Area: Waluj, Aurangabad	State- Maharashtra District- Aurangabad					
	Training & Administrative Expenses				8.50	8.55		8.55	Through Implementing
	VTC building construction				25.00	0.31		0.31	Agency-
	Sub Total- (B)				35.50	8.86	00.0	8.86	
	Grand Total (A + B)				55.50	18.30	00.0	18.30	

ENDURANCE TECHNOLOGIES LIMITED

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;
  - 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 11<sup>th</sup> January, 1993.

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# Annexure II To Board's Report (contd.)

### 7. Reasons for under spending of amount earmarked for CSR expenditure for the financial year 2016-17:

A significant portion of the budget was allocated towards capital expenditure for construction of the building for the VTC. However, the project implementation was postponed on account of delay in receipt of requisite approvals.

#### 8. 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.

Date: 10<sup>th</sup> May, 2017

Sd/-Anurang Jain Managing Director DIN: 00291662

2016-17 ENDURANCE TECHNOLOGIES LIMITED

Annual Report

# Annexure III To Board's Report

# SECRETARIAL AUDIT REPORT

For the financial year ended 31<sup>st</sup> March, 2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2017, 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<sup>st</sup> March, 2017 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;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the Audit period);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit period);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit period); and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit period).



# Annexure III To Board's Report (contd.)

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;
- (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

- (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with provisions of the Act.
- (b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (c) 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.

Place: Pune Date: 29<sup>th</sup> April, 2017 Sd/-Sachin Bhagwat ACS: 10189 CP: 6029
Annual Report

## Annexure IV To Board's Report

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

a) The ratio of the remuneration of each Director / Key Managerial Personal (KMP) to the median remuneration of the employees of the Company for the financial year

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 2016-17
1	Mr. Anurang Jain, Managing Director	152.28	24.72%
2	Mr. Satrajit Ray, Director and Group Chief Financial Officer	52.19	11.56%
3	Mr. Ramesh Gehaney, Director and Chief Operating Officer	51.09	10.18%
4	Mr. Sunil Lalai Company Secretary and Vice President - Legal	19.63	10.18%

b)

The median remuneration of the employees of the Company during the financial year was ₹ 0.32 million.

- c) Percentage increase in the median remuneration of employees in the last financial year 2016-17 was 10.34% as compared to the previous year.
- d) No. of permanent employees as on 31<sup>st</sup> March, 2017 are 4,455.
- e) Average percentile increase in salaries of employees other than the managerial personnel and its comparison with the percentile increase in the managerial remuneration and justification thereof (and point out if there are any exceptional circumstances for increase in the managerial remuneration);

Average percentage increase in the salaries of employees other than managerial personnel in the financial year 2016-17 was 10%; whereas the increase in the managerial remuneration in the financial year 2016-17 was 18.73%.

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

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



## Annexure V To Board's Report

#### Form No. MGT-9 EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31<sup>st</sup> March, 2017 [Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I Registration and other details:

		<b>_</b>
i.	CIN	L34102MH1999PLC123296
ii.	Registration Date	27 <sup>th</sup> December, 1999
iii.	Name of the Company	Endurance Technologies Limited [Formerly known as Endurance Technologies Pvt. Ltd.]
iv.	Category/Sub-Category of the Company	Public Company/ Limited by shares
V.	Address of the Registered office and contact details	K-228, M.I.D.C. Industrial Area, Waluj, Aurangabad – 431136 Tele : 0240 2569737 Fax : 0240 2551700 Email : investors@endurance.co.in
vi.	Whether listed company Yes / No	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C 101, 247 Park, L B S Marg, Vikhroli (West), Mumbai - 400083 Phone: +91 022-49186000 Fax : +91 022-49186060 Email : rnt.helpdesk@linkintime.co.in

#### II. Principal Business Activities of the Company

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

Sr. no.	Name and Description of main products / services	NIC Code of the product/ service	% to total turnover of the Company
1.	Aluminium die castings parts	24320	47.32%
2.	Shock absorbers & Front forks	30913	37.19%

#### III. Particulars of Holding, Subsidiary and Associate Companies:

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

# 95% of the share capital is held by the Company and remaining 5% of the share capital is held by Endurance Amann GmbH, Germany (WOS) of the Company

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

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## IV. Share Holding Pattern (Equity Share Capital Breakup as Percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Sha (Equity	No. of Shares held at the beginning of the year (Equity shares of face value of ₹ 4 each) (As on 1st April, 2016)				No. of Shares held at the end of the year (Equity shares of face value of ₹ 10 each) (As on 31ª March, 2017)			
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters (includes Promoter Group)						-		-	
(1) Indian								-	-
a. Individual/ HUF	37,927,150	Nil	37,927,150	86.28	53,949,824	Nil	53,949,824	38.35	(47.93)
b. Central Govt.	-	-	-	-	-	-	-	-	-
c. State Govt.(s)	-	-	-	-	-	-	-	-	-
d. Bodies Corp.	-	-	-	-	-	-	-	-	-
e. Banks/Fl	-	-	-	-	-	-	-	-	-
f. Any Other (Trust)	-	-	-	-	62,100,000	-	62,100,000	44.15	44.15
Sub-total (A)(1)	37,927,150	Nil	37,927,150	86.28	116,049,824	Nil	116,049,824	82.50	(3.78)
(2) Foreign									
a. NRIs – Individuals	-	-	-	-	-	-	-	-	-
b. Other – Individuals	-	-	-	-	-	-	-	-	-
c. Bodies Corp.	-	-	-	-	-	-	-	-	-
d. Banks/Fl	-	-	-	-	-	-	-	-	-
e. Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)									
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	37,927,150	Nil	37,927,150	86.28	116,049,824	Nil	116,049,824	82.50	(3.78)
B. Public Shareholding									
1. Institutions						-			
a. Mutual Funds	-	-	-	-	6,706,556	Nil	6,706,556	4.77	4.77
b. Banks / Fl	-	-	-	-	66,416	Nil	66,416	0.05	0.05
c. Central Govt	-	-	-	-	-	-	-	-	-
d. State Govt.(s).	-	-	-	-	-	-	-	-	-
e. Venture Capital Funds	-	-	-	-	-	-	-	-	-
f. Insurance Companies	-	-	-	-	-	-	-	-	-



# Annexure V To Board's Report (contd.)

Category of Shareholders			of Shares held at the beginning of the year (Equity shares of face value of ₹ 4 each) (As on 1st April, 2016)			No. of Shares held at the end of the year (Equity shares of face value of ₹ 10 each) (As on 31ª March, 2017)				% Change during the yea
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Physical Total % of Shares		
g.	Flls (foreign portfolio investors)	-	-	-	-	12,263,894	Nil	12,263,894	8.72	8.72
h.	Foreign Venture Capital	-	-	-	-	-	-	-	-	
i.	Others (specify)									
	Body Corporate	6,029,990	Nil	6,029,990	13.72	-	-	-	-	(13.72
Sub	-total (B)(1)	6,029,990	Nil	6,029,990	13.72	19,036,866	Nil	19,036,866	13.54	(0.18
2. N	lon-Institutions									
a)	Bodies Corp.									
	i) Indian	-	-	-	-	-	-	-	-	
	ii) Overseas	-	-	-	-	-	-	-	-	
b)	Individuals									
	i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	2,043,712	30	2,043,742	1.45	1.45
	<li>ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh</li>	-	-	-	-	216,599	Nil	216,599	0.15	0.1
c)	NBFCs registered with RBI	-	-	-	-	-	-	-	-	
d)	Others (specify)									
	Hindu Undivided Family	-	-	-	-	180,094	Nil	180,094	0.13	0.13
	Non Resident Indians (Non Repat)	-	-	-	-	30,446	Nil	30,446	0.02	0.02
	Non Resident Indians (Repat)	-	-	-	-	38,469	Nil	38,469	0.03	0.0
	Clearing Member	-	-	-	-	147,663	Nil	147,663	0.11	0.1
	Bodies Corporate	-	-	-	-	2,919,145	Nil	2,919,145	2.07	2.0
Sub	-total (B)(2):	-	-	-	-	5,576,128	30	5,576,158	3.96	3.90
Sha	l Public reholding :(B)(1)+(B)(2)	6,029,990	Nil	6,029,990	13.72	24,612,994	30	24,613,024	17.50	3.78
C.	Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	
	nd Total B+C)	43,957,140	Nil	43,957,140	100.00	140,662,818	30	140,662,848	100.00	

#### ii). Shareholding of Promoter (including Promoter Group):

		Shareholding at the beginning of the year as on 1st April, 2016 (Equity shares of face value of ₹ 4 each)		Shareholding c 31st March, 2 valu		hares of face	% change in share	
Sr. No.	Shareholder's Name	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encum- bered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	holding during the year
1.	Mr. Anurang	26,412,400	60.09	-	53,949,664	38.35	-	(1.62)
ı.	Jain				*28,300,000	20.12	-	0.00
2.	Mrs. Varsha Jain	25	0.00	-	80	0.00	-	0.00
3.	Mr. Anurang Jain jointly holds with Mrs. Varsha Jain	468,925	1.06	-	-	-	-	(1.06)
4.	Anurang Jain H.U.F.	125	0.00	-	-	-	-	(0.00)
5.	Mr. Naresh Chandra	4,500,100	10.24	-	**16,910,000	12.02	-	1.78
6.	Mr. Naresh Chandra jointly holds with Mrs. Suman Jain	1,042,825	2.37	-	-	-	-	(2.37)
7.	Mrs. Suman Jain	5,502,750	12.52	-	***16,890,000	12.01	-	(0.51)
8.	Mr. Rohan Jain	-	-	-	80	0.00	-	0.00
	Total (ii) (a+b)	37,927,150	86.28	-	116,049,824	82.50	-	(3.78)

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

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

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

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

<b>6</b>		Shareho	olding	Cumulative Shareholding during the year	
Sr. No.	Particulars	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year (Equity shares of face value of Rs. 4 each) <b>1st April, 2016</b>	37,927,150	86.28		
	Date wise Increase / (Decrease)				
1.	Mr. Anurang Jain				
	<u>17<sup>th</sup> May, 2016</u> – Transfer (by way of gift) to Mr. Rohan Jain (Equity shares of face value of Rs. 4 each)	(25)	(0.00)	37,927,125	86.28



# Annexure V To Board's Report (contd.)

		Shareho	olding	Cumulative Shareholding during the year		
Sr. No.	Particulars	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	
2.	Mr. Rohan Jain		I			
	<u>17<sup>th</sup> May, 2016</u> - Transfer (by way of gift) from Mr. Anurang Jain (Equity shares of face value of Rs. 4 each)	25	0.00	37,927,150	86.28	
3.	Corporate Action – Consolidation of e	quity shares				
	<u>18<sup>th</sup> May, 2016</u> - Consolidation of equity shares from face value of Rs. 4/- each to face value of Rs. 10/- each	15,170,860	No change	15,170,860	86.28	
4.	Corporate Action – Issue of bonus equ	ity shares				
	<u>29<sup>th</sup> May, 2016</u> - Allotment of bonus equity shares in the ratio of 7:1	106,196,020	No change	121,366,880	86.28	
5.	Mr. Naresh Chandra					
	21 <sup>st</sup> June, 2016 - Transfer of shares (by way of a gift) to Mr. Anurang Jain and Mrs. Varsha Jain (Joint Shareholding)	(700,320)	(0.50)	120,666,560	85.78	
6.	Mr. Naresh Chandra and Mrs. Suman Jain	(Joint Shareholding	1)			
	21 <sup>st</sup> June, 2016 - Transfer of shares (by way of a gift) to Mr. Anurang Jain and Mrs. Varsha Jain (Joint Shareholding)	(147,040)	(0.10)	120,519,520	85.68	
7.	Mrs. Suman Jain					
	21 <sup>st</sup> June, 2016 - Transfer of shares (by way of a gift) to Mr. Anurang Jain and Mrs. Varsha Jain (Joint Shareholding)	(698,800)	(0.50)	119,820,720	85.18	
8.	Mr. Anurang Jain and Mrs. Varsha Jain (Joi	nt Shareholding)				
	21 <sup>st</sup> June, 2016 - Transfer of shares (received by way of gift) from Mr. Naresh Chandra	700,320	0.50	120,521,040	85.68	
	21 <sup>st</sup> June, 2016 - Transfer of shares (received by way of gift) from Mr. Naresh Chandra and Mrs. Suman Jain (Joint Shareholding)	147,040	0.10	120,668,080	85.78	
	21 <sup>st</sup> June, 2016 - Transfer of shares (received by way of gift) from Mrs. Suman Jain	698,800	0.50	121,366,880	86.28	
9.	Mr. Anurang Jain					
	<u>30<sup>th</sup> June, 2016</u> - Transfer of equity shares to Anurang Rohan Trust	(25,253,280)	(17.95)	96,113,600	68.33	
10.	Mr. Anurang Jain and Mrs. Varsha Jair	(Joint Shareholdin	g)			
	<u>30<sup>th</sup> June, 2016</u> - Transfer of shares to Anurang Rohan Trust	(3,046,720)	(2.16)	93,066,880	66.17	
11.	Mr. Naresh Chandra					
	<u>30<sup>th</sup> June, 2016</u> - Transfer of shares to NC Trust	(13,700,000)	(9.74)	79,366,880	56.43	

c	Particulars	Shareho	olding	Cumulative Shareholding during the year		
Sr. No.		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	
12.	Mr. Naresh Chandra and Mrs. Suman Jain	(Joint Shareholding	y)			
	<u>30<sup>th</sup> June, 2016</u> - Transfer of shares to NC Trust	(3,190,000)	(2.27)	76,176,880	54.16	
13.	Mrs. Suman Jain	•				
	<u>30<sup>th</sup> June, 2016</u> - Transfer of shares to Anurang Rhea Trust	(16,910,000)	(12.02)	59,266,880	42.14	
14.	<b>Mr. Anurang Nareshchandra Jain</b> (Hold Rohan Trust)	ds shares in his co	apacity as the	family trustee of	Anurang	
	<u>30<sup>th</sup> June, 2016</u> - Transfer of equity shares by Mr. Anurang Jain to Anurang Rohan Trust	25,253,280	17.95	84,520,160	60.09	
	<u>30<sup>th</sup> June, 2016</u> - Transfer of shares by Mr. Anurang Jain and Mrs. Varsha Jain (Joint Shareholding) to Anurang Rohan Trust	3,046,720	2.16	87,566,880	62.25	
15.	Mrs. Suman Jain (Holds shares in her cap	pacity as the fam	ily trustee of N	NC Trust)		
	<u>30<sup>th</sup> June, 2016</u> - Transfer of shares by Mr. Naresh Chandra to NC Trust	13,700,000	9.74	101,266,880	71.99	
	<u>30<sup>th</sup> June, 2016</u> - Transfer of shares by Mr. Naresh Chandra and Mrs. Suman Jain (Joint Shareholding) to NC Trust	3,190,000	2.27	104,456,880	74.26	
16.	Mr. Naresh Chandra (Holds shares in his	s capacity as the	family trustee	of Anurang Rhea	n Trust)	
	<u>30<sup>th</sup> June, 2016</u> - Transfer of shares by Mrs. Suman Jain to Anurang Rhea Trust	16,910,000	12.02	121,366,880	86.28	
17.	Mr. Anurang Jain	e				
	<u>15<sup>th</sup> October, 2016</u> - Transfer of equity shares in Initial Public Offering of the Company by way of offer for sale	(53,17,056)	(3.78)	116,049,824	82.50	
18.	Anurang Jain H.U.F.					
	<u>30<sup>th</sup> March, 2017</u> - Transfer of shares to Mr. Anurang Jain consequent upon dissolution of Anurang Jain HUF	(400)	(0.00)	116,049,424	82.50	
19.	Mr. Anurang Jain	•	·			
	<u>30<sup>th</sup> March, 2017</u> - Transfer of equity shares consequent upon dissolution of Anurang Jain HUF	400	0.00	116,049,824	82.50	
	At the end of the year 31 <sup>st</sup> March, 2017			116,049,824	82.50	



## Annexure V To Board's Report (contd.)

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

C.		Shareho	olding	Cumulative Shareholding during the year		
Sr. No.	Particulars	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	
1.	SMALLCAP WORLD FUND, INC					
	At the beginning of the year	-	-	-	-	
	Date wise Increase / (Decrease)					
	15 <sup>th</sup> October, 2016 - Allotment	1,002,516	0.71	1,002,516	0.71	
	21 <sup>st</sup> October, 2016 - Purchase	2,400,000	1.71	3,402,516	2.42	
	4 <sup>th</sup> November, 2016 - Purchase	42,900	0.03	3,445,416	2.45	
	11 <sup>th</sup> November, 2016 - Purchase	196,474	0.14	3,641,890	2.59	
	18th November, 2016 - Purchase	218	0.00	3,642,108	2.59	
	25 <sup>th</sup> November, 2016 - Purchase	121,782	0.09	3,763,890	2.68	
	At the end of the year	-	-	3,763,890	2.68	
2.	AXIS MUTUAL FUND TRUSTEE LIMITED A/C AXIS MUTUAL FUND A/C AXIS LONG TERM EQUITY FUND					
	At the beginning of the year	_	-		-	
	Date wise Increase / (Decrease)					
_	15 <sup>th</sup> October, 2016 - Allotment	352,766	0.25	352,766	0.25	
_	21 <sup>st</sup> October, 2016 - Purchase	1,991,211	1.42	2,343,977	1.67	
	28 <sup>th</sup> October, 2016 - Purchase	901	0.00	2,344,878	1.67	
	4 <sup>th</sup> November, 2016 - Purchase	5,712	0.00	2,350,590	1.67	
	11 <sup>th</sup> November, 2016 - Purchase	127,288	0.09	2,477,878	1.76	
	25 <sup>th</sup> November, 2016 - Purchase	172,000	0.12	2,649,878	1.88	
	2 <sup>nd</sup> December, 2016 - Purchase	173,000	0.12	2,822,878	2.01	
	9 <sup>th</sup> December, 2016 - Purchase	84,827	0.06	2,907,705	2.07	
	16 <sup>th</sup> December, 2016 - Purchase	20,173	0.01	2,927,878	2.08	
	23 <sup>rd</sup> December, 2016 - Sale	(9,000)	(0.01)	2,918,878	2.08	
	30 <sup>th</sup> December, 2016 - Sale	(106,544)	(0.08)	2,812,334	2.00	
	13 <sup>th</sup> January, 2017 - Sale	(52,212)	(0.04)	2,760,122	1.96	
	20 <sup>th</sup> January, 2017 - Purchase	712,958	0.51	3,473,080	2.47	
	27 <sup>th</sup> January, 2017 - Purchase	83,686	0.06	3,556,766	2.53	
	3 <sup>rd</sup> February, 2017 - Purchase	130,672	0.09	3,687,438	2.62	
	10 <sup>th</sup> March, 2017 - Sale	(26,000)	(0.02)	3,661,438	2.60	
	24 <sup>th</sup> March, 2017 - Purchase	49,773	0.04	3,711,211	2.64	
	31 <sup>st</sup> March, 2017 - Purchase	227	0.00	3,711,438	2.64	
	At the end of the year	-	-	3,711,438	2.64	

Sr. No.	Particulars	Shareho	olding	Cumulative Shareholding during the year		
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	
3.	HDFC STANDARD LIFE INSURANCE COMPANY LIMITED					
	At the beginning of the year	-	-	-	-	
	Date wise Increase / (Decrease)					
	15 <sup>th</sup> October, 2016 - Allotment	497,827	0.35	497,827	0.35	
	21 <sup>st</sup> October, 2016 - Purchase	378,331	0.27	876,158	0.62	
	28 <sup>th</sup> October, 2016 - Purchase	324,994	0.23	1,201,152	0.85	
	4 <sup>th</sup> November, 2016 - Purchase	74,392	0.05	1,275,544	0.91	
	11 <sup>th</sup> November, 2016 - Purchase	30	0.00	1,275,574	0.91	
	18 <sup>th</sup> November, 2016 - Sale	(13,228)	(0.01)	1,262,346	0.90	
	16 <sup>th</sup> December, 2016 - Purchase	115,986	0.08	1,378,332	0.98	
	23 <sup>rd</sup> December, 2016 - Purchase	52,576	0.04	1,430,908	1.02	
	30th December, 2016 - Purchase	27,344	0.02	1,458,252	1.04	
	6 <sup>th</sup> January, 2017 - Purchase	1,812	0.00	1,460,064	1.04	
	13 <sup>th</sup> January, 2017 - Purchase	50,000	0.04	1,510,064	1.07	
	20 <sup>th</sup> January, 2017 - Purchase	20,452	0.01	1,530,516	1.09	
	27 <sup>th</sup> January, 2017 - Purchase	14	0.00	1,530,530	1.09	
	17 <sup>th</sup> February, 2017 - Purchase	275	0.00	1,530,805	1.09	
	24 <sup>th</sup> February, 2017 - Purchase	25,146	0.02	1,555,951	1.11	
	3 <sup>rd</sup> March, 2017 - Purchase	778	0.00	1,556,729	1.11	
	10 <sup>th</sup> March, 2017 - Purchase	5,022	0.00	1,561,751	1.11	
-	17 <sup>th</sup> March, 2017 - Purchase	33,680	0.02	1,595,431	1.13	
	24 <sup>th</sup> March, 2017 - Purchase	63,807	0.05	1,659,238	1.18	
	31 <sup>st</sup> March, 2017 - Purchase	65,017	0.05	1,724,255	1.23	
	At the end of the year	-	-	1,724,255	1.23	
4.	THE WELLINGTON TRUST COMPANY NATIONAL ASSOCIATION MULTIPLE COMMON TRUST FUNDS TRUST EMERGING MARKETS LOCAL EQUITY PORTFOLIO					
	At the beginning of the year	-	-	_		
	Date wise Increase / (Decrease)					
	21 <sup>st</sup> October, 2016 - Purchase	648,742	0.46	648,742	0.46	
	25 <sup>th</sup> November, 2016 - Purchase	133,090	0.09	781,832	0.56	



## Annexure V To Board's Report (contd.)

Sr. No.	Particulars	Shareho	lding	Cumula Shareholding yea	during the
	Famcolars	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	2 <sup>nd</sup> December, 2016 - Purchase	66,178	0.05	848,010	0.60
	16 <sup>th</sup> December, 2016 - Purchase	62,737	0.04	910,747	0.65
-	17 <sup>th</sup> February, 2017 - Purchase	115,060	0.08	1,025,807	0.73
	24 <sup>th</sup> February, 2017 - Purchase	120,873	0.09	1,146,680	0.82
	3 <sup>rd</sup> March, 2017 - Purchase	15,915	0.01	1,162,595	0.83
	At the end of the year			1,162,595	0.83
5.	GOVERNMENT OF SINGAPORE		-		
	At the beginning of the year	-	-	-	-
	Date wise Increase / (Decrease)				
	15 <sup>th</sup> October, 2016 - Allotment	452,634	0.32	452,634	0.32
	11 <sup>th</sup> November, 2016 - Purchase	88,432	0.06	541,066	0.38
	18 <sup>th</sup> November, 2016 - Purchase	58,468	0.04	599,534	0.43
	2 <sup>nd</sup> December, 2016 - Purchase	162,923	0.12	762,457	0.54
	9 <sup>th</sup> December, 2016 - Purchase	72,679	0.05	835,136	0.59
	23 <sup>rd</sup> December, 2016 - Purchase	45,413	0.03	880,549	0.63
	30 <sup>th</sup> December, 2016 - Purchase	25,795	0.02	906,344	0.64
	6 <sup>th</sup> January, 2017 - Purchase	14,417	0.01	920,761	0.65
	10 <sup>th</sup> February, 2017 - Purchase	90,553	0.06	1,011,314	0.72
	17 <sup>th</sup> February, 2017 - Purchase	20,142	0.01	1,031,456	0.73
	At the end of the year			1,031,456	0.73
6.	L & T MUTUAL FUND TRUSTEE LTD. L & T INDIA PRUDENCE FUND				
	At the beginning of the year	-	-	-	-
	Date wise Increase / (Decrease)				
	21 <sup>st</sup> October, 2016 - Purchase	643,576	0.46	643,576	0.46
	28 <sup>th</sup> October, 2016 - Purchase	150,021	0.11	793,597	0.56
	4 <sup>th</sup> November, 2016 - Purchase	19,738	0.01	813,335	0.58
	11 <sup>th</sup> November, 2016 - Purchase	44,693	0.03	858,028	0.61
	18 <sup>th</sup> November, 2016 - Purchase	73,368	0.05	931,396	0.66
	25 <sup>th</sup> November, 2016 - Purchase	70,000	0.05	1,001,396	0.71
	3 <sup>rd</sup> February, 2017 - Sale	(101,100)	(0.07)	900,296	0.64
	At the end of the year			900,296	0.64

Sr.	De die la se	Shareho	Cumu hareholding Shareholding ye		
No.	Particulars	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
7.	BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED AC BIRLA SUN LIFE BALANCED 95 FUND				
	At the beginning of the year	-	-	-	-
	Date wise Increase / (Decrease)				
	15 <sup>th</sup> October, 2016 - Allotment	248,430	0.18	248,430	0.18
	21 <sup>st</sup> October, 2016 - Purchase	469,248	0.33	717,678	0.51
	28 <sup>th</sup> October, 2016 - Purchase	140,000	0.10	857,678	0.61
	11 <sup>th</sup> November, 2016 - Purchase	104,000	0.07	961,678	0.68
	18 <sup>th</sup> November, 2016 - Purchase	25,000	0.02	986,678	0.70
	25 <sup>th</sup> November, 2016 - Sale	(103,300)	(0.07)	883,378	0.63
	2 <sup>nd</sup> December, 2016 - Purchase	15,000	0.01	898,378	0.64
	9 <sup>th</sup> December, 2016 - Sale	(42,360)	(0.03)	856,018	0.61
	13 <sup>th</sup> January, 2017 - Sale	(132,269)	(0.09)	723,749	0.51
	31 <sup>st</sup> March, 2017 - Sale	(31,450)	(0.02)	692,299	0.49
	At the end of the year			692,299	0.49
8.	UTI - BLUECHIP FLEXICAP FUND				
	At the beginning of the year	-	-	-	-
	Date wise Increase / (Decrease)				
	15 <sup>th</sup> October, 2016 - Allotment	211,890	0.15	211,890	0.15
	21 <sup>st</sup> October, 2016 - Purchase	124,134	0.09	336,024	0.24
	28 <sup>th</sup> October, 2016 - Purchase	20,000	0.01	356,024	0.25
	4 <sup>th</sup> November, 2016 - Purchase	110,000	0.08	466,024	0.33
	11 <sup>th</sup> November, 2016 - Purchase	22,360	0.02	488,384	0.35
	18 <sup>th</sup> November, 2016 - Purchase	123,934	0.09	612,318	0.44
	25 <sup>th</sup> November, 2016 - Purchase	6,280	0.00	618,598	0.44
	2 <sup>nd</sup> December, 2016 - Purchase	25,000	0.02	643,598	0.46
	6 <sup>th</sup> January, 2017 - Sale	(21,210)	(0.02)	622,388	0.44
	10 <sup>th</sup> February, 2017 - Sale	(10,680)	(0.01)	611,708	0.43
	17 <sup>th</sup> February, 2017 - Purchase	80,292	0.06	692,000	0.49
	At the end of the year			692,000	0.49



# Annexure V To Board's Report (contd.)

<b>Sr.</b> <b>No.</b> 9.	Particulars	Shareholding Shareholding		Cumulo Shareholding yea	g during the	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	
9.	THE NOMURA TRUST AND BANKING CO LTD AS THE TRUSTEE OF NOMURA INDIA STOCK MOTHER FUND					
	At the beginning of the year	-	-	-	-	
	Date wise Increase / (Decrease)					
	25 <sup>th</sup> November, 2016 - Purchase	230,000	0.16	230,000	0.16	
	2 <sup>nd</sup> December, 2016 - Purchase	12,000	0.01	242,000	0.17	
	9 <sup>th</sup> December, 2016 - Purchase	242,187	0.17	484,187	0.34	
	16 <sup>th</sup> December, 2016 - Purchase	75	0.00	484,262	0.34	
	30 <sup>th</sup> December, 2016 - Purchase	65,000	0.05	549,262	0.39	
	At the end of the year			549,262	0.39	
10.	SCHRODER INTERNATIONAL SELECTION FUND ASIAN SMALLER COMPANIES					
	At the beginning of the year	-	-	-	-	
	Date wise Increase / (Decrease)					
	21 <sup>st</sup> October, 2016 - Purchase	400,005	0.28	400,005	0.28	
	28 <sup>th</sup> October, 2016 - Purchase	5	0.00	400,010	0.28	
	11 <sup>th</sup> November, 2016 - Purchase	39,266	0.03	439,276	0.31	
	18 <sup>th</sup> November, 2016 - Purchase	19,674	0.01	458,950	0.33	
	9 <sup>th</sup> December, 2016 - Purchase	44,188	0.03	503,138	0.36	
	16 <sup>th</sup> December, 2016 - Purchase	7	0.00	503,145	0.36	
	10 <sup>th</sup> March, 2017 - Purchase	12,987	0.01	516,132	0.37	
	17 <sup>th</sup> March, 2017 - Purchase	23,183	0.02	539,315	0.38	
	At the end of the year			539,315	0.38	

#### v). Shareholding of Directors and Key Managerial Personnel:

Sr.		Shareholding			
A.	Particulars	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
Α.	Mr. Naresh Chandra				
	At the beginning of the year (Equity shares of face value of ₹ 4 each)	5,542,925	12.61		
	Date wise Increase / (Decrease)				
i.	<u>18<sup>th</sup> May, 2016</u> - Consolidation of equity shares of face value of ₹ 4/- each to face value of ₹ 10/- each	2,217,170	No change	2,217,170	12.61
ii.	<u>29<sup>th</sup> May, 2016</u> - Allotment of bonus equity shares in the ratio of 7:1	15,520,190	No change	17,737,360	12.61
iii.	21 <sup>st</sup> June, 2016 - Transfer of shares (by way of a giff) to Mr. Anurang Jain and Mrs. Varsha Jain	(847,360)	(0.60)	16,890,000	12.01
iv.	<u>30<sup>th</sup> June, 2016</u> - Transfer of shares to NC Trust	(16,890,000)	(12.01)	-	-
	Mr. Naresh Chandra (Holds shares in his capacity as family trustee of Anurang Rhea Trust)				
v.	<u>30<sup>th</sup> June, 2016</u> - Transfer of shares (by way of a gift) Mrs. Suman Jain to Anurang Rhea Trust	16,910,000	12.02	16,910,000	12.02
	At the end of the year (Equity shares of face value of ₹ 10 each)	-	-	16,910,000	12.02
<b>B</b> .	Mr. Anurang Jain				
	At the beginning of the year (Equity shares of face value of ₹ 4 each)	26,881,450	61.15		
i	<u>17<sup>th</sup> May, 2016</u> - Transfer (by way of gift) to Mr. Rohan Jain	(25)	(0.00)	26,881,425	61.15
ii	<u>18<sup>th</sup> May, 2016</u> - Consolidation of equity shares of face value of ₹ 4/- each to face value of ₹ 10/- each	10,752,570	No change	10,752,570	61.15
iii	<u>29<sup>th</sup> May, 2016</u> - Allotment of bonus equity shares in the ratio of 7:1	75,267,990	No change	86,020,560	61.15
iv	21 <sup>st</sup> June, 2016 - Transfer of shares (by way of a gift) to Mr. Anurang Jain and Mrs. Varsha Jain (joint shareholding) by Naresh Chandra (individual) and Naresh Chandra & Suman Jain (joint holding)	847,360	0.60	86,867,920	61.75
V	21 <sup>st</sup> June, 2016 - Transfer of shares (by way of a gift) to Mr. Anurang Jain and Mrs. Varsha Jain by Mrs. Suman Jain	698,800	0.50	87,566,720	62.25
vi	<u>30<sup>th</sup> June, 2016</u> - Transfer of equity shares to the Anurang Rohan Trust	(28,300,000)	(20.12)	59,266,720	42.13
vii	<u>15<sup>th</sup> October, 2016</u> - Transfer of equity shares in Initial Public Offering of the Company by way of offer for sale	(5,317,056)	(3.78)	53,949,664	38.35
viii	30 <sup>th</sup> <u>March, 201</u> 7 - Transfer of equity shares to Anurang Jain (individual) consequent upon dissolution of Anurang Jain HUF	(400)	(0.00)	53,949,264	38.35



## Annexure V To Board's Report (contd.)

Ç.		Shareh	olding	Cumula Shareholding yea	during the
Sr. No.	Particulars	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
ix	<u>30<sup>th</sup> March, 2017</u> - Transfer of equity shares to Anurang Jain (individual) consequent upon dissolution of Anurang Jain HUF	400	0.00	53,949,664	38.35
	At the end of the year (Equity shares of face value of ₹ 10 each) (a)	-	-	53,949,664	38.35
	Mr. Anurang Nareshchandra Jain (Holds shares in the capacity of family trustee of Anurang Rohan Trust)				
Х.	<u>30<sup>th</sup> June, 2016</u> - Transfer of equity shares by Mr. Anurang Jain to the Anurang Rohan Trust	28,300,000	20.12	28,300,000	20.12
	At the end of the year (Equity shares of face value of ₹ 10 each) (b)	-	-	28,300,000	20.12
	At the end of the year (a+b)		-	82,249,664	58.47
<b>C</b> .	Name of the Directors and KMPs				
	At the beginning of the year				
	Date wise Increase / (Decrease)				
i.	Mr. Partho Datta				
ii.	Mr. Soumendra Basu				
iii.	Mr. Roberto Testore				
iv.	Mr. Ramesh Gehaney, Director and Chief Operating Officer		, i		
٧.	Mr. Satrajit Ray, Director and Group Chief Financial Officer		Ν	IL	
vi.	Ms. Anjali Seth				
vii.	Mrs. Falguni Nayar				
viii.	Mr. Massimo Venuti				
ix.	Mr. Sunil Lalai Company Secretary and Vice President – Legal (KMP)				
	At the end of the year				

#### V. Indebtedness

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

				₹ in million
Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits <sup>#</sup>	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	1,581.08	862.70	23.40	2,467.18
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	4.78	10.22	-	15.00
Total (i+ii+iii)	1,585.86	872.92	23.40	2,482.18

				₹ in million
Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits <sup>#</sup>	Total Indebtedness
Change in Indebtedness during the financial year				
Addition*	4,576.43	26,793.38	4.49	31,374.30
Reduction* ^	5,041.83	26,696.16	8.22	31,746.21
Net Change	(465.40)	97.23	(3.73)	(371.91)
Indebtedness at the end of the financial year				•
i. Principal Amount	1,115.68	959.92	19.67	2,095.27
ii. Interest due but not paid	_	-	-	-
iii. Interest accrued but not due	0.65	0.17	-	0.82
Total (i+ii+iii)	1,116.33	960.09	19.67	2,096.09

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

\* Includes Short Term Loan.

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

#### VI. Remuneration of Directors and Key Managerial Personnel

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

Amount in ₹

		1	Name of MD/WTD/M	anager	Total Amount 74,268,879 3,300,327 - - - - -
Sr. No	Particulars of Remuneration	Mr.Mr. RameshAnurangGehaneyJain(Director(Managingand ChiefDirector)Operating Officer)			
1.	Gross salary				
	a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	44,160,000	14,890,545	15,218,334	74,268,879
	<ul> <li>b. Value of perquisites u/s 17(2) Income-tax Act, 1961</li> </ul>	1,803,264	723,079	773,984	3,300,327
	<ul> <li>c. Profits in lieu of salary under section 17(3) Income-tax Act, 1961</li> </ul>	-	-	-	-
2. <u>3.</u> 4.	Stock Option	_	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total (A)	45,963,264	15,613,624	15,992,318	77,569,206
	Ceiling as per the Act		[Being 10% of Net profit the Companies Act, 2013		ed as per



# Annexure V To Board's Report (contd.)

B. Remuneration to	o other directors:
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						Ar	nount in ₹
Sr. No	Particulars of Remuneration	Name of Directors					
1.	Independent Directors	Mr. Soumendra Basu	Mr. Partho Datta	Mr. Roberto Testore	Ms. Anjali Seth	Mrs. Falguni Nayar	
	<ul> <li>Fee for attending board / committee meetings</li> </ul>	260,000	220,000	80,000	140,000	40,000	740,000
	<ul> <li>Commission (for the FY 2015-16)</li> </ul>	2,000,000	2,000,000	2,000,000	-		6,000,000
	Others, please specify	-	-	-	-	-	-
	Total (1)	2,260,000	2,220,000	2,080,000	140,000	40,000	6,740,000
2.	Other Non-Executive Directors	Mr. Naresh Chandra (Chairman)					
	Fee for attending board / committee meetings	100,000	-	-	-	-	100,000
	Commission	-					-
	Others, please specify     (Advisory fee)	1,500,000	-	-	-	-	15,00,000
	Total (2)	1,600,000	-	-	-	-	16,00,000
	Total (B)=(1+2)	3,860,000	2,220,000	2,080,000	140,000	40,000	8,340,000
	Ceiling as per the Act		₹ 30,208,628 [	Being 1% of Net profit	of the Company co	omputed as per Section	198 of the Act]
	Total Managerial Remuneration (A+B3)						85,909,206
	Overall ceiling as per the Act		₹332,294,909 [B	eing 11% of Net profit	of the Company co	omputed as per Section	198 of the Act]

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

Sr. No	Particulars of Remuneration	Mr. Sunil Lalai (Company Secretary & Vice President – Legal)
1.	Gross salary	
	<ul> <li>Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961</li> </ul>	5,897,516
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961	139,552
	c. Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission	-
	- as % of profit	-
	- others, specify	-
5.	Others, please specify	-
	Total	6,037,068

#### VII. Penalties / Punishment/ Compounding of Offences:

There were no penalties, punishment or compounding of offences during the year ended 31st March, 2017

Annual Report 2016-17

ENDURANCE TECHNOLOGIES LIMITED

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

10<sup>th</sup> May, 2017

1

The Members, Endurance Technologies Limited K-228, 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, 2017:

- 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**

10<sup>th</sup> May, 2017

The Members, Endurance Technologies Limited K-228, 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

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ENDURANCE TECHNOLOGIES LIMITED

## Practicing Company Secretary's Certificate on Corporate Governance

To,

The Members of Endurance Technologies Limited,

We have examined the compliance of conditions of corporate governance by **Endurance Technologies Limited** (hereinafter referred "the Company"), for the year ended on 31<sup>st</sup> March, 2017 as stipulated in relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosures requirements) Regulations, 2015.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing Regulations, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor efficiency or effectiveness with which the management has conducted the affairs of the Company

#### For SVD & Associates

Company Secretaries

S.V. Deulkar Partner FCS No: 1321 CP No: 965

Date: 10<sup>th</sup> May, 2017 Place: Pune



## Corporate Governance Report

The Securities and Exchange Board of India (SEBI) vide its notification no. SEBI/LAD-NRO/GN/2015-16/013 dated 2<sup>nd</sup> September, 2015, notified the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"). This report elucidates the systems and processes followed by Endurance to ensure compliance of corporate governance requirements under the Listing Regulations and the Companies Act, 2013 ("Act").

The Listing Regulations became applicable to the Company w.e.f. 19<sup>th</sup> October, 2016, i.e. the date when the Equity Shares of face value of ₹ 10/- of the Company got listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The information stated herein pertains to the financial year 2016-17.

#### 1. Philosophy:

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

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

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

#### 2. Board of Directors:

#### a) Composition:

As on 31<sup>st</sup> March, 2017, the Board comprised ten Directors, three of which are Executive Directors, five are Non-Executive & Independent Directors and two are Non-Executive and Non-Independent Directors. The Company has a Non-Executive Chairman who is a member of the promoter group.

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

Mr. Naresh Chandra, Chairman and Mr. Anurang Jain, Managing Director of the Company are relatives in terms of the Act.

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

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Sr.	Name of	Category	Date of Attendance Appointment in last AGM		Other Boards / Committees			
No.	the Director				Directorships*	Committee**		
	Birector					Member	Chairperson	
1.	Mr. Naresh Chandra	Chairman, Non-executive, Non- Independent	27 <sup>th</sup> December, 1999 <sup>#</sup>	Yes	2	-	1	
2.	Mr. Anurang Jain	Managing Director, Executive & Promoter	27 <sup>th</sup> December, 1999	Yes	2	]	-	
3.	Mr. Ramesh Gehaney	Director and Chief Operating Officer, Executive	6 <sup>th</sup> June, 2014	No	1	-	-	
4.	Mr. Satrajit Ray	Director and Group Chief Financial Officer, Executive	6 <sup>th</sup> June, 2014	Yes	1	]	-	
5.	Mr. Asanka Rodrigo <sup>##</sup>	Nominee, Non- executive	22 <sup>nd</sup> December, 2011	Yes	1	-	-	
6.	Mr. Massimo Venuti®	Non-executive, Non- independent	2 <sup>nd</sup> December, 2016		1	-	-	
7.	Mr. Roberto Testore	Non-executive, Independent	17 <sup>th</sup> October, 2007 <sup>\$</sup>		1	-	-	
8.	Mr. Partho Datta	Non-executive, Independent	16 <sup>th</sup> June, 2010 <sup>\$</sup>		5	4	1	
9.	Mr. Soumendra Basu	Non-executive, Independent	16 <sup>th</sup> June, 2010 <sup>\$</sup>	No	3	2	1	
10.	Ms. Anjali Seth	Non-executive, Independent	10 <sup>th</sup> June, 2016 <sup>\$</sup>		8	4	2	
11.	Mrs. Falguni Nayar	Non-executive, Independent	10 <sup>th</sup> June, 2016 <sup>\$</sup>		9	5	1	

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

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

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

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

## Mr. Asanka Rodrigo ceased to be a director of the Company w.e.f. 20<sup>th</sup> October, 2016

<sup>@</sup> Mr. Massimo Venuti was initially appointed as a non-executive director on 6<sup>th</sup> June, 2014. He had resigned from the Board w.e.f. 9<sup>th</sup> June, 2016 due to personal reasons of a transient nature. He was again appointed as an additional director w.e.f. 2<sup>nd</sup> December, 2016. Hence he was not entitled to attend the Seventeenth Annual General Meeting of the Company held on 3<sup>rd</sup> August, 2016.

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

All the directors who had not attended the Seventeenth Annual General Meeting ("AGM") of the Company held on 3<sup>rd</sup> August, 2016 had sought leave of absence, in advance, from attending the said meeting.

#### b) Number of Board meetings:

During the Financial Year 2016-17, the Board of Directors met six times on 14<sup>th</sup> April, 2016, 17<sup>th</sup> May, 2016, 10<sup>th</sup> June, 2016, 26<sup>th</sup> August, 2016, 2<sup>nd</sup> December, 2016 and 8<sup>th</sup> February, 2017. Table below elucidates the attendance of each of the director at the aforesaid Board meetings.

Sr. No.	Date of Meeting ->	Category	14 <sup>th</sup> April, 2016	17 <sup>th</sup> May, 2016	10 <sup>th</sup> June, 2016	26 <sup>th</sup> August, 2016	2 <sup>nd</sup> December, 2016	8 <sup>th</sup> February, 2017
	Name of Directors / No. of Meeting->		89 <sup>th</sup>	90 <sup>th</sup>	<b>91</b> <sup>st</sup>	92 <sup>nd</sup>	93 <sup>rd</sup>	94 <sup>th</sup>
1.	Mr. Naresh Chandra	Chairman, Non- executive, Non- Independent	$\checkmark$	Leave of absence	$\checkmark$	~	$\checkmark$	$\checkmark$
2.	Mr. Anurang Jain	Managing Director, Executive & Promoter	~	~	~	~	~	~
3.	Mr. Asanka Rodrigo*	Nominee, Non- executive	~		~		N.A.	N.A.
4.	Mr. Partho Datta	Non-executive, Independent	$\checkmark$	Leave of absence	$\checkmark$	~	$\checkmark$	$\checkmark$
5.	Mr. Soumendra Basu	Non-executive, Independent	~	Leave of absence	~	~	~	$\checkmark$
6.	Mr. Roberto Testore	Non-executive, Independent	$\checkmark$	Leave of absence	$\checkmark$	Leave of absence	~	$\checkmark$
7.	Mr. Ramesh Gehaney	Director and Chief Operating Officer, Executive	$\checkmark$	~	~	~	$\checkmark$	$\checkmark$
8.	Mr. Satrajit Ray	Director and Group Chief Financial Officer, Executive	~		~	~	~	$\checkmark$
9.	Mr. Massimo Venuti®	Non-executive, non-Independent	~	~	N.A.	N.A.	$\checkmark$	$\checkmark$
10.	Ms. Anjali Seth <sup>s</sup>	Non-executive, Independent	N.A.	N.A.	$\checkmark$	~	$\checkmark$	$\checkmark$
11.	Mrs. Falguni Nayar <sup>s</sup>	Non-executive, Independent	N.A.	N.A.	~	Leave of absence	$\checkmark$	Leave of absence

\* Mr. Asanka Rodrigo ceased to be a director of the Company w.e.f. 20<sup>th</sup> October, 2016, hence was entitled to attend Board Meetings held till such date.

<sup>®</sup> Mr. Massimo Venuti, was not a director of the Company during the period from 9<sup>th</sup> June, 2016 till 1<sup>st</sup> December, 2016, hence was not entitled to attend Board Meetings of the Company held during the said period.

<sup>\$</sup> Ms. Anjali Seth and Mrs. Falguni Nayar were appointed on the Board w.e.f. 10<sup>th</sup> June, 2016 and hence were entitled to attend Board Meetings from that date onwards.

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#### c) Shareholding of Non-executive directors:

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

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

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

#### d) Familiarisation programmes:

With a view to familiarise independent directors on the Board, as required under Regulation 25(7) of the Listing Regulations, they are given a formal introduction about the Company and its operations. This is enabled through a meeting with the Managing Director and the Whole Time Directors. The objective is to provide them an insight about the industry in which the Company operates and knowledge about Company's business and management.

Various familiarisation initiatives are carried out throughout the year on a continual basis, which include comprehensive update at Board and Committee meetings on Company's performance and industry scenario, presentations by Company executives.

Details of such familiarisation programmes are placed on the Company's website at www.endurancegroup.com/ investor/investor-relations.

#### 3. Audit Committee:

#### a) Composition:

The Board had constituted a Audit Committee, at its meeting held on 30<sup>th</sup> July, 2010, under the provisions of Section 292A of the erstwhile Companies Act, 1956. The Board, at its meeting held on 2<sup>nd</sup> December, 2016, reconstituted the Audit Committee for co-option of Ms. Anjali Seth as its member after Mr. Asanka Rodrigo ceased to be a member consequent upon his resignation as a director of the Company.

As on 31<sup>st</sup> March, 2017, the Committee comprised following directors as members:

- i. Mr. Partho Datta, Chairman;
- ii. Mr. Soumendra Basu; and
- iii. Ms. Anjali Seth.

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

#### b) Terms of Reference:

By resolution of the Board dated 10<sup>th</sup> June, 2016, the terms of reference of the Audit Committee were revised and are in accordance with Section 177 of the Act and Regulation 18 of the Listing Regulations. The terms of reference of the Audit Committee are:

1. Overseeing the financial reporting process to ensure fairness, transparency, sufficiency and reliability of financial statements, including recognition, recording and reporting of financial information in keeping with the applicable laws and that the same is correct, sufficient and credible;



- 2. Recommending the appointment, remuneration and terms of appointment of statutory auditors;
- 3. Approving payment to statutory auditors for any other services rendered by them;
- 4. Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
- 5. Reviewing the adequacy of internal control systems including internal financial controls and risk management systems;
- 6. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- 7. Recommending appointment and removal of internal auditor and outsourced internal auditors for our Company's overall operations and its auditable units;
- 8. Discussing with internal auditors on any significant findings and follow-up thereon;
- 9. Examining the financial statements (in particular the investments made by any unlisted subsidiary);
- 10. Discussing nature and scope of audit and audit plans on a regular basis with statutory and the internal auditors as well as post-audit discussion to ascertain any area of concern;
- 11. Reviewing, with the management, performance of the statutory and internal auditors;
- 12. Reviewing compliance with internal and statutory audit reports and examine reasons for substantial defaults and delays in implementing audit recommendations;
- 13. Reviewing and examining with the management annual financial statements before submission of the same to the Board. This will include:
  - 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 Companies Act, 2013;
  - 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;



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- v. The appointment, removal and terms of remuneration of the chief internal auditor;
- vi. Statement of deviations:
  - quarterly statement of deviation(s) submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - b. annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice in terms of Regulation 32(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the related party transactions policy;
- 21. Scrutinising inter-corporate loans and investments;
- 22. Ensuring valuation of undertakings or assets of our Company, wherever it is necessary;
- 23. Reviewing the functioning of the whistle blower mechanism;
- 24. Approving appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- 25. Review of statutory compliances and legal cases;
- 26. Carrying out any other functions as provided under the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable law; and
- 27. Any other term of reference as may be mandated by the Board.



#### c) Meetings and attendance:

During the year, the Committee met four times viz.: 10<sup>th</sup> June, 2016, 26<sup>th</sup> August, 2016, 2<sup>nd</sup> December, 2016 and 8<sup>th</sup> February, 2017.

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

Sr. No.	Date of Meeting->	Category	10 <sup>th</sup> June, 2016	26 <sup>th</sup> August, 2016	2 <sup>nd</sup> December, 2016	8 <sup>th</sup> February, 2017
	Name of Directors / No. of Meeting->		19 <sup>th</sup>	20 <sup>th</sup>	21 <sup>st</sup>	22 <sup>nd</sup>
1.	Mr. Partho Datta	Non-executive, Independent	$\checkmark$	$\checkmark$	$\checkmark$	$\checkmark$
2.	Mr. Soumendra Basu	Non-executive, Independent	$\checkmark$	$\checkmark$	$\checkmark$	$\checkmark$
3.	Mr. Asanka Rodrigo^	Nominee, Non-executive	$\checkmark$	$\checkmark$	N.A.	N.A.
4.	Ms. Anjali Seth ^ ^	Non-executive, Independent	N.A.	N.A.	$\checkmark$	$\checkmark$

<sup>^</sup> Mr. Asanka Rodrigo ceased to be a director of the Company w.e.f. 20<sup>th</sup> October, 2016, hence was entitled to attend Audit Committee Meetings held till such date.

^ Ms. Anjali Seth was co-opted as member of the Audit Committee w.e.f. 2<sup>nd</sup> December, 2016 and hence was entitled to attend Audit Committee Meetings held after that date.

#### 4. Nomination and Remuneration Committee:

#### a) Composition:

The Board had constituted the Nomination and Remuneration Committee, at its Board meeting held on 10<sup>th</sup> June, 2016 in terms of Section 178 of the Act and Regulation 19 of the Listing Regulations. The Board, at its meeting held on 2<sup>nd</sup> December, 2016, reconstituted the Committee, co-opting Ms. Anjali Seth as its member in place of Mr. Asanka Rodrigo who ceased to be a member consequent upon his resignation, as a director of the Company.

As on 31<sup>st</sup> March, 2017, the Committee comprised following directors as members:

- i. Mr. Soumendra Basu, Chairman;
- ii. Mr. Partho Datta; and
- iii. Ms. Anjali Seth.

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

#### b) Terms of Reference:

The terms of reference of the Nomination and Remuneration Committee ("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. 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
- vi. Carry out any other functions as provided under the Act and the Listing Regulations and other applicable law

#### c) Meetings and attendance:

During the financial year 2016-17, the Committee met two times on 26<sup>th</sup> August, 2016 and 8<sup>th</sup> February, 2017. The details of attendance at the Committee meeting are tabulated below:

Sr. Date of Meting ->		Category	Category 26 <sup>th</sup> August, 2016		
No.	Name of Directors / No. of Meeting->	] st		2 <sup>nd</sup>	
1.	Mr. Soumendra Basu	Non-executive, Independent	$\checkmark$	$\checkmark$	
2.	Mr. Partho Datta	Non-executive, Independent	$\checkmark$	$\checkmark$	
3.	Mr. Asanka Rodrigo^	Nominee, Non-executive	$\checkmark$	N.A.	
4.	Ms. Anjali Seth^^	Non-executive, Independent	N.A.	$\checkmark$	

<sup>^</sup> Mr. Asanka Rodrigo ceased to be a director of the Company w.e.f. 20<sup>th</sup> October, 2016, hence was entitled to attend meeting held till such date.

^ Ms. Anjali Seth was co-opted as member of the Committee w.e.f. 2<sup>nd</sup> December, 2016 and hence was entitled to attend meetings held after that date.

#### d) Performance evaluation criteria for Independent Directors:

Pursuant to the provisions of Section 178 of the Act and Regulation 19(4) read with Part D para A of the Schedule II to the Listing Regulations, the NRC, at its meeting held on 8<sup>th</sup> February, 2017, had laid down the criteria for performance evaluation of the Board as a whole, its Committees and individual directors. The said criteria was reviewed and finalised by the Board at its meeting of even date. This includes the criteria for evaluation of independent directors, as well.

The performance evaluation of individual directors and the assessment of Committees' and Board's effectiveness was conducted on 18<sup>th</sup> April, 2017. Based thereon, the Board at its meeting held on 19<sup>th</sup> April, 2017 reviewed the reports on performance assessment of the Board, its Committees and individual directors.

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.

#### e) Remuneration of Directors:

#### i. Pecuniary transactions with Non-executive Directors:

During the year under review, there were no pecuniary transactions with any of the Non-executive Director of the Company.

The register of contracts is maintained by the Company under Section 189 of the Act and the same is placed before the Board for approval from time to time. The register so placed before the Board is signed by all the directors present at such meetings.

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

Non-executive independent directors are professionals with rich domain knowledge and 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 of the Company.

The Board, at its meeting held on 26<sup>th</sup> August, 2016, had approved the Nomination and Remuneration Policy ("NR Policy") of the Company which, *inter alia*, contains the criteria of making payments to directors

(including non-executive independent directors), key managerial personnel and employees and is placed on the Company's website at www.endurancegroup.com/investor/investor-relations.

#### iii. Details of remuneration to directors:

Executive directors are paid remuneration in the form of fixed pay, allowances, performance based incentives, annual retention bonus, perquisites and other benefits, as approved by the Board under the authority of shareholders. They are entitled to superannuation benefits payable in the form of an annuity 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 1<sup>st</sup> April of every year. No pension is paid by the Company.

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

In addition to the commission paid to Non-executive Independent Directors, all Non-executive Directors, except Mr. Massimo Venuti, are also paid sitting fee of ₹ 20,000 (Rupees Twenty Thousand only) each for every Board and Committee meeting attended by them.

The Company has no stock option plans for the directors and hence, it does not form part of the remuneration package payable to any executive and/or Non-executive Director. During the year, the Company did not advance any loan to any of the executive and/or non-executive directors and the details of remuneration paid/payable to directors during 2016-17 are provided in an annexure to the Board's Report in Form MGT-9, extract of the Annual Return.

						(A	mount in ₹)
Sr. no.	Name of Director	Category	Salary	Commission (for the FY 2015-16)	Sitting Fees	Others	Total
1.	Mr. Naresh Chandra^	Chairman, Non-executive, Non-Independent	-	-	1,00,000	1,500,000	1,600,000
2.	Mr. Anurang Jain	Managing Director, Executive & Promoter	45,963,264	-	-	-	45,963,264
3.	Mr. Ramesh Gehaney	Director and Chief Operating Officer, Executive	15,613,624	-	-	-	15,613,624
4.	Mr. Satrajit Ray	Director and Group Chief Financial Officer, Executive	15,992,318	-	-	-	15,992,318
5.	Mr. Asanka Rodrigo	Nominee, Non-executive	-	-	-	-	-
6.	Mr. Massimo Venuti	Non-executive, Non- Independent	-	-	-	-	-
7.	Mr. Roberto Testore	Non-executive, Independent	-	20,00,000	80,000	-	20,80,000
8.	Mr. Partho Datta	Non-executive, Independent	-	20,00,000	2,20,000	-	22,20,000
9.	Mr. Soumendra Basu	Non-executive, Independent	-	20,00,000	2,60,000	-	22,60,000
10.	Ms. Anjali Seth^^	Non-executive, Independent	-	-	1,40,000	-	1,40,000

The remuneration drawn by Directors during the year is as under:

(Amount	in	₹)	
1/ 11/00/11		×)	

Sr. no.	Name of Director	Category	Salary	Commission (for the FY 2015-16)	Sitting Fees	Others	Total
11.	Mrs. Falguni Nayar^^	Non-executive, Independent	-	-	40,000	-	40,000

Mr. Naresh Chandra has been appointed as an advisor to the Company for a period of five years w. e. f. 1<sup>st</sup> January, 2013, vide letter dated 21<sup>st</sup> December, 2012 and is paid an advisory fee of ₹ 1,25,000 per month excluding applicable taxes.

Ms. Anjali Seth and Mrs. Falguni Nayar were appointed on the Board w.e.f. 10<sup>th</sup> June, 2016 and hence no commission was payable to them for the financial year 2015-16.

#### 5. Corporate Social Responsibility Committee:

#### a) Composition:

In accordance with the requirements of Section 135 of the Act, the Board of Directors at their meeting held on 20<sup>th</sup> February, 2014 constituted a Corporate Social Responsibility (CSR) Committee. The CSR Committee was reconstituted by the Board, at its meeting held on 2<sup>nd</sup> December, 2016, for co-option of Mr. Ramesh Gehaney as a member, after Mr. Asanka Rodrigo ceased to be a member consequent upon his resignation from the directorship of the Company.

As on 31<sup>st</sup> March, 2017, the Committee comprised following directors as members:

- i. Mr. Anurang Jain, Chairman;
- ii. Mr. Soumendra Basu; and
- iii. Mr. Ramesh Gehaney.

#### b) Terms of Reference:

The terms of reference of the Committee encompass the following:

- i. To recommend activities and the amount of expenditure to be incurred to fulfill CSR; and
- ii. To monitor the CSR Policy from time to time.

#### c) Meetings and attendance:

During the financial year 2016-17, the CSR Committee met two times on 10<sup>th</sup> June, 2016 and 26<sup>th</sup> August, 2016. The details of attendance at the Committee meeting are tabulated below:

Sr. No.	Date of Meeting ->	Category 10 <sup>th</sup> June, 2016		, 2 <sup>nd</sup> December, 2016	
	Name of Directors / No. of Meeting->		5 <sup>th</sup>	6 <sup>th</sup>	
a)	Mr. Anurang Jain	Managing Director, Executive & Promoter	$\checkmark$	$\checkmark$	
b)	Mr. Asanka Rodrigo	Nominee, Non-executive	$\checkmark$	N.A.	
c)	Mr. Soumendra Basu	Non-executive, Independent	$\checkmark$	$\checkmark$	
d)	Mr. Ramesh Gehaney	Director and Chief Operating Officer, Executive	N.A.	$\checkmark$	

#### 6. Stakeholders' Relationship Committee:

#### a) Composition:

Pursuant to the provisions of Section 178(5) of the Act and Regulation 20 of the Listing Regulations, the Board, at its meeting held on 10<sup>th</sup> June, 2016, constituted Stakeholders' Relationship Committee ("SRC"). The Committee was reconstituted by the Board at its meeting held on 2<sup>nd</sup> December, 2016, for co-option of Mr. Anurang Jain as



a member in place of Mr. Asanka Rodrigo who ceased to be a member consequent upon his resignation, as a director of the Company.

As on 31<sup>st</sup> March, 2017, the Committee comprised following directors as members:

- i. Ms Anjali Seth, Chairperson;
- ii. Mr. Anurang Jain; and
- iii. Mr. Satrajit Ray.

#### b) Terms of Reference:

The terms of reference of the Committee are:

- i. Redressal of grievances of shareholders, debenture holders and other security holders;
- Redressal of grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of annual report and non-receipt of declared dividends; and
- iii. Carry out such other function as prescribed under the Act, Listing Regulations and other applicable law.

#### c) Meetings and attendance:

The Committee did not convene any meeting during the financial year 2016-17.

#### d) Compliance Officer:

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

#### e) Investor grievance and other communication:

In view of listing of Company's equity shares on stock exchanges, during the year i.e. effective 19<sup>th</sup> October, 2016, the communication and / or correspondence received during the aforesaid period were primarily pertaining to the Initial Public Offer of the equity shares of the Company of ₹ 10 each ("IPO"). These correspondence included queries regarding:

- a. non-allotment of shares in the IPO;
- b. non-refund of application money; and
- c. ASBA related process and queries related thereto.

During the period from the date of listing till 31<sup>st</sup> March, 2017, the Company received and disposed of 864 investor queries/ complaints. All the grievances were resolved to the satisfaction of shareholders and other investors, and as on 31<sup>st</sup> March, 2017, there were no pending issues to be addressed or resolved.

#### 7. Other Committees:

#### a) Finance Committee:

The Committee was reconstituted by the Board at its meeting held on 2<sup>nd</sup> December, 2016, for co-option of Mr. Ramesh Gehaney and Mr. Satrajit Ray as its members.

As on 31<sup>st</sup> March, 2017, the Committee comprised following directors as members:

- i. Mr. Naresh Chandra, Chairman;
- ii. Mr. Anurang Jain;
- iii. Mr. Satrajit Ray; and
- iv. Mr. Ramesh Gehaney.

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

The Committee did not convene any meeting during the financial year 2016-17.

#### b) IPO Committee:

An IPO Committee was constituted on 10<sup>th</sup> June, 2016, to facilitate completion of various pre and post IPO formalities and to take decisions in relation thereto.

As on 31st March, 2017, the Committee comprised following directors as members:

- i. Mr. Anurang Jain; and
- ii. Mr. Satrajit Ray

The terms of reference of the IPO Committee include appointment of various intermediaries including book running lead managers, registrar to the offer, underwriters, legal counsels and bankers to the Offer, to negotiate, finalise and to execute various agreements related to the offer, to make applications to statutory and other authorities from time to time, determination of the price band and the offer price and other aspects related thereto such as settlement of all questions, difficulties or doubts in regard to the Offer and any such matters incidental to the same.

During the year under review, the Committee met eight times on 29<sup>th</sup> June, 2016, 5<sup>th</sup> July, 2016, 18<sup>th</sup> September, 2016, 26<sup>th</sup> September, 2016, 27<sup>th</sup> September, 2016, 4<sup>th</sup> October, 2016, 10<sup>th</sup> October, 2016 and 15<sup>th</sup> October, 2016.

Details of attendance at the Committee meetings	was as under:
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Sr. No.	Name of Director	Category	Meetings attended
1.	Mr. Anurang Jain	Chairman, Executive & Promoter	8 out of 8
2.	Mr. Asanka Rodrigo^	Nominee, Non-executive	2 out of 8
3.	Mr. Satrajit Ray	Director and Group Chief Financial Officer, Executive	8 out of 8

Mr. Asanka Rodrigo ceased to be a director of the Company w.e.f. 20<sup>th</sup> October, 2016, and accordingly ceased to be a member of the Committee from that date.

#### 8. General Body Meetings:

During the preceding three years, the AGMs of the Company were held at its registered office at Plot no. K-228, MIDC Industrial Area, Waluj, Aurangabad – 431136, Maharashtra; details thereof are tabulated below:

AGM	Date and time of AGM	Details of special resolution(s) passed at the AGMs, if any
15 <sup>th</sup> AGM	7 <sup>th</sup> August, 2014 at 10.00 a.m.	No special resolutions were passed.
16 <sup>th</sup> AGM	17 <sup>th</sup> August, 2015 at 10.00 a.m.	Adoption of new set of Articles of Association containing clauses as per the Companies Act, 2013.
17 <sup>th</sup> AGM	3 <sup>rd</sup> August, 2016 at 10.00 a.m.	No special resolutions were passed.

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

Date and time of EGM	Place	Details of special resolution(s) passed at the EGM, if any
30 <sup>th</sup> April, 2015 at 10.00 a.m.	74B, 7 <sup>th</sup> Floor, Nariman Bhavan, Nariman Point, Mumbai - 400 021	Appointment of Mrs. Varsha Jain, a related party, as an employee of the Company.

Date and time of EGM	Place	Details of special resolution(s) passed at the EGM, if any		
18 <sup>th</sup> 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. 1 <sup>st</sup> April, 2016;		
		<ul> <li>Amendment of Capital clause of the Memorandum of Association consequent to change in Authorised Share Capital of the Company;</li> </ul>		
		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.		
22 <sup>nd</sup> June, 2016 at 9.00 a.m. (meeting adjourned and held on 29 <sup>th</sup> June, 2016 at 9.00 a.m.)	E-92, MIDC Industrial Area, Waluj, Aurangabad - 431 136	Alteration to Articles of Association of the Company.		

No resolution of shareholders was passed through postal ballot in the above-mentioned AGMs and EGMs.

#### 9. Means of Communication:

During the year under review, the Company published its quarterly and half-yearly financial results in Financial Express and Loksatta, which are national and local daily newspapers respectively. The senior management team of the Company also conducts conference call with investors / analysts on the results published, after Board meetings.

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

The Company's website link, www.endurancegroup.com/investor/investor-relations, contains information as prescribed under the Act and the Listing Regulations, including details of the contact persons and Registrar & Transfer Agent of the Company, shareholding pattern, etc. Information published by the Company i.e. financial results, press release are also available on Company's website. Further, all news releases, transcripts of conference calls and other communications to stock exchanges, are also uploaded on the Company's website.

#### 10. General Shareholder Information:

#### a) Eighteenth Annual General Meeting:

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

Date:	28 <sup>th</sup> July, 2017
Time:	10.30 a.m.
Venue:	Vivanta by Taj, 8-N-12, CIDCO, Dr. Rafiq Zakaria Marg, Rauza Bagh, Aurangabad - 431 003, Maharashtra.

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

Particulars	Date	
Entitlement date for payment of dividend subject to approval of shareholders	On 21st July, 2017	
Dividend payment date (if declared)	On or after 1 <sup>st</sup> August, 2017	
1 <sup>st</sup> quarter ending on 30 <sup>th</sup> June, 2017	8 <sup>th</sup> August, 2017	
2 <sup>nd</sup> quarter ending on 30 <sup>th</sup> September, 2017	On or before 14 <sup>th</sup> November, 2017	
3 <sup>rd</sup> quarter ending on 31 <sup>st</sup> December, 2017	On or before 14 <sup>th</sup> February, 2018	
Financial year ending on 31 <sup>st</sup> March, 2018	On or before 30 <sup>th</sup> May, 2018	

#### c) Date of Dividend Payment:

Dividend on equity shares, if declared at the ensuing AGM, will be credited/dispatched on or after 1<sup>st</sup> August, 2017 as under:

- 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 Friday, 21<sup>st</sup> July, 2017; and
- ii. to all those shareholders holding shares in physical form, after giving effect to all the valid share transfers lodged with the Company/Registrar and Transfer Agent (*i.e.* Link Intime India Pvt. Ltd.) on or before the closing hours on Friday, 21<sup>st</sup> July, 2017.

#### d) Listing on Stock Exchanges:

The Equity Shares of face value of ₹ 10/- each of the Company got listed on 19<sup>th</sup> October, 2016, on the following Stock Exchanges with the ISIN INE913H01037:

Sr. No.	Name	Address	Stock Code	
1.	BSE Limited (BSE)	1 <sup>st</sup> Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	540153	
2.	National Stock Exchange of India Limited (NSE)	Exchange Plaza, Bandra - Kurla Complex, Bandra (E), Mumbai 400 051	endurance	

Pursuant to the Listing Regulations, the Company has entered into uniform listing agreements with BSE and NSE, both dated 17<sup>th</sup> October, 2016. For the year 2016-17, the listing fee payable to these stock exchanges have been paid in full at the time of listing of the equity shares of the Company.



#### e) Market Price Data:

Monthly highs and lows of Company's shares during the financial year 2016-17\* (₹ vis-à-vis CNX Nifty & BSE Sensex):

Month	BSE		NSE		Closing CNX	Closing BSE
	High	Low	High	Low	Nifty	Sensex
Apr-16	-	-	-	-	7,849.80	25,606.62
May-16	-	-	-	-	8,160.10	26,667.96
Jun-16	-	-	-	-	8,287.75	26,999.72
Jul-16	-	-	-	-	8,638.50	28,051.86
Aug-16	-	-	-	-	8,786.20	28,452.17
Sep-16	-	-	-	-	8,611.15	27,865.96
Oct-16	674.90	570.00	674.50	572.00	8,625.70	27,930.21
Nov-16	648.00	518.25	648.25	518.75	8,224.50	26,652.81
Dec-16	601.00	535.00	600.75	535.10	8,185.80	26,626.46
Jan-17	632.30	555.20	633.70	555.55	8,561.30	27,655.96
Feb-17	725.55	607.65	724.70	608.00	8,879.60	28,743.32
Mar-17	769.50	682.95	774.70	685.10	9,173.75	29,620.50

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 2016-17\* (based on month end closing).

#### Endurance Technologies Limited Vs BSE Sensex, indexed to 100 on 31st March, 2017



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900 9.500 800 9,000 700 600 8,500 500 400 8,000 300 200 7,500 100 7 000 Apr-16 May-16 Jun-16 Jul-16 Aug-16 Sep-16 Oct-16 Nov-16 Dec-16 Jan-17 Feb-17 Mar-17 CNX Nifty Endurance Technologies

#### Endurance Technologies Limited Vs CNX Nifty, indexed to 100 on 31<sup>st</sup> March, 2017

\* The monthly high and low share price for the months from April, 2016 to September, 2016, cannot be provided since the equity shares of the Company got listed on BSE and NSE w.e.f. 19<sup>th</sup> October, 2016.

#### f) Registrar to Issue and Share Transfer Agent:

The Company had appointed the following agency to act as Registrar to the IPO of the Company:

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 Contact Person: Ms. Shanti Gopalkrishnan SEBI Registration No.: INR000004058

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

#### Link Intime India Private Limited\*

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

\* The address of Link Intime India Private Limited had changed on 23<sup>rd</sup> February, 2017 and old address was C-13, Pannalal Silk Mills Compound, L B S Marg, Bhandup West, Mumbai – 400 078.



#### g) Share Transfer System:

Requests for transfer of equity shares held in physical form, received by the RTA/Company shall be registered within 15 days from the date of receipt, provided the documents are complete in all respects.

As on 31<sup>st</sup> March, 2017, the Company had only 1 (One) shareholder who holds shares in physical form. During the year 2016-17, there were no requests received by the RTA/Company for transfer of physical shares.

#### h) Distribution of Shareholding:

The below two tables provide details about the pattern of shareholding among various categories and number of shares held, as on 31<sup>st</sup> March, 2017.

#### Category Distribution:

Categories	31 <sup>st</sup> March, 2017			
	No. of shares	Percentage		
Promoter	539,49,664	38.35%		
Promoter Group	621,00,160	44.15%		
Foreign Portfolio Investors (Corporate)	122,46,485	8.71%		
Mutual Funds	67,06,556	4.77%		
Other Bodies Corporate	29,19,145	2.08%		
Others	27,40,838	1.95%		
Total	1406,62,848	100.00%		



Shareholding as on 31st March, 2017
ENDURANCE TECHNOLOGIES LIMITED

#### Distribution of Shareholding as on 31<sup>st</sup> March, 2017:

No. of shares held	No. of shareho	olders	Shares held in each class		
-	Number	%	Number	%	
1 to 500	46,605	98.73	16,78,262	1.19	
501 to 1000	268	0.57	2,01,357	0.14	
1001 to 2000	111	0.24	1,64,171	0.12	
2001 to 3000	41	0.09	1,02,633	0.07	
3001 to 4000	28	0.06	98,819	0.07	
4001 to 5000	26	0.06	1,19,361	0.08	
5001 to 10000	32	0.07	2,41,003	0.17	
10001 and above	94	0.20	1380,57,242	98.15	
Total	47,205	100.00	1406,62,848	100.00	

#### i) Dematerialisation/Rematerialisation of Shares and liquidity:

The RTA received one request for rematerialisation of 30 equity shares in December, 2016, which was processed within a period of 30 days from the date of receipt thereof.

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

Shares held in physical and electronic mode as on 31<sup>st</sup> March, 2017 are given in the table below:

Particulars	Position as on 31 <sup>st</sup> March, 2017			
	No. of shares	% to total shareholding		
Physical	30	0.00		
Dematerialised				
NSDL	1397,16,830	99.33		
CDSL	9,45,988	0.67		
Sub-total	1406,62,818	100.00		
Total	1406,62,848	100.00		



## Corporate Governance Report (contd.)

#### 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.

#### I) 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, MIDC Industrial Area, Waluj, Aurangabad - 431 136 Maharashtra
3	Plot No. E-93, MIDC Industrial Area, Waluj, Aurangabad - 431 136 Maharashtra	4	Plot No. K-120, MIDC Industrial Area, Waluj, Aurangabad - 431 136 Maharashtra
5	Plot No. K-226/1 & 227, MIDC Industrial Area, Waluj, Aurangabad - 431 136 Maharashtra	6	Plot No. K-226/2, MIDC Industrial Area, Waluj, Aurangabad - 431 136 Maharashtra
7	Plot No. K-228 & 229, MIDC Industrial Area, Waluj, Aurangabad - 431 136 Maharashtra	8	Plot No. L-6/3, MIDC Industrial Area, Waluj, Aurangabad - 431 136 Maharashtra
9	Plot No. B-1/2 & 1/3, MIDC Industrial Area, Chakan, Village Nighoje, Taluka Khed, Dist. Pune - 410 501 Maharashtra	10	Plot No. B-20, MIDC Industrial Area, Chakan, Village Nighoje, Taluka Khed, Dist. Pune - 410 501 Maharashtra
11	Plot No. B-22, MIDC Industrial Area, Chakan, Village Nighoje, Taluka Khed, Dist. Pune - 410 501 Maharashtra	12	Plot No. A-12, MIDC Industrial Area, Chakan, Village Nighoje, Taluka Khed, Dist. Pune - 410 501 Maharashtra
13	Gat No. 416, Village Takve Budruk, Taluka Vadgaon Maval, Pune - 412 106 Maharashtra	14	Plot No. 400, Sector 8, IMT, Manesar, Dist - Gurugram - 22 050 Haryana
15	Plot No. 3, Sector 10, I.I.E. Pantnagar, Dist. U.S. Nagar - 263 153 Uttarakhand	16	Plot No. 7, Sector 10, I.I.E. Pantnagar, Dist. U.S. Nagar - 263 153 Uttarakhand
17	Plot No. F-82, SIPCOT Industrial Park, Irungattaukottai, Pennaur Post, Sriperumbudur Taluk, Kanchipuram Dist. Chennai - 602 105 (Tamil Nadu)	18	Plot No. E4 & E21, GIDC, Phase 2, Industrial Estate, Sanand, Ahmedabad - 382 110 Gujarat

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#### m) Address for correspondence:

Investors and shareholders can correspond with the RTA or at corporate office of the Company at the following address:

Registrar and transfer agent - Link Intime India Private Limited	Company
C 101, 247 Park, L B S Marg, Vikhroli West,	E-92, MIDC Industrial Area, Waluj, Aurangabad – 431136, Maharashtra
Mumbai 400 083 Tel No: +91 22 49186000 Fax: +91 22 49186060	<b>Contact person:</b> Mr. Sunil Lalai, Company Secretary and Vice President – Legal and Compliance Officer
For requests pertaining to dematerialisation/ rematerialisation: <b>Contact person:</b> Mr. Subhash Jadhav <b>E-mail:</b> dematremat@linkintime.co.in	Telephone: +91 (240) 2569737 Facsimile: +91 (240) 2551700 E-mail: investors@endurance.co.in
For other requests: Contact person: Mr. Ajay Jadhav E-mail: rnt.helpdesk@linkintime.co.in	

#### 11. Other Disclosures:

#### a) Related party transactions:

During the year under review, Ms. Rhea Jain, daughter of Mr. Anurang Jain was appointed as an employee of the Company, designated as "Officer on Special Duty" w.e.f. 1<sup>st</sup> September, 2016. Her appointment was in terms of Section 188 of the Act. There were no other related party transactions (RPTs) entered into by the Company, during the year under review, which attracted the provisions of Section 188 of the Act. There is no material RPT to be reported in terms of under Regulation 23 of the Listing Regulations and hence there are no details to be disclosed in Form AOC-2.

During the year, as required under Section 177 of the Act and Regulation 23 of the Listing Regulations, all RPTs were placed before Audit Committee for approval. A statement tabulating the value and nature of transactions with related parties as required under Accounting Standard 18 (Ind AS 24) is set out separately under Note no. 35 to the financial statements in this Annual Report.

During the year, there were no material transactions entered into with related parties, which may have had any potential conflict with the interests of the Company.

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

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

The Company was listed on 19<sup>th</sup> October, 2016. There has been no non-compliance by the Company of any legal requirements; 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.



## Corporate Governance Report (contd.)

#### c) Whistle Blower Policy/Vigil mechanism:

Pursuant to Section 177(9) of the Act, the Board at its meeting held on 6<sup>th</sup> June, 2014, adopted the Whistle Blower Policy. The Whistle Blower Policy includes vigil mechanism as mandated under the Listing Regulations and provides a mechanism for director/employee to report violations, any unethical behaviour, suspected or actual fraud, violation of the Code of Conduct etc. which could be detrimental to the organisation's interest. The mechanism protects whistle blower from any kind of discrimination, harassment, victimisation or any other unfair employment practice. The Company affirms that no employee has been denied access to the Audit Committee.

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

#### d) Disclosure of material transactions:

In terms of Regulation 26(5) of the Listing Regulations, Senior Management has made disclosure to the Board relating to all material financial and commercial transactions, if any, where they had personal interest that might have been in potential conflict with the interest of the Company. Based on disclosures received none of the officials in senior management team of the Company have personal interest in any financial or commercial transactions that may have potential conflict with the interest of the Company.

#### e) Compliance of Mandatory and Non-Mandatory Requirements: Mandatory:

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

#### Discretionary

#### I. The Board:

The Company has a Non-Executive Chairman and in terms of the Members' approval, vide resolution dated 21<sup>st</sup> December 2012, the Chairman was appointed as the Advisor to the Company for a period of five years w.e.f. 1<sup>st</sup> January, 2013.

In terms of the said approval, the Non-Executive Chairman is paid an advisory fee of ₹ 1.25 lakh per month and is also entitled to reimbursement of travel, hotel and travel insurance expenses, telecommunication facility at his residence and a Company's car with driver, for official use.

#### 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. These results are also filed with stock exchanges and uploaded on Company's website immediately after the Board meeting. Company also conducts conference call to respond to any investor queries with regard to the financial results or operations of the Company.

#### III. Modified opinion(s) in audit report:

The Company confirms that its financial statements are with unmodified audit opinion.

#### IV. Separate posts of Chairperson and Chief Executive Officer:

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

#### V. Reporting of Internal Auditor:

The Internal Auditor reports directly to the Audit Committee.

#### f) Subsidiary companies:

The Company has five overseas subsidiaries viz.

Sr. Name No.		CIN/ GLN	Type of subsidiary pursuant to regulation 16(1)(c) of the Listing Regulations. i.e. [Material or otherwise]		
1.	Endurance Overseas Srl, Italy	N.A.	Material		
2.	Endurance Fondalmec SpA, Italy	N.A.	Otherwise		
3.	Endurance Engineering Srl, Italy	N.A.	Otherwise		
4.	Endurance FOA SpA, Italy	N.A.	Otherwise		
5.	Endurance Amann GmbH, Germany	N.A.	Otherwise		

A Policy for Determining Material Subsidiaries in terms of Regulation 16(1)(c) of the Listing Regulations had been approved by the Board at its meeting held on 10<sup>th</sup> June, 2016, and the same is placed on the Company's website at www.endurancegroup.com/investor/relations.

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

During the year under review, there were no investments made or any significant transactions and arrangements entered into by the subsidiary companies. Minutes of the Board meetings of subsidiary companies were regularly placed before the Board.

#### g) Policy on dealing with related party transactions:

A Policy on Determining Materiality of and Dealing with Related Party Transactions has been formulated by the Board at its meeting held on 10<sup>th</sup> June, 2016, and the same is placed on the Company's website at www. endurancegroup.com/investor/investor/relations.

#### 12. Other Disclosures:

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

#### i. Orderly succession to Board and Senior Management:

In terms of Regulation 17(4) of the Listing Regulations, the Board had satisfied itself that in the event of a requirement for addition/succession at the Board level or in the Senior Management, there is a process in place.

#### ii. Information supplied to the Board:

In advance of each meeting, the Board is presented with relevant information on various matters related to the working of the Company, especially those which are critical and require deliberation for arriving at a decision or for resolving a issue. Presentations are also made to the Board by different function heads on important matters from time to time. In addition to items which are required to be placed before the Board for its noting and/or approval, information is provided in terms of the Listing Regulations on various significant matters.

In terms of quality and importance, the information supplied by Management to the Board of the Company is precise and crisp with relevant details that is necessary for the directors to enable them fulfil their duties. The independent directors of the Company at their meeting held on 18<sup>th</sup> April, 2017, expressed satisfaction on the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.



## Corporate Governance Report (contd.)

#### 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 2016-17, the Board has carried out annual performance evaluation of independent directors, at its meeting held on 19<sup>th</sup> April, 2017. The Board acknowledged that each of the independent directors have performed their duties diligently and have contributed, both individually and collectively as a team, in taking critical business decisions and towards strengthening the systems and processes in the Company.

Performance evaluation of Ms. Anjali Seth and Mrs. Falguni Nayar was not carried out as they held office of director for less than a year.

In terms of Section 149 read with Schedule IV to the Act, on the basis of the report of performance evaluation, it shall be determined 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 18<sup>th</sup> April, 2017, 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. Roberto Testore as Chairman of the meeting. All independent directors except Mrs. Falguni Nayar were present at the meeting. The independent directors present, deliberated on the aforementioned matters and expressed overall satisfaction on performance of directors evaluated a mechanism of flow of information.

#### 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.

#### 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 of appointment independent directors in the manner as provided in the Act in a formal letter of appointment to independent directors.

As per regulation 46(2) of 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.

ENDURANCE TECHNOLOGIES LIMITED

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#### ii. Composition of various committees:

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

- > Audit Committee;
- Nomination and Remuneration Committee;
- Stakeholders' Relationship Committee; and
- Corporate Social Responsibility Committee.

The details of the compositions of the aforesaid committees are placed on the Company's website at www.endurancegroup.com/investor/investor/relations.

#### iii. Code of Conduct of Board of Directors and Employees:

The Board, at its meeting held on 13<sup>th</sup> 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 26<sup>th</sup> 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 2016-17. A declaration to this effect signed by the Managing Director is given in this Annual Report.

#### iv. Whistle Blower Policy/Vigil mechanism:

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

- v. Criteria of making payments to Non-executive Directors: Refer item no. "4(e)(ii)" of this report.
- vi. Policy on dealing with related party transactions: Refer item no. "11(g)" of this report.
- vii. Policy for determining 'material' subsidiaries: Refer item no. "11(f)" of this report.
- viii. Details of familiarisation programmes imparted to independent directors: Refer item no. "2(d)" of this report.

### CERTIFICATE FROM PRACTICING COMPANY SECRETARY ON COMPLIANCE OF CORPORATE GOVERNANCE CONDITIONS:

The Company has obtained the certificate from a Practicing Company Secretary regarding compliance with the provisions relating to corporate governance laid down in Part E of Schedule V to the Listing Regulations. This certificate is annexed to the Board's Report and will be sent to the stock exchanges, along with the Annual Report to be filed by the Company.



## Independent Auditors' Report

#### To The Members of Endurance Technologies Limited

(Formerly known as Endurance Technologies Private Limited)

#### Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Endurance Technologies Limited (formerly known as Endurance Technologies Private Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility 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 Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 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.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

- 1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable 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 Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements Refer Note 28 (a) to the financial statements.
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
    - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the company.
    - iv. The Company has provided requisite disclosures in the standalone Ind AS financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management. Refer Note- 9 to the standalone Ind AS financial statements.
- As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells LLP Chartered Accountants (Firm's Registration No.117366W/W - 100018)

> Hemant M. Joshi Partner (Membership No.038019)



## Annexure "A" to The Independent Auditors' Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date) Report on the Internal Financial Controls Over Financial Reporting 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 (formerly known as Endurance Technologies Private Limited) ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone Ind AS 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 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 Act.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting, 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 Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS 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 standalone Ind AS financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting reporting were operating effectively as at March 31, 2017, 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 Deloitte Haskins & Sells LLP

Chartered Accountants (Firm's Registration No.117366W/W - 100018)

Place: Mumbai Date: 10<sup>th</sup> May, 2017 Hemant M. Joshi

Partner (Membership No.038019)

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## Annexure "B" to The Independent Auditors' Report

#### (Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) Some of the fixed assets were physically verified during the year by the Management in accordance with the programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed/ transfer deed/ conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- (ii) As explained to us, the inventories (except for stock lying with third parties for which confirmations have been received) were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noted on physical verification.
- (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 Act.
- (iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause 3 (iv) of the Order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit as per directives issued by Reserve Bank of India and in terms of the provisions of Section 73 to 76 of the Act.
- (vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Act, in respect of production of specified goods. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Act and of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.
  - (c) Details of dues of the Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on March 31, 2017 on account of disputes are given below:

					₹ in million
Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (Net of paid under protest)	Amount paid under protest
	Service Tax	Assistant / Deputy / Additional / Joint Commissioner of Central Excise & Customs	2004-2017	6.63	0.01
Central Excise		CESTAT	2008-2014	0.73	0.10
Laws		Commissioner of Central Excise and Customs (Appeals)	2010-2016	7.40	0.26
	Excise Duty	Assistant / Deputy / Additional / Joint Commissioner of Central Excise & Customs	2003-2015	14.26	-

					₹ in million	
Name of Nature Fo Statute of Dues		Forum where Dispute is Pending	Period to which the Amount Relates	Amount (Net of paid under protest)	Amount paid under protest	
		CESTAT	2003-2009	23.68	0.38	
		Commissioner of Central Excise and Customs (Appeals)	2011-2014	7.06	0.32	
		High Court	2001-2002	0.13	-	
		Supreme Court	2001-2009	1.30	1.00	
Sales Tax	Sales Tax	Deputy Commissioner of Sales Tax (Appeals)	2004-2005, 2012-2013	5.88	-	
Laws		Joint Commissioner of Sales Tax (Appeals)	2005-2012	8.84	0.11	
Income Tax	Income Tax	Commissioner of Income Tax (Appeals)	2010-2015	65.02	0.60	
Act, 1961		Income Tax Appellate Tribunal	2008-2012	70.46	7.07	

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks, financial institutions and government. The Company has not issued any debentures.
- (ix) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were raised. The Company did the initial public offer during the year by way of an offer for sale by the existing equity shareholders which did not result in any monies raised by the Company.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its director or director of subsidiary companies or persons connected with him and hence provisions of Section 192 of the Act are not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Deloitte Haskins & Sells LLP Chartered Accountants (Firm's Registration No.117366W/W - 100018)

> Hemant M. Joshi Partner (Membership No.038019)



# Balance Sheet

ticulars		Note No.	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
ASS	ETS				
1	Non-current assets				
	(a) Property, Plant and Equipment	3	8,388.12	7,662.90	7,344.73
	(b) Capital work-in-progress		332.20	419.53	214.53
	(c) Other Intangible assets	3	74.46	68.31	68.14
	(d) Intangible assets under development		4.02	18.22	1.78
	(e) Financial Assets		-		
	(i) Investments	4	3,647.06	3,646.69	3,646.73
	(ii) Other financial assets	5	49.22	132.70	179.79
	(f) Deferred tax assets (Net)	17A	95.43	100.77	165.01
	(g) Other non-current assets	6	1,651.12	1,700.74	1,745.08
			14,241.63	13,749.86	13,365.79
2	Current assets				
	(a) Inventories	7	2,490.71	1,984.71	1,981.05
	(b) Financial Assets				
	(i) Investments	4A	316.37	471.64	
	(ii) Trade receivables	8	4,846.36	3,165.07	2,897.6
	(iii) Cash and cash equivalents	9	26.23	57.13	25.18
	(iv) Bank balances other than (iii) above	9A	3.53	18.65	36.39
	(v) Other financial assets	5A	26.33	28.69	25.37
	(c) Other current assets	6A	536.02	520.65	503.82
			8,245.55	6,246.54	5,469.42
	Il Assets (1+2)		22,487.18	19,996.40	18,835.21
	JITY AND LIABILITIES				
1	Equity				
	(a) Equity share capital	10	1,406.63	175.83	175.83
	(b) Other Equity	10A	14,224.01	13,321.16	11,527.22
			15,630.64	13,496.99	11,703.05
	Liabilities				
2	Non-current liabilities				
	(a) Financial Liabilities		100.50	700.01	1 / 7 / / -
	(i) Borrowings	11	198.52	780.81	1,674.47
	(ii) Other financial liabilities	13	20.05	27.93	28.43
	(b) Provisions	13	165.36 383.93	153.84 962.58	137.08
3	Current liabilities		303.73	902.30	1,839.98
<u>ა</u>	(a) Financial Liabilities				
	(i) Borrowings	14	1,424.90	687.76	593.14
	(ii) Trade payables	14	3,479.53	3,119.23	2,948.33
	(iii) Other financial liabilities	12A	604.52	1,174.84	1,372.0
	(b) Other current liabilities	16	701.58	387.02	206.83
	(c) Provisions	13A	222.80	159.64	134.1
	(d) Current tax liabilities (net)	17	39.28	8.34	37.70
			6,472.61	5,536.83	5,292.18
Toto	Il Equity and Liabilities (1+2+3)		22,487.18	19,996.40	18,835.21
1010			22,407.10	17,770.40	10,000.2

See accompanying notes forming part of the financial statements.

#### In terms of our report attached For Deloitte Haskins & Sells LLP **Chartered Accountants**

Hemant M. Joshi Partner

Date: 10<sup>th</sup> May, 2017 Place: Mumbai

For and on behalf of the Board of Directors

Naresh Chandra Chairman (DIN:00027696)

Partho S Datta Director (DIN:00040345) Anurang Jain Managing Director (DIN:00291662)

Satrajit Ray Director & Group CFO (DIN:00191467)

Sunil Lalai Company Secretary & Vice President–Legal

Date: 10<sup>th</sup> May, 2017 Place: Mumbai

2016-17

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ENDURANCE TECHNOLOGIES LIMITED

## Statement of Profit and Loss

				₹ in millior
ticulars		Note No.	For the year ended 31st March, 2017	For the yea ended 31 March, 2010
I	Revenue from operations	18	42,660.05	40,468.69
II	Other income	19	287.14	214.92
III	Total Income (I + II)		42,947.19	40,683.6
IV	Expenses:			
	(a) Cost of materials consumed	20A	25,134.30	23,935.8
	(b) Purchases of stock-in-trade (traded goods)	20B	98.09	78.64
	(c) Changes in inventories of finished goods, stock-in-trade and work-in progress	<sup>n-</sup> 20C	(432.24)	(193.64
	(d) Excise duty		4,003.33	3,872.4
	(e) Employee benefits expense	21	2,421.80	2,115.43
	(f) Finance costs	22	178.57	329.7
	(g) Depreciation and amortisation expense	3	1,668.57	1,475.0
	(h) Other expenses	23	6,885.96	6,276.3
Total	expenses (IV)		39,958.38	37,889.8
۷	Profit before tax (III - IV)		2,988.81	2,793.78
VI	Tax expense:			
	(a) Current tax expense		759.06	643.4
	(b) Deferred tax		14.78	63.88
Total t	ax expense		773.84	707.3
VII	Profit for the year (V-VI)		2,214.97	2,086.4
VIII	Other comprehensive income			
	(a) Item that will not be reclassified to profit and Loss			
	- Remeasurements of defined benefit plans		(27.27)	1.12
	(b) Income-tax relating to items that will not be reclassified to profit and loss	b	9.44	(0.37
	Total other comprehensive income for the year		(17.83)	0.7
IX	Total comprehensive income for the year (VII + VIII)		2,197.14	2,087.20
Х	Basic and diluted earnings per equity share (₹) (Face value per equi share ₹ 10)	ity <sub>31</sub>	15.75	14.83

See accompanying notes forming part of the financial statements.

#### In terms of our report attached For Deloitte Haskins & Sells LLP **Chartered Accountants**

Hemant M. Joshi Partner

For and on behalf of the Board of Directors

Naresh Chandra Chairman (DIN:00027696)

Partho S Datta

(DIN:00040345)

Director

Anurang Jain Managing Director (DIN:00291662)

#### Satrajit Ray Director & Group CFO (DIN:00191467)

Sunil Lalai Company Secretary & Vice President–Legal

Date: 10<sup>th</sup> May, 2017 Place: Mumbai

Date: 10th May, 2017 Place: Mumbai



## Statement of changes in Equity

#### A. Changes in Equity

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	₹ in million As at 1 <sup>st</sup> April, 2015
Balance at the beginning of the year	175.83	175.83	175.83
Bonus shares issued during the year	1,230.80	-	-
Shares bought back during the year	-	-	-
Balance at the end of the year	1,406.63	175.83	175.83

#### B. Changes in other equity

					₹ in million
Particulars	Capital redemption reserve	Securities premium	General reserve	Retained earnings	Total equity
Balance as at 1 <sup>st</sup> April, 2015	23.21	1,367.99	1,208.89	8,927.13	11,527.22
Profit for the year	-	-	-	2,086.45	2,086.45
Other comprehensive income for the year, net of income tax	-		-	0.75	0.75
Capital subsidy received during the year	-	-	-	3.00	3.00
Payment of dividend	-	-	-	(246.16)	(246.16)
Tax on dividend	-	-	-	(50.10)	(50.10)
Subtotal	-	_	-	1,793.94	1,793.94
Balance as at 31 <sup>st</sup> March, 2016	23.21	1,367.99	1,208.89	10,721.07	13,321.16

ENDURANCE TECHNOLOGIES LIMITED

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

#### In terms of our report attached For Deloitte Haskins & Sells LLP Chartered Accountants

Hemant M. Joshi Partner

Date: 10<sup>th</sup> May, 2017 Place: Mumbai For and on behalf of the Board of Directors

Naresh Chandra Chairman (DIN:00027696)

Partho S Datta

(DIN:00040345)

Director

Anurang Jain Managing Director (DIN:00291662)

Satrajit Ray Director & Group CFO (DIN:00191467) Sunil Lalai

Company Secretary & Vice President–Legal

Date: 10<sup>th</sup> May, 2017 Place: Mumbai



# Standalone Cash Flow Statement

Sr No.	Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Α	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit before tax	2,988.81	2,793.78
	Adjustments for:		
	Depreciation & amortisation	1,668.57	1,475.00
	Incentive received	(110.40)	-
	Allowance for doubtful debts	4.02	1.58
	Provision for employee benefits	113.90	102.51
	Provision / (written back) for warranty claims	3.40	14.18
	Finance costs incurred	178.57	329.74
	(Profit) / loss on sale of Property, plant & equipment (net)	(22.47)	0.27
	Excess provision/credit balances written back (net)	(12.44)	(7.68)
	Unrealised restatement (gain)/loss (net)	0.36	(15.37)
	Interest income	(6.35)	(23.16)
	Operating profit before working capital changes	4,805.97	4,670.85
	Movement in working capital		
	Adjustments for (increase)/decrease in operating assets:		
	Inventories	(506.00)	(3.66)
	Trade receivables	(1,685.32)	(269.05)
	Other financial assets	(3.09)	(93.52)
	Other current assets	(16.48)	(27.96)
	Other non-current assets	86.54	0.01
	Adjustments for increase/(decrease) in operating liabilities:		
	Trade payables	372.44	178.59
	Provisions	(74.93)	(73.29)
	Other financial liabilities	306.67	179.69
	Cash generated from operations	3,285.80	4,561.66
	Net income tax (paid)/refund	(728.56)	(635.15)
	Net cash generated from operating activities	2,557.24	<b>3,926.5</b> 1
В	CASH FLOW FROM INVESTING ACTIVITIES Acquisition of Property, Plant and Equipment (including capital work in	(2,304.89)	(2,269.34)
	progress and capital advances) Proceeds on sale of Property, Plant and Equipment	55.34	393.78
	Mutual funds (investment) / sale proceeds	174.14	
			(455.79)
	Fixed deposits with bank not considered as cash and cash equivalents Interest received	15.13 7.37	27.23 28.37
	Net cash flow (used) / generated in investing activities	(2,052.91)	(2,275.75)

ENDURANCE TECHNOLOGIES LIMITED

# Standalone Cash Flow Statement

			₹ in million
Sr No.	Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
С	CASH FLOW FROM FINANCING ACTIVITIES		
	Capital subsidy received	-	3.00
	Proceeds from borrowings	5,543.91	4,821.37
	Repayment of borrowings	(5,822.89)	(5,819.30)
	Dividend paid including tax on dividend	(63.49)	(296.26)
	Finance cost paid	(192.76)	(327.62)
	Net cash (used) / generated in financing activities	(535.23)	(1,618.81)
	Net increase in cash & cash equivalents	(30.90)	31.95
	Opening cash & cash equivalents	57.13	25.18
	Closing cash & cash equivalents	26.23	57.13
	Net increase in cash & cash equivalents	(30.90)	31.95

Notes:

2

1 Figures in brackets represent outflows.

Cash flow from financing activity does not include issue of bonus shares to existing shareholders through capitalization of the Capital Redemption Reserve and Securities Premium of ₹ 1,230.80 million.

In terms of our report attached For Deloitte Haskins & Sells LLP Chartered Accountants

Hemant M. Joshi Partner

Date: 10<sup>th</sup> May, 2017

Place: Mumbai

For and on behalf of the Board of Directors

Naresh Chandra Chairman (DIN:00027696)

Partho S Datta Director (DIN:00040345)

Date: 10<sup>th</sup> May, 2017 Place: Mumbai Anurang Jain Managing Director (DIN:00291662)

Satrajit Ray Director & Group CFO (DIN:00191467) Sunil Lalai

Company Secretary & Vice President–Legal



## Notes to Financial Statements

#### 1 Corporate Information

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

The name of the Company has changed from Endurance Technologies Private Limited to Endurance Technologies Limited consequent upon its conversion from a Private Limited Company to a Public Limited Company with effect from 31<sup>st</sup> May, 2016. The Company is a public limited company incorporated and domiciled in India. The address of its registered office is K-228, MIDC Industrial Area, Waluj, Aurangabad, Maharashtra - 431136, India.

The financial statements for the year ended 31<sup>st</sup> March, 2017 are approved by the Board of Directors and authorised for issue on 10<sup>th</sup> May, 2017.

#### 2 Significant Accounting Policies

#### 2.01 Statement of Compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from 1<sup>st</sup> April, 2016. Previous period numbers in the financial statements have been restated to Ind AS. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standards, the Company has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of Shareholders' equity as at 31<sup>st</sup> March, 2016, and 1<sup>st</sup> April, 2015 and of the total comprehensive income for the year ended 31<sup>st</sup> March, 2016 (Refer note 37).

#### 2.02 Basis of preparation and presentation

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

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

#### 2.03 Use of estimate

The preparation of these financial statements, in conformity with the recognition and measurement principles of Ind AS, requires the management of the Company to make 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 source of estimation of uncertainty at the date of the 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 impairment of investments, useful lives of property, plant and equipment, valuation of deferred tax assets and provisions and contingent liabilities.

#### Impairment of investments

The Company reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

#### 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.

#### Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under Note 2.10.

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#### Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation 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. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed 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.

#### 2.04 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

#### 1. Sale of goods

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

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

Revenue from operation includes Excise Duty but excludes Sales Tax and Value Added Tax.

- 2. Job-work revenues are accounted as and when such services are rendered.
- 3. Benefit on account of entitlement of import of goods free of duty under the "Duty Entitlement Pass Book under Duty exemption Scheme" (DEPB Scheme) is accounted in the year of export.
- 4. Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).
- 5. Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.



## Notes to Financial Statements (contd.)

#### 2.05 Leases

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

#### **Operating Lease**

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

#### **Finance Lease**

Assets held under finance leases are initially recognised as assets of the 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 profit or loss.

#### 2.06 Foreign Currencies

The functional currency of the Company is Indian rupee.

Income and expenses 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 and restatement are recognised in the statement of profit and loss.

The Company accounts for foreign exchange gains and losses in respect of derivative instruments based upon 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.

#### 2.08 Government grants and export incentives

#### (i) Government grants in respect to manufacturing units located in developing regions

The Company is entitled to various incentives from government authorities in respect of manufacturing units located in developing regions. The Company accounts for its entitlements on accrual basis on approval of the initial claim by the relevant authorities.

#### (ii) Government grants in respect of additional Capital Expenditure

Government grant whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets is accounted for as deferred income. The grant is recognised as income over the life of a depreciable asset by accounting deferred income in the Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset.

#### (iii) Export Benefits

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

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#### (iv) Government Grant in respect of loan

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

#### 2.09 Employee benefits

#### 1. Defined Contribution Plan:

**Provident Fund:** The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employee's salary. The contributions as specified under the law are paid to the Central Government Provident Fund and the Family Pension Fund and the same is charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due and when services are rendered by the employees.

#### 2. Defined Benefit Plan:

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement.

(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, who have completed 10 years of service, 30 days salary 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.

(ii) 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 Taxation

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 the tax currently payable and deferred tax.



## Notes to Financial Statements (contd.)

#### Current income tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

The Company's current tax is calculated 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 unit intends to settle the asset and liability on a net basis.

#### **Deferred** income taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income 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 income 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 income 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 income 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 income tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends and has ability to settle its current tax assets and liabilities on a net basis.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

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

#### 2.11 Property Plant and Equipment

Property, plant & equipment are stated at cost of acquisition or construction where cost includes amount added/ deducted on revaluation less accumulated depreciation / amortization and impairment loss, if any. All costs directly relating to the acquisition and installation of assets are capitalised and include borrowing costs relating to funds attributable to construction or acquisition of qualifying assets, up to the date the asset / plant is ready for intended use. The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item of property, plant and equipment, if it is probable that the future economic benefits embodies within the part will flow to the Company and its cost can be measured reliably with the carrying amount of the replaced part getting derecognized. The cost for day-to-day servicing of property, plant and equipment are recognized in Statement of Profit and Loss as and when incurred.

Depreciation on property plant & 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.

For transition to Ind AS, the Company has elected to continue with the carrying value of all the property, plant and equipment recognised as of 1<sup>st</sup> April, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as on the transition date.

#### 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.

#### 2.13 Impairment

#### (i) Financial assets (other than at fair value)

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

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

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

#### (ii) 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 and loss.

#### 2.14 Inventories

Inventories of raw materials and components, work-in-progress, stock-in-trade, stores & spares and tools & instruments are valued at the lower of cost and net realizable value after providing for obsolescence and other losses, where considered necessary. Cost is ascertained on a weighted average basis. The cost of work-in-progress and finished goods is determined on absorption cost basis. Excise duty in respect of inventory of finished goods manufactured is shown separately as an item of expense and included in valuation of inventory of finished goods.

#### 2.15 Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities 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.



## Notes to Financial Statements (contd.)

#### 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 includes balances with banks which are unrestricted for withdrawal and usage.

#### Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### Financial assets at fair value through other comprehensive income

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

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. 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 measured at amortised cost using the effective interest method.

#### **Equity instruments**

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Company recognises equity instruments at proceeds received net off direct issue cost.

#### **Reclassification of Financial Assets**

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 currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

#### 2.16 Earnings Per Share (EPS)

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic earnings per share is computed by dividing the net profit or loss 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 diluted potential equity shares except where the results are anti-dilutive.

#### 2.17 Research and development expenses

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technological feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Property, plant & equipment utilised for research and development are capitalised and depreciated/amortised in accordance with the policies stated for Property plant & equipment and Intangible Assets.

#### 2.18 Critical Accounting Judgments and key sources of estimation, uncertainty

The preparation of financial statements and related notes in accordance with Ind AS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the balance sheet date, and revenues and expenses.

Actual results could differ from those estimates due to those uncertainties on which assumptions are based. Estimates and assumptions are reviewed annually in order to verify they still reflect the best available knowledge of the Company's operations and of other factors deriving from actual circumstances. Changes, if any, are immediately accounted for in the income statement.

The present economic context, whose effects are spread into some businesses in which the Group operates, determined the need to make assumptions related to future development with a high degree of uncertainty. For this reason, it is not possible to exclude that, in the next or in subsequent financial years, actual results may differ from estimated results. These differences, at present unforeseeable and unpredictable, may require adjustments to book values. Estimates are used in many areas, including accounting for non-current assets, deferred tax assets, bad debt provisions on accounts receivable, inventory obsolescence, employee benefits, contingent liabilities and provisions for risks and contingencies.

#### 2.19 Cash flow statement

The Cash Flow Statement is prepared by the indirect method set out in Ind AS 7 on Cash Flow Statements and presents cash flows by operating, investing and financing activities of the Company.

#### 2.20 Current/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 satisfies any of the following criteria:

- It is expected to be realized or intended to be sold or consumed in normal operating cycle
- It is held primarily for the purpose of trading
- It is expected to be realized within 12 months after the date of reporting period, or
- Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting period

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

A liability is current when it satisfies any of the following criteria:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within 12 months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period

## Notes to Financial Statements (contd.)

Current liabilities include the current portion of long term financial liabilities. The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets and their realization in cash and cash equivalents. The Company has identified 12 months as its operating cycle.

#### 2.21 Fair Value Measurement

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 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 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 recognized in the financial statements on a recurring basis, the Company 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.

#### **Determination of Fair Value**

#### 1) Financial Assets

The fair value of financial assets is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purpose.

#### 2) Non-Derivative financial liabilities

Fair Value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

#### 3) Investments in Mutual Funds

The fair value of available mutual funds held for trading is determined with reference to their net asset value as at the reporting date and is recorded as other income/expense. The Company invests its surplus funds in mutual funds. These investments have been classified as fair value through Profit & Loss by the management.

#### 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

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows'. The amendments are applicable to the group from 1<sup>st</sup> April, 2017.

#### Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and its effect on the 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 represents the revenue, total expenses and the net profit of the sole reportable segment.

#### 3 Property, Plant & Equipment

		Gross Block			Depreciation/Amortisation/Diminution				Net Block
Particulars	As at 1 <sup>st</sup> April, 2016	April, during		As at 31 <sup>st</sup> March, 2017	Up to 1⁵ April, 2016	1 <sup>st</sup> April, the year	Deductions during the year	Up to 31st March, 2017	As at 31 <sup>st</sup> March, 2017
A) TANGIBLE ASSETS									
Freehold land [Refer note no (iii)]	473.06	-	-	473.06	-	-	-	-	473.06
	(739.86)	(46.63)	(313.43)	(473.06)	-	-	-	-	(473.06)
Buildings [Refer note no (i) & (iv)]	1,823.96	298.39	-	2,122.35	68.50	81.58	-	150.08	1,972.27
	(1,638.19)	(215.87)	(30.10)	(1,823.96)	-	(68.50)	-	(68.50)	(1,755.46)
Plant & equipment	6,357.40	1,978.98	226.76	8,109.62	1,258.16	1,434.35	197.02	2,495.49	5,614.13
	(4,636.85)	(1,767.81)	(47.26)	(6,357.40)	-	(1,258.16)	-	(1,258.16)	(5,099.24)
Wind energy generators	88.56	-		88.56	21.61	21.61	-	43.22	45.34
	(88.56)	-	-	(88.56)	-	(21.61)	-	(21.61)	(66.95)
Computers	84.00	20.81	0.17	104.64	28.83	23.89	0.17	52.55	52.09
	(53.16)	(30.85)	(0.01)	(84.00)	-	(28.83)	-	(28.83)	(55.17)

₹ in million

₹ in million



## Notes to Financial Statements (contd.)

	Gross Block			Dep	Depreciation/Amortisation/Diminution				
Particulars	As at 1 <sup>st</sup> April, 2016	Additions during the year	Deductions during the year	As at 31 <sup>st</sup> March, 2017	Up to 1⁵tApril, 2016	For the year	Deductions during the year	Up to 31st March, 2017	As at 31st March, 2017
Electrical fittings [Refer note no (i)]	33.25	17.02	-	50.27	5.14	5.88	-	11.02	39.25
	(17.37)	(16.15)	(0.27)	(33.25)	-	(5.14)	-	(5.14)	(28.11)
Vehicles	85.65	33.51	4.46	114.70	15.10	18.24	1.34	32.00	82.70
	(63.69)	(24.58)	(2.62)	(85.65)	-	(15.10)	-	(15.10)	(70.55)
Furniture & fixtures [Refer note no (i)]	79.90	13.74	-	93.64	15.66	15.15	-	30.81	62.83
	(59.35)	(20.85)	(0.30)	(79.90)	-	(15.66)	-	(15.66)	(64.24)
Office equipment	69.61	15.31	-	84.92	19.49	18.98	-	38.47	46.45
	(47.70)	(21.97)	(0.06)	(69.61)	-	(19.49)	-	(19.49)	(50.12)
Total - A	9,095.39	2,377.76	231.39	11,241.76	1,432.49	1,619.68	198.53	2,853.64	8,388.12
Previous year as at 31 <sup>st</sup> March, 2016	(7,344.73)	(2,144.71)	(394.05)	(9,095.39)	-	(1,432.49)	-	(1,432.49)	(7,662.90)
B) INTANGIBLE ASSETS									
(Other than internally generated)									
Technical know-how	55.27	19.38		74.65	17.13	19.11	-	36.24	38.41
	(45.77)	(9.50)	-	(55.27)	-	(17.13)	-	(17.13)	(38.14)
Software	55.55	37.79	0.38	92.96	25.38	31.90	0.37	56.91	36.05
	(22.37)	(33.18)	-	(55.55)	-	(25.38)	-	(25.38)	(30.17)
Total - B	110.82	57.17	0.38	167.61	42.51	51.01	0.37	93.15	74.46
Previous year as at 31ª March, 2016	(68.14)	(42.68)	-	(110.82)	-	(42.51)	-	(42.51)	(68.31)
Total - A+B	9,206.21	2,434.93	231.77	11,409.37	1,475.00	1,670.69	198.90	2,946.79	8,462.58
Previous year as at 31st March, 2016	(7,412.87)	(2,187.39)	(394.05)	(9,206.21)	-	(1,475.00)	-	(1,475.00)	(7,731.21)

Other Notes:

Gross block of Property, Plant & Equipment includes Buildings, Electrical Fittings and Furniture and Fixtures having Gross Block of ₹ 15.80 million, ₹ 1.08 million and ₹ 0.94 million (31<sup>st</sup> March, 2016 ₹ 15.80 million, ₹ 1.08 million and ₹ 0.94 million) and Net Block of ₹ 15.23 million, ₹ 0.71 million and ₹ 0.62 million (31<sup>st</sup> March, 2016 ₹ 15.51 million, ₹ 0.89 million and ₹ 0.78 million) respectively, ownership of which does not vest in the Company.

ii) 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. Accordingly, the same is regrouped under freehold land.

- iii) Depreciation for the year includes ₹2.12 million (Previous year Nil) capitalised during the year.
- iv) Gross Block of Building includes assets given on Lease ₹ Nil ( 31st March, 2016 ₹ 79.01 million)

ENDURANCE TECHNOLOGIES LIMITED

#### 4 Non-current investments

				₹ in million
Pa	rticulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1⁵ April, 2015
I	UNQUOTED INVESTMENT (ALL FULLY PAID) *			
	Investment in equity instruments of subsidiaries			
••••••	Endurance Amann GmbH (Refer note 25)	1,930.74	1,930.74	1,930.74
	Endurance Overseas Srl (Refer note 26)	1,706.22	1,705.79	1,705.79
	Total (A)	3,636.96	3,636.53	3,636.53
	Other Investments *	-		
	Saraswat Co-op Bank Ltd [Nil (31 <sup>st</sup> March, 2016-Nil , 1 <sup>st</sup> April, 2015-3,500 ) equity shares of ₹ 10 each]	-		0.03
	Marathwada Auto Cluster [10,000 (31st March, 2016-10,000, 1st April, 2015 -10,000 shares of ₹ 100 each]	10.00	10.00	10.00
	National Savings Certificates (Lodged with Government authorities)	0.04	0.09	0.11
	Total (B)	10.04	10.09	10.14
	Total unquoted investments (A+B)	3,647.00	3,646.62	3,646.67
II	QUOTED INVESTMENTS *	-		
	Indian Overseas Bank [2,300 (31st March, 2016 - 2,300, 1st April, 2015 - 2,300 ) Equity Shares of ₹ 10 each]	0.06	0.07	0.06
	Total quoted Investments	0.06	0.07	0.06
	Total Investments (I+II)	3,647.06	3,646.69	3,646.73
	Aggregate book value of quoted investments	0.06	0.07	0.06
	Aggregate market value of the quoted investments	0.06	0.07	0.06
	Aggregate amount of unquoted investments	3,647.00	3,646.62	3,646.67

\* Refer note 32 for determination of their fair value

#### 4A Current investments

			₹ in million
Particulars	As at 31⁵March, 2017	As at 31⁵ March, 2016	As at 1⁵ April, 2015
Investment in Mutual Funds * (unquoted)			
i) ICICI Prudential Liquid Fund 446,974.67 units (31st			
March, 2016-446,974.67 units; 1st April, 2015-Nil units)	139.71	128.28	-
<li>ii) ICICI Prudential Liquid Fund Direct Growth Nil Units (31st March, 2016-525,496.161 units; 1st April, -2015 Nil units)</li>	-	117.86	-
<li>Birla Sunlife Cash Plus - Growth - Direct Plan 676,041.920 units (31<sup>st</sup> March, 2016-926,777.816 units; 1<sup>st</sup> April, 2015-Nil units)</li>	176.66	225.50	-
Total	316.37	471.64	-

\* Refer note 32 for determination of their fair value



## Notes to Financial Statements (contd.)

## 5 Other non-current financial assets (unsecured, considered good unless otherwise stated)

		 		₹ in million
Part	iculars	As at 31 <sup>st</sup> March, 2017	As at 31⁵ March, 2016	As at 1⁵ April, 2015
(a)	Security deposits	49.22	43.76	38.18
(b)	Deposits with banks (under lien)	-	-	9.50
(C)	Foreign currency derivative asset	-	88.94	132.11
Toto	d	 49.22	132.70	179.79

#### 5A Other current financial assets (unsecured, considered good unless otherwise stated)

			₹ in million
Particulars	As at 31 <sup>st</sup> March, 2017	As at 31⁵ March, 2016	As at 1⁵ April, 2015
(a) Loans to employees	18.49	17.23	14.59
(b) Interest accrued on deposits	0.18	1.20	6.41
(c) Receivable for sale of Property, plant and equipment	7.66	10.26	4.37
Total	26.33	28.69	25.37

#### 6 Other non-current assets (Unsecured, Considered good unless otherwise stated)

				₹ in million
Part	iculars	As at 31 <sup>st</sup> March, 2017	As at 31⁵ March, 2016	As at 1⁵ April, 2015
(a)	Capital advance	124.69	88.21	185.32
(b)	Prepayments	7.42	6.78	3.98
(c)	Lease prepayments	1,464.97	1,483.64	1,490.49
(d)	Taxes paid in advance less provision (current tax) [Net of provision ₹ 9.30 million (31st March, 2016 ₹ 9.42 million, 1st April, 2015 ₹ 404.64 million)]	11.41	10.97	48.69
(e)	Sales tax/Vat receivable	12.63	11.14	16.60
(f)	Deposit under protest#	30.00	100.00	-
Tota	1	1,651.12	1,700.74	1,745.08

# Hon'ble National Green Tribunal (NGT) had directed Company on 15<sup>th</sup> July, 2015 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 claim submission, NGT vide its order dated 8<sup>th</sup> July, 2016 ordered a refund ₹ 70 million against the deposit given, which was duly received on 28<sup>th</sup> July, 2016.

#### 6A Other current assets (unsecured, considered good unless otherwise stated)

				₹ in million
Part	ticulars	As at 31⁵ March, 2017	As at 31⁵ March, 2016	As at 1 <sup>st</sup> April, 2015
(a)	Advances for supplies	77.18	101.37	108.33
(b)	Prepayments	45.00	39.54	34.90
(c)	Current portion of Lease prepayment	18.63	18.62	18.62
(d)	Government incentive receivable	31.06	80.56	119.37
(e)	Balance with central excise, customs, port trust etc.	214.16	214.23	142.29
(f)	Others(Export incentive, wind power receivable and other receivable etc.)*	149.99	66.33	80.31
Toto	xl	536.02	520.65	503.82

\* Includes amount of ₹ 2.57 million (31<sup>st</sup> March, 2016 ₹ 4.73 million, 1<sup>st</sup> April, 2015 ₹ 6.20 million) paid to various regulatory authorities under protest.

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

			₹ in million
Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1⁵t April, 2015
(a) Raw materials & components	630.17	550.91	768.85
(b) Work-in-progress	776.02	526.97	394.01
(c) Finished goods (other than those acquired for trading)	823.84	644.42	590.65
(d) Stock-in-trade (acquired for trading)	18.61	14.84	7.93
(e) Stores, spares and packing material	210.62	204.57	165.73
(f) Loose tools and instruments	31.45	43.00	53.88
Total	2,490.71	1,984.71	1,981.05
Included above, Goods-in-transit in respect to			
(i) Raw Material & Components	154.90	124.24	230.53
(ii) Finished goods (Other than those acquired for trading)	542.75	420.81	424.76
Total	697.65	545.05	655.29

#### 8 Trade receivables

			₹ in million
Particulars	As at	As at 31 <sup>st</sup> March,2016	As at 1⁵t April, 2015
Unsecured :			
i) Considered good	4,846.36	3,165.07	2,897.61
ii) Considered doubtful	8.70	4.68	26.79
Less: Allowance for doubtful debts	(8.70)	(4.68)	(26.79)
Total	4,846.36	3,165.07	2,897.61

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 45 days.

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

4 Trade receivables include receivables from related parties (Refer note 35).

#### 9 Cash and cash equivalents

			₹ in million	
Particulars	As at 31 <sup>st</sup> March, 2017	As at 31⁵ March, 2016	As at 1⁵ April, 2015	
(a) Cash on hand	0.68	1.27	1.69	
(b) Cheques on hand	-	0.40	1.38	
(c) Balances with banks:				
i) In current accounts	25.55	55.46	22.11	
Total	26.23	57.13	25.18	



## Notes to Financial Statements (contd.)

During the year, the Company had specified bank notes or other denomination notes as defined in the MCA notification G.S.R. 308(E) dated 31<sup>st</sup> March, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016, the denomination wise SBNs and other denomination notes (ODN) as per the notification is given below:

			₹ in million
Particulars	SBNs	ODNs	Total
Closing cash on hand as on 08 <sup>th</sup> November, 2016	1.52	0.16	1.68
(+) Permitted receipts	-	1.80	1.80
(-) Permitted payments	-	(1.23)	(1.23)
(-) Amounts Deposited in Banks	(1.52)	(0.22)	(1.74)
Closing cash on hand as on 30 <sup>th</sup> December, 2016	_	0.51	0.51

#### 9A Other Bank balances

			₹ in million
Particular	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March 2016	As at 1⁵ April, 2015
Other bank balances (in earmarked accounts)			1 , , , , , , , , , , , , , , , , , , ,
- Balance held as margin money against borrowings*	3.53	18.65	36.39
Total	3.53	18.65	36.39

\* Represents margin money amounting to ₹ 3.53 million as at 31<sup>st</sup> March, 2017 (31<sup>st</sup> March, 2016 ₹ 18.65 million, 1<sup>st</sup> April, 2015 ₹ 36.39 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, 2017		As at 31⁵ March, 2016		As at 1⁵ April, 2015	
	Particulars	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
A	AUTHORISED, ISSUED, SUBSCRIBED AND PAID- UP SHARE CAPITAL						
	Authorised:						
	Equity shares of ₹ 10 each (Refer note C (iii)) (previous year ₹ 4 each)	165,000,000	1,650.00	216,250,000	865.00	216,250,000	865.00
	Redeemable preference shares of ₹ 10 each (Refer note C (iii)) (previous year ₹ 10 each)	-	-	2,000,000	20.00	2,000,000	20.00
	Total		1,650.00		885.00		885.00
	Issued, subscribed & fully paid up:					-	
	Equity shares of ₹ 10 each (Refer note C (iii)) (previous year ₹ 4 each)	140,662,848	1,406.63	43,957,140	175.83	43,957,140	175.83
	Total		1,406.63		175.83		175.83

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#### B Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year ₹ in million

					₹ in million	
De alte de co	As at 31 <sup>st</sup> March, 2017		As at 31⁵ March, 2016		As at 1⁵April, 2015	
Particulars	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
No of shares outstanding at the beginning of the year						
- Equity shares (Refer note C (iii))	43,957,140	175.83	43,957,140	175.83	43,957,140	175.83
Consolidation of equity shares during the year						
- Shares of face value ₹ 4 each	(43,957,140)	(175.83)	-	-	-	-
<ul> <li>Shares of face value ₹ 10 each</li> </ul>	17,582,856	175.83	-	-	-	-
- Issue of bonus shares in the ratio 7:1	123,079,992	1,230.80	-	-	-	-
No of shares outstanding at the end of the year	140,662,848	1,406.63	43,957,140	175.83	43,957,140	175.83

#### C Notes

#### i) Details of shares held by each shareholder holding more than 5% shares in the Company are as follows:

	ırticulars	No of shares as at 31 <sup>st</sup> March,2017	%	No of shares as at 31 <sup>st</sup> March, 2016	%	No of shares as at 1⁵ April, 2015	%
Ec	juity shares:						
1	Mr. Naresh Chandra (as the family trustee)##	16,910,000	12.02	4,500,100	10.24	4,500,100	10.24
2	Mrs. Suman Jain (as the family trustee)#	16,890,000	12.01	5,502,750	12.52	5,502,750	12.52
3	Mr. Anurang Jain	53,949,664	38.35	26,412,400	60.09	26,412,400	60.09
4	Actis Components & System Investments Ltd	-	-	6,029,990	13.72	6,029,990	13.72
5	Mr. Anurang Jain (as the family trustee)*	28,300,000	20.12	-	-	-	-

##Held by Mr. Naresh Chandra in his capacity as the family trustee of Anurang Rhea Trust ("Anurang Rhea Trust"). The Anurang Rhea Trust is a private family trust settled by Mrs. Suman Jain, pursuant to a deed of settlement dated 15<sup>th</sup> June, 2016 (the "Anurang Rhea Trust Deed"). The trustees of the Anurang Rhea Trust are Mr. Naresh Chandra, as the family trustee, and Kotak Mahindra Trusteeship Services Limited, as the managing trustee. Pursuant to the Anurang Rhea Trust Deed, Mr. Naresh Chandra shall, as long as he is acting as the family trustee, exclusively exercise voting rights in respect of these Equity Shares.

# Held by Mrs. Suman Naresh Chandra Jain in her capacity as the family trustee of NC Trust ("NC Trust"). The NC Trust is a private family trust settled by Mr. Naresh Chandra, pursuant to a deed of settlement dated 15<sup>th</sup> June, 2016 (the "NC Trust Deed"). The trustees of the NC Trust are Mrs. Suman Jain, as the family trustee, and Kotak Mahindra Trusteeship



## Notes to Financial Statements (contd.)

Services Limited, as the managing trustee. Pursuant to the NC Trust Deed, Mrs. Suman Jain shall, as long as she is acting as the family trustee, exclusively exercise voting rights in respect of these Equity Shares.

\* Held by Mr. Anurang Jain in his capacity as the family trustee of Anurang Rohan Trust ("Anurang Rohan Trust"). The Anurang Rohan Trust is a private family trust, settled by Mr. Anurang Jain, pursuant to a deed of settlement dated 11<sup>th</sup> June, 2016 as amended by a deed of amendment dated 23<sup>rd</sup> June, 2016 (the "Anurang Rohan Trust Deed"). The trustees of the Anurang Rohan Trust are Mr. Anurang Jain and Mrs. Varsha Jain, as the family trustees, and Kotak Mahindra Trusteeship Services Limited, as the managing trustee. Pursuant to the Anurang Rohan Trust Deed, Mr. Anurang Jain shall, as long as he is acting as the family trustee, exclusively exercise voting rights in respect of these Equity Shares.

- ii) The Company has only one class of equity shares. Each holder of equity share is entitled to one vote per share held. In the event of liquidation of the Company, the holder of the equity share will be entitled to receive remaining assets after deducting all its liabilities in proportion to the number of equity shares held.
- iii) Pursuant to the approval of the shareholders at the Extra ordinary General Meeting of the Company held on 18<sup>th</sup> May, 2016 for consolidation of the Equity shares of the Company, 2.5 Equity shares of face value of ₹ 4 each was consolidated to 1 Equity share of ₹10 each. The effective date for the said consolidation was 18<sup>th</sup> May, 2016, resulting in 86,500,000 equity shares of ₹ 10 each. Further, authorised share capital of redeemable preference share has been reclassified into 2,000,000 equity shares of ₹ 10 each. Further, the Company has increased the authorised share capital from ₹ 885 million to ₹ 1,650 million vide shareholders approval dated 18<sup>th</sup> May, 2016.

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

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

#### 10A Other Equity

			₹ in million
Par	ticulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
(a)	Capital redemption reserve		
	Balance at the beginning of the year	23.21	23.21
-	Less: Utilised on account of issue of bonus shares	(23.21)	-
	Balance at the end of the year	-	23.21
(b)	Securities premium account:		
	Balance at the beginning of the year	1,367.99	1,367.99
	Less: Utilised on account of issue of bonus shares	(1,207.59)	-
	Balance at the end of the year	160.40	1,367.99
(c)	General reserve		
	Balance at the beginning and end of the year	1,208.89	1,208.89
(d)	Retained earnings		
	Balance at the beginning of the year	10,721.07	8,927.13
	Profit for the year	2,214.97	2,086.45
	Capital subsidy received during the year	-	3.00
-	Remeasurements of defined benefit plans, net of tax	(17.83)	0.75
	Dividend	(52.75)	(246.16)
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		₹ in million
	As at	As at
Particulars	31 <sup>st</sup> March,	31⁵ March,
	2017	2016
Tax on dividend	(10.74)	(50.10)
Balance at the end of the year	12,854.72	10,721.07
Total	14,224.01	13,321.16

#### 11 Non current borrowings

			₹ in million
	As at	As at	As at
Particulars	31⁵ March,	31⁵ March,	1 <sup>st</sup> April,
	2017	2016	2015
Measured at amortised cost			
A Secured borrowings (Refer note 11.01)			
Term loans :			
From banks	85.19	435.81	1,339.29
Total secured borrowings	85.19	435.81	1,339.29
B Unsecured borrowings			
Other loans			
- Loan from public limited companies	-	121.69	-
- Deferred sales tax loan	113.33	223.31	335.18
Total unsecured borrowings	113.33	345.00	335.18
Total	198.52	780.81	1,674.47

#### 11.01 Details of security provided in respect of secured non current borrowings

Term Loans from banks/financial institutions including foreign currency term loans & buyers credits for capital assets, secured by equitable mortgage/additional charge/hypothecation of specified immovable/ movable properties, both present and/or future, located at various locations either on pari passu basis or by way of first charge.

#### 11.02 Maturity profile

			₹ in million
Particulars	Term Loans from Banks	Deferred sales tax loan	Total
Current Maturities			
2017-18	340.80	111.38	452.18
Non current Maturities			
2018-19	85.19	63.75	148.94
2019-20	-	19.80	19.80
2020-21	-	16.41	16.41
2021-22	_	10.06	10.06
2022-23	-	3.31	3.31
Total	85.19	113.33	198.52



## 12 Other Non Current financial liabilities

			₹ in million
Particulars	As at	As at	As at
Functions	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2016	1⁵ April, 2015
(a) Security deposits received from dealer	19.67	23.40	21.81
(b) Retention money	0.38	4.53	6.62
Total	20.05	27.93	28.43

#### 12A Other current financial liabilities

₹in m			₹ in million	
Part	iculars	As at 31⁵ March,2017	As at 31⁵ March,2016	As at 1⁵ April, 2015
(a)	Current maturities of long-term debt (Refer note 11.01)	452.18	975.22	1,216.83
(b)	Interest accrued but not due on borrowings	0.82	15.00	12.88
(c)	Foreign currency derivative liabilities	14.50	-	-
(d)	Payables on purchase of property, plant and equipment	137.02	184.62	142.30
Tot	al	604.52	1,174.84	1,372.01

#### 13 Non Current provisions

			₹ in million
Particulars	As at 31 <sup>st</sup> March, 2017	As at 31⁵ March, 2016	As at 1⁵ April, 2015
(a) Provision for employee benefits:			
(i) Provision for gratuity (net) (Refer note 29)	145.49	135.92	125.28
(b) Other provision			
- Warranty (Refer note 13.01 below)	19.87	17.92	11.80
Total	165.36	153.84	137.08

#### 13A Current provisions

₹ in milli			₹ in million
Particulars	As at 31 <sup>st</sup> March, 2017	As at March 31, 2016	As at 1 <sup>st</sup> April, 2015
(a) Provision for employee benefits:			
<ul> <li>Provision for compensated absences (net) (Refer note 29)</li> </ul>	115.70	87.54	80.53
ii) Provision for gratuity (net) (Refer note 29)	63.84	35.34	24.88
(b) Provision for others:			
i) warranty (Refer note 13.01 below)	43.26	36.76	28.70
Total	222.80	159.64	134.11

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

			₹ in million
Particulars	As at 31⁵ March, 2017	As at 31⁵ March, 2016	As at 1⁵ April, 2015
Carrying amount as at 1 <sup>st</sup> April	54.68	40.50	30.64
Additional Provision made during the year	30.64	42.21	37.19
Discounting/unwinding effect	5.05	4.26	(5.33)
Less : Amount paid/utilized during the year	27.24	32.29	22.00
Carrying amount as at 31 <sup>st</sup> March	63.13	54.68	40.50

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## 14 Current borrowings

			₹ in million
Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1⁵ April, 2015
Measured at amortised cost			
A. Secured borrowings			
a) Loans:			
- from bank	39.69	525.26	562.37
<li>b) Cash credit/working capital demand loans (refer note 14.01)</li>	650.00	-	30.77
Total secured borrowings	689.69	525.26	593.14
B. Unsecured borrowings			
a) From bank			
- Short Term Loan	535.63	-	-
<ul> <li>Cash credit/working capital demand loans (refer note 14.01)</li> </ul>	199.58	-	-
b) From others			
- Loan from public limited company	-	162.50	-
Total	1,424.90	687.76	593.14

#### 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 & equipment,
- c) second pari passu charge (subject to charge in favour of term lenders) on identified immovable properties of the Company.

## 15 Trade payables

			₹ in million
Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1⁵ April, 2015
Trade payables for goods & services			
- Total outstanding dues of micro and small enterprises (Refer note 30)	454.06	497.73	446.08
- Total outstanding dues of other than micro and			
small enterprises			
i) Acceptances	-	-	70.63
ii) Other than acceptances	3,025.47	2,621.50	2,431.62
Total	3,479.53	3,119.23	2,948.33

## 16 Other current liabilities

			₹ in million
Particulars	As at 31 <sup>st</sup> March, 2017	As at 31⁵ March, 2016	As at 1⁵ April, 2015
(a) Advances received from customers	459.08	209.92	45.79
(b) Income received in advance	4.81	2.89	2.65
(c) Deferred Payables	10.11	-	-
<ul> <li>(d) Statutory remittances (contribution to PF, ESIC, Withholding taxes, Excise duty, VAT, Service tax etc.)</li> </ul>	227.58	174.21	158.39
Total	701.58	387.02	206.83

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# Notes to Financial Statements (contd.)

## 17 Current tax liabilities

			₹ in million
Particulars	As at 31 <sup>st</sup> March, 2017	As at 31⁵ March, 2016	As at 1⁵ April, 2015
(a) Provision for tax:	39.28	8.34	37.76
[Net of TDS and advance tax ₹ 720.50 million (31 <sup>st</sup> March, 2016 ₹ 707.43 million, 1 <sup>st</sup> April, 2015 ₹ 682.83 million)]			
Total	39.28	8.34	37.76

#### 17A Deferred tax assets

				₹ in million
Nature of timing difference	Opening balance as on 1⁵ April, 2016	Recognised in the statement of profit and loss	Recognised in the other compre- hensive income	Closing balance as on 31 <sup>st</sup> March, 2017
Property, plant and equipment and intangible assets	33.77	(31.74)	-	2.03
Provision for employee benefits	68.80	8.29	9.44	86.53
Doubtful receivables provision	1.62	1.39	-	3.01
Expenses disallowed	1.11	8.65	-	9.75
Revaluation of current investment	(5.37)	(6.66)	-	(12.03)
Unrealised exchange fluctuation	1.20	3.63	-	4.84
Warranty discounting	(0.36)	1.66	-	1.30
Net deferred tax asset/ (liability)	100.77	(14.78)	9.44	95.43

#### ₹ in million

Nature of timing difference	Opening balance as on 1 <sup>st</sup> April, 2015	Recognised in the statement of profit and loss	Recognised in the other compre- hensive income	Closing balance as on 31⁵ March, 2016
Property, plant and equipment and intangible assets	74.13	(40.35)	-	33.77
Provision for employee benefits	79.84	(10.67)	(0.37)	68.80
Doubtful receivables provision	11.32	(9.70)	-	1.62
Expenses disallowed	0.62	0.48	-	1.11
Revaluation of current investment	-	(5.38)	-	(5.37)
Unrealised exchange fluctuation	0.91	0.29	-	1.20
Warranty discounting	(1.81)	1.45	-	(0.36)
Net deferred tax asset/ (liability)	165.01	(63.88)	(0.37)	100.77

## 18 Revenue from Operations

Particulars	For the year ended 31 <sup>st</sup> March, 2017	₹ in million For the year ended 31 <sup>st</sup> March, 2016
(a) Revenue from sale of goods (Refer note 18.01(i) below)	41,884.75	39,684.49
(b) Revenue from rendering of services (Refer note 18.01(ii) below)	58.08	46.39
(c) Other operating income (Refer note 18.01(iii) below)	717.22	737.81
Total	42,660.05	40,468.69

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₹ in million

## 18.01 Details of products sold & other operating revenue

Particulars	For the year ended 31 <sup>st</sup> March, 2017	For the year ended 31⁵ March, 2016
i) Sale of products comprises:		
Manufactured goods		
Shock absorbers	14,377.62	13,429.41
Disc brake assembly (including rotary disc)	2,855.65	2,528.25
Aluminium die casting parts	15,989.98	15,575.33
Alloy wheels	2,300.50	2,468.30
Clutch and clutch parts	3,303.73	3,227.61
Others	2,907.55	2,339.97
Total - (A)	41,735.03	39,568.87
Traded goods		
Components and spares	149.72	115.62
Total - (B)	149.72	115.62
Total - (A+B)	41,884.75	39,684.49
ii) Sale of services comprises:	•••••••••••••••••••••••••••••••••••••••	
Job work receipts	58.08	46.39
iii) Other operating revenue comprises:		
Scrap sales	620.69	692.82
Wind power generation	11.39	8.93
Export incentives	85.14	36.06
Total	717.22	737.81

## 19 Other income

			₹ in million
Par	ticulars	For the year ended 31 <sup>st</sup> March, 2017	For the year ended 31st March, 2016
(a)	Interest Income		
	i) Bank deposits	0.66	2.45
	ii) Income tax refund	-	17.46
	iii) Others	5.69	3.25
(b)	Other Non operating Income -		
-	i) Creditors/excess provision written back	12.44	7.68
	ii) Government incentive received (Refer note 38)	141.47	93.94
	iii) Profit on sale of property plant and equipment (net)	22.47	-
	iv) Miscellaneous income	67.23	51.00
	v) Cash discount received	20.20	13.15
(c)	Net gain on foreign currency transactions (other than considered as finance cost)	16.98	25.99
Toto	ıl	287.14	214.92



## 20A Cost of materials consumed

		₹ in million
Particulars	For the year ended 31st March, 2017	For the year ended 31⁵ March, 2016
Opening stock	426.67	538.32
Add: Purchases	25,229.66	23,918.39
	25,656.33	24,456.71
Less: Closing stock	475.27	426.67
Cost of material consumed	25,181.06	24,030.04
Cost of material capitalised	(46.76)	(94.17)
Total	25,134.30	23,935.87
Material consumed comprises	*****	
i) Aluminium alloy	8,731.92	8,714.29
ii) Other components	16,449.14	15,315.75
Total	25,181.06	24,030.04

#### Notes-

1) The consumption includes excess/shortages on physical count, write off of obsolete items etc.

2) Figures of other components is a balancing figure based on total consumption shown in the Statement of Profit and Loss.

#### 20B Purchases of traded goods

		₹ in million
Particulars	For the year ended 31⁵ March, 2017	For the year ended 31st March, 2016
Components and spares	98.09	78.64
Total	98.09	78.64

#### 20C Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended 31 <sup>st</sup> March, 2017	₹ in million For the year ended 31⁵ March, 2016
Inventories at the end of the year:		
Finished goods	(823.84)	(644.42)
Work-in-progress	(776.02)	(526.97)
Stock-in-trade	(18.61)	(14.84)
Inventories at the beginning of the year:		
Finished goods	644.42	590.65

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		₹ in million
Particulars	For the year ended 31⁵ March, 2017	For the year ended 31st March, 2016
Work-in-progress	526.97	394.01
Stock-in-trade	14.84	7.93
Net (increase)/decrease	(432.24)	(193.64)

## 21 Employee benefits expense

			₹ in million
Par	ticulars	For the year ended 31⁵ March, 2017	For the year ended 31st March, 2016
a)	Salary, wages and bonus	2,110.89	1,870.05
b)	Contribution to provident & other funds	204.05	191.69
c)	Staff welfare expenses	76.85	72.81
d)	Expenses towards Voluntary Separation Scheme	30.01	-
Less	s : Expenses capitalised	-	(19.12)
Tot	al	2,421.80	2,115.43

## 22 Finance costs

		₹ in million
Particulars	For the year ended 31⁵ March, 2017	For the year ended 31 <sup>st</sup> March, 2016
(a) Interest expenses on		
i) Fixed period term loans	45.33	134.12
ii) Others	46.89	71.79
(b) Other borrowing cost		
i) Discounting charges on commercial paper	53.27	51.75
ii) Bank Charges	6.14	5.34
(c) Exchange difference regarded as an adjustment to borrowing cost	26.94	66.74
Total	178.57	329.74

## 23 Other expenses

	₹ in m	illion
Particulars	For the yearFor theended 31stendedMarch, 2017March, 2017	Í 31st
Stores and spares consumed	780.83 73	8.35
Packing material consumed	346.28 27	5.16
Tools & instruments consumed	180.77 17	8.48
Processing charges	1,124.58 1,09	4.66
Labour charges	796.11 74	7.25
Power, water & fuel	1,516.67 1,43	1.90



		₹ in million
Particulars	For the year ended 31 <sup>st</sup> March, 2017	For the year ended 31st March, 2016
Rent	68.19	69.26
Repairs and maintenance:		
Plant and machinery	508.22	461.79
Building	51.23	56.29
General	140.36	165.28
Insurance	38.51	31.26
Rates and taxes	21.11	21.16
Travelling and conveyance	237.09	201.42
Freight	507.49	402.33
Advertisement	9.59	7.02
Donation	-	0.08
Payment to auditors (Refer note 23.01 below)	10.13	6.36
Directors fees & travelling expenses	27.54	19.13
Allowance for doubtful debts	4.02	(22.24)
Bad debts written off	-	23.82
Loss on sale of Property, plant & Equipment	-	0.27
Warranty claims	43.21	45.86
Excise duty paid others	1.50	0.91
Increase/(decrease) in excise duty on finished goods	5.39	7.16
Expenditure on Corporate Social Responsibility (Refer note 41)	18.30	52.00
Miscellaneous expenses	522.70	455.37
Total	6,959.82	6,470.33
Less: Expenses capitalised	73.86	193.99
Total	6,885.96	6,276.34

#### 23.01 Payment to Auditors

		₹ in million
Particulars	For the year ended 31⁵ March, 2017	For the year ended 31 <sup>st</sup> March, 2016
As Auditors		
Audit fees	5.40	5.40
Audit of Internal Controls over Financial Reporting	0.50	0.50
Limited Review	1.40	-
In other Capacity		
Audit fees in relation to IPO	11.00	-

		₹ in million
Particulars	For the year ended 31st March, 2017	For the year ended 31 <sup>st</sup> March, 2016
Other Services	2.34	0.20
Expenses reimbursed	0.49	0.26
Reimbursed of expenses in relation to IPO	0.46	-
Less : Reimbursed by Selling shareholders	(11.46)	-
Total	10.13	6.36

Payment to Auditors excludes ₹ Nil (previous year ₹ 1.35 million) towards other services paid to a firm, some of the members whereof are also members in the Audit Firm.

## 24 Taxes

#### (a) Income tax expenses

The major component of income tax expenses for the year ended 31st March, 2017 and 31st March, 2016 are

#### (i) Profit or Loss Section

			₹ in million
Part	iculars	For the year ended 31⁵ March, 2017	For the year ended 31⁵ March, 2016
(a)	Current Tax expenses [Short/(Excess) provision for tax relating to prior period ₹ 1.29 million, 31 <sup>st</sup> March, 2016 ₹ (69.55) million]	759.06	643.45
(b)	Deferred tax	14.78	63.88
Tota	Income tax expenses recognised in Statement of Profit & Loss	773.84	707.33

#### (ii) Other Comprehensive Income (OCI) Section

		₹ in million
Particulars	For the year ended 31⁵ March, 2017	ended 31st
(a) Net gain / (loss) on remeasurement of defined benefit plans	(27.27)	1.12
Income tax charged to OCI	9.44	(0.37)

#### (iii) Reconciliation of effective tax rate

			₹ in million
Part	iculars	For the year ended 31 <sup>st</sup> March, 2017	For the year ended 31⁵ March, 2016
(a)	Income before income tax	2,988.83	2,793.78
(b)	Enacted tax rate in India	34.61%	34.61%
(c)	Expected tax expenses	1,034.37	966.88
(d)	Other than temporary difference		
	R&D expenses - Revenue	(255.38)	(169.10)
	R&D expenses - Capital	(110.77)	(171.16)



			₹ in million
Part	iculars	For the year ended 31⁵ March, 2017	For the year ended 31⁵ March, 2016
	Investment Allowance	(251.69)	(149.15)
	Deduction under 80-IC (2)	(200.25)	(159.20)
	Expenses disallowed	33.13	-
	CSR expenditure	9.15	26.03
	Others	0.72	43.49
	Lease written off	18.66	29.75
(e)	Net Adjustment	(756.43)	(549.34)
(f)	Tax expenses/ (saving) on net adjustment (e*b)	(261.80)	(190.01)
(g)	Current tax expenses recognised in Statement of Profit & Loss (c+f)	772.58	776.88
(h)	Excess provision for tax relating to prior year	1.26	(69.55)
(i)	Net current tax expenses recognised in Statement of Profit & Loss (g+h)	773.84	707.33

## 25 Endurance Amann GmbH, Germany (earlier known as Amann Druckguss GmbH)

The total investment of the Company in Endurance Amann (a wholly owned subsidiary of the Company) as on 31<sup>st</sup> March, 2017 amounts to Euro 30.94 million (₹ 1930.74 million) [31<sup>st</sup> March, 2016: Euro 30.94 million (₹ 1930.74 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.

In September, 2015 5% non controlling interest of V&P SrL in EOSRL was acquired by Endurance Amann GmbH for a total consideration of Euro 4.62 million.

#### 26 Endurance Overseas Srl, Italy

During the year 2007-08, the Company incorporated a 100% subsidiary in Italy, named Endurance Overseas Srl (EOSRL).

The total investment in EOSRL as at 31<sup>st</sup> March, 2017 stands at Euro 25.82 million (₹ 1,706.22 million) [31<sup>st</sup> March, 2016: Euro 25.81 million (₹ 1,705.79 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 '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.

#### Geographical information

The Company primarily operates in India and its revenue from operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below:

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#### Revenue from Operations

	=	≺ in million
Particulars	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2016
Revenue from external customers		
India	40,969.25	39,013.55
Outside India	1,690.80	1455.14

#### Non current Assets

			₹ in million
Particulars	As at 31 <sup>st</sup> March, 2017		As at 1 <sup>st</sup> April, 2015
India	14,146.20	13,560.15	13,068.67
Outside India	-	-	-

#### 28 Contingent Liabilities

(a) Contingent Liabilities (To the extent not provided for)

				₹ in million
Par	ticulars	As at 31 <sup>st</sup> March, 2017	As at 31⁵ March, 2016	As at 1⁵ April, 2015
a)	Outstanding letters of credit	430.45	296.76	257.87
b)	Guarantees given by the Company's bankers	295.44	191.56	165.71
c)	Standby letter of credit given by the Company's bankers	2.67	2.67	3.11
d)	Disputed excise demands#	48.12	44.13	42.85
e)	Service tax matters#	15.14	15.22	26.29
f)	Sales tax matters#	14.83	88.90	84.31
g)	Income tax matters#	143.15	139.07	78.23
h)	Employees related disputes#	25.07	24.45	23.75
i)	Environment pollution control matters**	26.57	26.57	-
Toto	al	1,001.44	829.33	682.12

# 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. The management is of the opinion that the matters would be resolved in favour of the Company.

\*\* Hon'ble National Green Tribunal (NGT) had directed the Company on 15<sup>th</sup> July, 2015 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 (MPCB) claim submission, NGT vide its order dated 8<sup>th</sup> July, 2016 ordered a refund ₹ 70 million against the deposit given, which was duly received on 28<sup>th</sup> July, 2016.

#### (b) Import of capital goods under EPCG Scheme [Refer note 38 (c)]

The Company has imported capital goods under the Export Promotion Capital Goods Scheme (EPCG) of Government of India, at concessional rates of duty on an undertaking to fulfil quantified future export obligations. Non fulfilment of such future obligations, entails options/rights to the Government to confiscate the capital goods imported under the said licenses and levy other penalties under the above referred scheme. Balance export obligation as on 31st March 2017 is ₹ 65.99 million (Previous year ₹ 930.92 million).

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#### (c) Commitments

			₹ in million
Particulars	As at 31 <sup>st</sup> March, 2017	As at 31⁵ March, 2016	As at 1⁵ April, 2015
<ul> <li>(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)</li> </ul>			
- Tangible assets	467.67	496.37	498.27
(b) Other commitments			
- Aluminium alloy	897.87	1,256.46	2,913.54
Total	1,365.54	1,752.83	3,411.81

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 31 <sup>জ</sup> March, 2017	For the year ended 31st March, 2016
Employers contribution to provident fund/pension fund	107.07	93.41
Employers contribution to superannuation fund	10.50	9.17
Employers contribution to ESIC	5.36	3.18
Total	122.93	105.76

Note: Above contributions are included in contribution to provident fund and other funds reported in note 21 of employee benefit expenses.

#### (b) Defined benefit plan:

The defined benefit plan comprises of gratuity (included in contribution to provident fund and other funds in note 21 of employee benefit expenses). The present value of the obligation under such defined benefit plan is determined based on an actuarial valuation as at the reporting date using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit. The obligations are measured at the present value of the estimated future cash flows. The Company provides for its liability towards gratuity as per actuarial valuation. The present value of accrued gratuity is provided in the books of account after reducing the fund value with Life Insurance Corporation of India.

#### I) Reconciliation of benefit obligation:

		₹ in million
Particulars	As at 31 <sup>st</sup> March, 2017	
Liability at the beginning of the year	297.23	212.72
Interest cost	22.30	16.31
Past service cost	36.89	41.84
Current service cost	33.40	36.22
Benefits paid	(7.81)	(7.32)
Remeasurement (gain) / loss	26.76	(2.54)
Liability at the end of the year	408.77	297.23

ENDURANCE TECHNOLOGIES LIMITED

#### II) Reconciliation of fair value of plan assets:

		₹ in million
Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
Fair value of plan assets at the beginning of the year	125.97	62.56
Interest income	11.99	7.13
Contributions	69.80	65.02
Benefits paid	(7.81)	(7.32)
Return on plan assets - gain / (loss)	(0.51)	(1.42)
Fair value of plan assets at the end of the year	199.44	125.97
Actual return on plan assets	11.48	5.71

#### III) Amount to be recognised in the Balance Sheet

		₹ in million
Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
Liability at the end of the year	408.77	297.23
Fair value of plan assets at the end of the year	199.44	125.97
Amount to be recognised in Balance Sheet	209.33	171.26

# IV) Expenses recognised in the Statement of Profit and Loss under the head employee benefits expense

		₹ in million
Particulars	For the year ended 31⁵ March, 2017	For the year ended 31s March, 2016
Current service cost	33.40	36.22
Past service cost	36.89	41.84
Interest cost	10.30	9.18
Expenses recognized in Statement of Profit and Loss	80.59	87.24

In respect of funded benefits with respect to gratuity, the fair value of plan assets represents the amounts invested through "Insurer Managed Funds"

#### V) Remeasurement for the year

		₹ in million
Particulars	For the year ended 31 <sup>st</sup> March, 2017	For the year ended 31⁵ March, 2016
Experience (gain)/ Loss on plan liabilities	10.42	(4.17)
Demographic (gain)/ loss on plan liabilities	-	(2.62)



		₹ in million
Particulars	For the year ended 31⁵ March, 2017	For the year ended 31⁵ March, 2016
Financial (gain)/ loss on plan liabilities	16.33	4.25
Experience (gain)/ loss on plan assets	(0.90)	1.42
Financial (gain)/ loss on plan assets	1.42	-

#### VI) Amount recognised in statement of other comprehensive income (OCI)

		₹ in million	
Particulars	For the year ended 31⁵ March, 2017	For the year ended 31st March, 2016	
Opening amount recognised in OCI	-	-	
Remeasurement for the year - Obligation (gain)/ loss	26.76	(2.54)	
Remeasurement for the year - plan assets (gain)/ loss	0.51	1.42	
Total remeasurements cost / (credit) for the year recognised in OCI	27.27	(1.12)	
Closing amount recognised in OCI	27.27	(1.12)	

#### VII) Principal actuarial assumptions

Particulars	As at 31 <sup>st</sup> March,2017	As at 31⁵ March, 2016
Discount rate	7.00%	7.60%
Salary escalation	6.00%	6.00%
Withdrawal rate	8.00%	8.00%

- (a) 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.
- (b) Withdrawal rate is employee turnover rate based on the Company's past and expected employee turnover.
- (c) Salary escalation rate: The estimates of future salary increases considered taking into the account the inflation, seniority, promotion and other relevant factors.
- (d) Disclosure related to indication of effect of the defined benefit plan on the entity's future cash flows:

Expected benefit payments for the year ending:

	₹ in million
Year ending	As at 31 <sup>st</sup> March, 2017
31 <sup>st</sup> March, 2018	63.84
31 <sup>st</sup> March, 2019	41.51
31 <sup>st</sup> March, 2020	44.43
31 <sup>st</sup> March, 2021	47.36
31 <sup>st</sup> March, 2022	49.08
31 <sup>st</sup> March, 2023 to 2027	368.20

(e) Weighted Average duration of defined benefit obligation: 11.1 years

#### (f) Sensitivity analysis:

1.

Defined Benefit Obligation

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 31<sup>st</sup> March, 2017 is as shown below:

					₹ in million
Α.	Effect of 1% change in	1% Incre	1% Increase 1% Decrease		ease
	the assumed discount rate	31Mar-17	31Mar-16	31-Mar-17	31-Mar-16
1.	Defined Benefit Obligation	382.17	276.98	438.80	320.13
B.	Effect of 1% change	1% Incre	ase	1% Decr	ease
	in the assumed Salary Escalation Rate	31Mar-17	31Mar-16	31-Mar-17 31-M	31-Mar-16
1.	Defined Benefit Obligation	434.89	315.77	385.14	280.30
<b>C</b> .	Effect of 1% change in			1% Decr	rease
	the assumed Withdrawal Rate	31Mar-17	31Mar-16	31-Mar-17	31-Mar-16

299.29

407.46

#### 30 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

409.89

- (a) Principal amount payable to Micro, Small and Medium Enterprises (to the extent identified by the Company from the available information and relied upon by the auditors) as at 31<sup>st</sup> March, 2017 is ₹ 454.06 million (31<sup>st</sup> March, 2016 ₹ 497.73 million, 1<sup>st</sup> April, 2015 ₹ 446.08 million). The unpaid amount outstanding for more than 45 days as of 31<sup>st</sup> March, 2017 is ₹ Nil (31<sup>st</sup> March, 2016 amount ₹ Nil, 1<sup>st</sup> April, 2015 ₹ 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 (31<sup>st</sup> March, 2016 ₹ Nil, 1<sup>st</sup> April, 2015 ₹ Nil). Amount of interest accrued and remaining unpaid as at 31<sup>st</sup> March, 2017 is ₹ Nil (31<sup>st</sup> March, 2016 ₹ Nil, 1<sup>st</sup> April, 2015 ₹ Nil)

294.91



## 31 Earnings per share (EPS)

		Shares in Nos		
Par	ticulars	For the year ended 31⁵ March, 2017	For the year ended 31⁵ March, 2016	
a)	Earnings for the purpose of basic / diluted earnings per share Profit after tax (₹ in million)	2,214.97	2,086.45	
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	10.00	10.00	
e)	Basic & diluted earnings per share ₹	15.75	14.83	

i) Pursuant to Para 64 of Indian Accounting Standard (Ind AS) 33, the number of ordinary shares outstanding before the Bonus issue is adjusted for the proportionate change in the number of ordinary shares outstanding as if the event had occurred at the beginning of the earliest period presented.

Accordingly, the earnings per share calculation for FY 2015-16 is based on new number of shares after the issue of Bonus shares during FY 2016-17. Refer Note 10 (C) (iii)

#### 32 Fair Value Measurements

Set out below is the comparison by class of the carrying amounts and fair value of the Company's financial instruments

						₹	in million
		(	Carrying amoun	ıt	Fair Value		
Particulars		As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1⁵ April, 2015	As at 31 <sup>st</sup> March, 2017	As at 31⁵ March, 2016	As at 1⁵ April, 2015
FINA	NCIAL ASSETS						
Finar	ncial assets measured at amortised cost						
(a)	Security Deposits	49.22	43.76	38.18	49.22	43.76	38.18
(b)	Deposits with Banks (Under Lien)	-	-	9.50	-	-	9.50
(c)	Trade receivables	4,846.36	3,165.07	2,897.61	4,846.36	3,165.07	2,897.61
(d)	Loans to employees	18.49	17.23	14.59	18.49	17.23	14.59
(e)	Interest accrued on deposits	0.18	1.20	6.41	0.18	1.20	6.41
(f)	Receivable for sale of Property, plant and equipment	7.66	10.26	4.37	7.66	10.26	4.37
(g)	Cash on hand	0.68	1.27	1.69	0.68	1.27	1.69
(h)	Cheques on hand	-	0.40	1.38	-	0.40	1.38
(i)	Balance with banks in current account	25.55	55.46	22.11	25.55	55.46	22.11
(j)	Balance held as Margin money against borrowings	3.53	18.65	36.39	3.53	18.65	36.39

₹ in million

						`			
		(	Carrying amour	nt		Fair Value			
Partio	Particulars		As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015		
Finar & Los	ncial assets measured at fair value through Statement of Profit ss								
(a)	Current investments	316.37	471.64	-	316.37	471.64	-		
(b)	Non Current investments quoted	0.06	0.07	0.06	0.06	0.07	0.06		
(c)	Foreign currency derivative asset	-	88.94	132.11	-	88.94	132.11		
(d)	Other non current investment	10.04	10.09	10.14	10.04	10.09	10.14		
	NCIAL LIABILITIES								
	ncial liabilities measured at amortised cost								
(a)	Non Current Borrowings (At variable interest rate)	198.52	780.81	1,674.47	198.52	780.81	1,674.47		
(b)	Current Borrowings	1,424.90	687.76	593.14	1,424.90	687.76	593.14		
(c)	Security deposits received from dealers	19.67	23.40	21.81	19.67	23.40	21.81		
(d)	Retention money	0.38	4.53	6.62	0.38	4.53	6.62		
(e)	Current maturities of long-term debt	452.18	975.22	1,216.83	452.18	975.22	1,216.83		
(f)	Interest accrued but not due on borrowings	0.82	15.00	12.88	0.82	15.00	12.88		
(g)	Payables on purchase of property plant & equipment	137.02	184.62	142.30	137.02	184.62	142.30		
(h)	Trade Payables	3,479.53	3,119.23	2,948.33	3,479.53	3,119.23	2,948.33		
Finar & Los	ncial assets measured at fair value through Statement of Profit ss								
(a)	Foreign currency derivative liability	14.50	-	-	14.50	-	-		

The management assessed that the fair values of short term financial assets and liabilities significantly approximate their carrying amounts largely due to the short - term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction among willing parties, other than in a forced or liquidation sale.

The Company determines fair values of financial assets and financial liabilities by discounting the contractual cash inflows/outflows using prevailing interest rates of 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 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 31<sup>st</sup> March, 2017 and 31<sup>st</sup> March, 2016 and 1<sup>st</sup> April, 2015.

			₹ in million	
Particulars	Level 1	Level 2	Level 3	
31 <sup>st</sup> March, 2017				
Investment in mutual funds	316.37	-	-	
Equity	0.06		10.00	
31 <sup>st</sup> March, 2016				
Investment in mutual funds	471.64	-	-	
Equity	0.07		10.00	
Sold during the year			(0.03)	
1 <sup>st</sup> April, 2015				
Investment in mutual funds	_	-	-	
Equity	0.06		10.03	

During the year ended 31<sup>st</sup> March, 2017, there were no transfers between Level 1 and Level 2 fair value measurement and no transfer into and out of Level 3 fair value measurement

#### 33 Financial Instruments and Risk Review

Financial Risk Management Framework

Endurance Technologies Limited is exposed primarily to market risk (fluctuations in foreign currency exchange rates and interest rate), credit, liquidity, 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.

F in million

#### 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.

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 monthly 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:

Particulars	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2016	1 <sup>st</sup> April, 2015
Net Debt (A)*	1,733.00	1,915.02	3,459.26
Equity (B)	15,630.64	13,496.99	11,703.05
Debt Ratio (A / B)	0.11:1	0.14:1	0.30:1

\* Net debt includes Non Current borrowing, Current borrowing, Current maturities of non current borrowing net off Current investment and cash and cash equivalent

#### ii) Credit Risk

Credit risk is the risk of financial loss arising from counter-party failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentration of credit risk principally consists of trade receivables, investments, derivative financial instruments and other financial assets. None of the financial instruments of the Company results in material concentration of credit risk.

#### Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 4,907.81 million, ₹ 3,326.29 million and ₹ 3,099.04 million as of 31<sup>st</sup> March, 2017, 31<sup>st</sup> March, 2016 and 1<sup>st</sup> April, 2015 respectively, being the total of the carrying amount of balances with trade receivables.

#### Trade receivables

Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses at each date of financial statement whether a financial asset or a group of financial assets is impaired. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Company's exposure to customers is diversified and some customers contribute more than 10% of outstanding accounts receivable which forms 79% of total receivables as of 31<sup>st</sup> March, 2017 (78% as at 31<sup>st</sup> March, 2016 and 70% as at of 1<sup>st</sup> April, 2015), however there was no default on account of those customers in the past.

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# Notes to Financial Statements (contd.)

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. Limits and scoring attributed to customers are reviewed on periodic basis.

The Company performs credit assessment for customers on an annual basis and recognizes credit risk, on the basis lifetime expected losses and where receivables are due for more than six months.

Movement in the expected credit loss allowance:

			₹ in million
Particulars	As at 31⁵ March, 2017	As at 31⁵ March, 2016	As at 1⁵ April, 2015
Balance at the beginning of the year	4.68	26.79	40.04
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	4.02	(22.11)	(13.25)
Balance at the end of the year	8.70	4.68	26.79

#### iii) Liquidity Risk

#### a) Liquidity risk management

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

#### b) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

						₹ in million
	31⁵ March,	2017	31 <sup>st</sup> March,	2016	1⁵ April, 2015	
Particulars	Less than 1 Year	1-3 Years	Less than 1 Year	1-3 Years	Less than 1 Year	1-3 Years
Financial liabilities						
Trade payables	3,479.53	-	3,119.23	-	2,948.33	-
Other Financial Liabilities	619.13	20.05	1,189.45	27.93	1,386.62	28.43
Working capital demand loans / Term loans (at variable rate)	1,513.41	199.79	776.27	782.08	681.65	1,675.74
Total	5,612.07	219.84	5,084.95	810.01	5,016.60	1,704.17

#### c) Maturities of financial assets

The following table details the Company's expected maturity for financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on such assets.

						₹ in million	
	31 <sup>st</sup> March, 2017		31 <sup>st</sup> March	31 <sup>st</sup> March, 2016		1 <sup>st</sup> April, 2015	
Particulars	Less than 1 Year	1-3 Years	Less than 1 Year	1-3 Years	Less than 1 Year	1-3 Years	
Non-derivative financial assets							
Trade receivables	4,846.36	-	3,165.07	-	2,897.61	-	
Other Financial Assets	26.33	49.22	28.69	132.70	25.37	179.79	
Total	4,872.69	49.22	3,193.76	132.70	2,922.98	179.79	

#### iv) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

#### a) Foreign Currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar, Euro, Great Britain Pound and Japanese Yen against the respective functional currencies of the Company. The Company, as per its risk management policy, uses derivative instruments primarily to hedge foreign exchange.

The Company 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.

		As a 31 <sup>st</sup> March		As at 31 <sup>st</sup> March, 2016		As at 1 <sup>st</sup> April, 2015	
Particulars	Currency	Foreign Currency Notional Amount	Rupees	Foreign Currency Notional Amount	Rupees	Foreign Currency Notional Amount	Rupees
(a) Details of	Forward Exc	hange Contra	ct, Currency	v swaps, Curre	ency options	:	
Forward contract - USD-INR	USD	7.27	471.54	8.67	575.28	11.05	691.54
No. of Contracts		43		44		60	
Forward contract - JPY -INR	JPY	188.00	108.96	45.00	26.58	91.40	47.63
No. of Contracts		2		1		2	
Forward contract - EUR - INR	EURO	0.71	48.83	1.56	117.21	1.24	83.88
No. of Contracts		12		17		9	

₹ in million



							₹ in million	
		As o 31 <sup>st</sup> Marc		As at 31 <sup>st</sup> March, 2016		As at 1 <sup>st</sup> April, 2015		
Particulars	Currency	Foreign Currency Notional Amount	Rupees	Foreign Currency Notional Amount	Rupees	Foreign Currency Notional Amount	Rupees	
Fixed currency swap EUR-INR	EURO	-	-	-	-	1.30	87.76	
No. of Contracts		-		-		1		
Fixed currency swap USD-INR	USD	2.82	182.85	9.17	608.08	16.88	1,056.39	
No. of Contracts		1		2		2		
Coupon only swap USD-INR	USD	2.63	170.20	4.88	323.37	7.13	445.96	
No. of Contracts		3		3		3		

₹ in million

(b) Foreign currency			As at 31 <sup>st</sup> March, 2017 As at 31 <sup>st</sup> March, 2016 As at 1 <sup>st</sup> April, 2		ril, 2015		
exposures that are not hedged by derivative instruments	Currency	Foreign Currency Notional Amount	Rupees	Foreign Currency Notional Amount	Rupees	Foreign Currency Notional Amount	Rupees
IA. Term loans / PCFC/ECB	USD	6.86	444.90	9.10	603.77	10.48	656.03
	EURO	0.05	3.36	0.61	45.87	1.05	70.63
IB. Interest on term loans	USD	0.01	0.52	0.01	0.51	0.01	0.87
	EURO	-	-	-	-	0.00	0.02
			448.78		650.15		727.56
ll. Trade receivables :	USD	1.69	109.78	2.29	151.62	2.60	162.67
	EURO	0.31	21.20	0.42	31.48	0.68	45.86
			130.98		183.10		208.53
III. Trade payables	USD	0.22	14.18	0.63	41.99	1.95	121.83
	EURO	0.23	16.23	0.62	46.86	0.56	37.73
	GBP	-	-	0.00	0.47	0.01	0.60
	JPY	3.84	2.23	0.02	0.01	5.35	2.79
			32.64		89.33		162.95
TOTAL	USD	5.40	349.82	7.45	494.65	9.84	616.06

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						:	₹ in million	
Foreign currency		As c 31st March		As at 31⁵ Mo	ırch, 2016	As at 1 <sup>st</sup> Apr	il, 2015	
exposures that	exposures that are not hedged by derivative		Foreign Currency Notional Amount	Rupees	Foreign Currency Notional Amount	Rupees	Foreign Currency Notional Amount	Rupees
	EURO	(0.03)	(1.61)	0.81	61.25	0.93	62.52	
	GBP	-	-	0.00	0.47	0.01	0.60	
	JPY	3.84	2.23	0.02	0.01	5.35	2.79	

#### Foreign Currency Sensitivity

The following table demonstrates the sensitivity to a reasonable possible change in USD, EUR and JPY 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.

For the period ended	Currency	Change	₹ in million <b>Effect on</b>
		in rate	pre-tax equity
31 <sup>st</sup> March, 2017	USD	+10%	(34.98)
	USD	(10%)	34.98
	EUR	+10%	0.16
	EUR	(10%)	(0.16)
	JPY	+10%	(0.22)
	JPY	(10%)	0.22
31 <sup>st</sup> March, 2016	USD	+10%	(49.46)
	USD	(10%)	49.46
	EUR	+10%	(6.13)
	EUR	(10%)	6.13
	JPY	+10%	(0.00)
	JPY	(10%)	0.00

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.

#### b) 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 change in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligations with floating interest rates.

#### Interest rate sensitivity

The sensitivity analysis below have been determined based on exposure to interest rate. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:



				₹ in million
For the period ended	Currency	Increase / decrease in basis points	Effect on profit before tax	Variable rate WCDL / CC balance / ECB
31 <sup>st</sup> March, 2017	INR	+100	(14.98)	1,497.85
	INR	(100)	14.58	1,497.85
31 <sup>st</sup> March, 2016	INR	+100	(8.12)	812.14
	INR	(100)	2.87	812.14

#### 34 Disclosure in respect of operating lease

#### (a) Assets given on lease.

Details of future lease rentals receivable :

		₹ in million
Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
Not later than 1 year	-	6.45
Later than 1 year and not later than 5 years	-	-
Later than 5 years	-	-

#### (b) General Description of operating lease.

- In the year 2014-15, Company entered into an operating lease agreement for transfer of its office premises located in Kalyaninagar, Pune (leased asset).
- II The agreement had been entered by the Company for a period of three years commencing 1<sup>st</sup> December, 2014. The first two years of the agreement remain as lock in period starting 1<sup>st</sup> December, 2014. The agreement does not provide any escalation in the lease rentals during the period of the lease. The agreement was terminated on 30<sup>th</sup> November 2016.

#### (c) Accounting policy adopted in respect of initial direct cost.

The initial costs incurred on leased assets have been capitalised being in the nature of improvement to leased assets.

#### 35 Related party disclosure as required by Indian Accounting Standard 24 is annexed.

#### 36 Estimates

The estimates at 1<sup>st</sup> April, 2015 and at 31<sup>st</sup> March, 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies).

#### 37 First time adoption of Ind AS

As stated in note 2, the financial statements for the year ended 31<sup>st</sup> March, 2017 are the first annual financial statements prepared in accordance with Ind AS.

The adoption was carried out in accordance with Ind AS 101 using Balance sheet as at 1<sup>st</sup> April, 2015 as the transition date. The transition was carried out from Indian GAAP, which was considered as the previous GAAP. All applicable Ind AS have been applied consistently and retrospectively, wherever, required. The resulting difference between the carrying amounts of the assets and liabilities in the financial statements under both Ind AS and Indian GAAP as of the transition date are recognised directly in equity (retained earnings) at the date of transition to Ind AS.

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Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for the periods ended on or after 1<sup>st</sup> April, 2015, together with the comparative period data as at 31<sup>st</sup> March, 2016 and year ended 31<sup>st</sup> March, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company has availed itself of certain exemptions and exceptions in accordance with Ind AS 101.

The note below explains the principal adjustments made by the Company in restating its Indian GAAP financials statements, including the opening Balance sheet as at 1<sup>st</sup> April, 2015, the financial statements for the year ended 31<sup>st</sup> March, 2016.

#### Exemption from retrospective application:

The Company has applied the following exemptions

#### (a) Deemed Cost

The company has elected to continue with the carrying value of all its property, plant and equipment and intangible assets recognised as at 1<sup>st</sup> April, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

#### Exception to retrospective application

#### (a) Estimate

The estimates at 1<sup>st</sup> April, 2015 and at 31<sup>st</sup> March, 2016 are consistent with those made for the same dates in accordance with previous GAAP (after adjustments to reflect any differences in accounting policies) apart from the items where application of previous GAAP did not require estimation. The Company has elected to apply change in estimates prospectively from the date of transition to Ind AS in respect of allowance for doubtful debts and product warranty.

#### (b) Government Loan

A first-time adopter shall classify all government loans received as a financial liability or an equity instrument in accordance with Ind AS 32, Financial Instruments: Presentation. A first-time adopter shall apply the requirements in Ind AS 109, Financial Instruments, and Ind AS 20, Accounting for Government Grants and Disclosure of Government Assistance, prospectively to government loans existing at the date of transition to Ind AS and shall not recognize the corresponding benefit of the government loan at a below-market rate of interest as a government grant. The Company has chosen to use its previous GAAP carrying amount of the loan at the date of transition to Ind AS the carrying amount of the loan in the opening Ind AS Balance Sheet. The requirements of Ind AS 109 shall be applied to the measurement of sales tax loan after the date of transition to Ind AS.

# Reconciliation of equity as previously reported under Previous GAAP (I GAAP) to Ind AS as at $1^{st}$ April, 2015

		As on 1	* April, 2015	
culars	Note	Previous GAAP	Effect of transition to Ind AS	Ind AS balance shee
ASSETS				
1 Non-current assets				
(a) Property, Plant and Equipment	i	8,853.84	(1,509.11)	7,344.73
(b) Capital work-in-progress		214.53	-	214.53
(c) Other Intangible assets		68.14		68.14
(d) Intangible assets under development		1.78	-	1.78
(e) Financial Assets		2 6 4 6 7 2	-	2 6 4 6 7 2
(i) Investments (ii) Other financial assets	:: (l)	3,646.73	132.10	3,646.73
	ii (b)	47.69	(0.93)	1/9./9
(f) Deferred tax assets (Net) (g) Other non-current assets		275.79	1,469.29	1,745.08
Total Non - Current Assets		13,274.44	91.35	13,365.79
Ioldi Noli - Collelli Assels		13,274.44	71.55	13,303.77
2 Current assets		1 001 05		1 001 05
(a) Inventories		1,981.05	-	1,981.05
(b) Financial Assets (i) Trade receivables		2,897.61		2,897.61
(i) Irade receivables (ii) Cash and cash equivalents		61.57	-	61.57
(iii) Other Financial Assets		25.37	-	25.37
(c) Other current assets	i, ii	508.98	(5.15)	503.82
	(b)		· · /	
Total Current Assets Total Assets (1+2)		5,474.57 18,749.01	(5.15) 86.20	5,469.42 18,835.21
		10,747.01	00.20	10,033.21
EQUITY AND LIABILITIES				
1 Equity				175.00
(a) Equity Share capital		175.83	-	175.83
(b) Other Equity excluding non-controlling interests	vi	11,377.22	150.00	11,527.22
Equity attributable to owners of the Company		11,553.05	150.00	11,703.05
2 Liabilities				
Non-current liabilities				
(a) Financial Liabilities		1 / 70 00	0.75	1 / 7 / / 7
(i) Borrowings	ii (a)	1,670.82	3.65	1,674.47
(ii) Other financial liabilities (b) Provisions		28.43	- (E 22)	28.43 137.08
(b) Provisions Total Non - Current Liabilities	v (a)	1,841.66	(5.33) (1.68)	1,839.98
		1,041.00	(1.00)	1,007.70
3 Current liabilities				
(a) Financial Liabilities		593.14		593.14
(i) Borrowings (ii) Trade payables	iv ii (b)	2,951.84	(3.51)	2,948.33
	ii (b),	1,278.68	93.33	
	(iv)		73.33	1,372.01
(b) Other current liabilities		206.83	-	206.83
(c) Current Tax Liabilities (Net)	v (b)	37.76	(151.94)	37.76 134.11
(d) Provisions Total Current Liabilities	v (b)	286.05 <b>5,354.30</b>	(62.12)	<b>5,292.18</b>

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₹ in million

	As on 31 <sup>st</sup> March, 2016				
iculars	Note	Previous GAAP	Effect of transition to Ind AS	Ind AS balance sheet	
ASSETS					
1 Non-current assets					
(a) Property, Plant and Equipment	i	9,165.16	(1,502.26)	7,662.90	
(b) Capital work-in-progress		419.52	0.01	419.53	
(c) Other Intangible assets		68.32	(0.01)	68.3	
(d) Intangible assets under development		18.22	-	18.22	
(e) Financial Assets			-		
(i) Investments	ii (a)	3,646.68	0.01	3,646.69	
(ii) Other financial assets	ii (b)	43.76	88.94	132.70	
(f) Deferred tax assets (Net)	iii	105.30	(4.53)	100.72	
(g) Other non-current assets	i	223.40	1,477.34	1,700.74	
Total Non - Current Assets		13,690.36	59.50	13,749.86	
2 Current assets					
(a) Inventories		1,984.71	-	1,984.71	
(b) Financial Assets					
(i) Investments	ii (a)	455.84	15.80	471.64	
(ii) Trade receivables		3,165.07	-	3,165.07	
(iii) Cash and cash equivalents		75.78	-	75.78	
(iv) Other Financial Assets		28.69	0.00	28.69	
(c) Other current assets	i, ii(b)	516.85	3.83	520.63	
Total Current Assets		6,226.94	19.62	6,246.54	
Total Assets (1+2)		19,917.30	79.11	19,996.40	
EQUITY AND LIABILITIES					
1 Equity		175.00	0.00	175.00	
(a) Equity Share capital		175.83	0.00	175.83	
(b) Other Equity excluding non-controlling interests	vi	13,248.78	72.38	13,321.16	
Equity attributable to owners of the Company		13,424.61	72.38	13,496.99	
2 Liabilities					
Non-current liabilities					
(a) Financial Liabilities			<u> </u>		
(i) Borrowings	ii (a)	780.17	0.64	780.81	
(ii) Other financial liabilities		27.93	-	27.93	
(b) Provisions	v (a)	154.91	(1.07)	153.84	
Total Non - Current Liabilities		963.01	(0.43)	962.58	
3 Current liabilities					
(a) Financial Liabilities					
(i) Borrowings	ii (a)	687.76	-	687.76	
(ii) Trade payables	ii (b)	3,120.96	(1.73)	3,119.23	
(iii) Other financial liabilities	ii (b), iv	1,097.35	77.49	1,174.84	
(b) Other current liabilities	1.4	387.02	-	387.02	
(c) Current Tax Liabilities (Net)	v (b)	8.34	-	8.34	
(d) Provisions	v (a)	228.25	(68.61)	159.64	
Total Current Liabilities	·····	5,529.68	7.15	5,536.83	
Total Equity and Liabilities (1+2+3)		19,917.30	79.11	19,996.40	

# Reconciliation of equity as previously reported under Previous GAAP (I GAAP) as at $31^{st}$ March, 2016

₹ in million

₹ in million

# Notes to Financial Statements (contd.)

Reconciliation of Statement of Profit and Loss as previously reported under Previous GAAP (IGAAP) to Ind AS for the year ended 31<sup>st</sup> March, 2016

For the year ended 31<sup>st</sup> March, 2016 Effect of Particulars Note Previous transition Ind AS No. GAAP to Ind AS 40,611.54 (142.85) 40,468.69 Revenue from operations Ι vii 227.44 (12.52)214.92 Other income viii Ш Total Revenue (I + II)40,838.98 (155.37)40,683.61 IV Expenses: viii Cost of materials consumed 23,957.17 (21.30)23,935.87 (a) 78.64 Purchases of stock-in-trade (0.00)78.64 Changes in inventories of finished goods, stock-in-trade and (193.64)0.00 (193.64) work-in-progress Excise duty on sale of goods 3,872.45 3,872.45 Employee benefits expense ix 2,114.31 1.12 2,115.43 iv, v 325.47 4.27 329.74 Finance costs (a) Depreciation and amortization expense 1,504.75 (29.75)1,475.00 Х vii, x, Other expenses 6,395.61 (119.27)6,276.34 v(a) **Total expenses** 38,054.74 (164.93)37,889.83 v Profit before tax (III - IV) 2,784.22 9.56 2,793.78 VI Tax expense: Current tax 643.45 643.44 0.01 3.27 Deferred tax 60.61 63.88 xi Total tax expense 704.05 3.28 707.33 VII Profit after tax (V-VI) 2,080.17 6.28 2,086.45 VIII Other Comprehensive Income (OCI) Items that will not be reclassified to profit or loss: Remeasurements of defined benefit plans ix (1.12)(1.12)Income-tax relating to items that will not be reclassified to 0.37 0.37 ix profit or loss 2,080.17 7.03 IX Total comprehensive income for the year 2,087.20

Reconciliation of Cash Flow Statement as previously reported under Previous GAAP (IGAAP) to Ind AS for the year ended 31<sup>st</sup> March, 2016

		For the year ended				
Par	ticulars	Note No.	Previous GAAP	Effect of transition to Ind AS	Ind AS	
	Net Cash flow from operating activities	i	3,949.40	(22.89)	3,926.51	
	Net cash flow from investing activities	i	(2,298.64)	22.89	(2,275.75)	
	Net cash flow from financing activities	iv	(1,618.81)	-	(1,618.81)	
IV	Net increases (decreases) in cash and Cash equivalents		31.95	0.00	31.95	
V	Cash and Cash equivalent at the beginning of the period		57.13	-	57.13	
	Effect of exchange rate change on the balance of cash held in foreign currecy		-	-	-	
VI	Cash and Cash equivalent at the end of the period		57.13	-	57.13	

Reconciliation of equity as previously reported under Previous GAAP (I GAAP) as at 1st April, 2015 and 31st March, 2016

			₹ in million
Particulars	Note No.	31st March, 2016	1 <sup>ء</sup> April, 2015
Balance as per previous GAAP		13,248.78	11,377.32
Ind AS Adjustments			
I Dividend (including tax thereon)	v	63.58	148.14
II Impact application of effective rate of interest for borrowings	iv	-	0.01
III Impact of measurement of derivative contracts at fair value	ii (b)	(2.58)	(1.77)
IV Impact of discounting of provisions as per Ind AS 37	V	1.07	5.33
V Impact of measurement of investments at fair value	viii	15.80	
	(b)		
VI Tax effect of Ind AS adjustments	iii, xi	(5.49)	(1.81)
Effect of Ind AS adjustment		72.38	149.90
Balance as per Ind AS		13,321.16	11,527.22

Reconciliation of Total Comprehensive income as previously reported under Previous GAAP (I GAAP) as at 31<sup>st</sup> March, 2016

			₹ in million
Par	ticulars	Note No.	Year ended 31 <sup>st</sup> March, 2016
Net	profit as reported under Previous GAAP		2,080.17
I	Impact of measurement of investments at fair value	viii (b)	15.78
	Impact of discounting of provisions as per Ind AS 37	v	(4.26)
	Impact of measurement of derivative contracts at fair value	ii (b)	(0.81)
IV	Impact of actuarial gain / loss on employee defined benefit plan recognized in OCI	ix	(0.75)
V	Tax effect of Ind AS adjustments	iii, xi	(3.68)
	Net Profit for the period as per Ind AS		2,086.45
VI	Other Comprehensive Income (net of tax)		0.75
Tot	al comprehensive income as per Ind AS		2,087.20

Notes to reconciliation of equity as at 1<sup>st</sup> April, 2015 and 31<sup>st</sup> March, 2016 and profit or loss for the year ended 31<sup>st</sup> March, 2016

#### i Leasehold Land:

Company has leasehold land in its books of accounts. As per previous GAAP (IGAAP), leasehold land was considered as Lease hold asset and was amortised over the period of lease tenure. As per Ind AS, leasehold land is considered as operating lease. Accordingly, premium paid is considered as prepayment of lease charges and same is charged to Statement of Profit and Loss over the period of lease. The prepayment is disclosed under Other non current assets.

#### ii Financial Assets:

- a Investments carried at fair value through Profit and Loss (FVTPL): Under Indian GAAP, Current investments are shown at cost or market value whichever is lower. However under Ind AS the same is shown at fair value through Statement of Profit and Loss. As a result, the impact of fair value on investments as on 31<sup>st</sup> March, 2016 is ₹ 15.80 million (1<sup>st</sup> April ,2015: Nil ).
- b Valuation of foreign currency forward contracts:

The Company had outstanding foreign currency forward contracts to hedge certain foreign currency financial assets and liabilites. Under Ind AS 109, the foreign currency financial assets and liabilites are restated at closing rate, the derivative contracts are fair valued and premium recognised under IGAAP, is reversed under Ind AS. (31st March, 2016 ₹ 88.94 million and 1st April, 2015 ₹ 132.11 million)



#### iii Deferred Tax Assets:

Ind AS 12 requires entities to account for deferred taxes using the Balance sheet approach, which focuses on temporary difference between the carrying amount of an asset or liability in the Balance Sheet and its tax base. Deferred tax adjustment are recognised in correlation to the underlying transaction either in retained earnings or a separate component in equity. As a result , deferred tax assets as on 31<sup>st</sup> March, 2016 is decreased by ₹ 4.53 million; (1<sup>st</sup> April, 2015 ₹ 0.93 million)

#### iv Borrowings:

Under Indian GAAP, transaction costs incurred in connection with borrowings are amortised over the period. Under Ind AS, transaction costs are included on the initial recognition amount of financial liability and charged to profit or loss using effective interest rate. As a result, the impact on borrowing as on the date of transition is lower by ₹ 0.09 million

#### v Provision:

- Under Indian GAAP, the Company has accounted for provisions (warranty), including long term provisions, at the undiscounted amount. Ind AS 37 requires that where the effect of time value of money is material, the amount of provision should be the present value of the expenditures expected to be required to settle the obligation. Ind-AS 37 also provides that where provision is discounted, the carrying amount of a provision increases in each period to reflect the passage of time. As result warranty provision has changed by ₹ 4.26 million for 31<sup>st</sup> March, 2016 (₹ 5.33 million for 1<sup>st</sup> April, 2015)
- b Under Ind AS, distributions would be accounted when they are declared. The dividend declared will be accounted for when the same is approved. Hence, dividend provision has been reversed and accounted in the year, when the same is approved.

#### vi Effects of transition to Ind AS on retained earnings:

Adjustments for equity effect of all the Ind AS adjustment entries.

#### vii Revenue:

As per Ind AS, the amount of revenue arising on a transaction is measured at the fair value of the consideration received or receivable taking into account the amount of any trade discounts and volume rebates allowed by the entity. Accordingly, the Company has netted off discounts allowed to customers with revenue. The amount netted out with revenue for the year ended 31st March, 2016 is ₹ 142.85 million.

#### viii Other Income:

- a Under Indian GAAP discounts received from vendors are considered in other income whereas, under Ind AS such amount is adjusted with the cost of material. The adjusted amount for year ended 31<sup>st</sup> March, 2016 is ₹ 27.46 million.
- b Under Indian GAAP, current investments are shown at cost or market value whichever is lower. However under Ind AS the same is shown at fair value through profit and loss. The gain on account of fair valuation for the year ended 31<sup>st</sup> March, 2016 is ₹ 15.79 million.
- c Under Indian GAAP the forward exchange contracts and other derivative instruments were accounted based on Accounting Standard 11 " The effects of changes in foreign exchange rates". Under Ind-AS, fair value of forward foreign exchange contracts and other derivative instruments has been recognised and the corresponding adjustments have been made in the Statement of Profit & Loss.

#### ix Employee benefits:

Both under Indian GAAP and Ind AS, the Company recognised cost related to its post employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to statement of Profit & Loss. Under Ind AS, remeasruement (comprising of actuarial gains and losses, the effect of the assets ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined liability) are recognised immediately in the Balance sheet with a corresponding debit or credit to retained earning through Other Comprehensive Income (OCI). The increase in employee benefits expenses for the year ended 31<sup>st</sup> March, 2016 is ₹ 1.12 million (tax impact ₹ 0.37 million)

#### x Depreciation and Amortisation:

Under Indian GAAP, leasehold land was considered as part of property plant and equipment, the same was amortised over the period of lease whereas under Ind AS leasehold land is treated as operating lease and reclassified under prepayment. The amount is charged to Lease rental on systematic basis over the period of lease.

#### ENDURANCE TECHNOLOGIES LIMITED

## xi Deferred Tax:

Ind AS 12 requires entities to account for deferred taxes using the Balance sheet approach, which focuses on temporary difference between the carrying amount of an asset or liability in the Balance Sheet and its tax base. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earning or a separate component in equity. As a result , deferred tax assets as on 31<sup>st</sup> March, 2017 is decreased by ₹ 3.63 million (31<sup>st</sup> March, 2016 ₹ 3.63 million; 1<sup>st</sup> April, 2015 ₹ 0.93 million).

## 38 Government incentives:

#### a) Industrial Promotion Subsidy:

As per Eligibility Certificate (EC) dated 17<sup>th</sup> 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 23<sup>rd</sup> 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, Company has received sanction letters from Directorate of Industries and accrued income of ₹ 31.06 million (31<sup>st</sup> March, 2016 ₹ 93.94 million).

## b) Capital subsidy:

In the previous year Company had received ₹ 3 million capital subsidy for setting up industrial unit at Pantnagar, Uttarakhand State, as an incentive to set up its industrial unit in a backward area. The incentive / subsidy is given with reference to the total investments in an undertaking or by way of contribution towards its total capital outlay. No repayment is expected from the subsidy / incentive received in such cases. This is credited directly to shareholders' funds.

## c) EPCG benefit:

During the year, the Company has imported plant and equipment under EPCG scheme thereby saving total customs duty payment of ₹ 120.51 million. The export obligation under the scheme against this saving comes to ₹ 713.89 million, out of which ₹ 662.43 million was fulfilled in the current year. In accordance with Ind AS 20, the duty saved is capitalised and ₹110.40 million is recognised as incentive received, included in other income, on account of proportionate fulfilment of the export obligation.

- 39 Dividends paid during the year ended 31<sup>st</sup> March, 2017 include an amount of ₹ 0.375 per equity share of face value ₹ 10 each, towards final dividend for the year ended 31<sup>st</sup> March, 2016. Dividends paid during the year ended 31<sup>st</sup> March, 2016 include an amount of ₹ 2.80 per equity share of face value ₹ 4 each towards final dividend for the year ended 31<sup>st</sup> March, 2015 and an amount of ₹ 2.80 per equity share of face value ₹ 4 each towards interim dividend for the year ended 31<sup>st</sup> March, 2016. On May 10, 2017, the Board of Directors of the Company have proposed a final dividend of ₹ 2.50 per share of face value ₹ 10 each in respect of the year ended 31<sup>st</sup> March, 2017 subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹ 423.25 million inclusive of dividend distribution tax of ₹ 71.60 million. Refer 10 (C) (iii).
- **40** The Capital and revenue expenditure incurred by the in-house R&D Units (hereinafter referred as "R&D Centre") recognised by Department of Scientific and Industrial Research (DSIR), as accounted for in the books of account, is as under:



₹ in million

	R&D Centre at					
Particulars –	E-93	B-1/3	K-226/2	K-226/1		
i) Capital Expenditure (Excluding Advances)						
For the year ended 31 <sup>st</sup> March, 2017	62.14	20.13	19.97	29.99		
For the year ended 31 <sup>st</sup> March, 2016	81.26	35.77	62.93	41.89		
ii) Revenue Expenditure						
For the year ended 31 <sup>st</sup> March, 2017						
Salaries/wages	65.69	47.81	18.91	19.26		
Materials/consumables/spares/tools	5.95	1.32	15.62	7.01		
Utilities	2.86	3.36	1.43	0.87		
Any other expenditure directly relating to R & D	29.22	27.75	14.47	10.42		
Total Revenue Expenditure	103.72	80.24	50.43	37.56		
For the year ended 31 <sup>st</sup> March, 2016						
Salaries/wages	52.88	42.54	17.07	15.71		
Materials/consumables/spares/tools	7.34	2.00	13.41	5.11		
Utilities	3.98	2.67	1.29	1.17		
Any other expenditure directly relating to R & D	20.88	27.87	12.42	8.69		
Total Revenue Expenditure	85.08	75.08	44.19	30.68		

## 41 Corporate Social responsibility (CSR)

Pursuant to the Companies Act, 2013 gross amount required to be spent by the Company towards CSR during the year is ₹. 49.60 million (31<sup>st</sup> March, 2016 ₹. 40.05 million).

During the year Company has contributed ₹ 18.30 million (31<sup>st</sup> March, 2016 ₹ 52.00 million) to Sevak Trust.

Sevak Trust has implemented following projects:

		₹ in million
Nature of expenditure	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
i) Construction/acquisition of any asset	0.31	30.25
ii) On the purpose other than (i) above		
Village Development Project (VDP)	9.35	10.32
Vocational Training Centre (VTC)	8.64	11.43
Total	18.30	52.00

42 Presently, the aluminium die-casting plant at Takve, Tal. Vadgaon Maval, Dist. Pune is witnessing a decreasing trend in orders from customers. Keeping in view the overall business interest and that of all the stakeholders, the Company plans to shift the manufacturing operations from Takve to its other plants in a phased manner.

For and or	ı behalf	of the	Board	of	Directors
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Naresh Chandra Chairman (DIN:00027696)

Partho S Datta Director (DIN:00040345) Anurang Jain Managing Director (DIN:00291662)

#### Satrajit Ray

Director & Group CFO (DIN:00191467) Sunil Lalai Company Secretary & Vice President - Legal

Date: 10<sup>th</sup> May, 2017 Place: Mumbai

ENDURANCE TECHNOLOGIES LIMITED

# Related Party Disclosure

For the year ended 31<sup>st</sup> March, 2017

#### (Refer Note 35) a) List of Related Parties & Relationship

Sr. No	Description of Relationship	Name of Related Party/Persons
1	Holding Company	None
		Endurance Amann GmbH, Germany (Direct Subsidiary)
		Endurance Overseas S.r.L., Italy (Direct Subsidiary)
2	2 Subsidiaries Direct / Indirect	Endurance Fondalmec S.p.A, Italy (Indirect Subsidiary)
		Endurance Engineering S.r.L., Italy (Indirect Subsidiary)
_		Endurance F.O.A. S.p.A., Italy (Indirect Subsidiary)
3	Fellow Subsidiaries	None
		Mr. Anurang Jain, Managing Director
4	Key Management Personnel	Mr. Satrajit Ray, Director and Group Chief Financial Officer
		Mr. Ramesh Gehaney, Director and Chief Operating Officer
		Mr. Naresh Chandra - Father of Mr. Anurang Jain
5	Relatives of Key Management Personnel with whom transactions have taken place	Mrs. Varsha Jain - Wife of Mr. Anurang Jain
		Ms. Rhea Jain - Daughter of Mr. Anurang Jain
4	Enterprises Owned or controlled by Key Management personnel	Varroc Engineering Pvt. Ltd.
6	and/or their Relatives	Varroc Elastomers Pvt. Ltd.

Note: Related party relationship is as identified by the Company and relied upon by the Auditors.

#### (Refer Note 35)

b) Transactions carried out with the related parties in ordinary course of business (Previous year figures are in brackets)

					₹ in million
Nature of Transactions	Subsidiary	Key Management Personnel	Relatives of Key Management personnel	Enterprises Owned or controlled by Key Management Personnel or their relatives	Total
Purchases					
Goods & Materials	0.25	-	-	188.82	189.07
	-	-	-	(173.46)	(173.46)
Fixed Assets	-	-	0.07	-	0.07
	-		-	-	-
Services	-	-	-	0.71	0.71
	-	-	-	-	-
Sales					
Goods & Materials	-			1.06	1.06
	-	-	-	-	-

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# Related Party Disclosure (contd.)

For the year ended 31<sup>st</sup> March, 2017

Nat	ure of Transactions	Subsidiary	Key Management Personnel	Relatives of Key Management personnel	Enterprises Owned or controlled by Key Management Personnel or their relatives	Total
Exp	enses					
Rem	uneration*	-	77.57	6.38	-	83.95
		-	(65.08)	(3.95)	-	(69.03)
Dire	ctors Sitting Fees	-	-	0.10	-	0.10
		-	-	(0.12)	-	(0.12)
Profe	essional Charges	-	-	1.72	-	1.72
		-	-	(1.93)	-	(1.93)
Fore	ign Travelling Expenses	-	-	0.10	-	0.10
		-	-	-	-	-
Inco	ome					
Expe	nses Recovered	-	-	-	0.01	0.01
		-	-	-	(0.01)	(0.01)
Othe	er Income	-	-	-	0.19	0.19
		-	-	-	(0.14)	(0.14)
Reir	nbursement of expenses					
Reim cost	bursement received related to IPO	-	80.91	-	-	80.91
		-	-		-	-
	bursement of IPO cost	31.43	_		-	31.43
	vious Year	-	-	-	-	-
	ance Outstanding on 31 <sup>st</sup> rch, 2017					
i)	Payables	-	1.51	0.15	15.08	16.74
	As at 31 <sup>st</sup> March, 2016	-	-	-	(15.40)	(15.40)
	As at 1 <sup>st</sup> April, 2015	-	-	-	(12.10)	(12.10)
ii)	Receivables	-	-	-	1.06	1.06
	As at 31 <sup>st</sup> March, 2016	-	-	-	-	-
	As at 1 <sup>st</sup> April, 2015	-	-	-	-	-
iii)	Share Investment	3,636.96	-		-	3,636.96
	As at 31 <sup>st</sup> March, 2016	(3,636.53)	-	-	-	(3,636.53)
	As at 1 <sup>st</sup> April, 2015	(3,636.53)	-	-	-	(3,636.53)

\* Employee benefit payable (gratuity and leave encashment) are calculated on the basis of actuarial valuation. Amount payable for individual employees as at 31st March, 2017 cannot be separately identified and therefore has not been included in above

ENDURANCE TECHNOLOGIES LIMITED

#### (Refer Note 35)

c) Disclosure in respect of material transactions with related party (Previous year figures are in brackets)

Particulars	Endurance Amann GmbH, Germany	Endurance Overseas S.r.L., Italy	Endurance Fondalmec S.p.A, Italy	Varroc Engineering Pvt. Ltd.	Varroc Elastomers Pvt. Ltd.	₹ in million Total
Goods & Materials	-	-	0.25	64.70	124.12	189.07
	-	-	-	(62.24)	(111.23)	(173.46)
Fixed Assets	-		-			-
Services		-	-	-	0.71	- 0.71
		-	-			-
Sales						
Goods & Materials		-	-	-	1.06	1.06
Expenses		-	-	-		-
IPO related reimbursement	13.54	17.89	-	-	-	31.43
		-	-			-
Income						
Expenses Recovered	-	-	-	0.00	0.01	0.01
	-	-	-	(0.00)	(0.01)	(0.01)
Other Income	-	-	-	0.00	0.19	0.19
	-	-	-	(0.01)	(0.13)	(0.14)
Balance Outstanding on 31 <sup>st</sup> March, 2017	-					
i) Payables				3.47	11.61	15.08
As at 31 <sup>st</sup> March, 2016				(5.40)	(10.00)	(15.40)
As at 1 <sup>st</sup> April, 2015				(3.95)		(3.95)
ii ) Receivables				-	1.06	1.06
As at 31 <sup>st</sup> March, 2016				-	-	-
As at 1 <sup>st</sup> April, 2015				-	(8.15)	(8.15)



# Independent Auditors' Report

## To The Members of Endurance Technologies Limited

(Formerly known as Endurance Technologies Private Limited)

#### Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Endurance Technologies Limited (Formerly known as Endurance Technologies Private Limited) (hereinafter referred to as "the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), comprising the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

## Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "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 statement of changes in equity of the Group including in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. 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 the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Parent, as aforesaid.

## Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements.

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.
## Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on the subsidiaries referred to below in the Other Matters paragraph, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31<sup>st</sup> March, 2017, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

## Other Matters

We did not audit the financial statements of five subsidiaries, whose financial statements reflect total assets of ₹16,244.77 million as at 31<sup>st</sup> March, 2017, total revenues of ₹ 17,257.74 million and net cash outflows amounting to ₹ 739.55 million for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us and 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-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

## Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements of subsidiaries referred in the Other Matters paragraph above we report, to the extent applicable, 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 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 consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including 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 relevant 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 Indian Accounting Standards prescribed under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Parent as on 31<sup>st</sup> March, 2017 taken on record by the Board of Directors of the Parent, none of the director of the parent is disqualified as on March 31, 2017 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Parent. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Parent's internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group Refer Note 28 to 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.



## Independent Auditors' Report (contd.)

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent.
- iv. The Parent has provided requisite disclosures in the consolidated Ind AS financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8<sup>th</sup> November, 2016 of the Ministry of Finance, during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 of the Group entities as applicable. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the relevant books of accounts maintained by those entities for the purpose of preparation of the consolidated Ind AS financial statements and as produced to us.

Refer Note 9 to consolidated Ind AS financial statements.

For Deloitte Haskins & Sells LLP

Chartered Accountants (Firm's Registration No.117366W/W - 100018)

Place: Mumbai Date: 10<sup>th</sup> May 2017 Hemant M. Joshi Partner (Membership No.038019)

## Annexure "A" to The Independent Auditors' Report

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date) Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31<sup>st</sup> March, 2017, we have audited the internal financial controls over financial reporting of Parent, as of that date.

## Management's Responsibility for Internal Financial Controls

The Board of Directors of the Parent 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 ("the ICAI)". 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 Parent'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.

## Auditors' Responsibility

Our responsibility is to express an opinion on the Parent's internal financial controls over financial reporting 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Parent's internal financial controls system over financial reporting.

## Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion to the best of our information and according to the explanations given to us, the Parent, has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2017, 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 Deloitte Haskins & Sells LLP

Chartered Accountants (Firm's Registration No.117366W/W - 100018)

> Hemant M. Joshi Partner (Membership No.038019)



## Consolidated Balance Sheet

ulars		Note No.	As at 31 <sup>st</sup> March, 2017	As at 31⁵ March, 2016	As at 1 <sup>st</sup> April 2015
ASSETS					
1 Non	-current assets				
(a)	Property, plant and equipment	3	14,734.25	14,322.74	11,703.07
(b)	Capital work-in-progress		434.22	934.75	214.57
(c)	Goodwill		1,354.83	1,469.25	1,315.7
(d)	Other Intangible assets	3	247.77	76.73	74.6
(e)	Intangible assets under development		4.02	99.15	1.7
(f)	Financial Assets				
	(i) Investments	4	10.15	10.21	10.2
-	(ii) Other financial assets	5	53.61	135.32	182.2
(g)	Deferred tax assets (net)	17A	189.52	196.53	224.1
(ĥ)	Other non-current assets	6	2,054.15	2,152.27	2,281.6
			19,082.52	19,396.95	16,008.1
2 Curr	rent assets				
(a)	Inventories	7	4,438.27	4,098.62	3,857.7
(b)	Financial Assets				
	(i) Investments	4A	316.37	471.64	
	(ii) Trade receivables	8	7,608.70	5,927.87	5,787.3
	(iii) Cash and cash equivalents	9	2,195.81	1,655.55	900.0
	(iv) Bank balances other than (iii) above	9A	3.53	18.66	36.3
	(v) Other financial assets	5A	26.33	28.69	25.3
(c)	Other current assets	6A	1,427.06	1,220.75	1,271.0
			16,016.07	13,421.78	11,877.9
Total Asset			35,098.59	32,818.73	27,886.0
	ND LIABILITIES				
1 Equi					
(a)	Equity Share capital	10	1,406.63	175.83	175.8
(b)	Other Equity excluding non-controlling interests	10A	15,886.71	14,322.27	11,397.1
	110	1.00	17,293.34	14,498.10	11,572.9
Non-confr	olling interests	10B		-	107.1
			17,293.34	14,498.10	11,680.08
LIABILITIES					
•••••••••••••••••••••••••••••••••••••••	-current liabilities				
(a)	Financial Liabilities		2 400 07	41/0/7	4 100 7
	(i) Borrowings (ii) Other financial liabilities	11	3,422.27	4,162.67	4,102.78
(1)			60.97	84.84	28.4
(b)	Provisions	13	307.02	303.14	269.6
(c)	Deferred tax liabilities (Net)	17A	7.75	10.96	13.9
3 Curr	rent liabilities		3,798.01	4,561.61	4,414.83
	Financial Liabilities				
(a)	(i) Borrowings	14	1,735.85	1,869.07	1,659.1
-	(ii) Trade payables	14		7,385.34	6,708.5
••••••	(ii) Other financial liabilities	12A	8,641.88 2,227.01	3,297.34	2,655.0
(b)	Other current liabilities	12A 16	883.71	752.29	417.0
(D) (C)	Provisions	13A	223.84	160.77	138.4
(c) (d)	Current Tax Liabilities (Net)	13A 17	223.84	294.21	212.8
(u)			14,007.24	13,759.02	11,791.14
			14.007.24	IJ./J7.UZ	11.771.14

Significant Accounting Policies See accompanying notes to the financial statements

In terms of our report attached For Deloitte Haskins & Sells LLP Chartered Accountants

**Hemant M. Joshi** Partner

Date: 10<sup>th</sup> May, 2017 Place: Mumbai ~

For and on behalf of the Board of Directors

Naresh Chandra Chairman (DIN:00027696)

Partho S Datta

Director (DIN:00040345) Anurang Jain Managing Director (DIN:00291662)

Satrajit Ray Director & Group CFO (DIN:00191467) Sunil Lalai Company Secretary & Vice President–Legal

Date: 10<sup>th</sup> May, 2017 Place: Mumbai

## **Annual Report** 2016-17

ENDURANCE TECHNOLOGIES LIMITED

## Consolidated Statement of Profit and Loss

rticulars		Note No.	For the year ended 31 <sup>st</sup> March, 2017	For the yea ended 31 March,2016
	Revenue from operations	18	59,742.03	56,176.10
	Other income	19	480.89	329.63
	Total Income (I + II)		60,222.92	56,505.7
IV	EXPENSES			
	(a) Cost of materials consumed	20a	32,591.75	31,399.73
	(b) Purchases of stock-in-trade (traded goods)	20b	98.09	78.6
	(c) Changes in stock of finished goods, work-in-progress and stock-in-trade	20-	(410.10)	1224 05
	(traded goods)	20c	(410.19)	(336.95
	(d) Excise duty on sale of goods	1	4,003.33	3,872.4
	(e) Employee benefits expense	21	5,455.15	4,823.0
	(f) Finance costs	22	322.49	489.5
	(g) Depreciation and amortisation expense	3	2,905.06	2,431.7
	(h) Other expenses	23	10,610.79	9,544.3
	Total Expenses		55,576.47	52,302.5
٧	Profit before tax (III - IV)		4,646.45	4,203.2
VI	Tax Expense			
	Current tax	1	1,337.17	1,168.9
	Deferred tax		6.18	29.8
	Total tax expense		1,343.35	1,198.7
VII	Profit for the year (V - VI)		3,303.10	3,004.5
VIII	Profit for the year attributable to:			
	Owners of the Company		3,303.10	2,993.63
	Non controlling interest	1	-	10.8
	Total		3,303.10	3,004.5
IX	Other comprehensive income			
	Items that will not be reclassified to profit and loss			
	Remeasurements of defined benefit plans		(26.45)	0.9
	Income-tax relating to items that will not be			(0.0=
	reclassified to profit and loss		9.44	(0.37
	Total		(17.01)	0.5
	Items that will be reclassified to profit and loss			0.0
	Exchange differences in translating the financial		•••••	
	statements of foreign operations		(427.36)	452.8
	Income-tax relating to items that will be			
			-	
	reclassified to profit and loss			
	Total		(427.36)	452.8
X	Total comprehensive income for the year (VII +IX)		2,858.73	3,457.9
XI	Profit for the year attributable to:			<b>a</b>
	Owners of the Company		2,858.73	3,434.5
	Non controlling interest		-	23.3
	Total		2,858.73	3,457.92
XII	Earnings per equity share (Nominal value per share ₹10 each)			
	Basic and Diluted (in ₹) ccounting Policies	2	23.48	21.2

See accompanying notes to the financial statements

In terms of our report attached For Deloitte Haskins & Sells LLP Chartered Accountants

Hemant M. Joshi Partner

For and on behalf of the Board of Directors

Naresh Chandra Chairman (DIN:00027696)

Partho S Datta

(DIN:00040345)

Director

Anurang Jain Managing Director (DIN:00291662)

#### Satrajit Ray Director & Group CFO (DIN:00191467)

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Sunil Lalai Company Secretary & Vice President–Legal

Date: 10th May, 2017 Place: Mumbai



## Consolidated Statement of changes in Equity

## A. Changes in Equity

			₹ in million
Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1⁵ April, 2015
Balance at the beginning of the year	175.83	175.83	175.83
Bonus shares issued during the year	1,230.80	-	-
Shares bought back during the year	-	-	-
Balance at the end of the year	1,406.63	175.83	175.83

## B. Changes in other equity

									₹ in million
		Re	eserves and Su	urplus	Other Comprehensive Income	Equity attributable	Non		
Particulars	Capital redemption reserve	Securities premium	General reserve	Capital Reserve	Retained earnings	Foreign Currency Translation Reserve	to shareholders of the Company	Controlling Interests	Total Equity
Balance as at 1 <sup>st</sup> April, 2015	23.21	1,367.99	1,193.98	209.32	8,602.63	-	11,397.13	107.12	11,504.25
Profit for the year	-	-	-	-	2,993.63	-	2,993.63	10.87	3,004.50
Other comprehensive income for the year, net of income tax Capital Subsidy received during	-	-	-	-	0.59	440.37	440.96	12.46	453.42
the year Total comprehensive income for the year	23.21	1,367.99	1,193.98	209.32	11,599.85	440.37	14,834.72	130.45	14,965.17
Acquisition of Non Controlling Interest in subsidiary	-	-	-	-	(216.19)	-	(216.19)	(130.45)	(346.64)
Payment of dividend	-	-	-	-	(246.16)	-	(246.16)	-	(246.16)
Tax on Dividend	-	-	-	-	(50.10)	-	(50.10)	-	(50.10)
Total	-	-	-	-	(512.45)	-	(512.45)	(130.45)	(642.90)
Balance as at 31 <sup>st</sup> March, 2016	23.21	1,367.99	1,193.98	209.32	11,087.40	440.37	14,322.27	-	14,322.27

## Annual Report 2016-17

ENDURANCE TECHNOLOGIES LIMITED

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		Re	eserves and S	urplus	Other Comprehensive Income	Equity attributable	Non		
Particulars	Capital redemption reserve	Securities premium	General reserve	Capital Reserve	Retained earnings	d Foreign to G Currency of the	Controlling Interests	Total Equity	
Balance as at 1 <sup>st</sup> April, 2016	23.21	1,367.99	1,193.98	209.32	11,087.40	440.37	14,322.27	-	14,322.27
Profit for the year ended	-	-	-	-	3,303.10	-	3,303.10	-	3,303.10
Other comprehensive income for the year, net of income tax	-	-	-	-	(17.01)	(427.36)	(444.37)	-	(444.37)
Issue of bonus shares	(23.21)	(1,207.59)	-	-	-	-	(1,230.80)	-	(1,230.80)
Total comprehensive income for the year	-	160.40	1,193.98	209.32	14,373.49	13.01	15,950.20	-	15,950.20
Payment of dividend	-	-	-	-	(52.75)	-	(52.75)	-	(52.75)
Tax on Dividend	-	-	-	-	(10.74)	-	(10.74)	-	(10.74)
Total	-	-	-	-	(63.49)	-	(63.49)	-	(63.49)
Balance as at 31 <sup>st</sup> March, 2017	-	160.40	1,193.98	209.32	14,310.00	13.01	15,886.71	-	15,886.71

#### In terms of our report attached For Deloitte Haskins & Sells LLP Chartered Accountants

Hemant M. Joshi

Partner

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)

Date: 10<sup>th</sup> May, 2017 Place: Mumbai Date: 10<sup>th</sup> May, 2017 Place: Mumbai Satrajit Ray Director & Group CFO (DIN:00191467) Sunil Lalai

Company Secretary & Vice President–Legal



## Consolidated Cash Flow Statement

Sr No.	Particulars	For the year ended 31st March, 2017	For the year ended 31 <sup>st</sup> March, 2016
Α	CASH FLOW FROM OPERATING ACTIVITIES		
	i) Net Profit before tax and Non controlling interest	4,646.45	4,203.27
	ii) Adjustments for:		
	Depreciation and amortisation expense	2,905.06	2,431.73
	Incentive received	(110.40)	-
	Provision for Employee Benefits	324.85	307.87
	Provision for Warranty Claims	3.40	14.18
	Provision for doubtful debts	7.88	3.17
	Finance costs	322.49	489.56
	Excess Provision/Credit balances written back	(21.90)	(44.00)
	(Profit) / Loss on Sale of Property, plant and equipment (Net)	(24.67)	2.46
	Interest Income	(6.50)	(23.46)
	Unrealised Forex Fluctuation (Gain) / Loss (Net)	0.36	(15.37)
	Exchange difference arising on consolidation	(409.53)	275.14
	iii) Operating Profit before Working Capital Changes	7,637.49	7,644.55
	iv) Adjustments for (Increase) / decrease in Operating assets		
-	Inventories	(339.65)	(240.84)
	Trade Receivables	(1,688.72)	(145.39)
	Other assets	0.75	(42.45)
	Adjustments for Increase / (decrease) in Operating liabilities		
	Trade Payables	1,282.14	734.93
	Provisions	(265.54)	(266.35)
	Other liabilities	120.08	348.29
	v) Cash Generated from operations	6,746.55	8,032.74
	Net income tax (paid)/refund	(1,336.87)	(1,049.90)
	Net Cash generated from Operating Activities	5,409.68	6,982.84
В	CASH FLOW FROM INVESTING ACTIVITIES		
	Acquisition of Property, plant and equipment (including capital work in progress and capital advances)	(4,100.68)	(5,219.67)
	Proceeds from Sale of Property, plant and equipment	296.66	533.25
	Fixed deposits with banks not considered as cash and cash equivalent	15.13	27.23
	Mutual Fund - (Investment) / Sale proceeds	174.52	(455.84)
_	Interest Received	7.52	28.67
	Net Cash used in Investing Activities	(3,606.85)	(5,086.36)

## Consolidated Cash Flow Statement

			₹ in million
Sr No.	Particulars	For the year ended 31 <sup>st</sup> March, 2017	For the year ended 31 <sup>st</sup> March, 2016
С	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from Borrowings	7,498.83	8,484.34
	Repayment of Borrowings	(8,360.14)	(8,499.07)
	Acquisition of Additional Shares in Subsidiary (Refer note 26a)	-	(346.64)
	Capital subsidy received	-	3.00
	Finance Cost Paid	(337.77)	(486.35)
	Dividend paid (including tax thereon)	(63.49)	(296.26)
	Net Cash used in Financing Activities	(1,262.57)	(1,140.98)
	Net Increase in Cash & Cash Equivalents	540.26	755.50
	Opening Cash & Cash Equivalents (Refer note 9)	1,655.55	900.05
	Closing Cash & Cash Equivalents (Refer note 9)	2,195.81	1,655.55
		540.26	755.50

Notes:

Partner

1 Figures in brackets represent outflows.

2 Cash flow from financing acitivity does not include issue of bonus shares to existing shareholders through capitalization of the Capital Redemption Reserve and Securities Premium of ₹1,230.80 million.

In terms of our report attached For Deloitte Haskins & Sells LLP Chartered Accountants

For and on behalf of the Board of Directors

Naresh Chandra Chairman (DIN:00027696)

Date: 10th May, 2017

Place: Mumbai

Director

Anurang Jain Managing Director (DIN:00291662)

Partho S Datta Satrajit Ray (DIN:00040345)

Director & Group CFO (DIN:00191467)

Sunil Lalai Company Secretary & Vice President–Legal

Date: 10<sup>th</sup> May, 2017 Place: Mumbai

Hemant M. Joshi

OVERVIEW | REPORTS | FINANCIALS



## 1 Corporate Information

Endurance Technologies Limited ("the Company") and its subsidiaries (collectively referred to as "the Group") is engaged in the manufacturing and selling of aluminium die casting (including alloy wheel), suspension, transmission and braking products with operations spread across India, Italy and Germany.

The name of the Company has changed from Endurance Technologies Private Limited to Endurance Technologies Limited consequent upon its conversion from a Private Limited Company to a Public Limited Company with effect from 31<sup>st</sup> May, 2016. The Company is a public limited company incorporated and domiciled in India. The address of its registered office is K-228, MIDC Industrial Area, Waluj, Aurangabad, Maharashtra - 431136, India.

The Group's financial statements for the year ended 31<sup>st</sup> March, 2017 are approved by the Board of Directors and authorized for issue on 10<sup>th</sup> May, 2017.

## 2 Significant Accounting Policies

## 2.01 Statement of Compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Group has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from 1<sup>st</sup> April, 2016. Previous period numbers in the financial statements have been restated to Ind AS. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standards, the Group has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of Shareholders' consolidated equity as at 31<sup>st</sup> March, 2016, and 1<sup>st</sup> April, 2015 and of the total comprehensive income for the year ended 31<sup>st</sup> March, 2016 (Refer note 43).

## 2.02 Basis of preparation and presentation

These financial statements have been prepared on historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policy 2.18. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

## 2.03 Basis of consolidation

The Company consolidates all entities which are controlled by it.

The Company establishes control when; it has power over the entity, 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. The Company 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.

All inter-company transactions, balances and income and expenses are eliminated in full on 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 Company'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 recognized directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognized 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 recognized 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.

The following subsidiary companies are considered in the Consolidated Financial Statements:

	Country of	Voting Power %					
Name of the Company	Incorporation or Residence	As at 31⁵ March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1⁵ April, 2015			
Endurance Overseas S.r.I (EOSRL)	Italy	100%	100%	95%			
Endurance Fondalmec S.p.A.	Italy	100%	100%	100%			
Endurance Engineering S.r.l	Italy	100%	100%	100%			
Endurance F.O.A. S.p.A.	Italy	100%	100%	100%			
Endurance Amann GmbH	Germany	100%	100%	100%			

## 2.04 Business combinations

The Company accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognized in profit or loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognized at their fair values at the acquisition date.

Purchase consideration paid in excess of the fair value of net assets acquired is recognized 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 recognized 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

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, disclosures of contingent 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 impairment of goodwill, useful lives of Property, plant and equipment and valuation of deferred tax assets and provisions and contingent liabilities.

### Impairment of Goodwill

The Group estimate the value in use of the cash generating unit (CGU) based on the future cash flows after considering current economic conditions and trends, estimated future operating results and growth rate and anticipated future economic and regulatory conditions. The estimated cash flows were developed using internal forecasts. The discount rate used for the CGU's represented the weighted- average cost of capital based on the historical market returns of comparable companies.

### 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.

### Valuation of deferred tax assets

The Group reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under Note 2.13.

### Provisions and contingent liabilities

A provision is recognized when the Group has a present obligation 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. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities are not recognized in the financial statements. A contingent asset is neither recognized nor disclosed 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.

## 2.07 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

- 1. Sale of goods Revenue from the sale of goods is recognized when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:
- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from operation includes Excise Duty but excludes Sales Tax and Value Added Tax.

- 2. Job-work revenues are accounted as and when such services are rendered.
- 3. Benefit on account of entitlement of import of goods free of duty under the "Duty Entitlement Pass Book under Duty exemption Scheme" (DEPB Scheme) is accounted in the year of export.

4. Dividend income from investments is recognized when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

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5. Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

### 2.08 Leases

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

#### **Operating Lease**

Rental income from operating leases is recognized 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 recognized on a straight-line basis over the lease term. Operating lease payments are recognized as an expense on a straight-line basis over the lease term.

#### **Finance Lease**

Assets held under finance leases are initially recognized as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation.

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

### 2.09 Foreign Currencies

The functional currency of the Company is the Indian Rupee whereas the functional currency of foreign subsidiaries is the Euro.

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the balance sheet date.

Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are included in the statement of profit and loss.

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 or loss have been translated using average exchange rates. Translation adjustments have been reported as foreign currency translation reserve in the statement of changes in equity.

#### 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 recognized in profit or loss in the period in which they are incurred.

## 2.11 Government Grants and Export Incentive

#### (i) Government grants in respect to manufacturing units located in developing regions

The Company is entitled to various incentives from government authorities in respect of manufacturing units located in developing regions. The Company accounts for its entitlements on accrual basis on approval of the initial claim by the relevant authorities.

### (ii) Government grants in respect of additional Capital Expenditure

Government grants whose primary condition is that the entity should purchase, construct or otherwise acquire capital assets is accounted for as deferred income. The grant is recognized as income over the life of a depreciable asset by accounting deferred income in the Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset.

#### (iii) Export Benefits

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

### (iv) Government Grant in respect of Loan

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

### 2.12 Employee benefits

### 1. Defined Contribution Plan:

**Provident Fund:** The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employee's salary. The contributions as specified under the law are paid to the Central Government Provident Fund and the Family Pension Fund and the same is charged to the Consolidated Statement of Profit and Loss of the year when the contributions to the respective funds are due and when services are rendered by the employees.

### 2. Defined Benefit Plan:

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are 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. 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) 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.

## (iii) Employees severance indemnity :

Foreign subsidiaries give to their employees termination 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.

## 2.13 Taxation

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

### Current tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit or loss and other comprehensive income/statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

The current income tax expense for overseas subsidiaries has been computed based on the tax laws applicable to each subsidiary in the respective jurisdiction in which it operates.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying unit intends to settle the asset and liability on a net basis.

### Deferred Incomes taxes:

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income 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 income tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income 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 income tax asset to be utilised.

Deferred income tax liabilities are recognized 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.



The carrying amount of deferred income 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 income 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 recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

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

### 2.14 Property Plant and Equipment

Property, plant and equipment are stated at cost of acquisition or construction where cost includes amount added/ deducted on revaluation less accumulated depreciation / amortization and impairment loss, 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 recognized in the carrying amount of the item of property, plant and equipment, if it is probable that the future economic benefits embodies within the part will flow to the Company and its cost can be measured reliably with the carrying amount of the replaced part getting derecognized. The cost for day-to-day servicing of property, plant and equipment are recognized in Statement of Profit and Loss as and when incurred.

Depreciation on property plant and equipment 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

Assets held under finance leases are depreciated over the shorter of the lease term and their useful lives.

For transition to Ind AS, the Group has chosen to continue with the carrying value of all the property, plant and equipment recognized as of 1<sup>st</sup> April, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as on the transition date.

#### 2.15 Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognized 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.

### 2.16 Impairment

#### (i) Financial assets (other than at fair values)

The Group assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Group recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

## (ii) Non-financial assets

(a) Tangible and intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit and loss.

(b) Goodwill

CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is indication for impairment. If the recoverable amount of a CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

### 2.17 Inventories

Inventories of raw materials and components, work-in-progress, stock-in-trade, stores & spares and tools & instruments are valued at the lower of cost and net realizable value after providing for obsolescence and other losses, where considered necessary. Cost is ascertained on a weighted average basis. The cost of work-in-progress and finished goods is determined on absorption cost basis. Excise duty in respect of inventory of finished goods manufactured is shown separately as an item of expense and included in valuation of inventory of finished goods.

## 2.18 Financial Instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

### Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents include balances with banks which are unrestricted for withdrawal and usage.

### Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### Financial assets at fair value through other comprehensive income

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

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognized in statement of profit and loss.

### **Financial liabilities**

Financial liabilities are measured at amortised cost using the effective interest method.

#### **Equity instruments**

An equity instrument is a contract that evidences residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments recognized by the Group are recognized at the proceeds received net off direct issue cost.

#### **Reclassification of Financial Assets**

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 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 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.

### 2.19 Earning per share (EPS)

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic earnings per share is computed by dividing the net profit or loss 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 diluted potential equity shares except where the results are anti-dilutive.

### 2.20 Research and development expenses

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technological feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Property, plant and equipment utilised for research and development are capitalised and depreciated/amortised in accordance with the policies stated for Property, plant and equipment and Intangible Assets.

### 2.21 Business Segments

Information reported to the chief operating decision maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Company is in the business of manufacture and sale of automobile components, which in the context of Indian Accounting Standard 108 'Segment Information' represents single reportable business segment. The accounting policies of the reportable segments are the same as the accounting policies disclosed in Note 2. The revenues, total expenses and net profit as per the Statement of profit and loss represents the revenue, total expenses and the net profit of the sole reportable segment.

## 2.22 Cash flow statement

The Cash Flow Statement is prepared by the indirect method set out in Ind AS 7 on Cash Flow Statements and presents cash flows by operating, investing and financing activities of the Company.

## 2.23 Current / Non-Current Classification

The Group presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realized or intended to be sold or consumed in normal operating cycle
- It is held primarily for the purpose of trading
- It is expected to be realized within 12 months after the date of reporting period, or
- Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting period.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

A liability is current when it satisfies any of the following criteria:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within 12 months after the reporting period, or
- There is no 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.

## 2.24 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.

## 2.25 Fair Value Measurement

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 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 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 recognized in the financial statements on a recurring basis, the Company 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.

## 2.26 Determination of Fair Value

### 1) Financial Assets

The fair value of financial assets is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

### 2) Non-Derivative financial liabilities

Fair Value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

### 3) Investments in Mutual Funds

The fair value of available mutual funds held for trading is determined with reference to their net asset value as at the reporting date and is recorded as other income/expense. The Group invests its surplus funds in mutual funds. These investments have been classified as Fair Value Through Profit and Loss (FVTPL) by the management.

### 2.27 Dividend

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

### 2.28 Critical Accounting Judgments and key sources of estimation, uncertainty

The preparation of financial statements and related notes in accordance with Ind AS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the balance sheet date, and revenues and expenses.

Actual results could differ from those estimates due to those uncertainties on which assumptions are based. Estimates and assumptions are reviewed annually in order to verify they still reflect the best available knowledge of the Company's operations and of other factors deriving from actual circumstances. Changes, if any, are immediately accounted for in the income statement.

The present economic context, whose effects are spread into some businesses in which the Group operates, determined the need to make assumptions related to future development with a high degree of uncertainty. For this reason, it is not possible to exclude that, in the next or in subsequent financial years, actual results may differ from estimated results. These differences, at present unforeseeable and unpredictable, may require adjustments to book values. Estimates are used in many areas, including accounting for non-current assets, deferred tax assets, bad debt provisions on accounts receivable, inventory obsolescence, employee benefits, contingent liabilities and provisions for risks and contingencies.

### 2.29 Recent accounting pronouncements

#### Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards)

(Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows'. The amendments are applicable to the group from 1<sup>st</sup> April, 2017.

## Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Group is evaluating the requirements of the amendment and its effect on the consolidated financial statements.

## 3 Property, Plant & Equipment

			Gross Block			Depr	Depreciation/Amortisation/Diminution				
Particulars	As at 1 <sup>st</sup> April, 2016	Additions during the year	Deductions during the year	Translation Adjustment	As at 31st March, 2017	As at 1 <sup>st</sup> April, 2016	For the year	Deductions during the year	Translation Adjustment	As at 31st March, 2017	Net Block As at 31 <sup>st</sup> March, 2017
A) TANGIBLE ASSETS											
Freehold Land (Refer note ii)	746.81	0.11	-	(21.32)	725.60	-	-	-	-	-	725.60
	(969.54)	(64.21)	(313.43)	(26.49)	(746.81)	-	-	-	-	-	(746.81)
Buildings (Refer note i & iv)	3,585.19	623.72	0.37	(156.30)	4,052.24	168.81	170.90	-	(13.12)	326.59	3,725.65
	(2,995.36)	(458.25)	(30.10)	(161.68)	(3,585.19)	-	(165.05)	-	(3.76)	(168.81)	(3,416.38)
Plant & equipments	11,754.31	3,350.52	500.43	(485.73)	14,118.67	2,121.22	2,576.44	238.55	(132.61)	4,326.50	9,792.17
	(7,224.12)	(4,332.24)	(187.41)	(385.36)	(11,754.31)	-	(2,088.89)	-	(32.33)	(2,121.22)	(9,633.09)
Wind Energy Generators	88.56	-	-	-	88.56	21.61	21.61	-	-	43.22	45.34
	(88.56)	-	-	-	(88.56)	-	(21.61)	-	-	(21.61)	(66.95)
Computer	105.89 (63.06)	28.74 (41.31)	0.17	(2.18) (1.53)	132.28 (105.89)	34.25	30.09 (34.04)	0.17	(0.79)	63.38 (34.25)	68.90 (71.64)
Electrical Fittings (Refer note i)	35.78	17.02	-	-	52.80	5.14	5.88	-	-	11.02	41.78
	(19.90)	(16.15)	(0.27)	-	(35.78)	-	(5.14)	-	-	(5.14)	(30.64)
Vehicles	153.33 (104.18)	40.25 (48.31)	16.78 (4.56)	(4.94)	171.86 (153.33)	31.91	35.21	7.05 (0.43)	(1.98)	58.09 (31.91)	113.77 (121.42)
Furniture & Fixtures (Refer note i)	111.77	40.10	-	(3.91)	147.96	21.12	20.00	-	(0.71)	40.41	107.55
	(84.48)	(24.83)	(0.32)	(2.78)	(111.77)	-	(20.94)	(0.02)	(0.20)	(21.12)	(90.65)
Office Equipments	70.02	15.54	-	(0.02)	85.54	19.55	19.03	-	-	38.58	46.96
	(48.10)	(21.97)	(0.06)	(0.01)	(70.02)	-	(19.54)	-	(0.01)	(19.55)	(50.47)
Assets under Finance Lease	117.65	-	-	(9.16)	108.49	22.98	22.06	-	(3.08)	41.96	66.53
	(105.77)	-	-	(11.88)	(117.65)	-	(22.12)	-	(0.86)	(22.98)	(94.67)
Total - A	16,769.31	4,116.00	517.75	(683.56)	19,684.00	2,446.59	2,901.22	245.77	(152.29)	4,949.75	14,734.25
As at 31 <sup>st</sup> March, 2016 B) INTANGIBLE ASSETS	(11,703.07)	(5,007.27)	(536.16)	(595.13)	(16,769.31)	-	(2,409.04)	(0.45)	(38.00)	(2,446.59)	(14,322.74)
Technical know- how	55.27	214.46		(11.59)	258.14	17.13	38.62	-	(1.16)	54.59	203.55
	(45.77)	(9.50)	-	-	(55.27)	-	(17.13)	-	-	(17.13)	(38.14)
Software	68.92	42.30	0.38	(1.31)	109.53	30.33	35.97	0.37	(0.62)	65.31	44.22



											₹ in million
			Gross Block			Dep	reciation/Amo	ortisation/Dim	inution		Net Block
Particulars	As at 1 <sup>st</sup> April, 2016	Additions during the year	during during		As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016	For the year	Deductions during the year	Translation Adjustment	As at 31st March, 2017	As at 31 <sup>st</sup> March, 2017
	(28.88)	(39.07)	-	(0.97)	(68.92)	-	(30.15)	-	(0.18)	(30.33)	(38.59)
Total - B	124.19	256.76	0.38	(12.90)	367.67	47.46	74.59	0.37	(1.78)	119.90	247.77
As at 31 <sup>st</sup> March, 2016	(74.65)	(48.57)	-	(0.97)	(124.19)	-	(47.28)	-	(0.18)	(47.46)	(76.73)
Total - A+B	16,893.50	4,372.76	518.13	(696.46 )	20,051.67	2,494.05	2,975.81	246.14	(154.07)	5,069.65	14,982.02
As at 31⁵ March, 2016	(11,777.72)	(5,055.84)	(536.16)	(596.10)	(16,893.50)	-	(2,456.32)	(0.45)	(38.18)	(2,494.05)	(14,399.47)

Notes :

- i) Gross block of Property, plant and equipments includes Buildings, Electrical Fittings and Furniture and Fixtures having Gross Block of ₹ 15.80 million, ₹ 1.08 million and ₹ 0.94 million (31<sup>st</sup> March, 2016 ₹ 15.80 million, ₹1.08 million and ₹ 0.94 million) and Net Block of ₹15.23 million, ₹0.71 million and ₹0.62 million (31<sup>st</sup> March, 2016 ₹15.51 million, ₹0.89 million and ₹ 0.78 million) respectively, ownership of which does not vest in the Company.
- ii) Freehold land includes land procured from Karnataka Industrial Areas Development (KIADB) on lease-cumsale agreement. As per the terms of the agreement, land will be transferred in the name of the Company after expiry of ten years. Accordingly, the same is regrouped under freehold land.
- iii) Depreciation for the year includes ₹70.75 million (31<sup>st</sup> March, 2016 ₹24.59 million) capitalised during the year.
- iv) Gross Block of Building includes assets given on Lease ₹ Nil ( 31st March, 2016 ₹ 79.01 million)

## 4 Non Current Investments

				₹ in million
Par	ticulars	As at 31 <sup>st</sup> March, 2017	As at 31⁵ March, 2016	As at 1⁵ April, 2015
I.	UNQUOTED INVESTMENTS (ALL FULLY PAID)*			
	Other Investment (unquoted)			
	Saraswat Co-op Bank Ltd [Nil (31st March, 2016 - Nil, 1st April, 2015 - 3,500 ) equity shares of ₹ 10 each]	-	-	0.03
	Marathwada Auto Cluster [10,000 (31st March, 2016 - 10,000, 1st April, 2015 - 10,000 shares of ₹ 100 each]	10.00	10.00	10.00
	National Savings Certificates	0.04	0.09	0.11
	Investments in Government or trust securities	0.05	0.05	0.04
	Total	10.09	10.14	10.18
П.	QUOTED INVESTMENTS*			
	Indian Overseas Bank [2,300 (31st March, 2016 - 2,300, 1st April, 2015 - 2,300 ) Equity Shares of ₹ 10 each]	0.06	0.07	0.06
	Total	0.06	0.07	0.06
	Total Investment (I + II)	10.15	10.21	10.24
	Aggregate book value of quoted investments	0.06	0.07	0.06
	Aggregate market value of the quoted investments	0.06	0.07	0.06
	Aggregate amount of unquoted investments	10.09	10.14	10.18

\* Refer note 32 for determination of their fair value

## 4A Current Investments

Particulars INVESTMENTS IN MUTUAL FUNDS* (UNQUOTED)	As at 31 <sup>st</sup> March, 2017	As at 31⁵ March, 2016	₹ in million As at 1⁵ April, 2015
i) ICICI Prudential Fund-Flexible Income Plan- Direct Growth 446,974.67 units (31 <sup>st</sup> March, 2016-446,974.67 units, 1 <sup>st</sup> April, 2015-Nil units)	139.71	128.28	-
ii) ICICI Prudential Liquid Plan-Direct Growth Nil units (31 <sup>st</sup> March, 2016-525,496.161 units,1 <sup>st</sup> April, 2015 Nil units)	-	117.86	-
iii) Birla Sun Life Cash Plus-Growth-Direct Plan 676,041.920 units (31 <sup>st</sup> March, 2016-926,777.816 units,1 <sup>st</sup> April, 2015-Nil units)	176.66	225.50	-
Total	316.37	471.64	-

\* Refer note 32 for determination of their fair value

## 5 Other non current financial assets (Unsecured, considered good unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	₹ in million As at 1⁵ April, 2015
a) Security deposits	53.61	46.38	40.64
b) Deposits with bank under lien	-	-	9.50
c) Foreign currency derivative assets	-	88.94	132.11
Total	53.61	135.32	182.25

## 5A Other current financial assets

## (Unsecured, considered good unless otherwise stated)

			₹ in million
Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1⁵ April, 2015
	· · · · · · · · · · · · · · · · · · ·	<b>i</b>	
a) Loans and advances to employees	18.49	17.23	14.59
<ul><li>b) Interest accrued on deposits, loans and advances</li></ul>	0.18	1.20	6.41
c) Receivables on sale of property plant and equipment	7.66	10.26	4.37
Total	26.33	28.69	25.37

## 6 Other non-current assets

(Unsecured, considered good unless otherwise stated)

			₹ in million
Particulars	As at 31 <sup>st</sup>	As at 31 <sup>st</sup>	As at 1 <sup>st</sup>
	March, 2017	March, 2016	April, 2015
a) Capital advances	321.07	384.56	654.75
b) Other advances	155.62	142.77	106.71
c) Prepayments	7.42	6.78	8.91
d) Lease Prepayments	1,464.97	1,439.16	1,446.01
e) Taxes paid in advance less provision (current tax)	11.41	10.97	48.68
f) Sales tax/ VAT receivable	12.63	11.14	16.60
g) Government grant receivable	51.03	56.89	-
h) Deposits under protest#	30.00	100.00	-
Total	2,054.15	2,152.27	2,281.66

# Hon'ble National Green Tribunal (NGT) had directed the company on 15<sup>th</sup> July, 2015 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 claim submission, NGT vide its order dated 8<sup>th</sup> July, 2016 ordered a refund ₹70 million against the deposit given, which was duly received on 28<sup>th</sup> July, 2016.

## 6A Other current assets

## (Unsecured, considered good unless otherwise stated)

			₹ in million
Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1⁵ April, 2015
a) Advances to suppliers	471.34	354.68	312.16
b) Prepayments	108.61	107.21	100.44
c) Current portion of Lease Prepayments	18.63	18.62	18.62
d) Government incentive receivable	-	80.56	119.37
e) Balance with Central excise, Customs, port trust etc.	622.36	561.18	625.83
f) Others (Export incentives, Government grants, Wind power receivables and other receivable)*	206.12	98.50	94.60
Total	1,427.06	1,220.75	1,271.02

\*Includes amount of ₹ 2.57 million (31<sup>st</sup> March, 2016 ₹ 4.73 million, 1<sup>st</sup> April, 2015 ₹ 6.20 million) paid to various regulatory authorities under protest.

## 7 Inventories

## (Valued at lower of cost and net realisable value)

			₹ in million
Particulars	As at 31 <sup>st</sup> March, 2017	As at 31⁵ March, 2016	As at 1⁵ April, 2015
a) Raw materials & components	800.49	873.04	1,044.60
b) Work-in-progress	1,643.61	1,379.09	1,166.02
c) Finished goods (other than those acquired for trading)	1,447.45	1,305.56	1,188.58
d) Stock-in-trade of goods (acquired for trading)	18.61	14.83	7.93
e) Stores, spares and packing material	496.66	483.10	396.76
f) Loose tools and instruments	31.45	43.00	53.89
Total	4,438.27	4,098.62	3,857.78
Included above, Goods-in-transit in respect to	•••••••••••••••••••••••••••••••••••••••		
i) Raw materials	154.90	124.24	230.53
ii) Finished goods (other than those acquired for trading)	542.75	420.80	417.43
Total	697.65	545.04	647.96

## 8 Trade receivables

			₹ in million
Particulars	As at 31 <sup>st</sup> March, 2017	As at 31⁵ March, 2016	As at 1 <sup>st</sup> April, 2015
Unsecured:			
Considered good	7,608.70	5,927.87	5,787.34
Considered Doubtful	32.93	29.25	51.23
Less: Allowance for Doubtful debts	(32.93)	(29.25)	(51.23)
Total	7,608.70	5,927.87	5,787.34

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 45 days.
- 3. No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person nor any trade or other receivables are due from firm or private companies respectively in which any director is a partner, a director or member.
- 4. Trade receivables include receivables from related parties (Refer note 37).

## 9 Cash and cash equivalents

			₹ in million
Particulars	As at 31st March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1⁵ April, 2015
a) Cash in hand	1.25	1.92	2.21
b) Cheques on hand	-	0.40	1.38
c) Balance with banks: In Current Account	2,194.56	1,653.23	896.46
Total	2,195.81	1,655.55	900.05

During the year, the Company had specified bank notes or other denomination notes as defined in the MCA notification G.S.R. 308(E) dated 31<sup>st</sup> March, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016, the denomination wise SBNs and other notes as per the notification is given below:

			₹ in million
Particulars	SBNs	ODNs	Total
Closing cash on hand as on 8 <sup>th</sup> November, 2016	1.52	0.16	1.68
(+) Permitted receipts	-	1.80	1.80
(-) Permitted payments	-	(1.23)	(1.23)
(-) Amounts Deposited in Banks	(1.52)	(0.22)	(1.74)
Closing cash on hand as on 30 <sup>th</sup> December, 2016	-	0.51	0.51

## 9A Other Bank balances

			₹ in million
Particulars	As at 31⁵ March, 2017		As at 1⁵ April, 2015
Other bank balances (in earmarked accounts)			
Balance held as margin money against borrowings*	3.53	18.66	36.39
Total	3.53	18.66	36.39

\*Represents margin money amounting to ₹ 3.53 million as at 31<sup>st</sup> March, 2017 (31<sup>st</sup> March, 2016 ₹18.66 million; 1<sup>st</sup> April, 2015 ₹ 36.39 million) against various guarantees and Letter 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 3 March, 2				As at 1 April, 20		
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount	
A Authorised, issued, subscribe	d and paid-up sha	re capital					
Authorised:							
Equity shares of ₹ 10 each (Refer note C (iii)) (previous year ₹ 4 each)	165,000,000	1,650.00	216,250,000	865.00	216,250,000	865.00	
Redeemable preference shares (Refer note C (iii)) (previous year ₹ 10 each)	-	-	2,000,000	20.00	2,000,000	20.00	
Total		1,650.00		885.00		885.00	
Issued, subscribed & fully paid up:							
Equity shares of ₹ 10 each (Refer note C (iii)) (previous year ₹ 4 each)	140,662,848	1,406.63	43,957,140	175.83	43,957,140	175.83	
Total		1,406.63		175.83		175.83	

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 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016		As at 1 April, 20	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
No of shares outstanding at the beginning of the year						
- Equity shares (Refer note C(iii))	43,957,140	175.83	43,957,140	175.83	43,957,140	175.83
Consolidation of equity shares during the year						
- Shares of face value ₹ 4 each	(43,957,140)	(175.83)	-	-	-	-
<ul> <li>Shares of face value ₹ 10 each</li> </ul>	17,582,856	175.83	-	-	-	-
- Issue of bonus shares in the ratio 7:1	123,079,992	1,230.80	-	-	-	-
No of shares outstanding at the end of the year	140,662,848	1,406.63	43,957,140	175.83	43,957,140	175.83

## C Notes

i)

Details of shares held by each shareholder holding more than 5% shares in the Company are as follows:

							₹ in million
Pa	ırticulars	No of sharesNo of sharesas at%31st March,31st March,20172016		%	No of shares as at 1 <sup>st</sup> April, 2015	%	
Eq	uity shares:						
1	Mr. Naresh Chandra (as the family trustee)##	16,910,000	12.02	4,500,100	10.24	4,500,100	10.24
2	Mrs. Suman Jain (as the family trustee)#	16,890,000	12.01	5,502,750	12.52	5,502,750	12.52
3	Mr. Anurang Jain	53,949,664	38.35	26,412,400	60.09	26,412,400	60.09
4	Actis Components & System Investments Ltd	-	-	6,029,990	13.72	6,029,990	13.72
5	Mr. Anurang Jain (as the family trustee)*	28,300,000	20.12	-	-	-	-

## Held by Mr. Naresh Chandra in his capacity as the family trustee of Anurang Rhea Trust ("Anurang Rhea Trust"). The Anurang Rhea Trust is a private family trust settled by Mrs. Suman Jain, pursuant to a deed of settlement dated 15<sup>th</sup> June, 2016 (the "Anurang Rhea Trust Deed"). The trustees of the Anurang Rhea Trust are Mr. Naresh Chandra, as the family trustee, and Kotak Mahindra Trusteeship Services Limited, as the managing trustee. Pursuant to the Anurang Rhea Trust Deed, Mr. Naresh Chandra shall, as long as he is acting as the family trustee, exclusively exercise voting rights in respect of these Equity Shares.

# Held by Mrs. Suman Naresh Chandra Jain in her capacity as the family trustee of NC Trust ("NC Trust"). The NC Trust is a private family trust settled by Mr. Naresh Chandra, pursuant to a deed of settlement dated 15<sup>th</sup> June, 2016 (the "NC Trust Deed"). The trustees of the NC Trust are Mrs. Suman Jain, as the family trustee, and Kotak Mahindra Trusteeship Services Limited, as the managing trustee. Pursuant to the NC Trust Deed, Mrs. Suman Jain shall, as long as she is acting as the family trustee, exclusively exercise voting rights in respect of these Equity Shares.

\* Held by Mr. Anurang Jain in his capacity as the family trustee of Anurang Rohan Trust ("Anurang Rohan Trust"). The Anurang Rohan Trust is a private family trust, settled by Mr. Anurang Jain, pursuant to a deed of settlement dated 11<sup>th</sup> June, 2016 as amended by a deed of amendment dated 23<sup>rd</sup> June, 2016 (the "Anurang Rohan Trust Deed"). The trustees of the Anurang Rohan Trust are Mr. Anurang Jain and Mrs. Varsha Jain, as the family trustees, and Kotak Mahindra Trusteeship Services Limited, as the managing trustee. Pursuant to the Anurang Rohan Trust Deed, Mr. Anurang Jain shall, as long as he is acting as the family trustee, exclusively exercise voting rights in respect of these Equity Shares.

- ii) The Company has only one class of equity shares. Each holder of equity share is entitled to one vote per share held. In the event of liquidation of the Company, the holder of the equity share will be entitled to receive remaining assets after deducting all its liabilities in proportion to the number of equity shares held.
- iii) Pursuant to the approval of the shareholders at the Extraordinary General Meeting of the Company held on 18<sup>th</sup> May, 2016 for consolidation of the Equity shares of the Company, 2.5 Equity shares of face value of ₹4 each was consolidated to 1 Equity share of ₹10 each. The effective date for the said consolidation was 18<sup>th</sup> May, 2016 resulting in 86,500,000 equity shares of ₹ 10 each. Further, the authorised share capital of redeemable preference shares has been reclassified into 2,000,000 equity shares of ₹ 10 each. Further, the Company has increased the authorised share capital from ₹ 885.00 million to ₹ 1,650 million vide shareholders approval dated 18<sup>th</sup> May, 2016.

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

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



## 10A Other equity

		₹ in million
Particulars	As at 31 <sup>st</sup> March, 2017	As at 31⁵ March, 2016
(a) Capital redemption reserve		
Balance at the beginning of the year	23.21	23.21
Less: Utilised on account of issue of bonus shares	(23.21)	-
Balance at the end of the year	-	23.21
(b) Securities premium account:		
Balance at the beginning of the year	1,367.99	1,367.99
Less: Utilised on account of issue of bonus shares	(1,207.59)	-
Balance at the end of the year	160.40	1,367.99
(c) Capital reserve		
Balance at the beginning and end of the year	209.32	209.32
(d) Foreign currency translation reserve		
Balance at the beginning of the year	440.37	-
Add : Exchange differences arising on translating the foreign operation	(427.36)	440.37
Balance at the end of the year	13.01	440.37
(e) General reserve		
Balance at the beginning/end of the year	1,193.98	1,193.98
(f) Retained earnings		
Balance at the beginning of the year	11,087.40	8,602.63
Profit for the year	3,303.10	2,993.63
Remeasurements of defined benefit plans	(17.01)	0.59
Capital subsidy received during the year	-	3.00
Acquisition of non controlling interest in subsidiary	-	(216.19)
Dividend	(52.75)	(246.16)
Tax on dividend	(10.74)	(50.10)
Balance at the end of the year	14,310.00	11,087.40
Total	15,886.71	14,322.27

## 10B Non-controlling interests

	₹ in million
Particulars	As at 31 <sup>st</sup> As at 31 <sup>st</sup> March, 2017 March, 2016
Balance at the beginning of the year	- 107.12
Share of profit for the year	- 10.87
Exchange gain/(loss)	- 12.46
Acquisition of non controlling interest	- (130.45)
Balance at the end of the year	

#### Non Current Borrowings 11

			₹ in million
Particulars	As at 31⁵ March, 2017	As at 31⁵ March, 2016	As at 1 <sup>st</sup> April, 2015
Measured at amortised cost			
A. Secured borrowings (Refer note 11.01):			
a) Term Loans:			
From Banks	1,717.82	1,524.20	1,441.10
Total Secured borrowings	1,717.82	1,524.20	1,441.10
B. Unsecured borrowings			
a) Term Loans:			
From Banks	572.59	1,024.14	1,074.39
b) Other loans			
(i) Loan from public limited companies	-	121.69	-
(ii) Other Loans - sales tax deferral loan	113.33	223.30	335.18
<ul><li>(iii) Long term maturities of finance lease obligation</li></ul>	689.98	742.69	564.84
(iv) Deferred payment liability	328.55	526.65	687.27
Total Unsecured borrowings	1,704.45	2,638.47	2,661.68
Total	3,422.27	4,162.67	4,102.78

## 11.01 Details of securities in respect of secured non current borrowings

- 1 Term Loans from banks/financial institutions including foreign currency term loans secured by equitable mortgage/additional charge/hypothecation of specified immovable/ movable properties, both present and/ or future, located at various locations either on pari passu basis or by way of first charge.
- 2 Loan from Bank taken by foreign subsidiary is secured by first legal charge on certain Property, plant and equipment.

## 11.02 Maturity profile

				₹ in million
Particulars	Term Loan from banks	Sales Tax Deferral Loan	Deferred Payment Liability	Total
Current Maturities				
2017-18	1,364.15	111.38	159.87	1,635.40
Non current Maturities				
2018-19	1,009.31	63.75	164.28	1,237.35
2019-20	595.39	19.80	164.27	779.46
2020-21	377.09	16.41	-	393.50
2021-22	135.51	10.06	-	145.57
2022-23	173.10	3.31	-	176.41
Total	2,290.40	113.33	328.55	2,732.29
Long term maturities of finance lease obligation				689.98
Total	2,290.40	113.33	328.55	3,422.27



## 12 Other non current financial liabilities

			₹ in million
Particulars	As at 31 <sup>st</sup> March, 2017	As at 31⁵ March, 2016	As at 1⁵ April, 2015
a) Security deposits received from dealers	19.67	23.40	21.81
b) Retention money	0.38	4.54	6.63
c) Deferred government grants	40.92	56.90	-
Total	60.97	84.84	28.44

## 12A Other current financial liabilities

			₹ in million
Particulars	As at 31⁵ March, 2017	As at 31⁵ March, 2016	As at 1⁵ April, 2015
a) Current maturities of long-term debt (Refer note 11.02)	1,635.40	2,082.70	1,902.57
<ul> <li>b) Current maturities of finance lease obligation (Refer note 11.02)</li> </ul>	146.28	198.31	134.75
c) Interest accrued but not due on borrowings	0.82	15.00	12.88
d) Interest accrued and due on borrowings	1.20	2.30	1.21
e) Foreign currency derivative liabilities	14.50	1.00	-
f) Payables on purchase of property, plant and equipment	417.27	985.52	603.67
g) Deferred government grants	11.54	12.51	-
Total	2,227.01	3,297.34	2,655.08

## 13 Non current provisions

			₹ in million
Particulars	As at 31 <sup>st</sup> March, 2017	As at 31⁵ March, 2016	As at 1 <sup>st</sup> April, 2015
a) Provision for employee benefits			
i) Provision for gratuity	145.49	135.92	125.28
ii) Provision for employee severance indemnity	141.66	149.30	132.56
b) Other Provisions			
Warranty (Refer note 13.01 below)	19.87	17.92	11.80
Total	307.02	303.14	269.64

## 13A Current provisions

			₹ in million
Particulars	As at 31 <sup>st</sup> March, 2017	As at 31⁵ March, 2016	As at 1 <sup>st</sup> April, 2015
a) Provision for employee benefits			
i) Provision for compensated absences	115.70	87.54	80.53
ii) Provision for gratuity	63.84	35.34	24.88
iii) Provision for employee separation cost	1.03	1.13	4.30
b) Other Provisions			
i) Warranty (Refer note 13.01 below)	43.27	36.76	28.70
Total	223.84	160.77	138.41

## 13.01 Details of movement in warranty (Refer note 13(b) and 13A(b))

			₹ in million
Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
Balance at the beginning of the year	54.68	40.50	30.64
Additional Provision made during the year	30.64	42.21	37.19
Discounting/unwinding effect	5.05	4.26	(5.33)
Amount paid/utilized during the year	(27.23)	(32.29)	(22.00)
Balance at the end of the year	63.14	54.68	40.50

#### **Current borrowings** 14

			₹ in million
Particulars	As at 31⁵ March, 2017	As at 31st March, 2016	As at 1⁵ April, 2015
Measured at amortised cost			
A. Secured Borrowings :			
a) Loans:			
From banks (Refer Note 11.01)	39.69	525.26	564.73
<ul> <li>b) Cash Credit / Working Capital demand loans (Refer note 14.01)</li> </ul>	650.00	-	30.77
Total Secured borrowings	689.69	525.26	595.50
B. Unsecured Borrowings			
a) Short Term Loan from Bank / public limited company	846.58	1,343.81	1,063.67
b) Cash Credit / Working Capital demand loans	199.58	-	_
Total Unsecured borrowings	1,046.16	1,343.81	1,063.67
Total	1,735.85	1,869.07	1,659.17

## 14.01 Details of security provided in respect of current borrowings

Working capital facilities of ₹3,750.00 million (Previous year ₹3750.00 million) are secured by

first pari passu charge on, both present and/or future, current assets including inventory and receivable, a)

b) second pari passu charge on, both present and/or future, movable fixed assets,

c) second pari passu charge (subject to charge in favour of term lenders) on identified immovable properties of the Company.



## 15 Trade payables

			₹ in million
Particulars	As at 31⁵ March, 2017	As at 31⁵ March, 2016	As at 1⁵ April, 2015
Trade payables for goods & services			
- Total outstanding dues of micro and small enterprises	454.06	497.73	446.08
<ul> <li>Total outstanding dues of other than Micro Enterprises and Small Enterprises</li> </ul>			
i) Acceptances	-	-	70.63
ii) Other than Acceptances	8,187.82	6,887.61	6,191.88
Total	8,641.88	7,385.34	6,708.59

## 16 Other current liabilities

			₹ in million
Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
a) Advances received from customers	459.77	367.26	86.72
b) Income received in advance	4.81	2.89	2.65
c) Deferred Payables	10.11	-	-
d) Statutory remittances (contribution to PF, ESIC, withholding taxes, Excise duty, VAT, Service tax Etc.)	409.02	382.14	327.65
Total	883.71	752.29	417.02

## 17 Current Tax Liabilities

			₹ in million
Particulars	As at 31 <sup>st</sup> March, 2017	As at 31⁵ March, 2016	As at 1⁵ April, 2015
Provision for tax	294.95	294.21	212.87
Total	294.95	294.21	212.87

## 17A Deferred tax assets

Nature of timing difference	Opening balance as on 1⁵ April, 2016	Recognised in the statement of profit and loss	Recognised in the other comprehensive income	Exchange Difference	₹ in million Closing balance as on 31 <sup>st</sup> March, 2017
Property, plant and equipment and intangible assets	33.77	(31.74)	-	-	2.03
Provision for employee benefits	68.80	8.29	9.44	-	86.53
Doubtful receivables provision	1.62	1.39	-	-	3.01
Expenses disallowed	1.11	8.65	-	-	9.76
Revaluation of current investment	(5.37)	(6.66)	-	-	(12.03)
Unrealised exchange fluctuation	1.20	3.63	-	-	4.83
Warranty discounting	(0.36)	1.65	-	-	1.29
Others	84.81	8.61	-	(7.06)	86.35
Net deferred tax asset/(liability)	185.58	(6.18)	9.44	(7.06)	181.77

					₹ in million
Nature of timing difference	Opening balance as on 1 <sup>st</sup> April, 2015	Recognised in the statement of profit and loss	Recognised in the other comprehensive income	Exchange Difference	Closing balance as on 31 <sup>st</sup> March, 2016
Property, plant and equipment and intangible assets	74.13	(40.35)	-	-	33.77
Provision for employee benefits	79.84	(10.67)	(0.37)	-	68.80
Doubtful receivables provision	11.32	(9.70)	-	-	1.62
Expenses disallowed	0.62	0.48	-	-	1.10
Revaluation of current investment	-	(5.37)	-	-	(5.37)
Unrealised exchange fluctuation	0.91	0.29	-	-	1.20
Warranty discounting	(1.81)	1.45	-	-	(0.36)
Others	45.14	34.05	-	5.62	84.81
Net deferred tax asset/(liability)	210.15	(29.82)	(0.37)	5.62	185.57

#### Revenue from Operations 18

		₹ in million
Particulars	For the year ended 31 <sup>st</sup> March, 2017	For the year ended 31st March, 2016
Revenue from sale of goods	58,818.40	55,243.01
Revenue from rendering of services	58.08	46.39
Other operating revenue	865.55	886.76
Total	59,742.03	56,176.16

## 18.01 Other operating revenue comprises

Particulars	For the year ended 31 <sup>st</sup> March, 2017	
Other operating revenue comprises:		
Scrap sales	769.02	841.77
Wind power generation	11.39	8.93
Export incentives	85.14	36.06
Total	865.55	886.76



## 19 Other Income

		₹ in million
Particulars	For the year ended 31⁵ March, 2017	For the year ended 31st March, 2016
a) Interest Income		
i) Bank deposits	1.25	2.75
ii) Income tax refund	-	17.46
ii) Others	5.25	3.25
b) Other non operating income		
i) Creditors/excess provision written back	21.90	44.00
ii) Government incentive received	141.47	93.94
iii) Cash discount received	20.20	13.15
iv) Miscellaneous income	249.17	129.09
v) Profit on Sale of property, plant and equipment (Net)	24.67	-
c) Net gain on foreign currency transactions (other than considered as finance cost)	16.98	25.99
Total	480.89	329.63

## 20A Cost of materials consumed

		₹ in million
Particulars	For the year ended 31st March, 2017	For the year ended 31 <sup>st</sup> March, 2016
Opening stock	748.80	814.07
Add: Purchases	32,535.30	31,437.38
	33,284.10	32,251.45
Less: Closing stock	645.59	748.80
Cost of materials consumed	32,638.51	31,502.65
Cost of material capitalized	(46.76)	(102.92)
Total	32,591.75	31,399.73

Note - The consumption includes excess/shortages on physical count, write off of obsolete items etc

## 20B Purchases of stock-in-trade (traded goods)

		₹ in million
Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Components and spares	98.09	78.64
Total	98.09	78.64

#### ₹<u>in million</u> For the For the Particulars year ended 31st year ended 31st March, 2017 March, 2016 Inventories at the end of the period: Finished goods 1,447.45 1,305.56 Work-in-progress 1,643.61 1,379.09 Stock-in-trade of goods 18.61 14.83 3,109.67 2,699.48 Inventories at the beginning of the period: 1,188.58 Finished goods 1,305.56 Work-in-progress 1,379.09 1,166.02 Stock-in-trade of goods 14.83 7.93 2,699.48 2,362.53 Net (increase) / decrease (410.19) (336.95)

## 20C Changes in inventories of finished goods, work-in-progress and stock-in-trade

## 21 Employee Benefits Expense

		₹ in million
Particulars	For the year ended 31⁵ March, 2017	For the year ended 31st March, 2016
a) Salaries and wages, including bonus	4,617.12	4,097.23
b) Contribution to provident and other funds (Refer note 31)	204.06	191.68
c) Staff welfare expenses	625.96	572.31
d) Expenses towards Voluntary Separation Scheme	30.01	-
Less : Expenses capitalised	(22.00)	(38.19)
Total	5,455.15	4,823.03

## 22 Finance Cost

Particulars	For the year ended 31⁵	₹ in million For the year ended 31 <sup>st</sup>
	March, 2017	March, 2016
a) Interest expenses on		
i) Fixed period term loans	120.20	199.90
ii) Others	155.95	165.50
b) Other borrowing cost		
i) Discounting charges on commercial paper	12.49	51.75
ii) Bank charges	6.91	5.67
c) Exchange differences regarded as an adjustment to borrowing costs	26.94	66.74
Total	322.49	489.56



## 23 Other Expenses

		₹ in million
Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Stores and spares consumed	1,191.23	1,056.86
Packing Material Consumed	450.31	361.84
Tools & Instruments Consumed	180.77	178.48
Processing Charges	2,107.69	1,903.38
Labour Charges	1,046.25	927.54
Power, Water & Fuel	2,231.31	2,069.94
Rent	176.15	160.91
Repairs and Maintenance:		
Plant and Machinery	1,100.37	1,040.21
Building	55.64	60.79
General	169.65	194.68
Insurance	90.87	90.58
Rates & Taxes	24.83	24.56
Travelling & Conveyance	282.86	239.93
Freight	569.73	474.09
Advertisement	10.74	14.31
Donation	-	0.08
Payment to Auditors (Refer note 23.01)	18.29	14.46
Directors Fees & Travelling Expenses	27.54	19.13
Allowance for doubtful debts	5.68	(22.24)
Bad Debts written off	2.20	25.41
Loss on sale of Property, plant and equipment	-	2.46
Warranty claims	165.32	134.33
Excise Duty Paid Others	1.50	0.91
Increase/(Decrease) in Excise Duty on Finished Goods	5.39	7.16
Expenditure on Corporate Social Responsibility	18.30	52.00
Miscellaneous Expenses	752.03	706.52
Total	10,684.65	9,738.32
Less : Expenses capitalized	(73.86)	(193.99)
Total	10,610.79	9,544.33
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### 23.01 Payment to auditors

		₹ in million
Particulars	For the year ended 31⁵ March, 2017	For the year ended 31⁵ March, 2016
As Auditors		
Audit fees	12.74	10.41
Audit of internal controls over financial reporting	0.50	0.50
Limited Review	1.40	-
In other Capacity		
Audit fees in relation to IPO	21.70	-
Other Services	3.16	3.11
Expenses reimbursed	0.49	0.44
Reimbursed of expenses in relation to IPO	0.46	-
Less : Reimbursed by Selling shareholders	(22.16)	-
Total	18.29	14.46

Payment to Auditors excludes ₹ Nil (previous year ₹ 1.35 million) towards other services paid to a firm, some of the members whereof are also members in the Audit Firm.

### 24 Taxes

(a) Income tax expenses

The major component of income tax expenses for the year ended 31<sup>st</sup> March, 2017 and 31<sup>st</sup> March, 2016 are:

- ₹ in million For the For the year ended 31st Particulars year ended 31st March, 2017 March, 2016 (a) Current Tax expenses [Short/(Excess) provision for tax relating to prior period ₹ (17.81 million) for the year ended March 31, 1,337.17 1,168.95 2017 and ₹ (71.86 million) for the year ended March 31, 2016] (b) Deferred tax 6.18 29.82 Total Income tax expenses recognised in Statement of Profit & Loss 1,343.35 1,198.77
- (i) Profit or Loss Section

(ii) Other Comprehensive Income Section

·		₹ in million
Particulars	For the year ended 31st March, 2017	year ended 31 <sup>st</sup>
(a) Net gain / (loss) on remeasurement of defined benefit plans	(26.45)	0.96
Income tax charged to OCI	9.44	(0.37)



		₹ in million
Particulars	For the year ended 31st March,2017	For the year ended 31 <sup>st</sup> March, 2016
(a) Income before income tax	4,646.45	4,203.27
(b) Enacted tax rate in India	34.61%	34.61%
(c) Expected tax expenses	1,608.04	1,454.67
(d) Other than temporary difference		
R&D expenses - Revenue	(255.38)	(169.10)
R&D expenses - Capital	(110.77)	(171.16)
Investment Allowance	(251.69)	(149.15)
Deduction under 80-IC (2)	(200.25)	(159.20)
Expenses disallowed	245.35	231.35
CSR expenditure	9.15	26.03
Others	0.72	(8.53)
(e) Lease written off	18.66	29.75
(f) Net Adjustment	(544.21)	(370.01)
(g) Tax expenses/ (saving) on net adjustment (f*b)	(188.34)	(128.05)
(h) Difference in overseas tax rates	(67.99)	(55.62)
<ul> <li>Current tax expenses recognised in Statement of Profit &amp; Loss (c+g+h)</li> </ul>	1,351.71	1,271.00
(j) Excess provision for tax relating to prior year	(17.81)	(71.86)
<ul> <li>(k) Net current tax expenses recognised in Statement of Profit &amp; Loss (i+j)</li> </ul>	1,333.91	1,199.14

### (iii) Reconciliation of effective tax rate

### 25 Disclosure of goodwill

			₹ in million
Particulars	As at 31 <sup>st</sup> March, 2017	As at 31⁵ March, 2016	As at 1⁵ April, 2015
Opening balance	1,469.25	1,315.76	1,315.76
Add: Impact of foreign currency translation	(114.42)	153.49	-
Closing balance	1,354.83	1,469.25	1,315.76

### 26 Investments in overseas companies

### a. Endurance Amann GmbH, Germany

The total investment of the Company in Endurance Amann GmbH (a wholly owned subsidiary of the Company) as on 31<sup>st</sup> March, 2017 amounted to Euro 30.94 million (₹ 1930.74 million) [31<sup>st</sup> March, 2016 Euro 30.94 million, (₹ 1930.74 million)].

The Equity of Endurance Amann GmbH amounting to Euro 3.25 million is represented by stock. Euro 0.2 million is held by Endurance Amann GmbH as treasury shares.

In September, 2015, 5% non controlling stake of V&P SrL in EOSRL was acquired by Endurance Amann GmbH for a total consideration of Euro 4.62 million.

### b. Endurance Overseas S.r.l, Italy

During the year 2007-08, the Company incorporated a 100% Subsidiary in Italy, named Endurance Overseas SrI (EOSRL). The total investment in EOSRL as at 31<sup>st</sup> March, 2017 stands at Euro 25.82 million (₹ 1,706.22 million) [31<sup>st</sup> March, 2016 Euro 25.81 million (₹ 1,705.79 million)].

### 27 Consolidated segment information

Information reported to the chief operating decision maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The 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.

### 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**

Particulars	For the year ended 31⁵ March, 2017	
Revenue from external customers		
India	40,969.25	39,013.54
Outside India	18,772.78	17,162.62
Total	59,742.03	56,176.16

### Non current Assets

			₹ in million
Particulars	As at 31⁵ March, 2017		As at 1 <sup>st</sup> April, 2015
India	14,146.12	13,560.12	13,068.71
Outside India	4,746.88	5,551.36	2,583.16
Total	18,893.00	19,111.48	15,651.87

### 28 Contingent Liabilities (to the extent not provided for)

			₹ in million
Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1⁵ April, 2015
(a) Outstanding letters of credit	430.45	296.76	257.87
(b) Guarantees given by the Company's bankers	295.44	191.56	165.71
(c) Standby letter of Credit given by the Company's bankers	2.67	2.67	3.11
(d) Disputed excise demands#	48.12	44.13	42.85
(e) Service tax matters#	15.14	15.22	26.29
(f) Sales tax matters#	14.83	88.90	84.31
(g) Income tax matters#	143.15	139.07	78.23
(h) Employee related disputes #	25.07	24.45	23.75
(i) Environment pollution control matters**	26.57	26.57	-
(j) Other tax matters#	31.18	33.81	-
Total	1,032.62	863.14	682.12



# 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. The management is of the opinion that the matters would be resolved in favour of the Company.

\*\* Hon'ble National Green Tribunal (NGT) had directed the Company on 15<sup>th</sup> July, 2015 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 claim submission, NGT vide its order dated 8<sup>th</sup> July, 2016 ordered a refund ₹ 70 million against the deposit given, which was duly received on 28<sup>th</sup> July, 2016.

### 29 Commitments

			₹ in million
Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1⁵ April, 2015
<ul> <li>(a) Estimated amount of contracts remaining to be executed on capital account and not provided for:</li> <li>- Tangible assets (net of advances)</li> </ul>	855.70	1,479.78	1,503.62
<ul> <li>(b) Other commitments</li> <li>Aluminium alloy purchases contracts remaining to be executed</li> </ul>	897.87	1,256.46	2,913.54
Total	1,753.57	2,736.24	4,417.16

### 30 Import of capital goods under EPCG Scheme (Refer note 41)

The Company has imported capital goods under the Export Promotion Capital Goods Scheme (EPCG) of Government of India, at concessional rates of duty on an undertaking to fulfil quantified future export obligations. Non fulfilment of such future obligations, entails options/rights to the Government to confiscate the capital goods imported under the said licenses and levy other penalties under the above referred scheme. Balance export obligation as on 31<sup>st</sup> March 2017 is ₹ 65.99 million (Previous year ₹ 930.92 million).

31 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, 2017	For the year ended 31 <sup>st</sup> March, 2016
Employers contribution to provident fund/pension fund	107.07	93.41
Employers contribution to superannuation fund	10.50	9.17
Employers contribution to ESIC	5.36	3.18
Total	122.93	105.76

Note : Above contributions are included in the contribution to provident and other funds (Refer note 21).

### b) Defined benefit plan:

The defined benefit plan comprises of gratuity (included in contribution to provident fund and other funds in note 21 of employee benefit expenses). The present value of the obligation under such defined benefit plan is determined based on an actuarial valuation as at the reporting date using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit. The obligations are measured at the present value of the estimated future cash flows. The Company provides for its liability towards gratuity as per actuarial valuation The present value of accrued gratuity is provided in the books of account after reducing the fund value with Life Insurance Corporation of India.

### c) Employees severance indemnity :

The actuarial evaluation 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
	As at March,		As at March,	
Particulars	Foreign	Domestic	Foreign	Domestic
	Employees Severance Indemnity	Gratuity	Employees Severance Indemnity	Gratuity
Liability at the beginning of the year	149.30	297.23	132.56	212.72
Interest cost	14.33	22.30	1.44	16.31
Past service cost	1.62	36.89	-	41.84
Current service cost	-	33.40	13.65	36.23
Benefit paid	(10.89)	(7.81)	(13.47)	(7.32)
Remeasurement (gain) / loss on obligations	(0.82)	26.76	0.16	(2.55)
Exchange variation	(11.88)	-	14.96	-
Liability at the end of the year	141.66	408.77	149.30	297.23

### e) Reconciliation of fair value of plan assets:

	₹ in million	
As at 31 <sup>st</sup> March, 2017	As at 31⁵ March, 2016	
Domestic	Domestic	
125.97	62.56	
11.99	7.13	
69.80	65.02	
(7.81)	(7.32)	
(0.51)	(1.42)	
199.44	125.97	
11.48	5.71	
	March, 2017           Domestic           125.97           11.99           69.80           (7.81)           (0.51)           199.44	

### f) Amount to be recognized in balance sheet:

				₹ in million
	As at March,		As at March,	
Particulars	Foreign	Domestic	Foreign	Domestic
	Employees Severance Gratuity Indemnity		Employees Severance Gratuity Indemnity	
Liability at the end of the year	141.66	408.77	149.30	297.23
Fair value of plan assets at the end of the year	-	199.44	-	125.97
Amount to be recognised in the balance sheet	141.66	209.33	149.30	171.26



g) Expenses recognised in the Statement of Profit and Loss under the head employee benefit expenses:

				₹ in million
Particulars	For the year ended 31 <sup>st</sup> March, 2017	For the year ended 31⁵ March, 2017	For the year ended 31 <sup>st</sup> March, 2016	For the year ended 31⁵ March, 2016
	Foreign	Domestic	Foreign	Domestic
Current service cost	12.85	33.40	13.65	36.23
Past service cost	-	36.89	-	41.84
Interest cost	0.80	10.30	1.60	9.18
Expected return on plan assets	1.48	-	-	-
Expenses recognized in Statement of Profit and Loss	15.13	80.59	15.25	87.25

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 31 <sup>st</sup> March, 2017	For the year ended 31⁵ March, 2017	For the year ended 31 <sup>st</sup> March, 2016	For the year ended 31 <sup>st</sup> March, 2016
	Foreign	Domestic	Foreign	Domestic
Experience (gain)/ Loss on plan liabilities	(0.82)	10.42	-	(4.17)
Demographic (gain)/ loss on plan liabilities	-	-	-	(2.62)
Financial (gain)/ loss on plan liabilities	-	16.33	-	4.25
Experience (gain)/ loss on plan assets	-	(0.90)	-	1.42
Financial (gain)/ loss on plan assets	-	1.42	-	-

### i) Amount recognised in statement of other comprehensive income (OCI)

				₹ in million
Particulars	For the year ended 31 <sup>st</sup> March, 2017	For the year ended 31⁵ March, 2017	For the year ended 31 <sup>st</sup> March, 2016	For the year ended 31 <sup>st</sup> March, 2016
	Foreign	Domestic	Foreign	Domestic
Opening amount recognised in OCI	-	-	-	_
Remeasurement for the year - Obligation (gain)/ loss	(0.82)	26.76	0.16	(2.54)
Remeasurement for the year - plan assets (gain)/ loss	-	0.51	-	1.42
Total remeasurements cost / (credit) for the year recognised in OCI	(0.82)	27.27	0.16	(1.12)
Closing amount recognised in OCI	(0.82)	27.27	0.16	(1.12)

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₹ in million

### k) Principal actuarial assumptions:

	As at March,			As at 31⁵ Irch, 2016	
Particulars	Foreign	ForeignDomesticForeignEmployeesEmployeesSeveranceGratuityIndemnityIndemnity		Domestic	
	Severance			Gratuity	
Discount rate	1.10%	7.00%	0.82%	7.60%	
Salary escalation	1.00%	6.00%	1.00%	6.00%	
Withdrawal rate	-	8.00%	-	8.00%	

a) 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.

- b) Withdrawal rate is employee turnover rate based on the Company's past and expected employee turnover.
- c) Salary escalation rate: The estimates of future salary increases considered taking into the account the inflation, seniority, promotion and other relevant factors.
- d) Disclosure related to indication of effect of the defined benefit plan on the entity's future cash flows:

Expected benefit payments for the year endin

	₹ in million
Particulars	As at 31⁵ March, 2017
31 <sup>st</sup> March, 2018	63.84
31 <sup>st</sup> March, 2019	41.51
31 <sup>st</sup> March, 2020	44.43
31 <sup>st</sup> March, 2021	47.36
31 <sup>st</sup> March, 2022	49.08
31 <sup>st</sup> March, 2023 to 2027	368.20

(e) Weighted Average duration of defined benefit obligation: 11.1 years

(f) Sensitivity anlaysis:

Sensitivity analysis indicates the influence of a reasonable change in principal assumptions, while keeping other things constant, on the outcome of the present value of Defined Benefit Obligation. In reality, the plan is subject to multiple external experience items which may move the Defined Benefit Obligation in similar or opposite directions, while the Plan's sensitivity to such changes can vary over time.

A quantitative sensitivity analysis for significant assumption as at 31<sup>st</sup> March, 2017 is as shown below:

				₹ in million
A. Effect of 1% change in the	1% Increase 1% Decrease			ecrease
assumed discount rate	31⁵ March, 2017	31⁵ March, 2016	31⁵ March, 2017	31⁵ March, 2016
1. Defined Benefit Obligation (Domestic)	382.17	276.98	438.80	320.13

₹ in million

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P Effect of 1% change in the	1% Inc	crease	1% Decrease		
B. Effect of 1% change in the assumed Salary Escalation Rate	31⁵ March, 2017	•••		31 <sup>st</sup> 31 <sup>st</sup> March, 2017 March, 2016	
1. Defined Benefit Obligation (Domestic)	434.89	315.77	385.14	280.30	

### ₹ in million

C Effect of 1% change in the	1% In	crease	1% Decrease		
C. Effect of 1% change in the assumed Withdrawal Rate	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2017	31⁵ March, 2016	
1. Defined Benefit Obligation (Domestic)	409.89	299.29	407.46	294.91	
2. Defined Benefit Obligation (Foreign)	138.69	145.54	140.42	148.15	

₹ in million

₹ in million

D. Effect of 0.25 % change in the	0.25%	Increase	0.25% Decrease		
assumed discount rate	31 <sup>st</sup>	31 <sup>st</sup>	31 <sup>st</sup>	31 <sup>st</sup>	
	March, 2017	March, 2016	March, 2017	March, 2016	
1. Defined Benefit Obligation (Foreign)	136.43	143.44	142.70	150.21	

E. Effect of 0.25 % change in the	0.25%	ncrease	0.25% Decrease		
assumed Salary Escalation Rate	31⁵ March, 2017	31 <sup>st</sup> March, 2016	31st March, 2017	31st March, 2016	
1. Defined Benefit Obligation (Foreign)	141.70	148.99	137.36	144.58	

### 32 Fair Value measurements:

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financials instruments.

	C	arrying amoun	.+		Fair Value	
Particulars	31 <sup>st</sup>	31 <sup>st</sup>	1 <sup>st</sup>	31 <sup>st</sup>	31 <sup>st</sup>	1 <sup>st</sup>
	March, 2017	March, 2016	April, 2015	March, 2017	March, 2016	April, 2015
FINANCIAL ASSETS						
Financial assets measured at amortised cost						
(a) Security Deposits	53.61	46.38	40.64	53.61	46.38	40.64
(b) Deposits with bank under lien	-	_	9.50	-	-	9.50
(c) Trade receivables	7,608.70	5,927.87	5,787.34	7,608.70	5,927.87	5,787.34
(d) Loans to employees	18.49	17.23	14.59	18.49	17.23	14.59
(e) Interest accrued on deposits	0.18	1.20	6.41	0.18	1.20	6.41
<ul> <li>(f) Receivables for sale of Property, plant and equipment</li> </ul>	7.66	10.26	4.37	7.66	10.26	4.37
(g) Cash and cash equivalents	2,195.81	1,655.55	900.05	2,195.81	1,655.55	900.05
(h) Other Bank balances	3.53	18.66	36.39	3.53	18.66	36.39
Financial assets measured at fair value through Statement of Profit & Loss						
(a) Current investments	316.37	471.64	-	316.37	471.64	-
(b) Non Current investments quoted	0.06	0.07	0.06	0.06	0.07	0.06
(c) Foreign currency derivative assets	-	88.94	132.11	-	88.94	132.11
(d) Non current investment other than quoted	10.09	10.14	10.18	10.09	10.14	10.18
FINANCIAL LIABILITIES						
Financial liabilities measured at amortised cost						
(a) Non Current Borrowings (at variable interest rate)	3,422.27	4,162.67	4,102.78	3,422.27	4,162.67	4,102.78
(b) Current Borrowings	1,735.85	1,869.07	1,659.17	1,735.85	1,869.07	1,659.17
(c) Security deposits received from dealers	19.67	23.40	21.81	19.67	23.40	21.81



						₹ in million
	Co	arrying amou	nt		Fair Value	
Particulars	31⁵ March, 2017	31⁵ March, 2016	1⁵ April, 2015	31 <sup>st</sup> March, 2017	31⁵ March, 2016	1⁵ April, 2015
(d) Retention money	0.38	4.54	6.63	0.38	4.54	6.63
(e) Current maturities of long-term debt	1,635.40	2,082.70	1,902.57	1,635.40	2,082.70	1,902.57
(f) Current maturities of long-term finance lease obligation	146.28	198.31	134.75	146.28	198.31	134.75
(g) Interest accrued but not due on borrowings	0.82	15.00	12.88	0.82	15.00	12.88
(h) Interest accrued and due on borrowings	1.20	2.30	1.21	1.20	2.30	1.21
(i) Deferred government grants	52.46	69.41	-	52.46	69.41	-
<ul> <li>Payables on purchase of property, plant and equipment</li> </ul>	417.27	985.52	603.67	417.27	985.52	603.67
(k) Trade Payables	8,641.88	7,385.34	6,708.59	8,641.88	7,385.34	6,708.59
Financial liabilities measured at fair value through Statement of Profit & Loss						
(a) Foreign currency derivative liabilities	14.50	1.00	-	14.50	1.00	-

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 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 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 31<sup>st</sup> March, 2017, 31<sup>st</sup> March, 2016 and 1<sup>st</sup> April, 2015 :

		₹ in million
Level 1	Level 2	Level 3
316.37	-	-
0.06	-	10.00
471.64	-	-
0.07	-	10.00
-	-	(0.03)
-	-	-
0.06	-	10.03
	316.37 0.06 471.64 0.07 -	316.37 - 0.06 - 471.64 - 0.07 - 

During the year ended 31<sup>st</sup> March, 2017, there were no transfers between Level 1 and Level 2 fair value measurement and no transfer into and out of Level 3 fair value measurement.

### 33 Financial Instruments and Risk Review

Financial Risk Management Framework

The group is exposed primarily to market risk (fluctuations in foreign currency exchange rates and interest rate), credit, liquidity, 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) 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.



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 monthly basis and implements capital structure improvement plan when necessary

The Group uses debt ratio as a capital management index and calculates the ratio as net debt divided by total equity. Net debt and total equity are based on the amounts stated in the financial statements.

### Debt-to-equity ratio is as follows:

			₹ in million
Particulars	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2016	1⁵ April, 2015
Net Debt* (A)	4,427.62	6,185.56	6,899.22
Equity (B)	17,293.34	14,498.10	11,572.96
Debt Ratio (A / B)	0.26:1	0.43:1	0.60:1

\*Net debt includes non current borrowings, current borrowings, current maturities of non current borrowings net off current investments, cash and cash equivalents.

### ii) Credit Risk

Credit risk is the risk of financial loss arising from counter-party failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentration of credit risk principally consist of trade receivables, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Group results in material concentration of credit risk.

### Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 7,688.64 million, ₹ 6,091.88 million and ₹ 5,994.96 million as of 31<sup>st</sup> March, 2017, 31<sup>st</sup> March, 2016 and 1<sup>st</sup> April, 2015 respectively, being the total of the carrying amount.

### Trade receivables

Ind AS requires expected credit losses to be measured through a loss allowance. The Group assesses at each date of statements of financial position whether a financial asset or a group of financial assets is impaired. The Group recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Group's exposure to customers is diversified and some customer contributes more than 10% of outstanding accounts receivable as of 31<sup>st</sup> March, 2017, 31<sup>st</sup> March, 2016 and 1<sup>st</sup> April, 2015, however there was no default on account of those customers in the past.

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits to customer. Limits and scoring attributed to customers are reviewed on periodic basis.

The Group performs credit assessment for customers on an annual basis and recognizes credit risk, on the basis lifetime expected losses and where receivables are due for more than six months.

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Movement in the expected credit loss allowance:

			₹ in million
Particulars	As at 31⁵ March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
Balance at the beginning of the year	29.25	51.23	54.51
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	3.68	(21.98)	(2.98)
Balance at the end of the year	32.93	29.25	51.53

### iii) Liquidity Risk

### a) Liquidity risk management

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

### b) Maturities of financial liabilities

The following tables detail the Group's remaining contractual maturity for its financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

						₹ in million
	31 <sup>st</sup> Mare	ch, 2017	31 <sup>st</sup> Mar	ch, 2016	1⁵ April	, 2015
Particulars	Less than 1 Year	1-3 Years	Less than 1 Year	1-3 Years	Less than 1 Year	1-3 Years
Financial liabilities						
Trade payables	8,641.88	-	7,385.34	-	6,708.59	-
Other Financial Liabilities	1,885.00	60.97	3,311.95	84.84	2,669.69	28.44
Working capital demand loans / Term loans	2,138.77	3,423.54	1,957.58	4,163.94	1,747.68	4,104.05
Total	12,665.65	3,484.51	12,654.87	4,248.78	11,125.96	4,132.49

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### Notes to Consolidated Financial Statements (contd.)

### c) Maturities of financial assets

The following table details the Company's expected maturity for financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets.

						₹ in million
	31⁵ March	, 2017	31 <sup>st</sup> March	n, 2016	1⁵ April,	2015
Particulars	Less than 1 Year	1-3 Years	Less than 1 Year	1-3 Years	Less than 1 Year	1-3 Years
Non- derivative financial assets						
Trade receivables	7,608.70	-	5,927.87	-	5,787.34	-
Other Financial Assets	26.33	53.61	28.69	135.32	25.37	182.25
Total	7,635.03	53.61	5,956.56	135.32	5,812.71	182.25

### iv) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Group's exposure to market risk is primarily on account of foreign currency exchange rate risk:

### a) Foreign Currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. Considering the countries and economic environment in which the Group operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar, Euro, Great Britain Pound and Japanese Yen against the respective functional currencies of the Group. The Group, as per its risk management policy, uses derivative instruments primarily to hedge foreign exchange.

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.

							< in million
Particulars	6		As at 31 <sup>st</sup> As at 31 <sup>st</sup> As at 1 <sup>st</sup> March, 2017         March, 2016         April, 20				
Farticulars	Currency	Notional Amount	Rupees	Notional Amount	Rupees	Notional Amount	Rupees
Details of Forward Exchange Contract, Currency swaps, Currency options :							
Forward contract - USD- INR	USD	7.27	471.54	8.67	575.28	11.05	691.54
No. of Contracts		43		44		60	
Forward contract - JPY -INR	JPY	188.00	108.96	45.00	26.58	91.40	47.63

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							₹ in million
	6		As at 31⁵ March, 2017		31⁵ 2016	As at 1⁵ April, 2015	
Particulars	Currency	Notional Amount	Rupees	Notional Amount	Rupees	Notional Amount	Rupees
No. of Contracts		2		1		2	
Forward contract - EUR - INR	EURO	0.71	48.83	1.56	117.21	1.24	83.88
No. of Contracts		12		17		9	
Fixed currency swap EUR-INR	EURO	-	-	-	-	1.30	87.76
No. of Contracts		-		-		1	
Fixed currency swap USD-INR	USD	2.82	182.85	9.17	608.08	16.88	1,056.39
No. of Contracts		1		2		2	
Coupon only swap USD-INR	USD	2.63	170.20	4.88	323.37	7.13	445.96
No. of Contracts		3		3		3	

Foreign currency exposures that are not hedged by derivative instruments

							₹ in million
De alta da sa	<u> </u>	As at 31⁵ March, 2017		As at 31st March, 2016		As at 1⁵ April, 2015	
Particulars	Currency	Notional Amount	Rupees	Notional Amount	Rupees	Notional Amount	Rupees
Term loans /	USD	6.86	444.90	9.10	603.77	10.48	656.03
PCFC/ECB	EUR	0.05	3.36	0.61	45.87	1.05	70.63
Interest on term	USD	0.01	0.52	0.01	0.51	0.01	0.87
loans / Buyer's credit	EUR	-	-	-	-	0.00	0.02
			448.78		650.15		727.56
Trade	USD	1.69	109.78	2.29	151.62	2.60	162.67
receivables	EUR	0.31	21.20	0.42	31.48	0.68	45.86
			130.98		183.10		208.53
	USD	0.22	14.18	0.63	41.99	1.95	121.83
Trada a suchlas	EUR	0.23	16.23	0.62	46.86	0.56	37.73
Trade payables	GBP	-	-	0.00	0.47	0.01	0.60
	JPY	3.84	2.23	0.02	0.01	5.35	2.79
			32.64		89.33		162.95
	USD	5.40	349.82	7.45	494.64	9.84	616.06
Tetal	EUR	(0.02)	(1.61)	0.81	61.25	0.93	62.52
Total	GBP	-	-	0.00	0.47	0.01	0.60
	JPY	3.84	2.23	0.02	0.01	5.35	2.79



### Foreign Currency Sensitivity

The following tables demonstrates the sensitivity to a reasonable possible change in USD, EUR and JPY 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 Effect on pre- tax equity	
For the period ended	Currency	Change in rate		
31 <sup>st</sup> March, 2017	USD	+10%	(34.98)	
	USD	(10%)	34.98	
	EUR	+10%	0.16	
	EUR	(10%)	(0.16)	
	JPY	+10%	(0.22)	
	JPY	(10%)	0.22	
31 <sup>st</sup> March, 2016	USD	+10%	(49.46)	
	USD	(10%)	49.46	
	EUR	+10%	(6.13)	
	EUR	(10%)	6.13	
	JPY	+10%	(0.00)	
	JPY	(10%)	0.00	

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.

### b) 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 long term debt obligations with floating interest rates.

### Interest rate sensitivity

The sensitivity analysis below have been determined based on exposure to interest rate. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

				₹ in million
For the period ended	Currency	Increase / decrease in basis points	Effect on profit before tax	Variable rate WCDL / CC balance / ECB
31 <sup>st</sup> March, 2017	INR	+100	(45.30)	4,337.09
***************************************	INR	(100)	42.77	4,337.09
31 <sup>st</sup> March, 2016	INR	+100	(43.84)	4,156.18
	INR	(100)	33.13	4,156.18

### 34 Earnings per share (EPS)

Particulars	For the year ended 31⁵ March, 2017	For the year ended 31 <sup>st</sup> March, 2016
<ul> <li>(a) Earnings for the purpose of basic / diluted earnings per share -Profit after tax</li> <li>(₹ in million)</li> </ul>	3,303.10	2,993.63
(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 ₹	10.00	10.00
(e) Basic and diluted Earnings Per Share in ₹	23.48	21.28

Pursuant to Para 64 of Indian accounting standard (Ind AS) 33, the number of ordinary shares outstanding before the Bonus issue is adjusted for the proportionate change in the number of ordinary shares outstanding as if the event had occurred at the beginning of the earliest period presented.

Accordingly, the earnings per share calculation for FY 2015-16 is based on new number of shares after the issue of Bonus shares during FY 2016-17. (Refer Note 10 (c)(iii)).

### 35 (A) Disclosure in respect of operating lease

### a) Assets taken on lease

### (i) Total of Present Value

			₹ in million
Particulars	As at 31⁵ March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1⁵ April, 2015
- Not later than 1 year	50.24	31.25	19.05
- Later than 1 year and not later than 5 year	94.07	75.22	62.49
- Later than 5 years	-	2.61	4.26

		₹ in million
Particulars	For the year ended 31 <sup>st</sup> March, 2017	For the year ended 31st March,2016
Amount charged to the statement of profit and loss for operating lease	98.23	71.72

### b) Assets given on lease

Details of future lease rentals receivable :

			₹ in million
Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
The total of minimum lease payments for a period :-			
- Not later than 1 year	-	7.04	7.04
- Later than 1 year and not later than 5 year	-	4.69	11.73
- Later than 5 years	-		



### General description of the operating lease:

- i) In the year 2014-15, Company entered into an operating lease agreement for transfer of its office premises located in Kalyaninagar, Pune (leased asset).
- ii) The agreement had been entered by the company for a period of three years commencing 1<sup>st</sup> December, 2014. The first two years of the agreement remain as lock in period starting 1<sup>st</sup> December, 2014. The agreement does not provide any escalation in the lease rentals during the period of the lease. The agreement was terminated on 30<sup>th</sup> November, 2016.
- Accounting policy adopted in respect of initial direct cost. The initial costs incurred on leased assets have been capitalised being in the nature of improvement to leased assets.

### (B) Disclosure in respect of finance leases:

a) Assets taken on lease

			₹ in million
(i) Total of minimum lease payments	As at 31⁵ March, 2017	As at 31⁵ March, 2016	As at 1⁵ April, 2015
The total of minimum lease payments for a period :-			
- Not later than 1 year	179.39	240.89	174.27
- Later than 1 year and not later than 5 years	555.34	482.17	439.58
- Later than 5 years	267.70	371.24	317.85

			₹ in million
(ii) Total of present value	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1⁵ April, 2015
The total of present value for a period :-			
- Not later than 1 year	146.28	198.31	134.75
- Later than 1 year and not later than 5 years	455.94	426.45	310.28
- Later than 5 years	234.04	316.24	254.56

### 36 Property purchase contract and lease agreement with purchase option dated 17<sup>th</sup> December, 2003

Endurance Amann GmbH (erstwhile Amann Druckguss GmbH) 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<sup>2</sup> 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 17<sup>th</sup> December, 2003; possession, rewards, encumbrances and risks were transferred to the buyer at year-end 2003. The purchase price amounted to EUR 6.00 million plus VAT of EUR 0.98 million and was paid in February 2004.

Also on 17<sup>th</sup> 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 1<sup>st</sup> 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 EUR 0.62 million p.a. until 31<sup>st</sup> December, 2013.

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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 the company 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 the company under review (total surface area: 7,587 m<sup>2</sup>) including production halls and land improvements. The annual rent amounts to Euro 205,000.

The lease agreement expired on 31<sup>st</sup> December, 2012 and subsequently the same has been renewed for the period of another 6 years from 1<sup>st</sup> January, 2013 to 31<sup>st</sup> December, 2018.

The running costs of the property and all maintenance costs excluding structural repairs are borne by the tenant.

**37** Related Party disclosures as required by Indian Accounting Standard 24 are annexed.

### 38 Industrial Promotion Subsidy

As per Eligibility Certificate (EC) dated 17<sup>th</sup> October, 2014, the Company is eligible for IPS of ₹ 191 million in connection with 6 plants at Waluj, Aurangabad. Also Company has received EC dated 23<sup>rd</sup> 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, Company has received sanction letters from Directorate of Industries and accrued income of ₹ 31.06 million (31<sup>st</sup> March, 2016 ₹ 93.94 million).

### 39 Capital subsidy

In the previous year Company had received ₹ 3 million capital subsidy for setting up industrial unit at Pantnagar, Uttarakhand State, as an incentive to set up its industrial unit in a backward area. The incentive / subsidy was given with reference to the total investments in an undertaking or by way of contribution towards its total capital outlay. No repayment is expected from the subsidy / incentive received in such cases. This is credited directly to shareholders' funds.

### 40 Deferred government grants :

In case of EOSRL, in the previous year Italian government accorded grant of EUR 924,233 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 year, amount recognised in the statement of profit & loss of EUR 387,290 against above referred grant.

### 41 EPCG benefit:

During the year, the Company has imported plant and equipment under EPCG scheme thereby saving total customs duty payment of ₹ 120.51 million. The export obligation under the scheme against this saving comes to ₹ 713.89 million, out of which ₹ 662.43 million was fulfilled in the current year. In accordance with Ind AS 20, the duty saved is capitalised and ₹ 110.40 million is recognised as incentive received, included in other income, on account of proportionate fulfilment of the export obligation.

### 42 Estimates

The estimates at 1<sup>st</sup> April, 2015 and at 31<sup>st</sup> March, 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies).

### 43 First time adoption of Ind AS

As stated in note 2, the consolidated financial statements for the year ended 31<sup>st</sup> March, 2017 are the first annual financial statements prepared in accordance with Ind AS.

The adoption was carried out in accordance with Ind AS 101 using Balance sheet as at 1<sup>st</sup> April, 2015 as the transition date. The transition was carried out from Indian GAAP, which was considered as the previous GAAP. All applicable Ind AS have been applied consistently and retrospectively, wherever, required. The resulting difference between the carrying amounts of the assets and liabilities in the financial statements under both Ind AS and Indian GAAP as of the transition date are recognised directly in equity (retained earnings) at the date of transition to Ind AS. Accordingly, the Company has prepared consolidated financial statements which comply with Ind AS applicable for the periods ended on or after 1<sup>st</sup> April, 2015, together with the comparative period data as at 31<sup>st</sup> March, 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company has availed itself of certain exemptions and exceptions in accordance with Ind AS 101.

This note below explains the principal adjustments made by the Company in restating its Indian GAAP consolidated financials statements, including the opening Balance sheet as at 1<sup>st</sup> April, 2015 and the consolidated financial statements for the year ended 31<sup>st</sup> March, 2016.

Exemption from retrospective application

### (a) Business Combinations

Ind AS 103 Business Combinations has not been applied to acquisitions of subsidiaries, which are considered businesses for Ind AS, or of interests in associates and joint ventures that occurred before 1<sup>st</sup> April, 2015. Use of this exemption means that the previous GAAP carrying amounts of assets and liabilities, which are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with Ind AS. Assets and liabilities that do not qualify for recognition under Ind AS are excluded from the opening Ind AS statement of financial position The Group did not recognise or exclude any previously recognised amounts as a result of Ind AS recognition requirements. The Group has not applied Ind AS 21 retrospectively to fair value adjustments and goodwill from business combinations that occurred before the date of transition to Ind AS. Such fair value adjustments and goodwill are treated as assets and liabilities of the parent rather than as assets and liabilities of the acquiree. Therefore, those assets and liabilities are already expressed in the functional currency of the parent or are non-monetary foreign currency items and no further translation differences occur.

### (b) Deemed Cost

The group has elected to continue with the carrying value of all its property, plant and equipment, and intangible assets recognized as of 1<sup>st</sup> April, 2015 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

### (c) Cumulative Translation differences

Cumulative currency translation differences for all foreign operations are deemed to be zero as at 1<sup>st</sup> April, 2015.

Exception to retrospective application

### (a) Estimates

The estimates as at 1<sup>st</sup> April, 2015 and at 31<sup>st</sup> March, 2016 are consistent with those made for the same dates in accordance with previous GAAP (after adjustments to reflect any differences in accounting policies) apart from the items where application of previous GAAP did not require estimation. Group has elected to apply change in estimates prospectively from the date of transition to Ind AS in respect of :

- Provision for doubtful debts and;
- Product warranty

### (b) Government Loans

A first-time adopter shall classify all government loans received as a financial liability or an equity instrument in accordance with Ind AS 32, Financial Instruments: Presentation. A first-time adopter shall apply the

requirements in Ind AS 109, Financial Instruments, and Ind AS 20, Accounting for Government Grants and Disclosure of Government Assistance, prospectively to government loans existing at the date of transition to Ind AS and shall not recognize the corresponding benefit of the government loan at a below-market rate of interest as a government grant. Group has elected to use its previous GAAP carrying amount of the loan at the date of transition to Ind AS as the carrying amount of the loan in the opening Ind AS Balance Sheet. The requirements of Ind AS 109 shall be applied to the measurement of sales tax loan after the date of transition to Ind AS.

### Reconciliation with previous GAAP

### Reconciliation of equity as previously reported under Previous GAAP (I GAAP) to Ind AS as at 1<sup>st</sup> April, 2015

				₹ in millior
	As on 1 <sup>st</sup> April, 2015			
rticulars	Note	Previous GAAP	Effect of transition to Ind AS	Ind AS balance shee
ASSETS				
1 Non-current assets				
(a) Property, Plant and Equipment	i	13,167.70	(1,464.63)	11,703.07
(b) Capital work-in-progress		214.57	-	214.57
(c) Goodwill	ii	1,138.96	176.80	1,315.70
(d) Other Intangible assets	ii	251.45	(176.80)	74.65
(e) Intangible assets under development		1.78	-	1.78
(f) Financial Assets				
(i) Investments	iii (a)	10.25	(0.01)	10.24
(ii) Other financial assets	iii (b)	50.14	132.11	182.2
(g) Deferred tax assets (net)	iv	255.56	(31.44)	224.12
(h) Other non-current assets	i, iii(b)	856.93	1,424.73	2,281.6
Total Non - Current Assets		15,947.34	60.76	16,008.10
2 Current assets				
(a) Inventories		3,857.78	-	3,857.7
(b) Financial Assets				
(i) Investments		-	-	
(ii) Trade receivables		5,787.34		5,787.3
(iii) Cash and cash equivalents		900.05	-	900.0
(iv) Bank balances other than (iii) above		36.39	-	36.39
(v) Other Financial Assets		25.37	-	25.3
(c) Other current assets	i, iii (b)	1,276.18	(5.16)	1,271.02
Total Current Assets		11,883.11	(5.16)	11,877.9
Total Assets (1+2)		27,830.45	55.60	27,886.0
EQUITY AND LIABILITIES				
1 Equity				
(a) Equity Share capital		175.83	(0.00)	175.8
(b) Other Equity excluding non-controlling interests	vii	11,203.61	193.52	11,397.13
Equity attributable to owners of the Company		11,379.44	193.52	11,572.9
Non-controlling interests (II)		107.12	-	107.1
Total equity (I+II)		11,486.56	193.52	11,680.0
2 Liabilities				
Non-current liabilities (a) Financial Liabilities				
	iii (b),			
(i) Borrowings	vi	4,148.66	(45.88)	4,102.78
(ii) Other financial liabilities		28.44	-	28.44
(b) Provisions	v (a)	274.97	(5.33)	269.64
(c) Deferred tax liabilities (Net)		13.97	-	13.9
Total Non - Current Liabilities		4,466.04	(51.21)	4,414.83



₹ in million

		As on 1⁵ April, 2015				
Particulars		Note	Previous GAAP	Effect of transition to Ind AS	Ind AS balance sheet	
3	Current liabilities					
	(a) Financial Liabilities					
	(i) Borrowings		1,659.17	-	1,659.17	
	(ii) Trade payables	iii (b)	6,712.08	(3.49)	6,708.59	
-	(iii) Other financial liabilities	vi	2,586.37	68.71	2,655.08	
-	(b) Other current liabilities		417.02	-	417.02	
-	(c) Provisions	v (b)	290.34	(151.92)	138.42	
-	(d) Current Tax Liabilities (Net)		212.87	-	212.87	
Total	Current Liabilities		11,877.85	(86.70)	11,791.15	
	Equity and Liabilities (1+2+3)		27,830.45	55.60	27,886.05	

Reconciliation of equity as previously reported under Previous GAAP (I GAAP) as at 31st March, 2016

				₹ in million
	As on 31 <sup>st</sup> March, 2016			
iculars	Note	Previous GAAP	Effect of transition to Ind AS	Ind AS balance sheet
ASSETS				
1 Non-current assets				
(a) Property, Plant and Equipment	i	15,780.54	(1,457.80)	14,322.74
(b) Capital work-in-progress		934.76	(0.01)	934.75
(c) Goodwill	ii	1,483.12	(13.87)	1,469.25
(d) Other Intangible assets	ii	230.97	(154.24)	76.73
(e) Intangible assets under development		99.15	-	99.15
(f) Financial Assets				
(i) Investments	iii (a)	10.20	0.01	10.21
(ii) Other financial assets	iii (b)	46.38	88.94	135.32
(g) Deferred tax assets (net)	iv	244.89	(48.36)	196.53
(h) Other non-current assets	i, iii(b)	719.41	1,432.86	2,152.27
Total Non - Current Assets		19,549.42	(152.47)	19,396.95
2 Current assets			1.02.17	
(a) Inventories		4,098.62	-	4,098.62
(b) Financial Assets				
(i) Investments	iii (a)	455.85	15.79	471.64
(ii) Trade receivables		5,927.87	-	5,927.87
(iii) Cash and cash equivalents		1,655.55	-	1,655.55
(iv) Bank balances other than (iii) above		18.66	-	18.66
(v) Other Financial Assets		28.69	-	28.69
(c) Other current assets	i, iii (b)	1,216.95	3.80	1,220.75
Total Current Assets		13,402.19	19.59	13,421.78
Total Assets (1+2)		32,951.61	(132.88)	32,818.73
EQUITY AND LIABILITIES				
1 Equity				
(a) Equity Share capital		175.83	-	175.83
(b) Other Equity excluding non-controlling interests	vii	14,401.12	(78.85)	14,322.27
Equity attributable to owners of the Company		14,576.95	(78.85)	14,498.10
Non-controlling interests (II)		-	-	-
Total equity (I+II)		14,576.95	(78.85)	14,498.10

₹ in million

	As on 31 <sup>st</sup> March, 2016				
Particulars	Note	Previous GAAP	Effect of transition to Ind AS	Ind AS balance sheet	
2 Non-current liabilities					
(a) Financial Liabilities					
(i) Borrowings	iii (b), vi	4,195.91	(33.24)	4,162.67	
(ii) Other financial liabilities		84.84	-	84.84	
(b) Provisions	v (a)	304.21	(1.07)	303.14	
(c) Deferred tax liabilities (Net)		10.96	-	10.96	
Total Non - Current Liabilities		4,595.92	(34.31)	4,561.61	
3 Current liabilities					
(a) Financial Liabilities					
(i) Borrowings	iii (b), vi	1,869.07	-	1,869.07	
(ii) Trade payables	iii (b)	7,384.28	1.06	7,385.34	
(iii) Other financial liabilities	vi	3,245.76	51.58	3,297.34	
(b) Other current liabilities		752.29	-	752.29	
(c) Provisions	v (a)	233.13	(72.36)	160.77	
(d) Current Tax Liabilities (Net)		294.21	-	294.21	
Total Current Liabilities		13,778.74	(19.72)	13,759.02	
Total Equity and Liabilities (1+2+3)		32,951.61	(132.88)	32,818.73	

₹ in million

Reconciliation of Statement of Profit and Loss as previously reported under Indian GAAP to Ind AS for the year ended 31<sup>st</sup> March, 2016

	For the year ended 31 <sup>st</sup> March, 2016				
Particulars	Note No.	Previous GAAP	Effect of transition to Ind AS	Ind AS	
Revenue from operations	viii	56,349.47	(173.31)	56,176.16	
Other income	ix	342.16	(12.53)	329.63	
Total Revenue		56,691.63	(185.84)	56,505.79	
Expenses:				-	
Cost of materials consumed	ix (a)	31,421.52	(21.79)	31,399.73	
Purchases of stock-in-trade		78.64	-	78.64	
Changes in inventories of finished goods, stock-in-trade and work-in- progress		(336.95)	-	(336.95)	
Excise duty on sale of goods		3,872.45	-	3,872.45	
Employee benefits expense	x	4,822.06	0.97	4,823.03	
Finance costs	v, vi	464.44	25.12	489.56	
Depreciation and amortization expense	xi	2,507.74	(76.01)	2,431.73	
Other expenses	x, xi	9,694.05	(149.72)	9,544.33	
Total expenses		52,523.95	(221.43)	52,302.52	
Profit before tax		4,167.68	35.59	4,203.27	
Tax expense:					
Current tax		1,168.95	-	1,168.95	
Deferred tax	x	15.77	14.05	29.82	
		1,184.72	14.05	1,198.77	
Profit for the period		2,982.96	21.54	3,004.50	
Profit for the period attributable to:					
Owners of the Company		2,972.09	21.54	2,993.63	
Non controlling interests		10.87	-	10.87	
		2,982.96	21.54	3,004.50	
Other Comprehensive Income (OCI)					
Items that will not be reclassified to profit or loss:					
Remeasurements of defined benefit plans	X	-	0.96	0.96	
Income-tax relating to items that will not be reclassified to profit or loss	x	-	(0.37)	(0.37)	
Total		-	0.59	0.59	
Items that may be reclassified to profit or loss					
Exchange differences in translating the financial statements of foreign operations	xiv	-	452.83	452.83	
Total			452.83	452.83	
Total Comprehensive income for the period		2,982.96	474.96	3,457.92	

Reconciliation of Cash Flow Statement as previously reported under Previous GAAP (IGAAP) to Ind AS for the year ended 31<sup>st</sup> March, 2016

				₹ in million	
		For the	year ended		
Particulars	Note No.	Previous GAAP	Effect of transition to Ind AS	Ind AS	
I Net Cash flow from operating activities	i	6,959.94	(22.90)	6,982.84	
II Net cash flow from investing activities	i	(4,716.82)	369.54	(5,086.36)	
III Net cash flow from financing activities	xiii	(1,487.62)	(346.64)	(1,140.98)	
IV Net increases (decreases) in cash and Cash equivalents		755.50	-	755.50	
V Cash and Cash equivalent at the beginning of the period Effect of exchange rate change on the balance of cash held in foreign currency		900.05		900.05	
VI Cash and Cash equivalent at the end of the period		1,655.55		1,655.55	

Reconciliation of Equity as reported under previous GAAP (IGAAP) as at 31<sup>st</sup> March, 2016 and 1<sup>st</sup> April, 2015

			₹ in million
Particulars	Note No.	31 <sup>st</sup> March, 2016	1 <sup>st</sup> April, 2015
Balance as per previous GAAP		14,401.12	11,203.61
Ind AS Adjustments			
Dividend (including tax thereon)	v (b)	63.58	148.14
Impact of application of effective rate of interest for borrowings	iii (b), vi	59.56	74.17
Impact of measurement of investments at fair value	iii (a)	15.79	-
Impact of measurement of derivative contracts at fair value	iii (b)	(2.58)	(1.77)
Impact of discounting of provisions as per Ind AS 37	v (a)	1.07	5.33
Impact of non-amortization of Goodwill	ii	46.26	-
Acquisition of Non Controlling Interest in subsidiary	xiii	(216.19)	-
Tax effect of Ind AS adjustments	xiii	(46.33)	(32.35)
Effect of Ind AS adjustment		(78.85)	193.52
Balance as per Ind AS		14,322.27	11397.13

Reconciliation of Profit as reported under previous GAAP (IGAAP) for the year ended 31<sup>st</sup> March, 2016:

Particulars		₹ in million For the year ended 31 <sup>st</sup> March, 2016
Net profit as reported under Previous GAAP		2,982.96
i) Impact of measurement of investments at fair value	ii (a)	15.79
ii) Impact of discounting of provisions as per Ind AS 37	v (a)	(4.26)
iii) Impact of measurement of derivative contracts at fair value	iii (b)	(0.81)
iv) Impact of application of effective rate of interest for borrowings	iii (b), vi	(20.86)
v) Impact of non-amortization of Goodwill	ii	46.26
vi) Impact of actuarial gain / loss on employee defined benefit plan recognized in OCI	x	(0.59)
vii) Tax effect of Ind AS adjustments	xii	(13.99)
Net Profit for the year as per Ind AS	xii	3,004.50
viii) Other Comprehensive Income (net of tax)	xiv	453.42
Total comprehensive income as per Ind AS		3,457.92



### Notes to re-conciliations :

### i Leasehold Land

Company has leasehold land in its books of accounts. As per previous GAAP (IGAAP), leasehold land was considered as Lease hold asset and was amortised over the period of lease tenure. As per Ind AS, leasehold land is considered as operating lease. Accordingly, premium paid is considered as prepayment of lease charges and same is charged to Statement of Profit and Loss over the period of lease. The prepayment is disclosed under Other non current assets / Other current assets.

### ii Goodwill

As per Ind AS, Goodwill is recognised as an intangible asset with an indefinite useful life and is not amortised but tested for impairment annually or more frequently, if events or changes in circumstances indicate that it might be impaired. Accordingly, goodwill amortised, post transition date, as per previous GAAP (IGAAP) has been reversed.

Further, as per Ind AS, non-controlling interest acquired in the subsidiary is adjusted against reserves of the Company. Accordingly, goodwill recognised under IGAAP for acquisition of 5% stake from V&P Srl by Endurance Amann GmbH is adjusted against reserves of the Company.

### iii Financial Assets

- a Investments carried at fair value through Profit and Loss (FVTPL): Under Indian GAAP, Current investments are shown at cost or market value whichever is lower. However under Ind AS the same is shown at fair value rough Statement of Profit and Loss. As a result, the impact of fair value on investments as on 31<sup>st</sup> March, 2016 is ₹ 15.80 million (1<sup>st</sup> April, 2015: ₹ 0.01 million).
- b Valuation of foreign currency forward contracts:

The Company had outstanding foreign currency forward contracts to hedge certain foreign currency financial assets and liabilities. Under Ind AS 109, the foreign currency financial assets and liabilities are restated at closing rate, the derivative contracts are fair valued and premium recognised under IGAAP, is reversed under Ind AS. (31st March, 2016 ₹ 88.94 million and 1st April, 2015 ₹ 132.11 million)

### iv Deferred Tax Assets

Ind AS 12 requires entities to account for deferred taxes using the Balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the Balance Sheet and its tax base. Deferred tax adjustment are recognised in correlation to the underlying transaction either in retained earnings or a separate component in equity, accordingly deferred tax on account of undistributed profits of the subsidiaries has been recognized in statement of profit or loss. Further tax adjustments are also made for deferred tax impact on account of differences between Previous GAAP and Ind AS.

### v Provision

- a Under Indian GAAP, the Company has accounted for provisions (warranty), including long term provisions, at the undiscounted amount. Ind AS 37 requires that where the effect of time value of money is material, the amount of provision should be the present value of the expenditures expected to be required to settle the obligation. Ind-AS 37 also provides that where provision is discounted, the carrying amount of a provision increases in each period to reflect the passage of time. As as result warranty provision has changed by ₹ 4.26 million for 31<sup>st</sup> March, 2016 (₹ 5.33 million for 1<sup>st</sup> April, 2015).
- b Under Ind AS, distributions would be accounted when they are declared and approved. Hence, dividend provision has been reversed and accounted in the year, when the same is approved.

### vi Borrowings

Under Indian GAAP, transaction costs incurred in connection with borrowings are amortised upfront and charged to statement of profit and loss for the period. Under Ind AS, transaction costs are included on the initial recognition amount of financial liability and charged to statement of profit and loss using effective interest rate.

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### vii Effects of transition to Ind AS on retained earnings:

Adjustments for equity effect of all the Ind AS adjustment entries.

### viii Revenue

As per Ind AS, the amount of revenue arising on a transaction is measured at the fair value of the consideration received or receivable taking into account the amount of any trade discounts and volume rebates allowed by the entity. Accordingly, the Company has netted off discounts allowed to customers with revenue.

### ix Other Income

- a Under Indian GAAP discounts received from vendors are considered in other income whereas, under Ind AS such amount is adjusted with the cost of material. The decrease in other income is for the year ended 31<sup>st</sup> March, 2016 is ₹ 27.46 million.
- b Under Indian GAAP, current investments are shown at cost or market value whichever is lower. However under Ind AS the same is shown at fair value through Profit and Loss. The gain on account of fair valuation for the year ended 31<sup>st</sup> March, 2016 is ₹ 15.79 million.
- c Under Indian GAAP the forward exchange contracts and other derivative instruments were accounted based on Accounting Standard 11 "The effects of changes in foreign exchange rates". Under Ind-AS, fair value of forward foreign exchange contracts and other derivative instruments has been recognised and the corresponding adjustments have been made in the statement of Statement of Profit & Loss.

### x Employee benefits

Both under Indian GAAP and Ind AS, the Company recognised cost related to its post employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to statement of Profit & Loss. Under Ind AS, remeasurement (comprising of actuarial gains and losses, the effect of the assets ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined liability) are recognised immediately in the Balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI).

### xi Depreciation and Amortisation

Under Indian GAAP, leasehold land was considered as part of property plant and equipment, the same was amortised over the period of lease whereas under Ind AS leasehold land is treated as operating lease and reclassified under prepayment. The amount is charged to Lease rental on systematic basis over the period of lease.

As per Ind AS, Goodwill is recognised as an intangible asset with an indefinite useful life and is not amortised but tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired. Accordingly, goodwill amortised as per previous GAAP (IGAAP) has been reversed. Amount reversed during the year ended 31<sup>st</sup> March, 2016 is ₹ 46.26 million.

### xii Deferred Tax

Ind AS 12 requires entities to account for deferred taxes using the Balance sheet approach, which focuses on temporary difference between the carrying amount of an asset or liability in the Balance Sheet and its tax base. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component in equity. As a result, deferred tax assets as on 31<sup>st</sup> March, 2016 is decreased by ₹ 48.36 million.

- xiii In September, 2015, 5% non controlling interest of V&P SrL in EOSRL was acquired by Endurance Amann GmbH for a total consideration of ₹ 346.64 million, which is treated as financing activity as per Ind AS.
- **xiv** Exchange difference (FCTR) arising on translating subsidiaries financials is recognised in Other Comprehensive Income.

### 44 Disclosure of additional information as required by the Schedule III

a) As at and for the year ended  $31^{st}$  March, 2017 :

₹ in million Net Share in total Share in Share in other profit or loss assets comprehensive income comprehensive income Name of the entity As a % of As a % of As a % of As a % of consolidated consolidated Amount consolidated consolidated Amount Amount Amount profit or loss OCI TCI net assets Parent Endurance Technologies 69.31% 11,986.37 68.39% 2,259.03 4.01% (17.83)78.40% 2,241.20 Limited Foreign subsidiaries Endurance Amann 8.60% 1,486.74 10.45% 345.25 7.95% (35.34)10.84% 309.91 GmbH Endurance 22.09% 3,820.23 21.16% 698.82 88.04% (391.20) 10.76% 307.62 Overseas Srl Total 100.00% 17,293.34 100.00% 3,303.10 100.00% (444.37)100.00% 2,858.73

b) As at and for the year ended  $31^{st}$  March, 2016 :

Net Share in Share in total Share in other comprehensive income assets profit or loss comprehensive income Name of the entity As a % of As a % of As a % of As a % of consolidated consolidated Amount consolidated consolidated Amount Amount Amount profit or loss OCI TCI net assets Parent Endurance **Technologies** 67.65% 9,808.67 69.44% 2,086.46 0.17% 0.75 60.36% 2,087.21 Limited Foreign subsidiaries Endurance Amann 10.49% 1,521.18 12.68% 380.88 15.60% 70.73 13.06% 451.61 GmbH Endurance 526.29 369.48 25.90% 895.77 21.86% 3,168.25 17.52% 81.48% Overseas Srl Non controlling interest in all 0.00% 0.36% 10.87 2.75% 23.33 12.46 0.67% subsidiaries 3,004.50 Total 100.00% 14,498.10 100.00% 100.00% 100.00% 3,457.92 453.42

₹ in million

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c) As at and for the year ended 1st April, 2015 :

		₹ in million
	Net as	sets
Name of the entity	As a % of consolidated net assets	Amount
Parent		
Endurance Technologies Limited	68.62%	8,014.74
Foreign subsidiaries		
Endurance Amann GmbH	10.51%	1,227.83
Endurance Overseas Srl	19.95%	2,330.39
Non controlling interest in all subsidiaries	0.92%	107.12
Total	100.00%	11,680.08

- 45 Dividends paid during the year ended 31<sup>st</sup> March, 2017 include an amount of ₹ 0.375 per equity share of face value ₹ 10 each, towards final dividend for the year ended 31<sup>st</sup> March, 2016. Dividends paid during the year ended 31<sup>st</sup> March, 2016 include an amount of ₹ 2.80 per equity share of face value ₹ 4 each towards final dividend for the year ended 31<sup>st</sup> March, 2015 and an amount of ₹ 2.80 per equity share of face value ₹ 4 each towards final dividend for the year ended 31<sup>st</sup> March, 2015 and an amount of ₹ 2.80 per equity share of face value ₹ 4 each towards interim dividend for the year ended 31<sup>st</sup> March, 2016. On 10<sup>th</sup> May, 2017, the Board of Directors of the Company have proposed a final dividend of ₹ 2.50 per share of face value ₹ 10 each in respect of the year ended 31<sup>st</sup> March, 2017 subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹ 423.25 million inclusive of dividend distribution tax of ₹ 71.60 million. Refer 10 (C) (iii).
- **46** Presently, the aluminium die-casting plant at Takve, Tal. Vadgaon Maval, Dist. Pune is witnessing a decreasing trend in orders from customers. Keeping in view the overall business interest and that of all the stakeholders, the Company plans to shift the manufacturing operations from Takve to its other plants in a phased manner.

### For and on behalf of the Board of Directors

	<b>Naresh Chandra</b> Chairman (DIN:00027696)	<b>Anurang Jain</b> Managing Director (DIN:00291662)	
Date: 10 <sup>th</sup> May, 2017 Place: Mumbai	<b>Partho S Datta</b> Director (DIN:00040345)	<b>Satrajit Ray</b> Director & Group CFO (DIN:00191467)	<b>Sunil Lalai</b> Company Secretary & Vice President - Legal

### Annexure: Consolidated statement of related party transactions (Refer Note 37)

### A. Particulars of related parties and nature of relationship

	Description of Relationship	Name of Related Party/Persons
1	Key Management Personnel	Mr. Anurang Jain, Managing Director Mr. Satrajit Ray, Director and Group Chief Financial Officer Mr. Ramesh Gehaney, Director and Chief Operating Officer
2	Relatives of Key Management Personnel with whom transactions have taken place	Mr. Naresh Chandra – Father of Mr. Anurang Jain 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 Private Limited Varroc Elastomers Private Limited

Note: Related party relationship is as identified by the Company and relied upon by the Auditors.

### B. Disclosure of transaction with the Related Parties during the year ended 31<sup>st</sup> March, 2017 : Key Management Personnel

			₹ in million
	Nature of Transaction	For the year ended 31 <sup>st</sup> March, 2017	For the year ended 31st March, 2016
Mr. Anurang Jain, Managing Director Mr. Satrajit Ray, Director and Group Chief Financial Officer Mr. Ramesh Gehaney, Director and Chief Operating Officer	Remuneration	77.57	65.08
	Reimbursement received related to IPO cost	80.91	-
Mr. Anurang Jain, Managing Director	Outstanding Payables As at 31 <sup>st</sup> March, 2017 As at 31 <sup>st</sup> March, 2016 As at 1 <sup>st</sup> April, 2015		1.51 - -

Relatives of Key Management Personnel

			₹ in million
Name of Related Party/Persons	Nature of Transaction	For the year ended 31 <sup>st</sup> March, 2017	For the year ended 31 <sup>st</sup> March, 2016
Mr. Naresh Chandra Mrs. Varsha Jain Ms. Rhea Jain	Purchases : Property, Plant & Equipment	0.07	-
	Remuneration	6.38	3.95
	Directors fees	0.10	0.12
	Professional charges	1.72	1.93
	Foreign Travelling Expenses	0.10	-
	Outstanding Payables As at 31 <sup>st</sup> March, 2017 As at 31 <sup>st</sup> March, 2016 As at 1 <sup>st</sup> April, 2015		0.15

			₹ in million
Name of Related Party/Persons	Nature of Transaction	For the year ended 31 <sup>st</sup> March, 2017	For the year ended 31 <sup>st</sup> March, 2016
Varroc Elastomers Private Limited Varroc Engineering Private Limited	Purchases		
	Goods & Materials	188.82	173.46
	Services	0.71	-
	Sales		
	Goods & Materials	1.06	-
	Income		
	Expenses Recovered	0.01	0.01
	Other income	0.19	0.14
	Outstanding Payables As at 31 <sup>st</sup> March, 2017 As at 31 <sup>st</sup> March, 2016 As at 1 <sup>st</sup> April, 2015		15.08 15.40 12.10
	Outstanding Receivables As at 31 <sup>st</sup> March, 2017 As at 31 <sup>st</sup> March, 2016 As at 1 <sup>st</sup> April, 2015		1.06

Enterprises owned or controlled by key management personnel and/or their relatives

### Note:

Employee benefits payable (gratuity and leave encashment) are calculated on the basis of actuarial valuation. Amount payable for individual employee as at 31<sup>st</sup> March, 2017, cannot be separately indentified and therefore has not been included above.

(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 statements of subsidiaries/associate companies/joint ventures

## Part "A": Subsidiaries

(Amount in ₹ in million except % of Shareholding)

SI. 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	<b>Proposed</b> Dividend	% of share holding
	Endurance Overseas SrL, Italy	31st March, 2017	€ 1: ₹ 69.2476 (for balance sheet items); € 1: ₹ 73.6224 (for P&L items);	1,115.25	601.55	4,248.94	2,532.14	2,496.68	637.64	52.77	37.05	15.72		#100
2.	Endurance Fondalmec SpA, Italy*	31st March, 2017	€ 1: ₹ 69.2476 (for balance sheet items); € 1: ₹ 73.6224 (for P&L items);	186.97	1,694.60	6,732.11	4,850.54	0.01	10,381.74	564.25	178.28	385.97	ı	100
r.	Endurance FOA SpA, Italy*	31 st March, 2017	€ 1: ₹ 69.2476 (for balance sheet items); € 1: ₹ 73.6224 (for P&L items);	26.47	906.58	3,379.15	2,446.10	0.01	5,249.06	373.82	137.39	236.43		100
4.	Endurance Engineering SrL, Italy*	31st March, 2017	<ul> <li>€ 1: ₹ 69.2476</li> <li>(for balance sheet items);</li> <li>€ 1: ₹ 73.6224 (for P&amp;L items);</li> </ul>	6.92	219.65	645.25	418.67	0.03	1.225.06	73.91	35.15	38.76		100
5.	Endurance Amann GmbH, Germany	31st March, 2017	<ul> <li>€ 1: ₹ 69.2476</li> <li>(for balance sheet items);</li> <li>€ 1: ₹ 73.6224 (for P&amp;L items);</li> </ul>	211.21	1768.54	3,652.51	1,672.76	319.65	3,438.99	465.70	134.37	331.33		100
# *	95% of Subsidic Wholly (	the share iry of the Owned Si	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	npany an SrL	d remain	ning 5% s	ihare capi	tal held by	Endurano	e Amann	GmbH, C	Jermany,	Wholly C	Dwned

Note: The figures stated are as per local GAAP of the country of respective subsidiary and have been converted in INR as per the exchange rate mentioned in the table above.



### Part "B": Associates and Joint Ventures: NIL

No	nme 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

Company Secretary and Vice

Sunil Lalai

President - Legal

**Partho Datta** Director DIN: 00040345

Place: Mumbai Date: 10<sup>th</sup> May, 2017 Satrajit Ray

Director and Group Chief Financial Officer DIN: 00191467



### Notes




R&D Centre - Transmission, Aurangabad, India



Aluminium Die Casting, Suspension & Braking Systems Plant, Pantnagar, India



Endurance Amann GmbH, Massenbachhausen, Germany



### **Corporate Office**

E-92, M.I.D.C. Industrial Area, Waluj, Aurangabad - 431 136, (M.S.) India. **Tel.**: +91-240-2569600, **Fax**: +91-240-2551700 **Website**: www.endurancegroup.com